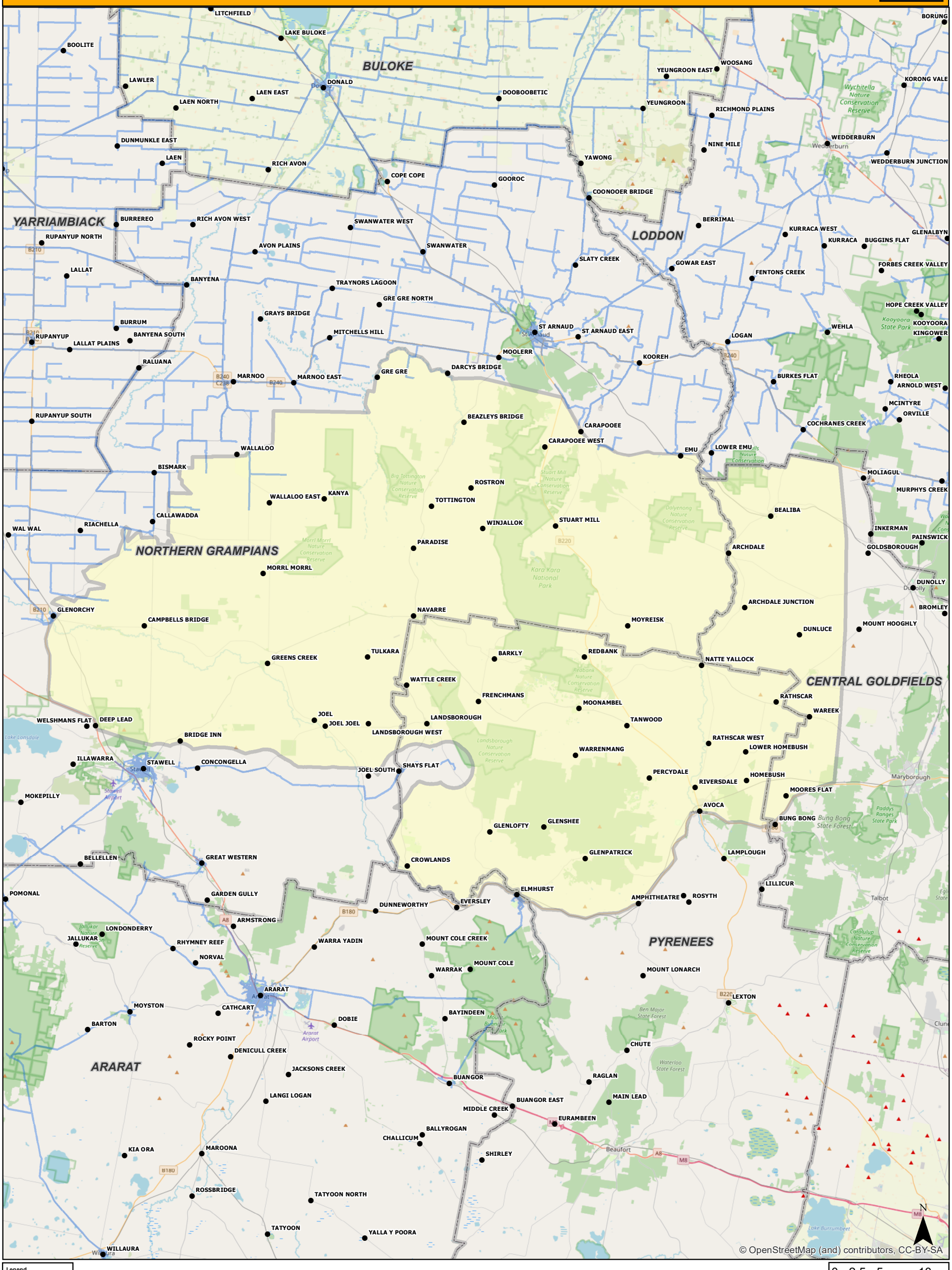
Ordinary Meeting of Council - 19 November 2024 Attachments

Southern Wimmera and North East Pyrenees Rural Water Supply Project



Beaufort Linear Park Master Plan

Concept Design

August 2024

Pyrenees Shire Council

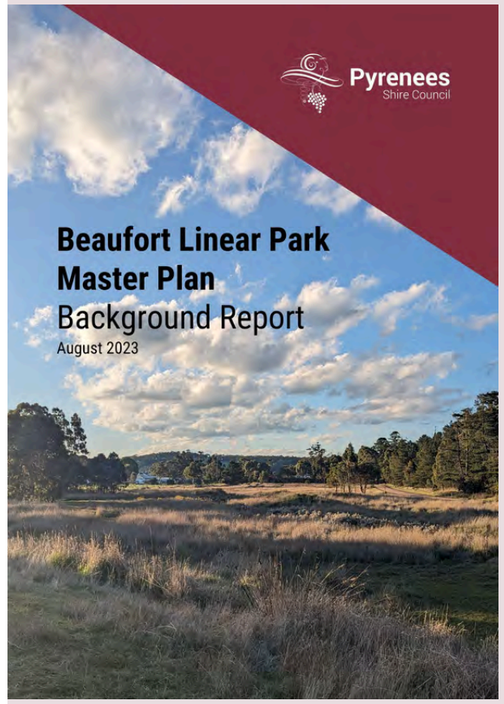
The Pyrenees Shire is located on the traditional lands of the Wadawurrung, Dja Dja Wurrung, Wotjobaluk and Eastern Maar Peoples. Beaufort is located on Wadawurrung country which stretches from the Great Dividing Range of Ballarat, to the coast from the Werribee River to Mangowak (aireys Inlet), including Djilang (Geelong).

We pay our respects to the customs, traditions and stewardship of the land by the Elders past and present and emerging leaders, and the people of these tribes.

Pyrenees Shire Council

emerge ASSOCIATES

Contents



Background Report

This masterplan should be read in conjunction with the Background Report.

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Appendixes


Location
Lexton
Beaufort-Lexton Rd
Camp Hill
Yam Holes Creek
Ararat
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Trawalla State Forrest
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Skipton Rd
Skipton
Major road
Access points
Site extent
Creekline
Railway line

Executive Summary

The Project

Develop a Master Plan for a new linear park along the Garibaldi Creek which runs north-south from Beaufort Lake in the south to the railway line in the north.

The project has been initiated by Pyrenees Shire to improve the township and natural environment of Beaufort and provide opportunities for the local community and tourists to walk, cycle, learn and gather along the restored waterway.

The location of the creek and open space corridor provides an exciting opportunity to draw visitors into the regenerated environment, celebrate the waterway and connect to other destinations including the town center and Camp Hill.

An extensive hydrological analysis comparing the existing and proposed conditions has been conducted as part of the master planning process to ensure the recommendations in the master plan are achievable and have a positive influence on biodiversity and habitat values without compromising the risk of flood. The proposed condition hydrology report shows an opportunity to reduce flood risk at the old school oval.

See Appendix A hydrological report

Partnering with Traditional Owners

The project has been designed with a commitment to Traditional Owner engagement. Wadawurrung Traditional Owerns Aboriginal Corporation has been intrinsic to the successful outcome of the masterplan; representatives were involved with the project control group (PCG) meetings as well as providing insight into biodiversity and land management challenges for the site.

Partnering with the Community

The project has been designed along side the community and there have been multiple opportunities for stakeholders to provide their ideas for for the site. These opportunities included -

- online surveys
- pop ups at the playground and the local supermarket
- walking tour
- community workshop
- discussions with traditional owners
- meetings with local businesses, schools and service clubs
- informal drop in conversations in the town center

For more detail refer Background Report

What we heard

Key Themes

Keep a natural feel and improve the environment

Flooding is a concern for the area

Walking and cycling trails are very important and can also connect to surrounding destinations

Make sure it is safe and well maintained

We need good signs to direct residents and visitors

We need somewhere for dogs off leash (although some feedback opposed a designated area)

We like to see art in the landscape and to draw people to a destination

What about other recreation activities like a pump track, disc golf or an obstacle course

We'd like to see mostly native vegetation

Attract visitors to appreciate and learn about the environment

Objectives

Vision

To create an ecological and recreational corridor along the course of the Garibaldi Creek to connect Beaufort, improve water quality, biodiversity, community health and wellbeing.

Principles

Four principles have been identified as key values that apply across all directions, objectives and actions.

- Community health and wellbeing
- Collaboration with Traditional Owners
- Community parnerships
- Sustainability

Directions

Improved connectivity and movement

- Clear wayfinding and sense of arrival
- Strong walking and cycling connections
- Improved access and safety

Enhanced landscapes

- Sustainable management
- Strengthen local environment & sense of place
- Encourage social and nature connection

Healthy and valued waterways

- Celebrate the Garibaldi Creek and its catchment
- Improve biodiversity and water quality
- Mitigate and adapt to flooding

Masterplan Concept Design

Pyrenees Shire Council

Masterplan Overview

The Beaufort Linear Project is a unique opportunity for Beaufort to engage with Integrated Water Management (IWM) practices and work towards a more sustainable and climate-resilient future.

The master plan unites the community's needs for connectivity and improved well-being with the environment's needs to enhance water quality and improve wildlife habitat. In the past, we saw urban waterways as drains and wastelands; the Beaufort Linear Project embraces the waterway as a valued part of the community, a place to play, relax, and ride, while connecting with the cycles of nature. The design expands on the path network and leisure activities of the Goldfields Reserve and builds a direct link to the playground and skate park.

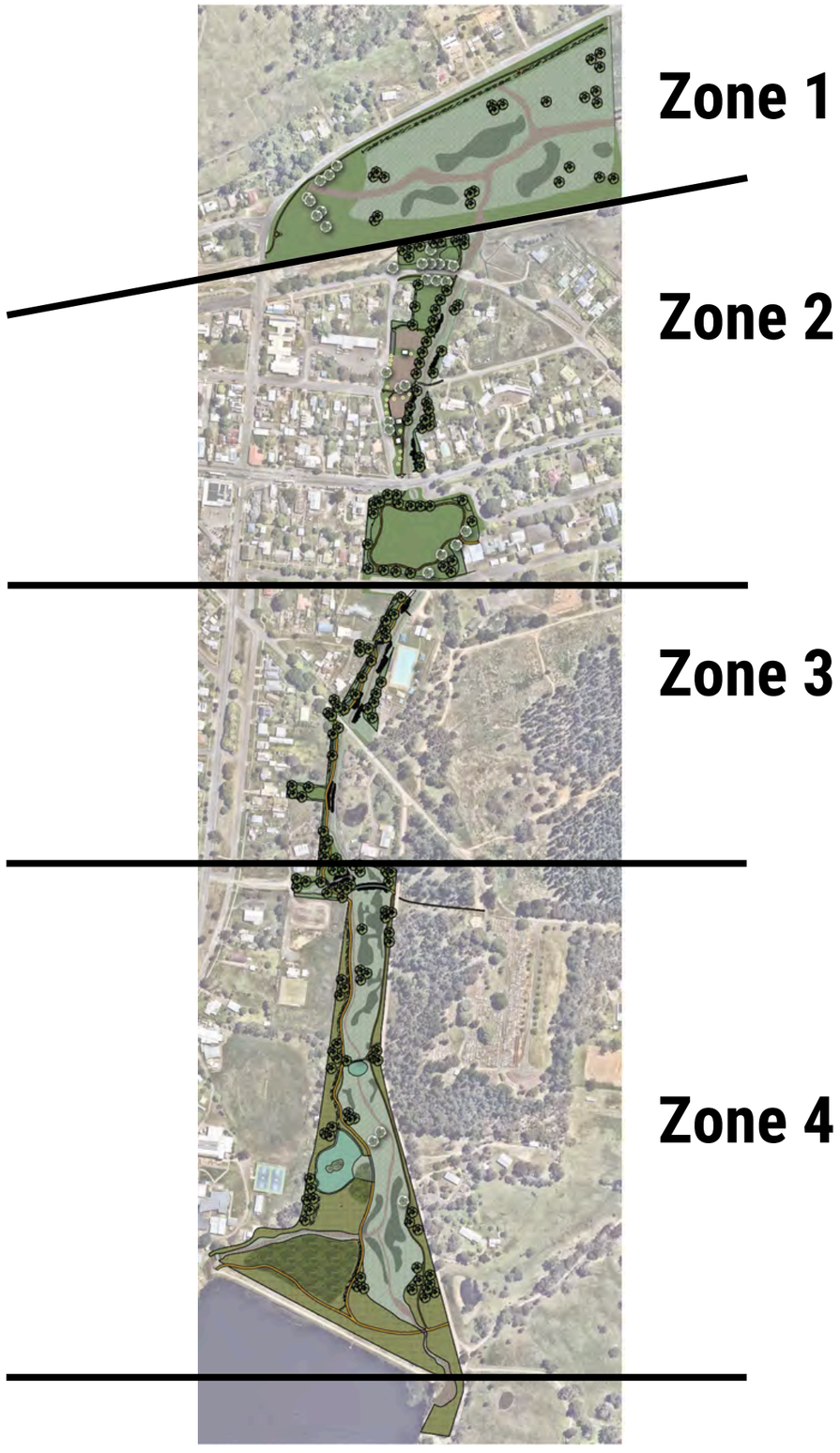
The master plan is divided into four design zones:

Zone 1
Regeneration of the Yam Holes Creek and flood plain creating a welcoming entrance to the town from Albert Street.

Zone 2
Activity hub with improved play and skate facilities

Zone 3
Habitat link and pedestrian/cycle corridor (linking north with south).

Zone 4
Regeneration of the Garibaldi Creek and connection to the Goldfield Recreation Reserve



Zone 1


Small picnic grounds
Albert Street
Boardwalk
Rail line
Connection to town / Camp Hill
Swale
Gravel Paths (Shared Path 3m/ Pedestrian Path 1.5m)
Low Flow (creek centre line)
Waterway
Wetlands (low depressions)
Rough Mown (native grass)
Road crossing to be considered in detail design (traffic engineer)
Existing Tree
Local Indigenous Tree
Exotic Tree
0 10 20 30 40 50 M

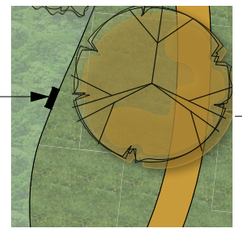
Zone 2

Existing shed to be repurposed as a shelter and seating area.
Vic Rail to be consulted on this option.

Proposed Parking

Existing shelter

Existing toilet



Bench seating located away from paths (to relax and take in the views)

Old school oval to be regraded and drained to form effective passive irrigation to open space

0 10 20 30 40 50 M

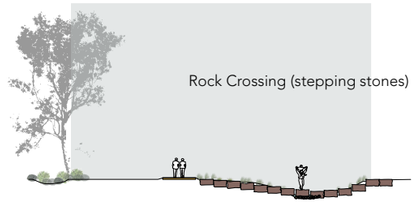
- Swale
- Proposed Play Space
- Gravel Paths (Shared Path 3m/ Pedestrian Path 1.5m)
- Concrete path (link to existing path network)
- Low Flow (creek centre line)
- Waterway
- Mix Shrub Planting
- Rough Mown (native grass)
- Concrete Crossovers (high flow water coverage)
- Mudstone embankment stabilisation
- Road crossing to be considered in detail design (traffic engineer)
- Existing Tree
- Recent Tree Planting
- Local Indigenous Tree
- Exotic Tree

Dog Off Lead Options

Option A Positioned on the councils land is an advantage of this option. However, it is adjacent to private property (not ideal due to noise and dog ownership). This location also reduces the lawn area and openspaxce available for general use.

Option B Utilising land that is currently underused and its position at the northern most end of the site ensures that the dog park will not encroach on other park uses. However, the land is under Vic Track ownership and will require agreements to the negotiated with council

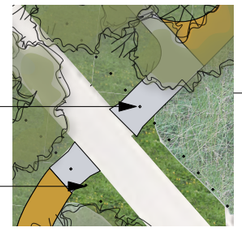
Zone 3



Rock Crossing (stepping stones)

Pedestrian Bridge

Concrete path (link to existing path network)

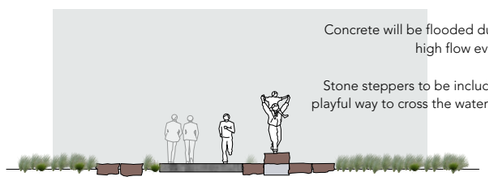


Removable bollard for maintenance access

Timber Bollards

Pocket Park - care to be taken to endure passive surveillance including sight lines and lighting

Pedestrian Bridge



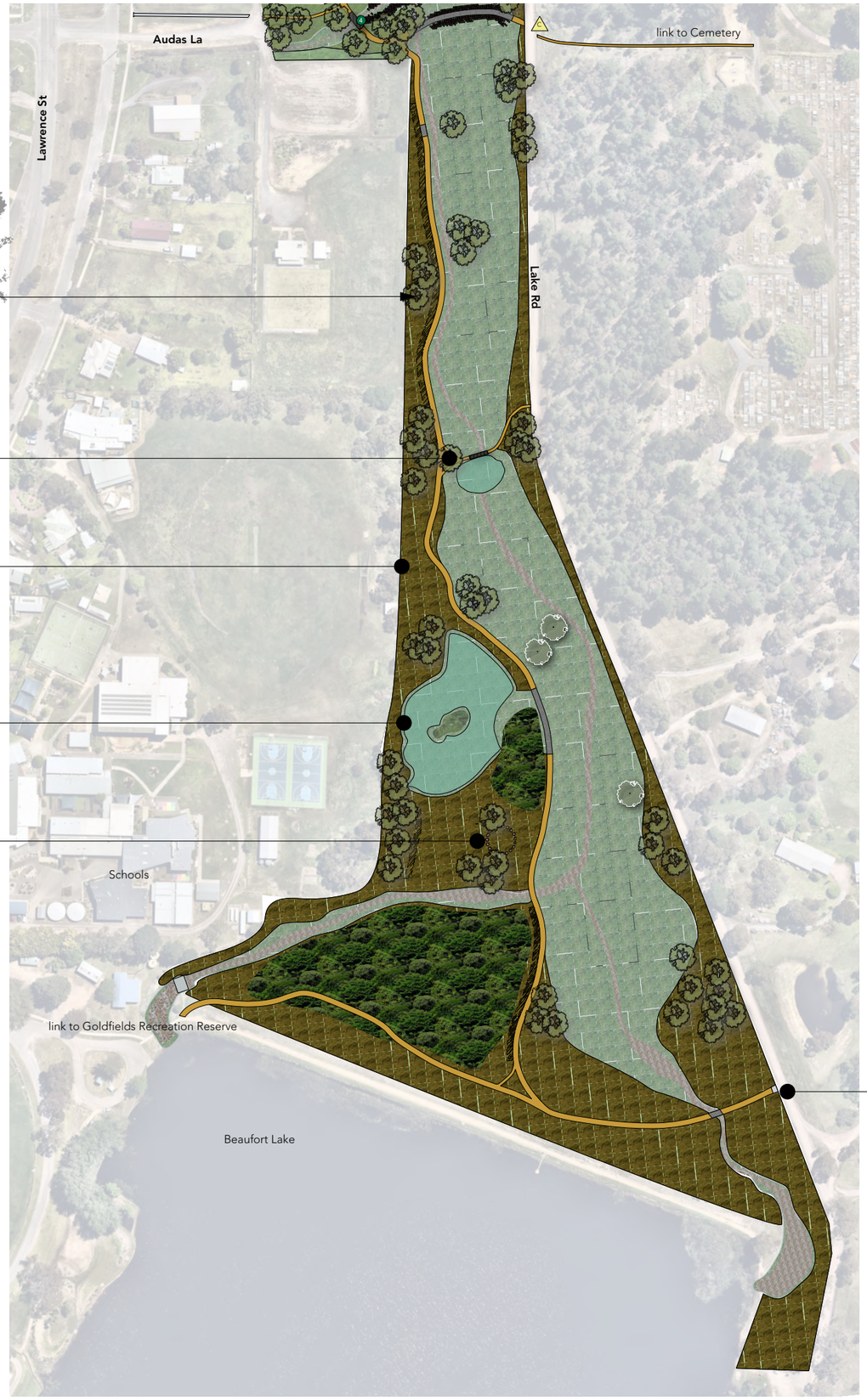
Concrete will be flooded during high flow events.

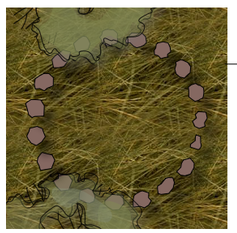
Stone steppers to be included a playful way to cross the water way.

- Swale
- Gravel Paths (Shared Path 3m/ Pedestrian Path 1.5m)
- Concrete path (link to existing path network)
- Low Flow (creek centre line)
- Waterway
- Mix Shrub Planting
- Rough Mown (native grass)
- Concrete Crossovers (high flow water coverage)
- Mudstone embankment stabilisation
- Road crossing to be considered in detail design (traffic engineer)
- Local Indigenous Tree

0 10 20 30 40 50 M

Zone 4





Rock seating / gathering Place

- Water Body
- Swale
- Gravel Paths (Shared Path 3m/ Pedestrian Path 1.5m)
- Concrete path (link to existing path network)
- Low Flow (creek centre line)
- Waterway
- Wetlands (low depressions)
- Woodland
- Mix Shrub Planting
- Rough Mown (native grass)
- Existing Tree Planting
- Concrete Crossovers (high flow water coverage)
- Mudstone embankment stabilisation
- Road crossing to be considered in detail design (traffic engineer)
- Existing Tree
- Local Indigenous Tree

Key Directions

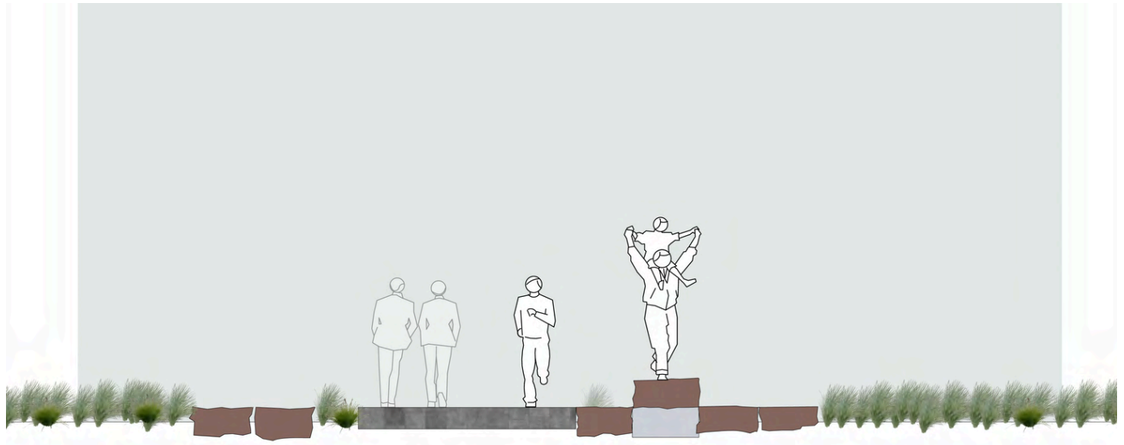
Pyrenees Shire Council

Improved connectivity and movement

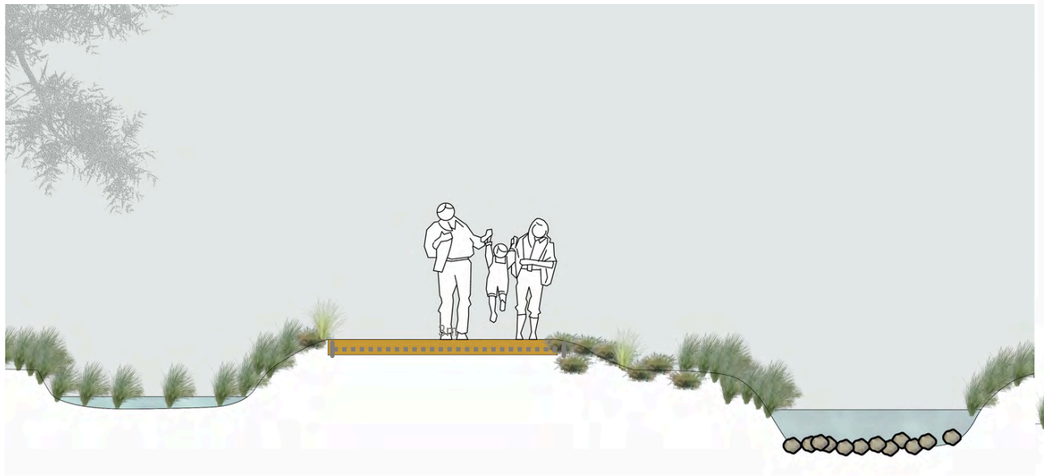
Improved access and safety

Currently the site has no path access, is poorly maintained and feels unloved and potentially unsafe for visitors.

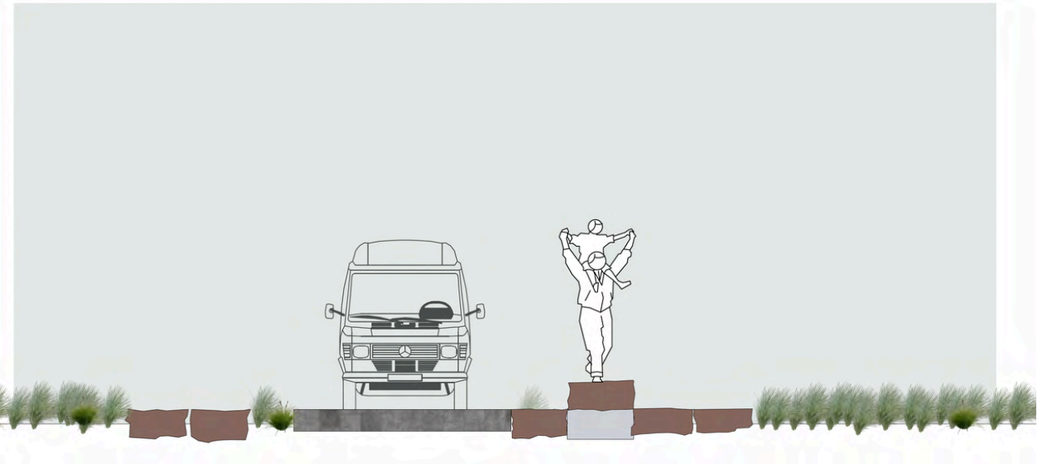
The master plan recommends landscaping and trails that respond to the characteristics of the site. The proposed trails have been designed to ensure there is a clear line of site with appropriate adjacent vegetation including mown zones and absence of bushy shrubs where appropriate. Transitioning the overgrown drainage line, that lies at the back of properties, into a popular walking/cycling destination will bring activity, surveillance and safety for the community.



Concrete floodways are used to cross areas of frequent flooding
Stepping stones provides a playful way to cross the waterways



The use of wide shared paths within isolated sections of the project maintain clear sight-lines, improving safety and surveillance.



Extra wide shared paths allow for safe use and movement for multiple users including cycling, mobility scooters, jogging and pedestrians. The width also provides access for service and maintenance vehicles to ensure ease of site maintenance.

Strong walking and cycling connections

The master plan aims to provide a clear walking and cycling connection not only through the subject site but also to other trails further afield including the existing trails around the reservoir, Camp Hill trails, Beaufort town centre and Trawalla State Forest. There are some significant physical barriers that the master plan proposes to address, to improve connectivity such as intersection of the highway through the park, the railway line and highway to the north of the site.

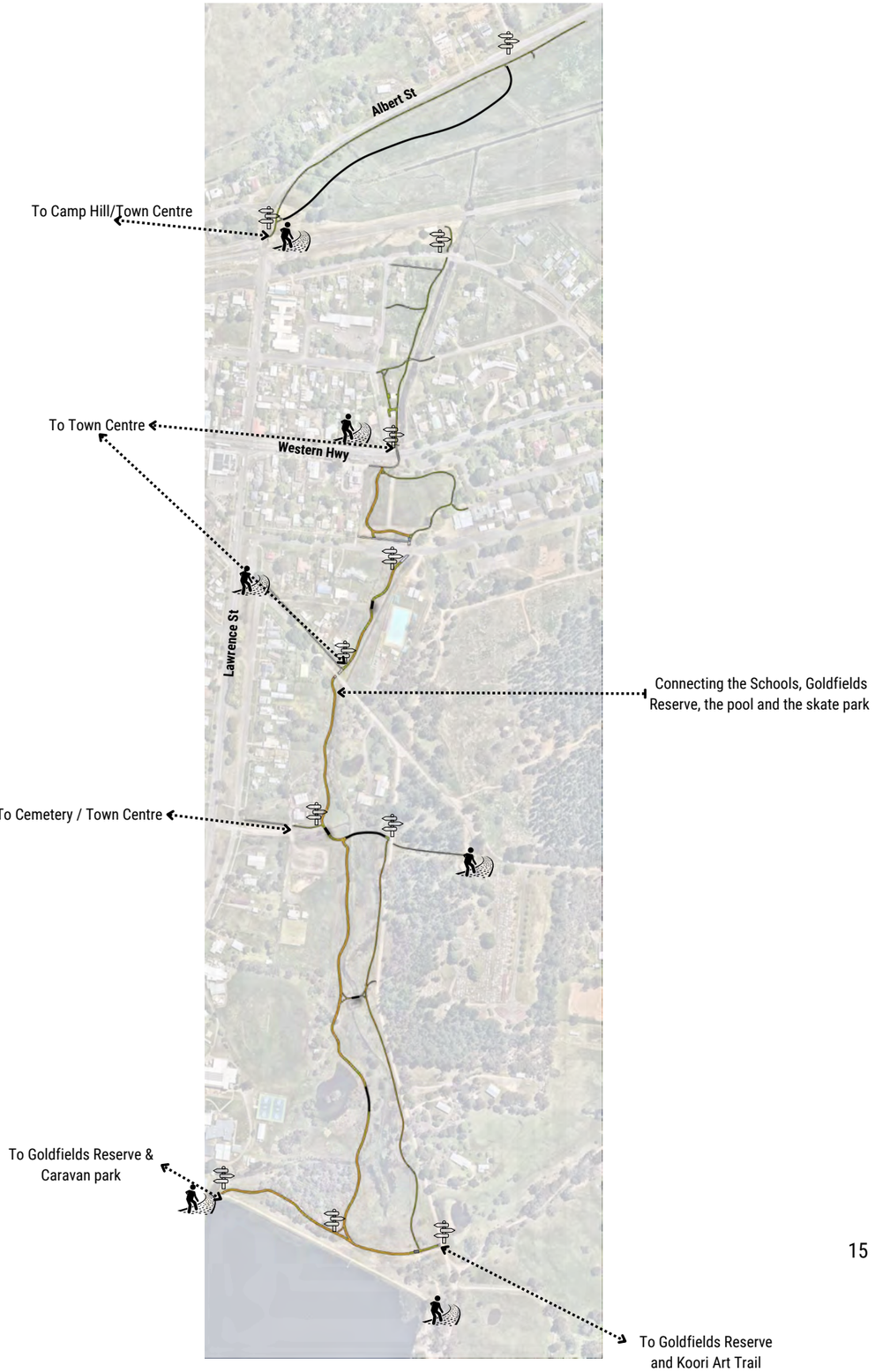
The proposed trails have been designed to respond to the sensitivities of the site with wider trails where increased activity is predicted and narrower trails where alternatives routes for cycling are available.

Clear wayfinding and sense of arrival

The master plan guides opportunities to articulate the location of the linear park, the activities available and the broader connections. The design concept highlights the arrival points to the linear park.

Way finding information to include but not limited to -

- Directions and distance to key attractions
- Interpretive signage - on plants and wildlife
- Interpretive single on history and heritage
- Alternative routes



Enhanced landscapes

Sustainable Management

The master plan acknowledges the challenges of numerous land owners and management models along the subject site. The structure of the masterplan, with identified landscape types, provides an opportunity for all land owners and managers to work together to revitalise this valuable site, improve the environment and bring the community together.

All recommended actions are underpinned by environmentally sustainable design principles and reflect policy directions already identified in existing Council strategies. The design reflects these principles and has not recommended new infrastructure where it is not important. Materials, species and approaches selected have low ongoing maintenance requirements. Regenerative approaches to landscape management, in landscape types 1 and 2, are designed to minimise weed incursion, and will be largely self sustaining after establishment.

Collaborative management is vital to the park's ongoing success. A collaborative management team; including Council staff, the local community, bush regeneration practitioners, and Traditional Owners is critical.

Encourage Social and Nature Connection

The proposed design will create spaces for the community to play, experience nature, get together to socialise or celebrate, and for exercise such as walking or cycling.

In the areas identified as landscape type 3, the master plan proposes improved play opportunities including an expanded skate park, new junior pump track, and eventually, a refurbished playground. These expanded facilities will be supported by social seating and comfortable gathering spaces.

The natural areas throughout the site will be welcoming to the community to explore and connect with nature. The landscape type 4 area, in particular, focuses on bringing people into the landscape and restored waterway.

The special use areas (landscape type 5) have been identified specifically to create opportunities for collaborative placemaking. These spaces offer flexibility for the community to use the space as they need, and collaborate to determine their use on an ongoing basis. The plan proposes consideration of an area for off-leash dogs, and a space for events, as examples of potential uses. This approach seeks to create a sense of ownership of the space and connection within the community.

Strengthen Local Environment and Sense of Place

The master plan proposes a uniquely Beaufort approach to revitalise the site, which is currently underutilised and in poor condition. The creek, a regionally significant waterway, also runs through the middle of the town connecting the lake the town centre.

Species, materials and designs proposed in the master plan reflect the local community and the history and landscape of the surrounding area. This approach, when established, will make a significant positive contribution to the town of Beaufort. A lush, green, natural landscape will be woven through the town in a way which invites people to explore, move and enjoy.

Landscape Types

To create a uniquely Beaufort landscape and to clearly identify the approach, design and ongoing requirements of the different spaces within the site, five different landscape types have been identified.

Each landscape type is described on the following pages.

Landscape Type 1

Regeneration Damp Sand - Herb rich woodland

Overview

Within the natural flood plains of Beaufort, the pre-colonial vegetation type was a Herb Rich Woodland with riparian vegetation growing adjacent to the waterways (Garibaldi Creek).

The vegetation is typified by the open woodland canopy of Manna and Swamp Gum, a shrub layer and a rich ground layer of herbs, grasses, and orchids. Remnant examples of this vegetation type can be found within the adjacent Goldfield Recreation Reserve.

Rationale

The Garibaldi Creek receives increased stormwater runoff from the hard surfaces of the town (roads, paths, and roofs). The excess water increases the flow of the creek, and the surrounding soil remains wet for longer. In areas where the soil remains moist for extended periods, riparian vegetation is most appropriate, and will thrive in these conditions.

Strengthen Local Environment and Sense of Place

The intention for the landscape type 1 is to regenerate the landscape to resemble a pre-colonial condition and if practical propagate from local plants to preserve genetic makeup of local populations.

Encourage Social and Nature Connection

The regeneration areas provide the community and visitors with an opportunity to engage with nature, though walking and cycling, places to sit, as well as take part in the activity of bush regeneration. Regenerating and healing the landscape is an ongoing commitment that requires the community to work with council, Landcare groups and Traditional Custodians to develop a sense of stewardship of the waterway.

Sustainable Management

The regeneration process includes two main phases; initiation and perpetual.

Initial phase 2-5 years

- Control of existing invasive plant species – with minimal disturbance to soil and native vegetation
- Revegetation of local indigenous species – if practical genetic stock to be selected local to the Beaufort region

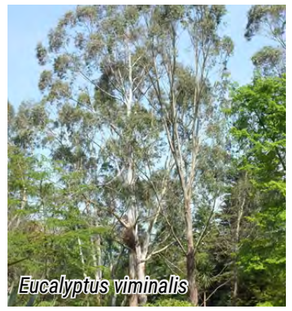
Perpetual phase

- Control of new invasive species as required (expected to be minimal)
- Custodianship activities that may include:
  - Cool burning (patchwork)
  - Slashing (patchwork)
  - Repair / revegetation after significant disturbance events

Species


Herb Rich Grassy Understory


Acacia verticillata


Eucalyptus viminalis


Pultenaea gunnii


Brunonia australis


Thelymitra macrophylla


Pimelea humilis


Juncus pallidua

Materials

Landscape Type 2

Regeneration - Hills Woodlands (grassy)

Overview

The vegetation in landscape type 2 is similar to the grassy woodland of Camp Hill and characterised by a sparse shrub layer and a rich ground layer of herbs, grasses, and orchids.

Rationale

The areas adjacent to the water way will remain slightly dryer, the plants of the Hills Woodlands are adapted to short periods of inundation and long periods of drought. By using plant species that respond to the location, climate resilience is built into the landscape.

Strengthen Local Environment and Sense of Place

The intention for the Landscape Type 2 is to regenerate the landscape to resemble a pre-colonial condition and if practical propagate from local plants to preserve genetic makeup of local populations.

Encourage Social and Nature Connection

The regeneration areas provide the community and visitors with an opportunity to engage with nature, though walking and cycling, places to sit, as well as take part in the activity of bush regeneration. Regenerating and healing the landscape is an ongoing commitment that requires the community to work with council, Landcare groups and Traditional Custodians to develop a sense of stewardship of the water way.

Sustainable Management

The regeneration process includes two main phases; initiation and perpetual.

Initial phase 2-5 years

- Control of existing invasive plant species – with minimal disturbance to soil and native vegetation
- Revegetation of local indigenous species – if practical genetic stock to be selected local to the Beaufort region

Perpetual phase

- Control of new invasive species as required (expected to be minimal)
- Custodianship activities that may include:
    - Cool burning (patchwork)
    - Slashing (patchwork)
    - Repair / revegetation after significant disturbance events

Species


Pultenaea pedunculata


Acacia melanoxylon


Melaleuca


Pimelea humilis


Ozothamnus obcordatus


Leptospermum continentale


Eucalyptus rubida


Drosera Whittakeri

Materials

Landscape Type 3

Recreation Activity Area

Overview

Landscape type 3 is a traditional active recreation park area. There is an existing fenced playground with an adjacent picnic area/shelter and public toilets. Further north there is a skate park and play equipment for older children.

Rationale

The master plan builds on the existing character and proposes upgrades to the play and skate infrastructure as well as the addition of a junior pump track. The design and layout of the additional infrastructure will ensure that there are flexible open spaces for picnics or informal lawn games along with the connecting trails.

Strengthen Local Environment and Sense of Place

Species have been selected to compliment the park and play style landscape with a mixture of exotic and native species that provide shade and amenity while ensuring passive surveillance sight lines.

Sustainable Management

This area will continue to be managed by Council as part of the standard park, playground, skate and public toilet maintenance regime including regular audits and inspections. Lawn areas will be mown and trees pruned in line with standard park landscape maintenance.

The proposed additional pump track and expanded skate park are low maintenance, hard surface amenities which are not anticipated to increase the maintenance requirements substantially.

Encourage Social and Nature Connection

This area will continue to attract families and children of all ages to gather, play and participate in challenging activities such as skateboarding or biking. This area will have something for everyone and will continue to attract groups for parties or neighbourhood get togethers. The connecting trails will allow families to walk or ride to this active recreation node.

Species


Eucalyptus sp


Ozothamnus obcordatus


Eucalyptus sp


Eucalyptus sp

Community Use

Materials

Landscape Type 4

Natural Recreational Waterway

Overview

The waterway will be 'naturalised' from it's current state as an open drain. The edges of the channel will be softened with riparian vegetation and constructed rocky outcrops. Sections will be widened to allow for temporary pooling during storm events. The adjacent path network will wind its way along the creek to activate and provide access to the waterway with pause points to sit and enjoy the landscape.

Rationale

Naturalising the channelised waterway will improve water quality though vegetation filtration and aeration, and water flow rates will be slowed to increase soil absorption and mitigate flash flooding. A reconstructed Garibaldi Creek provides opportunities for improved habitat and ecology, providing visitors and the Beaufort community with an opportunity to connect with nature.

Strengthen Local Environment and Sense of Place

The intention for the landscape type 4 is to regenerate the landscape to resemble a pre-colonial condition and, if practical, propagate from local plants to preserve the genetic makeup of local populations.

Encourage Social and Nature Connection

The regeneration areas provide the community and visitors with an opportunity to engage with nature, though walking and cycling, places to sit, as well as take part in the activity of bush regeneration and waterway management. Regenerating and healing the landscape is an ongoing commitment that requires the community to work with council, Landcare groups and Traditional Custodians to develop a sense of stewardship of the water way.

Sustainable Management

The regeneration process includes two main phases; initiation and perpetual.

Initial phase 2-5 years

- Control of existing invasive plant species – with minimal disturbance to soil and native vegetation
- Revegetation of local indigenous species – if practical genetic stock to be selected local to the Beaufort region

Perpetual phase

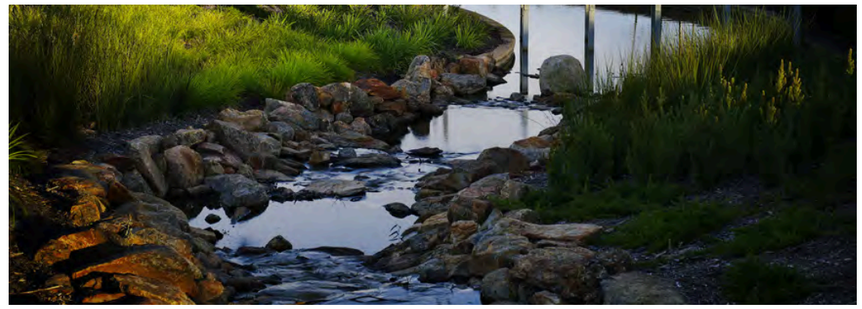
- Control of new invasive species as required (expected to be minimal)
- Custodianship activities that may include:
  - Cool burning (patchwork)
  - Slashing (patchwork)
  - Repair / revegetation after significant disturbance events

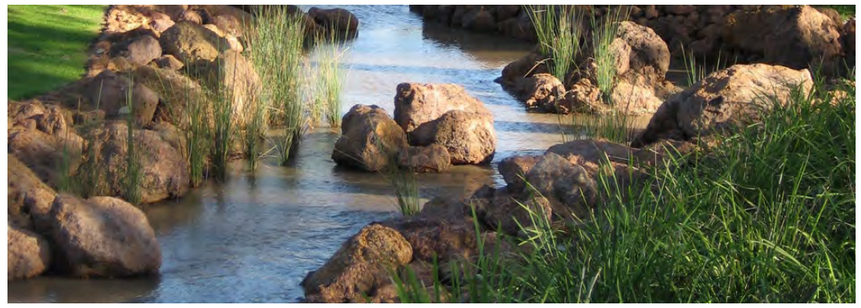
Species


Poa labillardierei


Xerochrysum palustre


Carex appressa






Craspedia paludicola


Ficinia nodosa

Materials

Landscape Type 5

Special Use

Overview

These areas have been identified for multipurpose community and special event use. To allow for maximum flexibility the space is to be open, largely grassed, with few trees, and mostly flat to gently undulating. The grass to be a rough mown, biodiverse mix of native grasses with buffer planting of mixed native and/or exotic shrubs (woody meadow type planting to reduce maintenance and increase biodiversity).

Rationale

Apart from sporting ovals, Beaufort lacks open grassy areas to host community gatherings and events including farmers markets, festivals, concerts and for informal activities such as Disc Golf. The aim of the special use areas are to provide opportunities for future uses to be explored and community lead placemaking to take place.

The special use areas have an additional storm water management role. The scale of the open space and the proximity to Garibaldi Creek allows for flash flood events to spread out across the landscape in a controlled way to mitigate flooding in built up areas.

Strengthen local environment and sense of place

The grass to be rough mown, biodiverse mix of native grasses with buffer planting of mixed native and/or exotic shrubs (woody meadow type planting to reduce maintenance and increase biodiversity). This approach will create a softer, more natural look, which is similar to the landscapes surrounding Beaufort, including at the Camp Hill lookout.

Encourage Social and Nature Connection

The special use areas are to encourage the local community to take part in 'place making' providing them with the flexibility to use they space as they need, providing a sense of ownership of the landscape and connection with the community.

Sustainable Management

The open grassy areas are to be managed though slashing and when appropriate the slashing may be suspended to allow for the native grasses to set seed.

The intention of the shrub buffer plantings is to be as low maintenance as possible and utilise a combination traditional park management with regenerative practice including coppicing.

Potential Functions

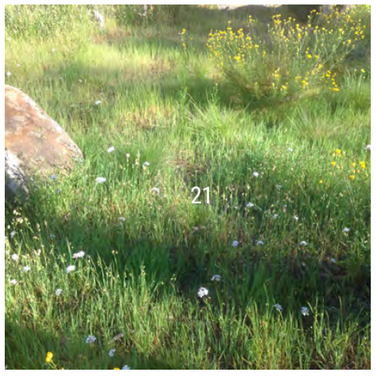

Biodiverse rough mown grass


Ozothamnus obcordatus


Eucalyptus sp


Eucalyptus sp

Materials



Healthy and Valued Waterways

Improve Biodiversity and Water Quality

Swales

Swales are shallow, vegetated open channels that convey and treat stormwater. They are typically planted with grass or sometimes more dense vegetation to filter runoff.

Swales initially immobilise pollutants by binding them to organic matter and soil particles, then remove them by settling, filtration and infiltration into the subsoil. Certain pollutants, such as hydrocarbons, may be digested and processed by soil microorganisms in the ground as the water filters through.

The park site already has an extensive network of swales. The proposal is to revegetate these, turning them into 'vegetated swales' or 'bioswales' where appropriate.

Vegetated Swales

A vegetated swale is an open channel with sloping sides which has been planted with native wetland and damp land species.

Vegetated swales are utilised in the master plan to:

- Protect paths from washing out during storm events
- Provide passive irrigation to the surrounding landscape by holding water in the soil and distribute it to adjacent trees and vegetation.

Bio Swales

Bio-swales are similar to vegetated swale but have been constructed to manage a higher volume of storm water through installation of underground filtration structures and soils.

Bioswales are utilised in the master plan to:

- Mitigate flash flooding of the Garibaldi Creek by diverting and delaying stormwater from reaching the creek during severe storm events
- Improve water quality by allowing plants and soil organisms to filter out pollutants and purify storm water before reaching the waterway.

Wetlands and Waterways

Wetlands are shallow water bodies permanently or periodically inundated. Many areas throughout Beaufort Linear Park currently act as wetlands.

Revegetated Wetland

Additional vegetation will help these areas to retain much of the stormwater flow before slowly discharging it through natural aquatic vegetation to reduce sediment and improve water quality.

Revegetated wetlands are utilised in the master plan to:

- Improve water quality by allowing plants and soil organisms to filter out pollutants and purify storm water before reaching the waterway
- Slow water velocity to increase infiltration
- Mitigate downstream erosion and flash flooding
- Increase habitat for wetland and riparian species

Naturalised Waterway

Beaufort Linear park currently has extensive open drains running the length of the site connecting Yam Holes Creek to the Beaufort Reservoir.

Re-naturalising the channels will restore the creek meander, slow storm water velocity, reduce erosion, aerate and improve water quality and create habitat. This process involves the construction of low flow rock line creek and rock bank stabilisation as well as revegetation and will:

- Improve water quality, by aerating the water as it flows over and between the rocks
- Slow water velocity, to increase infiltration and reduce erosion
- Provide habitat for small fish, insects and invertebrates
- Stabilise and protect the bank at constructed meander points
- Increase the meander of the creek to slow velocity
- Make the creekline look more attractive, welcoming for people, and create an opportunity to use the creek as a recreation experience (nature play)

Mitigate and Adapt to Flooding

Detention Basin

Detention (or 'retarding') basins are dam-like depressions designed to detain large stormwater flows immediately after a storm, then release it slowly downstream. The proposed basins do not hold water for long periods, but they do help to prevent flash flooding and to protect assets after storms.

Location of WSUD elements

Zone 1

Note: In isolation the WSUD elements do not have a measurable effect on flood risk, however work with flood mitigation measures to assist in climate resilience.
For an example of flood mitigation opportunities see Appendix A

Swales (including Bio-swales)

-Increase soil infiltration of surface runoff
-Provides passive irrigation to adjacent landscape
-Mitigates down stream flash flooding (disrupt the stormwater flow and velocity reaching Yam Holes creek)
-Protects gravel paths from washing out from surface runoff

Low Flow (creek centre line)

-Rock lining - reduce flow velocity, increase flow aeration and increase habitat
-Increased meander - slow flow velocity and improve the natural aesthetic of the creek

Waterway

-Increase meander Increased meander, slow flow velocity and improve the natural aesthetic of the creek
-Regenerative planting of riparian species, improves water quality and habitat

Mudstone Embankment Stabilisation

-Bank stabilisation
-Increase water aeration
-Provide habitat

Wetlands (low depressions)

-Existing depressions act as functioning natural wetlands
-Vegetation improves water quality, slows runoff and improves habitat
-Natural depressions mitigate down stream flash flooding

Passive irrigation (old school oval)

Re-grading the old school oval to slow runoff will provide passive irrigation to the lawn area and proposed trees and garden beds

Zone 2

Location of WSUD elements

Zone 3

Swales (including Bio-swales)

-Increase soil infiltration of surface runoff
-Provides passive irrigation to adjacent landscape
-Mitigates down stream flash flooding (disrupt the stormwater flow and velocity reaching Yam Holes creek)
-Protects gravel paths from washing out from surface runoff

Low Flow (creek centre line)

-Rock lining - reduce flow velocity, increase flow aeration and increase habitat
-Increased meander - slow flow velocity and improve the natural aesthetic of the creek

Waterway

-Increase meander Increased meander, slow flow velocity and improve the natural aesthetic of the creek
-Regenerative planting of riparian species, improves water quality and habitat

Concrete Crossovers (high flow water coverage)

-Provide vehicle and pedestrian access during dry periods.
-Allows unimpeded flow during high flow and flood events

Mudstone Embankment Stabilisation

-Bank stabilisation
-Increase water aeration
-Provide habitat

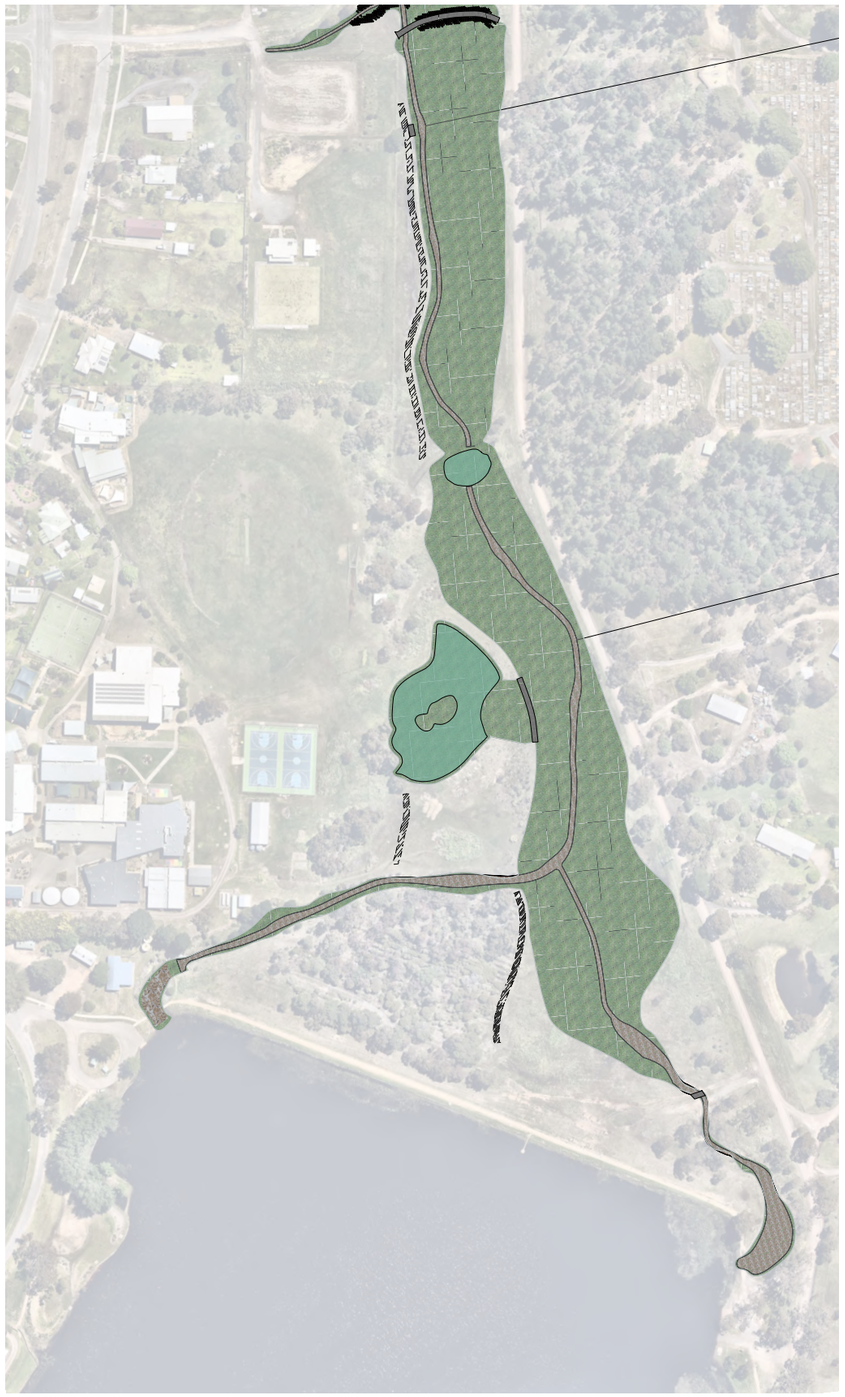
Wetlands (low depressions)

-Existing depressions act as functioning natural wetlands
-Vegetation improves water quality, slows runoff and improves habitat
-Natural depressions mitigate down stream flash flooding

Existing Dams

-Capture and hold stormwater runoff
-Migrate down stream flash flooding
-Aesthetic feature

Zone 4

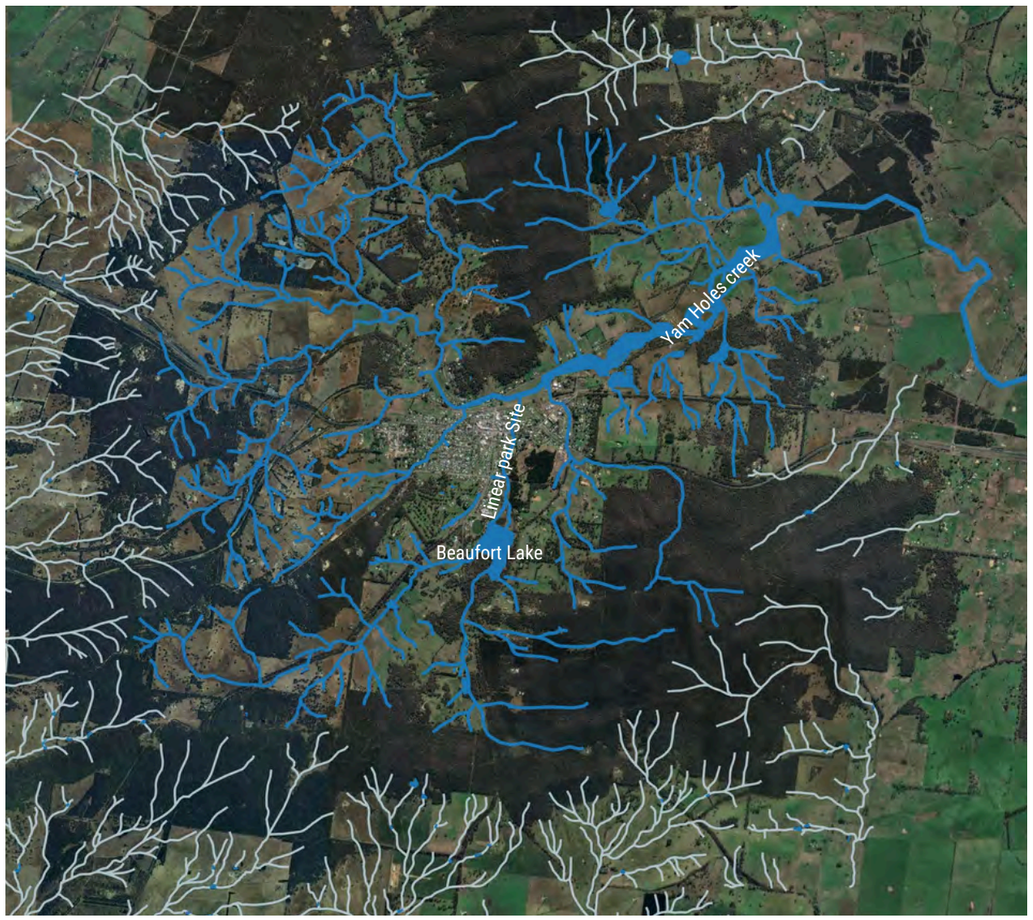


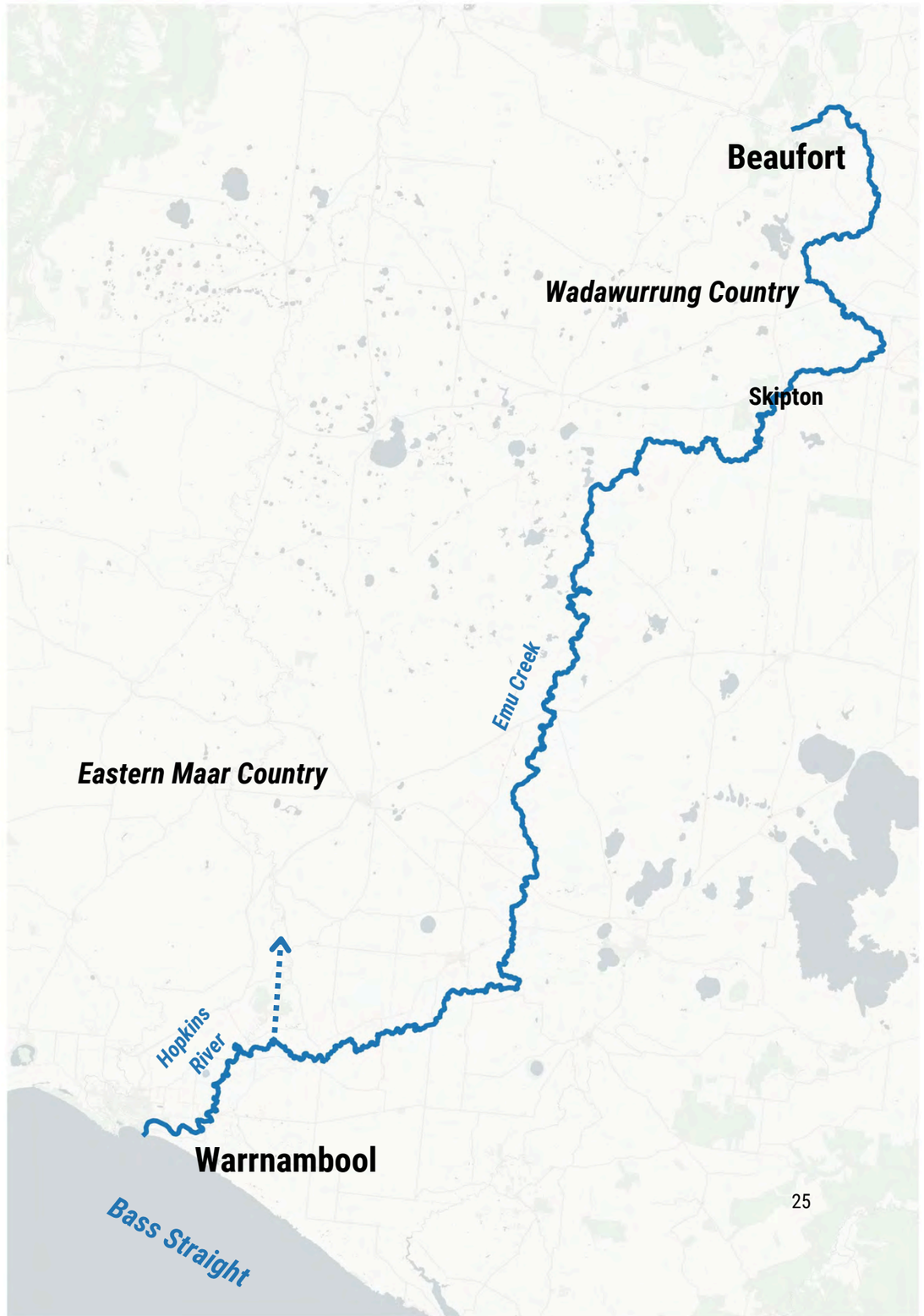
Celebrate the Garibaldi Creek and the Broader Catchment

The Garibaldi Creek is part of a much larger network of creeks flowing through the Yam Holes creek and towards Emu Creek.

Green blue infrastructure along the Beaufort Linear Park site is important and will increase the climate resilience of Beaufort, however a wholistic approach is needed across the entire Beaufort catchment and township to capitalise on the benefits of Integrated Water Management (IWM)

Water Sensitive Urban Design can be incorporated into the streetscapes, parks and private property to include rain gardens, swales and passive irrigation. Connecting the Beaufort catchment with an IWM system will vastly improve the towns resilience against both drought and flood.





Flood risk and the complexity of the Garibaldi Creek

The Garibaldi is one of three significant creeks within a small bowl-shaped catchment with a small outlet via Yam Holes Creek. Therefore, the Lineal Park project offers limited capacity to affect considerable flood mitigation measures across the town. The primary concern from the community and stakeholder groups is the chance of increased flood risk due to the landscape treatments along the creek. The initial planning and concept stages of the Masterplan considered findings from the Beaufort Flood Study Report 2008 and Beaufort Floodplain Management Plan Study Report 2011 and took steps to design the new paths and layout of the Masterplan to ensure minimal changes to the channel and to ensure any landscape works would have a nil effect on flood risk.

To support the methodology and claims of the Masterplan, Pyrenees Shire Council, enlisted the services of the Emerge Associates Hydrologists to conduct a flood report. The report aimed to show the effect of proposed landscape treatments on flood risk; initially, the report compared Scenario 1 (existing condition) with Scenario 2 (post-construction condition). Option 3 was added to the report to provide the Council with a scenario with the most significant **localized** benefit to mitigate flooding.

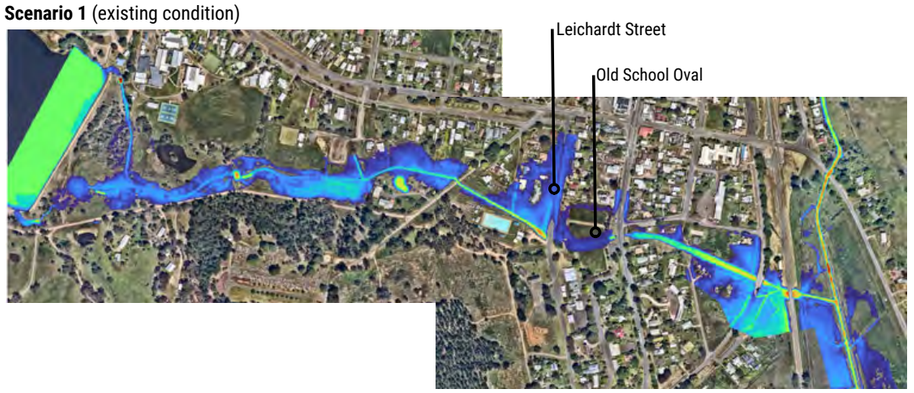
Report summary – see full report Appendix A

Scenario 1 (existing condition)
It shows the existing flood risk to the areas south and west of the Leichardt Street culvert and the area south of the Havelock Street culvert. The scenario also shows the flooding of the wetland area north of the lake, which poses no risk to property, as well as flooding to the open space north and east of Beggs Street Park, where private property is affected.

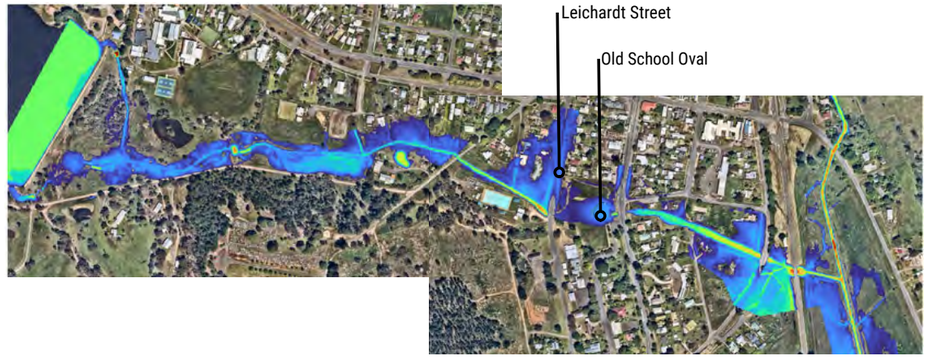
Scenario 2 (post construction condition)
The proposed minor adjustments to the meander and naturalization of the creek line have nil effect on flood risk. The proposed use of the old school oval as a detention basin offers nil mitigation of flooding south and west of Leichardt Street. However, passive irrigation benefits the proposed conversion from an oval to a grassed park.

Scenario 3 (localized flood mitigation)
Civil works to double the capacity of the box culvert at Leichardt Street and beneath the old school oval, as well as building a swale (15m wide and 500mm deep channel) through the old school oval. This scenario will maximize the localized mitigation of regular flood events to the area south and west of the Leichardt Street culvert. However, there has been no investigation on the positive or negative effects of increased flows to Yam Holes Creek. The proposed flood study, to be completed by Glenelg Hopkins Catchment Management Authority, will confirm if this scenario pushes the flood risk further downstream.

Scenario 1 (existing condition)



Scenario 2 (post construction condition)



Scenario 3 (localized flood mitigation)

Climate Adaptation v Climate Resilience

Climate adaptation and resilience are often interchangeable terms, as there is considerable overlap in the methodology and outcomes of both climate adaptation and resilience measures.

Climate adaptation Climate adaptation measures upgrade or build infrastructure to improve a site's ability to adapt to and generally avoid a specific climate change risk—for example, widening and deepening a channel to mitigate floods.

Climate resilience Climate resilience is a holistic approach that supports the landscape and community's ability to thrive during and bounce back after extreme climate events, including heat waves and prolonged droughts.

Green Blue infrastructure is featured extensively in the brief of the Linal Park Project and is the primary driver for funding for the linear park. Swales and detention treatments throughout zones 2,3 and 4 may have limited to nil effect on flooding. However, a climate-resilient future requires more consideration than focusing on flood mitigation alone. One of the remits outlined in the brief was to provide opportunities for passive irrigation – the swales and detention areas hold runoff in the landscape, recharging topsoil and passively irritating the adjacent landscape, providing drought resilience and enhancing the landscape's ability to bounce back after prolonged dry conditions.

Next steps

Glenelg Hopkins Catchment Management Authority is proposing to conduct an updated flood study for the Beaufort catchment; this study will provide an overview of the hydrology of the catchments and recommendations on flood risk and mitigation. As an opportunity to increase town-wide climate resilience, this study will be the first step. The study will show the adaptation measures needed to guard the town from flooding; however, flooding will not be the only risk to the town in a climate-change future. Studies have shown that climate adaptation measures occasionally negatively affect climate resilience; the example of Beaufort is that flood mitigation measures may negatively impact the town's ability to cope with and bounce back from drought.

Climate resilience study and Masterplan

Before acting on the Hydrological recommendation in scenario 3, it is recommended that the town conduct a Climate Resilience study and master plan for the catchment and town. The Climate Resilience study would provide valuable insight into the town's readiness and level of resilience to the effects of climate change.

Considerations for the Climate Resilience Study should include but not limited to

- Health and well-being implications of flood, drought, and excessive heat
- Community and individual psychological implication of climate change
- Bushfire risk
- Tree canopy cover and heat-resistant species (catchment including public and private land)
- Passive irrigation – stormwater diversions including Kerb cuts, rain gardens, and swales
- Urban ecology and biodiversity study – climate resilience increases with ecological complexity

Beaufort is not unique and will form a test case for other small Central Victorian towns that have evolved since the gold rush. The findings of a comprehensive climate resilience study will provide valuable insight to Beaufort and guidance on how all communities can work towards a climate-ready future.

Progressing the Linear Park

In general, the Beaufort Linear Park project can progress to the next stage of planning and construction – the master plan includes provisions for climate resilience, including swales for passive irrigation and landscape types to support biodiversity. Therefore, the Beaufort Linear Park works will dovetail with recommendations and actions from the Climate Resilience report. The only exception is the old school oval site, where further understanding of the downstream implications is required before a final decision can be made – interim works that include boundary planting and gravel paths can go ahead without affecting flood risk or possible future climate adaptation and resilience works.

Action Plan

Pyrenees Shire Council

Action Plan Overview

The Action plan is designed to be funded by grants and partnership as they become available.

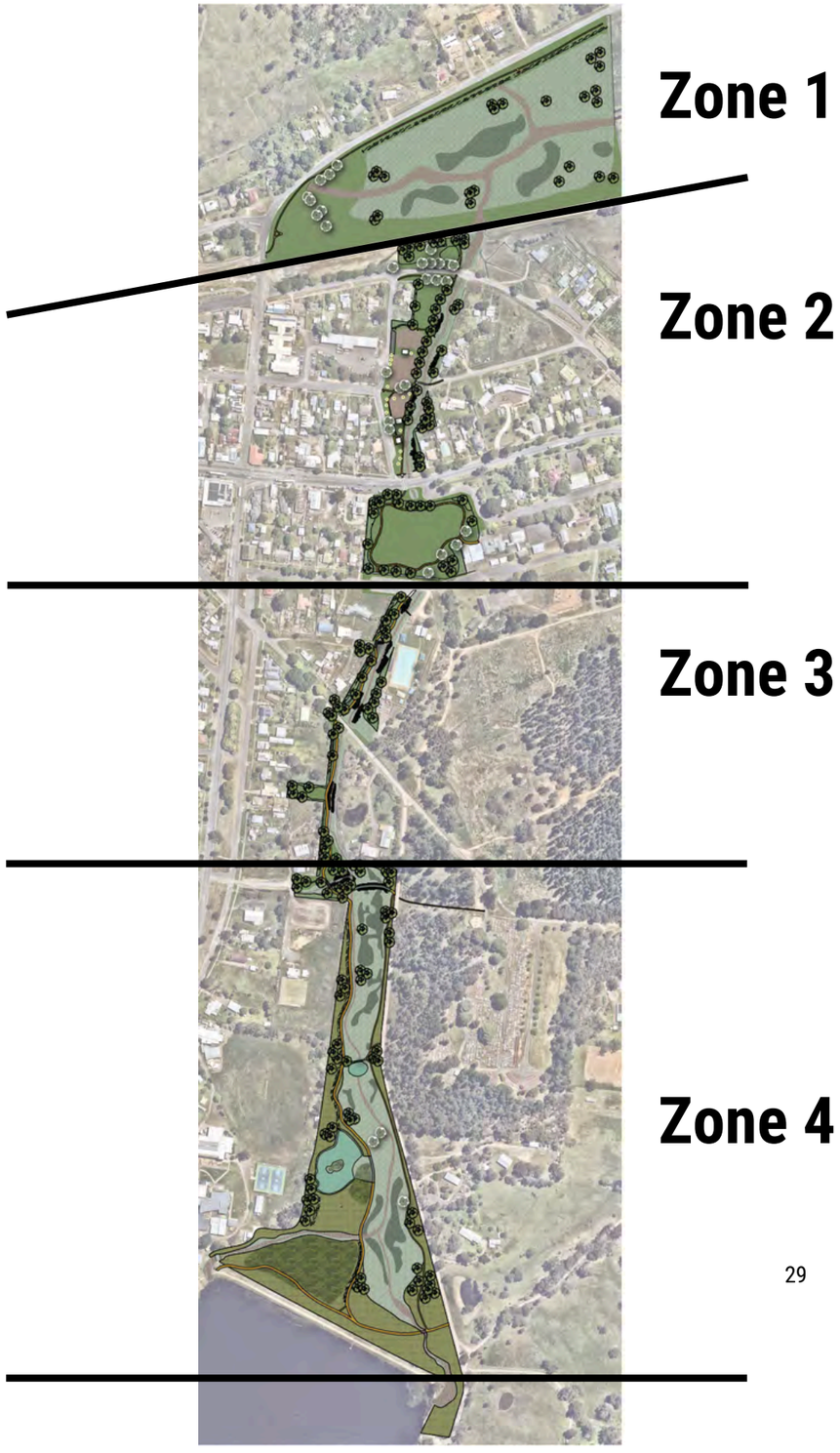
Actions are staged and costed by zone and by anticipated time frame.

*NOTE: costs estimated here are approximate and current as of November 2023. Costs are expected to increase per year at a rate higher or equal to the Australian Bureau of Statistics' Producer Price Index for Non-Residential Building Construction in Victoria. For example, over the past twelve months (Sept 2022-Sept 2024), non-residential building construction prices rose 5.7%.

Timing of the works is currently unknown. Estimated costs do not included predicted escalation.

Zone	Nov 2023* Predicted Costs
Total Zone #1	$1M
Total Zone #2	$920-40K
Total Zone #3	$460-70K
Total Zone #4	$760-80K
Total project costs	**Approx $3M**

Project Timing	Nov 2023* Predicted Costs
Total Short Term Projects (1-3 years)	$460-70K
Total Medium Term Projects (4-6 years)	$520-30K
Total Long Term Projects (7-10 years)	$1.5K
Total for regeneration over the first 10 years	$739-40K



Implementation Actions

**NOTE: costs estimated here are approximate and current as of November 2023. Costs are expected to increase per year at a rate higher or equal to the Australian Bureau of Statistics' Producer Price Index for Non-Residential Building Construction in Victoria. For example, over the past twelve months (Sept 2022-Sept 2024), non-residential building construction prices rose 5.7%.*

#	Zone	Activities	Description	Cost*	Timeframe
1	1	Detailed design and preliminary works for a new welcoming entry to Beaufort (Zone 1)		$20-30,000	7-10 Years
2	1	Picnic area and parking at a new welcoming entry to Beaufort	Install entry picnic grounds. Proposed works include a small seating area with accessible furniture, access path shade structure and grass area.	$63-68,000	7-10 Years
3	1	Boardwalk and interpretive signage at a new welcoming entry to Beaufort	Install a boardwalk and pathways to connect visitors from the picnic area along the regenerated creek and on to Beaufort Linear Park and into Beaufort. Use Water Sensitive Urban Design elements including swales along Albert Street, and naturalised wetland and creek line to improve water quality and ecosystem health.	$730-750,000	7-10 Years
4	1	Additional trees along Albert Street at a new welcoming entry to Beaufort	Plant an avenue of exotic trees to define the entry to the township and provide a colourful welcome for visitors and residents	$25-35,000	7-10 Years
5	1	Regeneration of the Yam Holes Creek flood plain and planting in swales (Zone 1)	Initial bush regeneration of waterway including weed control, revegetation. The commencement of patchwork disturbance regime including grazing (goats), cool burning and slashing.	$250-$260,000 establishment cost.	7-10 Years
6	2	Detailed design and preliminary works for the Beggs Street Recreation Activity Area Enhancement (Zone 2)		$34-38,000	7-10 years
7a	2	Beggs Street Recreation Activity Area Enhancement	Expand and upgrade existing recreation node to cater for all ages and abilities and provide a meeting, play and recreation space for the local community and visitors. Including: - Expand the skate park to cater for a wider range of ages and abilities - Develop a new junior pump track to provide the community with biking skill development - Upgrade the play space to improve play opportunities for all ages and to integrate with the neighbouring skate park and pump track - New small car parking area - New shade structure between the pump track and skate park	$270-320,000	7-10 years
7b	2	Special Use Area- Off Leash Dog Park	Create a new area for dog off leash use including fenced areas for large and small dogs and a seating area shaded by trees. Repurpose the existing shed to create a shelter and seating area. *Subject to community engagement (see Action 25)*	$60-65,000	7-10 years
8	2	Rocks, embankment stabilisation and grading to create a naturalised creek line	Undertake site grading, and install rocks and mudstone flats to change the open drain into a creek line formation. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek.	$60-70,000	7-10 years
8	2	Pathways connecting Western Highway through to Pratt Street and the existing bridge for access from Willoby Street.	Install gravel pathways (1.5m width) around and through the Beggs Street Recreation Activity Area.	$20-25,000	7-10 years
9	2	Trees and a rough mown lawn area of native grasses in the recreation activity zone.	Prepare and install of rough mown areas with native grass species, garden beds with low maintenance woody meadow species and trees to maintain an area of grassy open space for informal lawn activities and events.	$55-65,000	7-10 years
10	2	Establishment weed control and revegtatative planting of the newly reshaped waterway (Zone 2)	After site grading and reformation of the open drain to create a naturalised waterway formation, undertake establishment weed control and revegetation planting. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek.	$30-35,000 establishment cost.	7-10 years
11	2	Pathways and grassy open space detention basin at the old School Oval site	Re-grade the site to form a detention basin and grassy open space including buffer plantings (woody meadow) to provide critical flood mitigation function. Remove the existing school fence to open the site for community use and increase drainage. Install pathways around the detention basin area with seating to rest and enjoy the view of the site. Utilise extra wide shared paths (3m) to allow for safe use and movement for multiple users including cycling, mobility scooters, jogging and pedestrians. The width also provides access to service and maintenance vehicles to ensure ease of site maintenance.	$160-170,000	4-6 years
12	2	Flood mitigation measures at Leichardt Street	Scenario 3 works as outlined in Hydrology report Appendix A	$190-200,000	7-10 years
13	3	Detailed design and preliminary works for habitat link and pedestrian/cycle corridor (linking north with south) (Zone 3)		$25-30,000	1-3 years

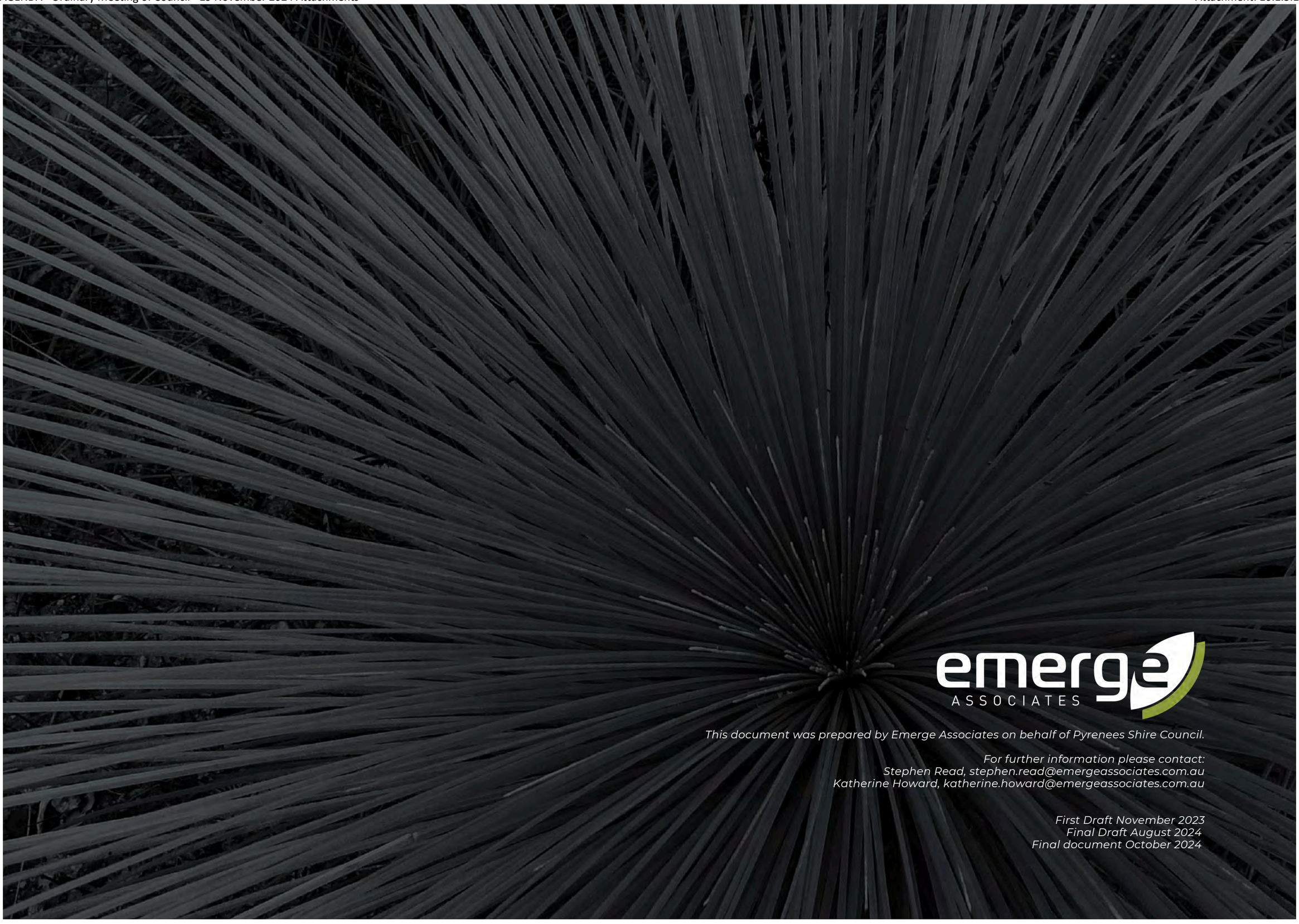
Implementation Actions

**NOTE: costs estimated here are approximate and current as of November 2023. Costs are expected to increase per year at a rate higher or equal to the Australian Bureau of Statistics' Producer Price Index for Non-Residential Building Construction in Victoria. For example, over the past twelve months (Sept 2022-Sept 2024), non-residential building construction prices rose 5.7%.*

#	Zone	Activities	Description	Cost	Timeframe
14	3	Rest and observation nodes along the pathway to provide comfortable access to the natural, recreational waterway	Install seating, bins, bicycle hoops, drinking fountain and wayfinding/interpretive signage along the recreational waterway path and at the entrance to the pocket park (just South of Cemetery Road).	$28-32,000	1-3 years
15	3	Pathways and a pedestrian bridge for walking and cycling along the recreational waterway, protected by water sensitive urban design features and embankment stabilisation to manage stormwater and create a naturalised creek line	Undertake site grading, and install rocks and mudstone flats to change the open drain into a creek line formation. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek. Install swales (and bioswales where required) alongside the route of the new pathway to protect it from washing away during storm or flood events. Establish a new pathways network using extra wide shared paths (3m) to allow for safe use and movement for multiple users including cycling, mobility scooters, jogging and pedestrians. The width also provides access to service and maintenance vehicles to ensure ease of site maintenance. Provide bollards (including removal/droppable) bollards at the Cemetery Road crossover to allow for vehicle access to the path when required. Improve access to the public swimming pool by installing a new low-maintenance pedestrian bridge (recycled plastic) and positioning creek line rocks to create stepping stones across the new waterway.	$300-320,000 Excluding the concrete path into town North of Cemetery Road (walkability project)	1-3 years
16	3	Native grasses and densely planted woody meadow areas in a new pocket park space and along the natural recreational waterway area to buffer adjoining properties and the pool	Prepare and install rough mown areas with native grass species, garden beds with low maintenance woody meadow species, planting to the newly installed swales and shade trees. Utilise high volume, densely planted woody meadow species to establish low maintenance buffers to adjoining private land owners and improve the interface with the pool.	$63-68,000	1-3 years
17	3	Establishment weed control and revegtatative planting of the newly reshaped waterway (Zone 3)	After site grading and reformation of the open drain to create a naturalised waterway formation, undertake establishment weed control and revegetation planting. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek.	$36-40,000 establishment cost.	1-3 years
18	4	Detailed design and preliminary works for habitat link and pedestrian/cycle corridor (linking north with south) (Zone 3)		$25-35,000	4-6 years
19	4	Rest and observation nodes along the pathway to provide comfortable access to the school and the wetland area	Install seating, bins, bicycle hoops, drinking fountain and wayfinding/interpretive signage along the recreational waterway path and create a circular seating area with local rocks to provide opportunities for an outdoor classroom.	$33-38,000	4-6 years
20	4	Pathways and and a floodable crossover with stepping stones for informal/playful crossing to Audus Lane, protected by water sensitive urban design features and embankment stabilisation to manage stormwater and create a naturalised creek line.	Undertake site grading, and install rocks and mudstone flats to change the open drain into a creek line formation, where required while maintaining existing wetland and dam areas. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek. Install swales (and bioswales where required) alongside the route of the new pathway to protect it from washing away during storm or flood events. Provide pathways to connect through the zone and to Goldfield Recreation Reserve and cycle loop onto lake road and beyond. Pathways on the western side of the site are wide (3m) to allow for safe use and movement for multiple users including cycling, mobility scooters, jogging and pedestrians. The width also provides access to service and maintenance vehicles to ensure ease of site maintenance. Pathways on the eastern side of the site are designed to be pedestrian only (1.5m wide) as cyclists can cross over to Lake Drive. Install a floodable concrete road crossing to allow access across the site at Audus Lane (east-west). Designed-in stepping stones will soften the look at the crossing (especially when not flooded), provide an alternative options for crossing during wetter months, and encourage playful interactions with the creek.	$260-310,000k	4-6 years
21	4	Regeneration of the Garibaldi Creek wetland areas and waterway and adjacent woodland (Zone 4)	After site grading, swale installation and reformation of the open drain to create a naturalised waterway formation, undertake establishment weed control and revegetation planting. The works will naturalise the existing open drain to add aquatic and riparian ecological values and create a waterway which mimics a natural creek. Utilise denser planting in woodland areas to help to buffer visibility to the school.	$ 400-405,000 establishment cost. Custodian management of the site is ongoing.	4-6 years

Management Actions

	Activities	Timeframe
22	Establish maintenance protocols for the site which respond to the unique characteristics of the linear park, by managing the landscape in line with landscape types 1-5, including: • Control existing invasive plant species with minimal disturbance to soil and native vegetation • Source local indigenous species for revegetation. If practical genetic stock to be selected local to the Beaufort region • Choose shrub species for buffer plantings, which will be as low maintenance as possible (Woody Meadow style planting and management) • Utilise a combination of traditional park management with regenerative practice including coppicing • Establish a patchwork disturbance regime including grazing (goats), cool burning and slashing • Monoculture lawn to be avoided to reduce irrigation and maintenance cost and replaced with the establishment of rough mown grassy areas - a biodiverse mix of native grass and flowering species to increase biodiversity and climate resilience	Initial phase 2-5 years, then ongoing
23	Partner with Wadawurrung, Dja Dja Wurrung, Wotjobaluk and Eastern Maar Peoples to regenerate and heal the landscape as a long term commitment to ongoing management of the landscape	Ongoing
24	Partner with community groups including Landcare to develop a sese of ownership and commitment to the ongoing regeneration of the waterway and linear park. Custodianship activities that may include: ◦ Cool burning (patchwork) ◦ Slashing (patchwork) The open grassy areas are to be managed though slashing and when appropriate the slashing may be suspended to allow for the native grasses to seed ◦ Repair / revegetation after significant disturbance events	Ongoing
25	Undertake community engagement regarding the potential dog off leash area (Beaufort Linear park Zone 2) to determine level of community support and if supported, it's final design.	Within the next 12 months
26	Engage a specialist hydrologist to review concept drawings and model the proposed water management approaches to confirm: • capacity and grading of detention basin (old school oval) • if bioswales are required in areas of greater stormwater runoff volume (or if basic swale drains are sufficient throughout the project)	Within the next 12 months



emerge ASSOCIATES

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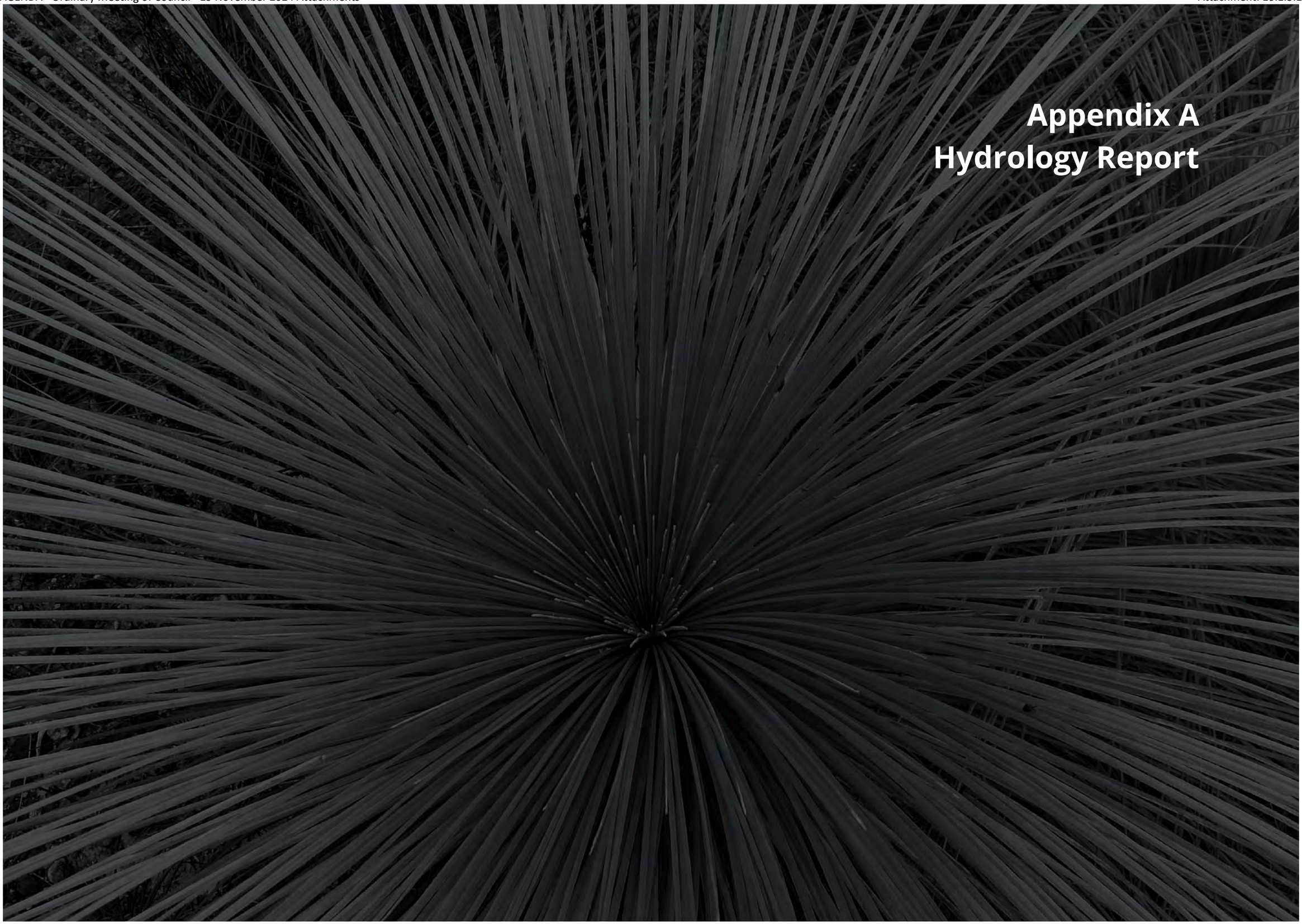


Appendix A
Hydrology Report

TECHNICAL MEMORANDUM

Pyrenees Shire – Garibaldi Creek Design - Hydrological Support

PROJECT NUMBER	EP24-036(01)	**DOC. NUMBER**	EP24-036(01)—002 FMH
PROJECT	Garibaldi Creek Design Support	**CLIENT**	Pyrenees Shire
AUTHOR	FMH	**REVIEWER**	DPC
VERSION	001	**DATE**	August 2024

1 INTRODUCTION

A Masterplan for the new linear park along Garibaldi Creek (and within the central POS area) as well as the revitalised Garibaldi Creek is being prepared by Emerge Associates. The design of the Creek is proposed to be revised to assist managing the frequent rainfall event. The objective of this hydrological assessment is to support the design of Garibaldi Creek and to demonstrate that the design does not pose any further flooding risk for the adjacent properties and to provide increased usability of open spaces and biodiversity within the waterway corridor.

This technical memorandum presents the methodology adopted by Emerge Associates to develop a hydrological and hydraulic model to support the changes to the Garibaldi Creek and its current alignment. The Creek runs south to north through the Beaufort townsite prior discharging into Yam Holes Creek.

To understand the hydraulic behaviour of the Garibaldi Creek the assessment took the following steps:

- Assess existing flood studies to fully understand what information already exists, so that any assessment undertaken builds on existing and accepted knowledge.
- Source and analyse available topographical data to enable a detailed assessment of local contributing catchments and the flood behaviour of the Creek in response to small/frequent rainfall events.
- Undertake a 1D modelling assessment to determine the overall design requirements of the streamline (i.e. base width, side slopes and depth) – based on previous hydrological studies.
- Utilise initial modelling results to develop design guidelines for the Garibaldi Creek to manage the frequent rainfall event

The above steps facilitate a more detailed assessment and comparison of the hydraulic behaviour of the existing Creek with the proposed modifications using a 2D modelling approach. This is able to graphically show the flooding extent along Garibaldi Creek in response to a frequent rainfall event.

2 MODELLING METHODOLOGY AND PROCEDURE

2.1 Modelling methodology

Previous flooding risks assessments, flood plain management plans and emergency plans have been prepared for the Garibaldi Creek and downstream areas (including Yam Holes Creek) and these have characterised the flood extent and risk to the Beaufort Townsite. The documentation relevant to the Garibaldi Creek has been reviewed and adopted as a base line to inform the hydraulic assessment of and support the design of the streamline. This documentation includes:

- Beaufort Flood Study Report (Water Technology 2008)
- Beaufort Floodplain Management Plan Study Report (Water Technology 2011)
- Pyrenees Shire Flood Emergency Plan (Pyrenees Shire Council 2020).

The hydrological and numerical hydraulic models which include the Townsite and surrounding flood plain were developed as part of the above investigations for the 5, 10, 20, 50, 100 year average recurrence interval (ARI) storm events. These have been reviewed to derive the frequent event peak flows using a logarithmic regression, as further detailed in the following sections.

The likely rainfall and inundation has previously been investigated in the Beaufort Flood Study developed by Water Technology (2008). The modelling methodology adopted by Emerge has sought to adopt key parameters/assumptions from this study where appropriate. The method for the various components are further discussed later in this document.

XPSWMM hydrological and hydraulic modelling software was used to calculate the surface water runoff volumes/flow rates generated within the contributing catchments across Beaufort Townsite, including all pervious and impervious areas (i.e. residential and commercial roads, and road reserves).

In order to undertake a preliminary assessment and to determine the design parameters for the Garibaldi Creek (e.g. overall cross section and maximum water depth) a 1D XPSWMM model was developed to mimic the existing hydraulic and topographical conditions including the upstream and downstream invert levels of the Garibaldi Creek. This was based on the previous studies undertaken over the Beaufort Townsite and which included Garibaldi Creek using the methodology described above. The process also included incorporating localised catchments (further described in **Section 2.2.1**), as well as all culvert crossings from the Beaufort Reservoir downstream to the discharge into Yam Holes Creek.

2.2 Contributing catchment

2.2.1 Beaufort Town catchment areas

LiDAR data was used the generate a digital elevation model (DEM) of Beaufort Townsite. This then allowed a catchment analysis to determine any additional local inflows into the Garibaldi Creek from the Townsite downstream of the Beaufort Reservoir. This analysis was based on the available DEM for the site, town drainage infrastructure and aerial imagery. A total of 13 catchments were identified as contributing to the Garibaldi Creek as shown in **Plate 1.**

The land uses were analysed and classified as:

- Pervious areas such as remanent vegetation, golf course and public open spaces (POS) – these were assumed to be 100 % pervious.
- Residential and commercial lots – these were assumed to be 50% impervious (e.g. roof and paved areas) and 50% pervious (e.g. back of lot and garden areas)
- Road reserves were assumed to be 40% impervious (bitumen/paved) and 60% pervious (to represent road verges).

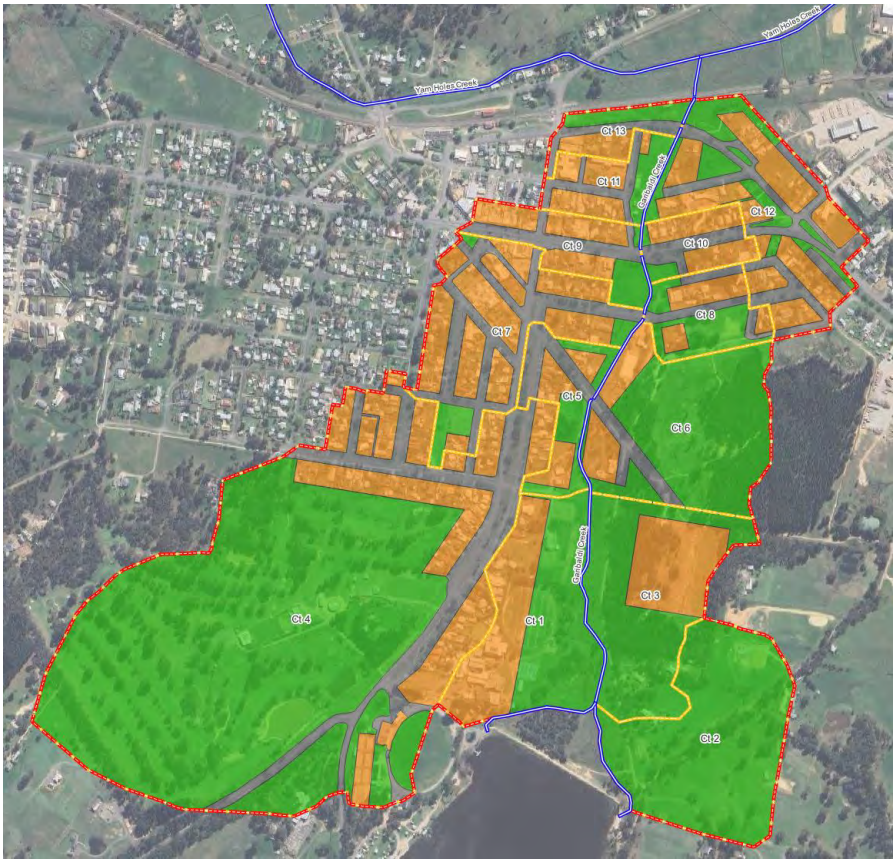


Plate 1: Contributing catchment areas across Beaufort Townsite.

2.2.2 Upstream catchment areas

The contributing upstream catchments and respective inflows to the Garibaldi Creek were developed using a RORB model and documented within the Beaufort Flood Study developed by Water Technology (2008), and therefore no further detail is provided in this document. It is noted that the upstream catchments and design inflows to the Garibaldi Creek from this study have been adopted.

2.3 Upstream Inflows

Inflows entering the Garibaldi Creek (downstream of the Beaufort Reservoir) in the frequent rainfall event were derived from the existing Beaufort Flood Study developed by Water Technology (2008). It is noted that as part of the Flood Study the Cemetery Creek West and the Cemetery Creek East (now referred as Garibaldi Creek East/West) were identified as both converging at the Beaufort Reservoir prior to continuing north through Beaufort and ultimately discharging into Yam Holes Creek.

In order to determine the peak flows entering the Beaufort Reservoir from both Garibaldi Creek East and West and then flowing through the main Garibaldi Creek, a logarithmic regression of the 5 year ARI to the 100 year ARI (with duration 36 hour) peak flows was adopted (from the Beaufort Flood Study (Water Technology 2008)) to derive the frequent rainfall event (1 year ARI). Based on the logarithmic regression (further shown in **Plate 2**), it was determined that the peak inflows in the

frequent rainfall event entering the Garibaldi Creek from the East and West branches are 2.72 m³/s and 3.39 m³/s respectively, equating to an adopted design peak inflow of 6.11 m³/s for the frequent rainfall event.

The modelling undertaken by Emerge assumed that the upstream catchments are pre-wetted and that the Beaufort Reservoir is at 100% capacity. Whilst conservative, this is considered appropriate to inform design of a flood prone waterway. On this basis, in the event of a frequent rainfall event there will be no losses nor detention within the reservoir resulting in all runoff being conveyed via the Garibaldi Creek. It is noted that these assumptions are also consistent with the Beaufort Flood Study (Water Technology 2008).

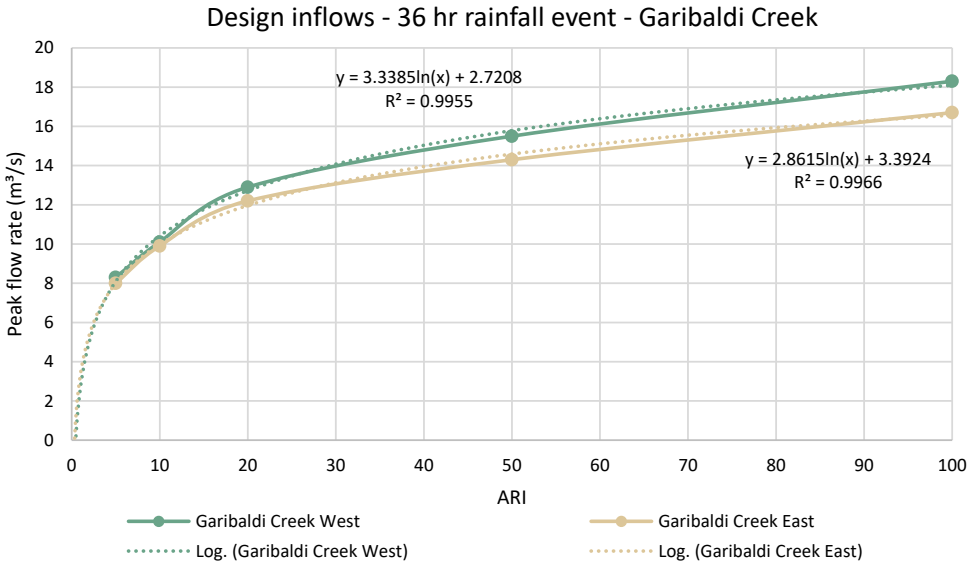


Plate 2: Logarithmic regression of design inflows entering the Garibaldi Creek

2.4 Rainfall

The intensity of the frequent rainfall event (1 event per year (1EY), which approximates the 1 year ARI)) was obtained from the Bureau of Meteorology (BoM 2024). Together with the temporal patterns (storm ensembles) from the Australian Rainfall and Runoff (AR&R) Data Hub (AR&R 2019), these were used for the rainfall analysis for the contributing catchments across Beaufort Townsite (refer to **Plate 1**). Following the process suggested by AR&R (Ball J *et al.* 2019), the highest mean duration resulting from the 10 storm ensembles was selected as the critical duration, and for the 1 EY this is the 63.2% AEP ensemble 4.

2.5 Infrastructure

Existing culvert crossings adopted in the 1D XPSWMM model are based on the drainage data information facilitated by the Pyrenees Shire. Where data was incomplete or not available, topographical data was extracted from the DEM, culvert crossing information was obtained from the Appendix B of the Beaufort Flood Study (Water Technology 2008) or derived from observation of aerial photography. The key culvert information adopted is described as:

- Culverts under Havelock/Cemetery Street (C4 - C5) and Pratt Street (C60) were obtained from the Shire drainage database.
- Culverts under Leichardt St, Western Hwy were adopted from the information provided on Appendix B of the Flood Study.
- Culvert under the POS (between Leichardt St and Western Hwy) was assumed to be 2.4 m x 1 m with a total length of 118.7 m.
- Railway crossing culvert adopts a quadruple 2400 x 1200 box culvert based on a combination of the recommendations outlined in the Floodplain Management Plan (Water Technology 2011) and aerial imagery.

2.6 Tailwater condition

A representation of the downstream condition of the Garibaldi Creek needs to be assumed to ensure the flows act in accordance with the downstream hydraulics. To determine the tailwater conditions at Yam Holes Creek, a long section of the Yam Holes Creek as well as a typical cross section was extracted from the DEM and included as part of the 1D XPSWMM hydraulic model. The modelled section of Yam Holes Creek was extended 500 m downstream to ensure the stability of the tailwater condition and minimise boundary effects. Inflows for the frequent rainfall event relevant to the Yam Holes Creek were quantified similar to the Garibaldi Creek using a logarithmic regression (refer to **Plate 2**). On this basis, it was determined that peak inflows being conveyed by Yam Holes Creek in the frequent rainfall event are 5.28 m³/s for the Yam Holes Creek north and 4.27 m³/s for the Yam Holes Creek south, with a total combined flow rate of 9.55 m³/s.

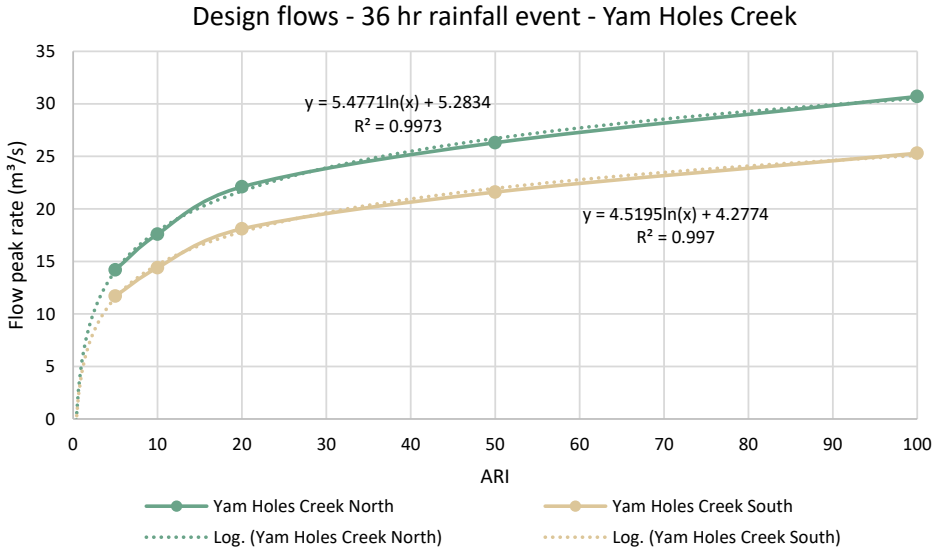


Plate 3: Logarithmic regression of design flows being conveyed by Yam Holes Creek

2.7 Rainfall losses for urban catchments

An initial loss-continuing loss model was adopted to account for the losses across the identified urban catchment. The land types and losses values were based on aerial imagery and previous

investigations which indicate that the catchment generally has low permeability. **Table 1** summarises the loss parameters adopted to account for rainfall losses across the urban (Townsite) catchments.

Table 1: Urban catchment losses

Land uses	Initial loss (mm)	Continuing loss (mm)
Impervious areas (i.e. Road surface, roof areas)	1	0.1
Pervious area (i.e. road verges and garden areas)	9	1.5
POS and Forest	15	3

3 MODELLING RESULTS

3.1 1D Modelling assessment

As previously indicated, an initial 1D assessment was undertaken to determine the overall hydraulic configuration of the streamline. To do so, the Garibaldi Creek was divided into segments generally between culvert crossings and/or between discharge locations. This segmentation allows the direct connection of contributing catchments, the introduction of the existing culvert crossings within the hydraulic model, allows any flow restrictions posed by the culverts to be considered, and to stabilise the tailwater condition at the discharge into Yam Holes Creek. **Plate 4** shows the 1D model of Garibaldi Creek.

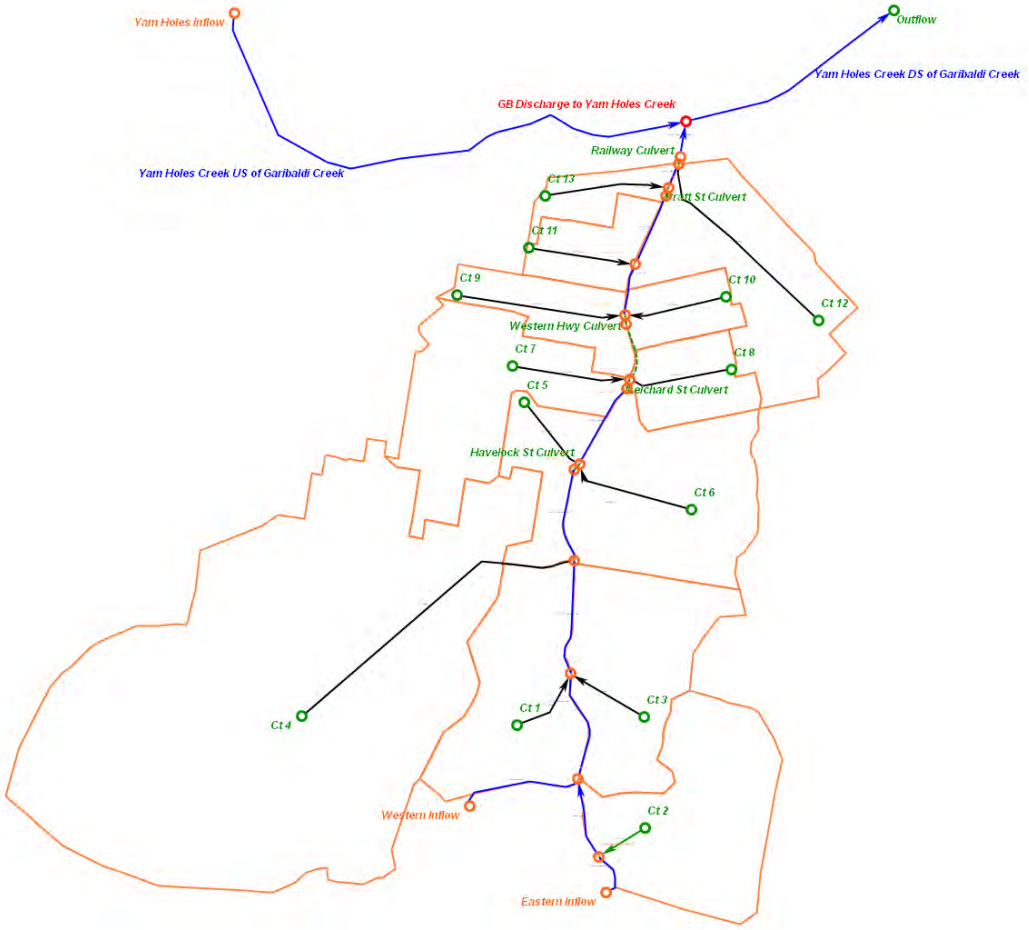


Plate 4: 1D XPSWMM link-node diagram of the Garibaldi Creek.

As shown in **Plate 4** all segments of the Garibaldi Creek and the Yam Holes creek have been represented in the 1D XPSWMM model by blue links and culvert crossings by green links. The following approaches were adopted in the model:

- Hydraulic links have been given the approximate spatial lengths to represent actual catchments
- Upstream/downstream invert levels are based on the DEM and/or Pyrenees Shire drainage information
- A Mannings roughness coefficient (n) of 0.035 is adopted in order to represent naturally occurring vegetation, natural obstructions and vegetation which could potentially be adopted as part of the revitalisation.

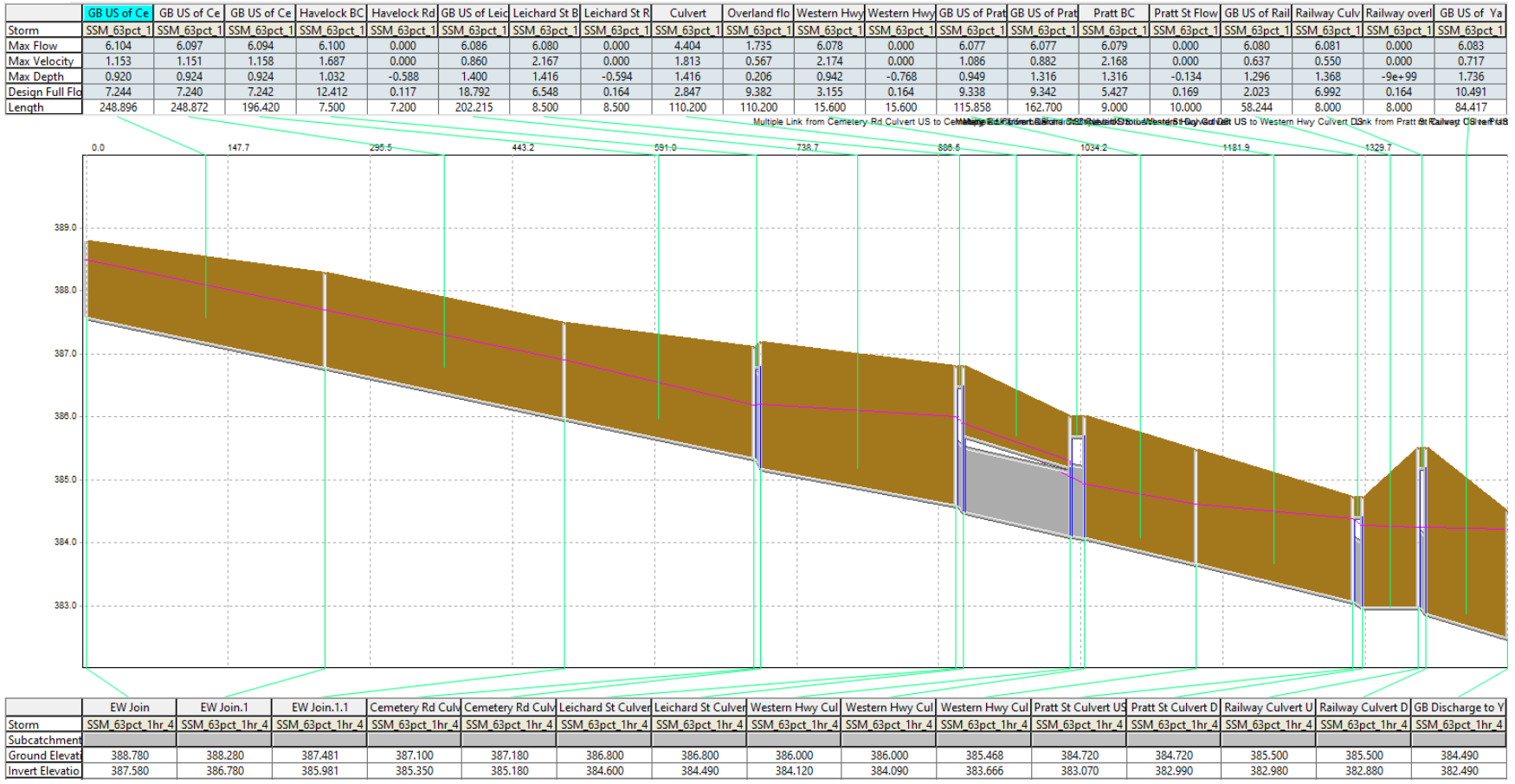
Upstream inflows for both the Garibaldi Creek and Yam Holes Creek have been introduced in the model as a nodal input with hydrographs inflows being consistent with the peak flows identified in **Section 2.3.**

The initial 1D modelling assessment indicates that in order to convey the frequent rainfall event (1EY) the Garibaldi Creek channel should be at least 1 m to 1.4 m deep, have a base width of 3 m to 4 m and have side slopes of 1:3. Adoption of these design parameters should safely manage the frequent rainfall event within the channel whilst being consistent with contemporary approaches for revitalised waterways. It is noted that adopting a channel configuration to match this is idealistic and may not be practical when localised site conditions are considered.

It is noted that POS bounded by Leichardt Street and Western Highway has been assumed to maintain the existing culvert running through the entirety of the POS area. In order to ensure conveyance of the storm water across the POS area and to avoid ponding upstream (and resulting in overland flows flowing west along Leichardt Street), an overflow swale was adopted through the POS area, with the same alignment as the existing culvert. An overflow corridor across the POS is recommended to be at least 15 m wide and nominally 500 mm deep which could be achieved in the form of a low depression across the POS running from end to end. The actual flood depth will only be 210 mm in a frequent storm event, however the additional freeboard would provide some design flexibility and additional capacity (e.g. in the event of partial culvert blockage. The overall design parameters for the Garibaldi Creek based on the 1D assessment are detailed in **Plate 5** and **Plate 6,** and **Plate 7** shows a long section of the model creek line.

Plate 5: Design parameters from Beaufort Reservoir down to Havelock Street

Plate 6: Design parameters from Havelock Street down to the Railway crossing



	GB US of Ce	GB US of Ce	GB US of Ce	Havelock BC	Havelock Rd	GB US of Leic	Leichard St B	Leichard St R	Culvert	Overland flo	Western Hwy	Western Hwy	GB US of Prat	GB US of Prat	Pratt BC	Pratt St Flow	GB US of Rail	Railway Culv	Railway overl	GB US of Ya
Storm	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1	SSM_63pct_1
Max Flow	6.104	6.097	6.094	6.100	0.000	6.086	6.080	0.000	4.404	1.735	6.078	0.000	6.077	6.077	6.079	0.000	6.080	6.081	0.000	6.083
Max Velocity	1.153	1.151	1.158	1.687	0.000	0.860	2.167	0.000	1.813	0.567	2.174	0.000	1.086	0.882	2.168	0.000	0.637	0.550	0.000	0.717
Max Depth	0.920	0.924	0.924	1.032	-0.588	1.400	1.416	-0.594	1.416	0.206	0.942	-0.768	0.949	1.316	1.316	-0.134	1.296	1.368	-9e+99	1.736
Design Full Flo	7.244	7.240	7.242	12.412	0.117	18.792	6.548	0.164	2.847	9.382	3.155	0.164	9.338	9.342	5.427	0.169	2.023	6.992	0.164	10.491
Length	248.896	248.872	196.420	7.500	7.200	202.215	8.500	8.500	110.200	110.200	15.600	15.600	115.858	162.700	9.000	10.000	58.244	8.000	8.000	84.417

	EW Join	EW Join.1	EW Join.1.1	Cemetery Rd Culv	Cemetery Rd Culv	Leichard St Culver	Leichard St Culver	Western Hwy Cul	Western Hwy Cul	Western Hwy Cul	Pratt St Culvert US	Pratt St Culvert D	Railway Culvert U	Railway Culvert D	GB Discharge to Y
Storm	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4	SSM_63pct_1hr_4
Subcatchment															
Ground Elevati	388.780	388.280	387.481	387.100	387.180	386.800	386.800	386.000	386.000	385.468	384.720	384.720	385.500	385.500	384.490
Invert Elevatio	387.580	386.780	385.981	385.350	385.180	384.600	384.490	384.120	384.090	383.666	383.070	382.990	382.980	382.880	382.490

Plate 7: Garibaldi Creek 1D cross section from Beaufort Reservoir to discharge into Yam Holes Creek

3.2 2D Modelling Assessment

In order to understand the changes in the flooding extent as a result of the proposed upgrades a 2D modelling assessment has been undertaken. This assessment combines the Beaufort Townsite DEM and existing drainage infrastructure along the Garibaldi Creek previously described in **Section 2.5** from the Beaufort Reservoir down to the Railway crossing. It is noted that all upstream inflows, townsite contributing catchments, rainfall and tailwater conditions described in **Section 2** are consistent between the preliminary 1D and 2D modelling assessment.

Three different scenarios have been undertaken to visually differentiate the flood extent changes in the frequent rainfall event. These are described in the following sections.

3.2.1 Scenario 1 - Existing Garibaldi Creek alignment

The existing alignment of the Creek based on the DEM and culvert information was utilised to develop a 2D modelling scenario that shows the current extent of flooding across the Beaufort Townsite in the frequent rainfall event. The current flooding extent shown in **Plate 8** and **Plate 9** establish a baseline for comparison of the proposed changes.

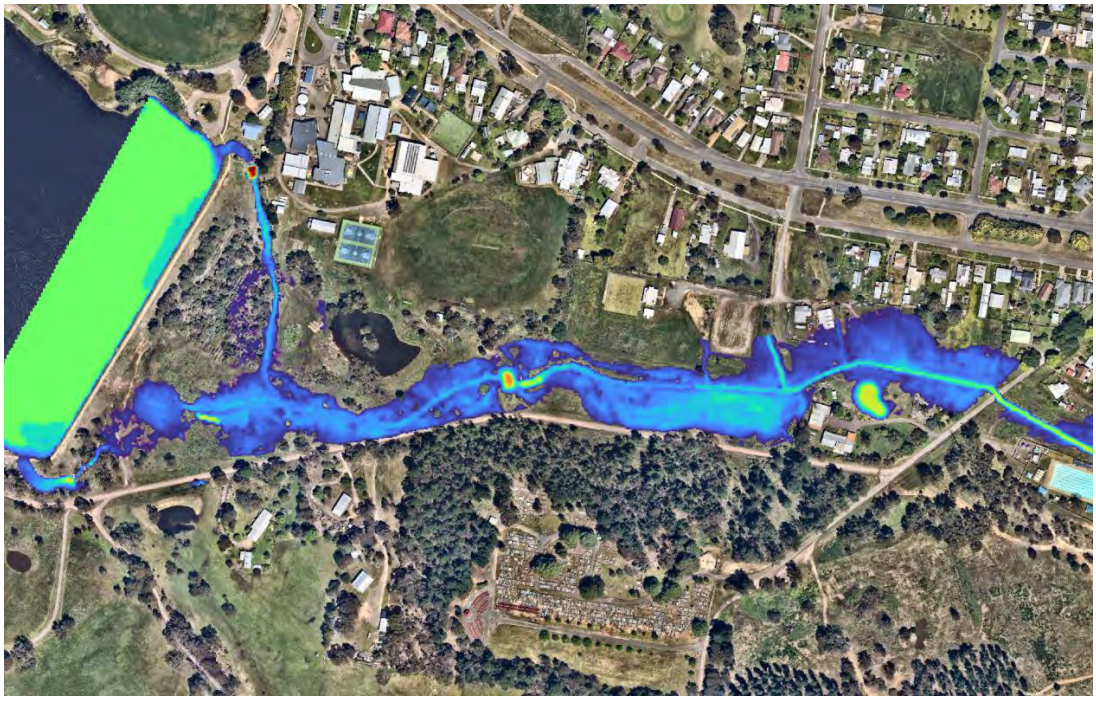


Plate 8: Scenario 1 – Existing flooding extent in the frequent rainfall event (1EY) upstream of Havelock Street

Plate 9: Scenario 1 – Existing flooding extent in the frequent rainfall event (1EY) downstream of Havelock Street

3.2.1 Scenario 2 – Modified Garibaldi Creek alignment and conveyance swale in central POS

Based on the design parameters identified in the 1D analysis previously described in **Section 3.1**, minor widening of the streamline within its existing flood plain (show in red in **Plate 10**) and topographical changes within the central POS area (shown in green in **Plate 10**) were included within the 2D modelling assessment. Widening of the Creek in the four proposed areas aimed to improve localised flooding to the adjacent areas and to partially improve localised detention. Modifications to the topography within the central POS intends to provide greater conveyance to the upstream flows that generally runoff west along Leichardt St rather than continuing flowing north as overland flow over the POS.

Plate 10: Proposed modifications to the Garibaldi Creek (i.e. changes to alignment in red and changes to topography in the central POS in green)

The modelling results of Scenario 2 shown in **Plate 11** and **Plate 12** indicate that the proposed changes to the alignment and elevations within the POS does not have a negative impact in the flooding extent upstream or downstream. Whilst it provides a modest amount of localised detention, it also does not alleviate surface runoff flowing west along Leichardt Street. Conversely, whilst some detention is provided in the POS, this is observed as an increase to the extent of inundation within the POS.

Plate 11: Scenario 2 – Flooding extent in the 1EY upstream of Havelock Street based on proposed changes to alignment and linear park within central POS

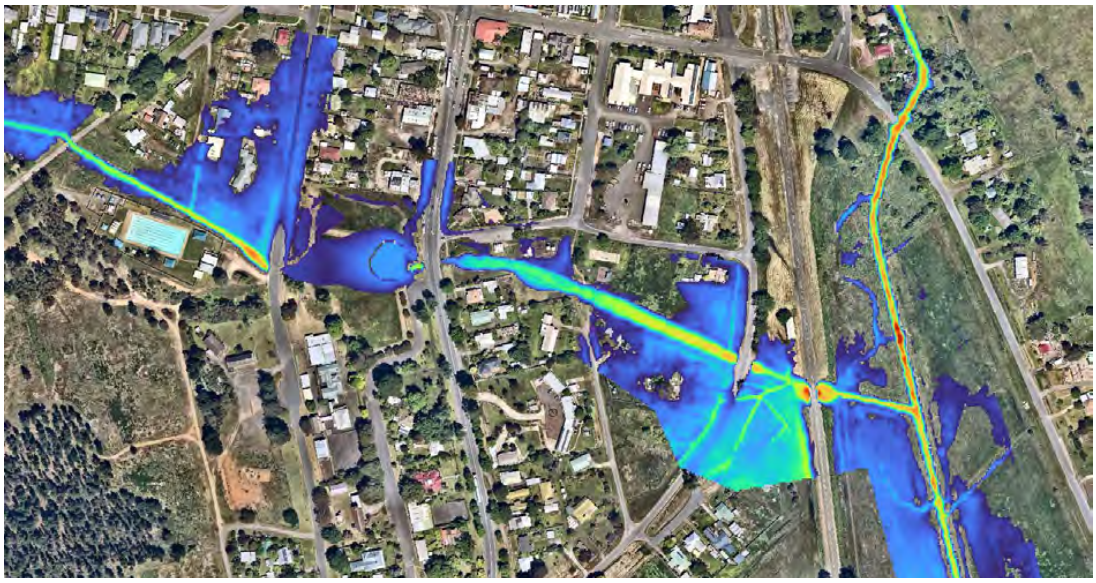


Plate 12: Scenario 2 – Flooding extent in the 1EY downstream of Havelock Street based on proposed changes to Garibaldi Creek alignment and linear park within central POS

3.2.1 Scenario 3 – Upgraded box culvert alignment along central POS

Based on the modelling results for Scenarios 1 and 2 it is noted that the existing culvert alignment underneath the POS (i.e. single 2.4 m x 1 m and 118.7 m long box culvert) does not have sufficient capacity to manage flows in the frequent rainfall event. Therefore, to improve the conveyance capacity of the Garibaldi Creek and to alleviate flooding extent upstream of the POS, Scenario 3 tests the increase in capacity (doubling) of the box culverts at the culvert crossing in Leichardt Street and beneath the POS, in addition to a conveyance swale through the POS. Proposed upgrades are shown in **Plate 13.**

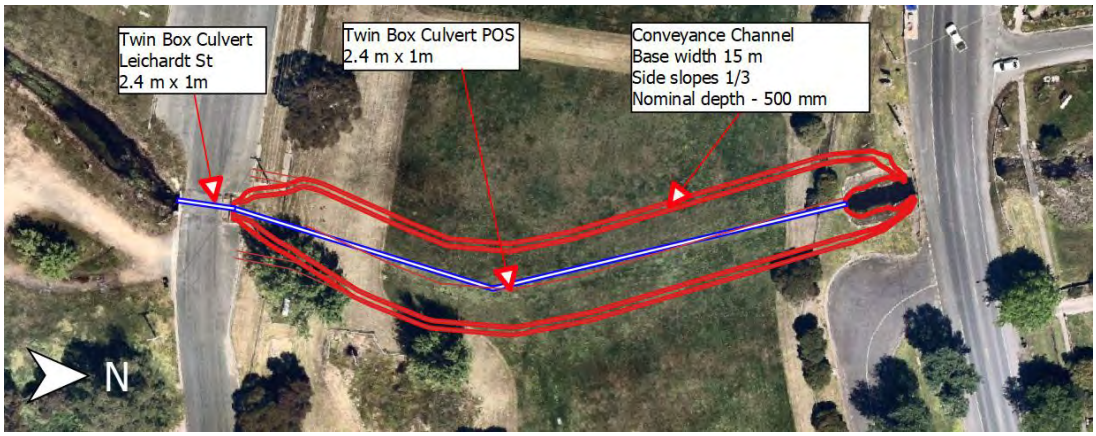


Plate 13: Propose upgrade to culvert configuration at Leichardt Street, beneath POS and conveyance swale

The results of the modelling shown in **Plate 14** and **Plate 15** indicate that increasing the culvert capacity does alleviate some of the flooding of surrounding properties upstream of the POS as well as reducing the amount of surface runoff flowing west along Leichardt Street, however inundation to surrounding properties is not completely avoided. Additional increases may see additional improvement in flooding of upstream properties, it is noted that this may shift the problem further downstream, with properties nearby Yam Holes Creek potentially further affected by flooding in a frequent rainfall event.

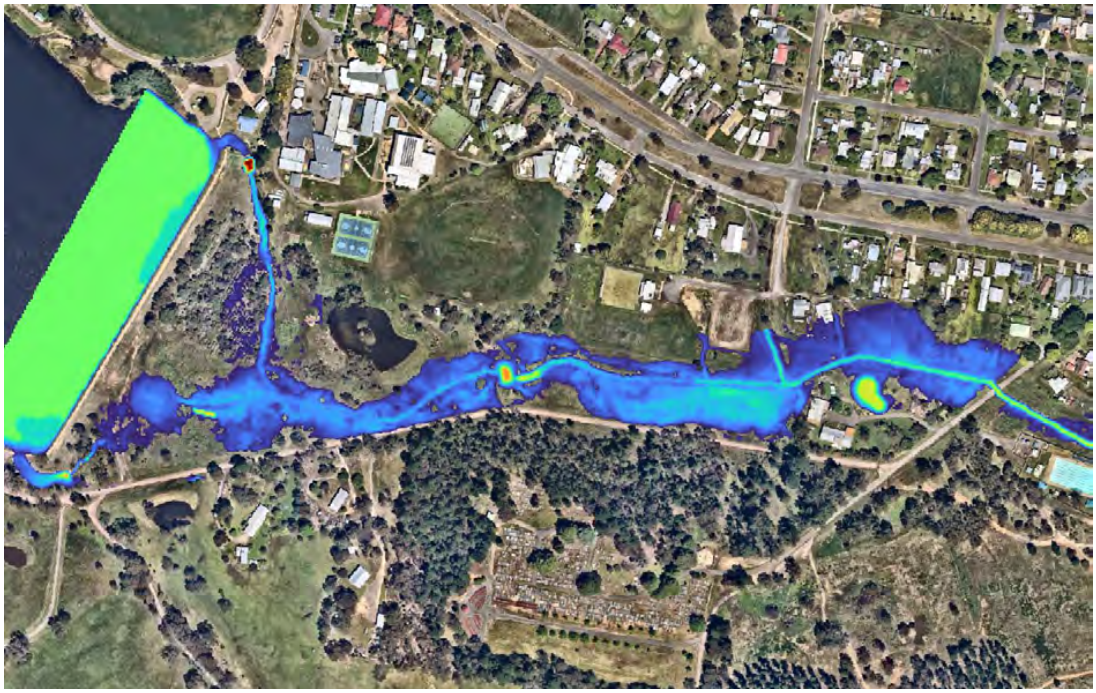


Plate 14: Scenario 3 – Flooding extent in the 1EY upstream of Havelock Street based on increase culvert size at Leichardt Street, underneath the central POS and conveyance channel

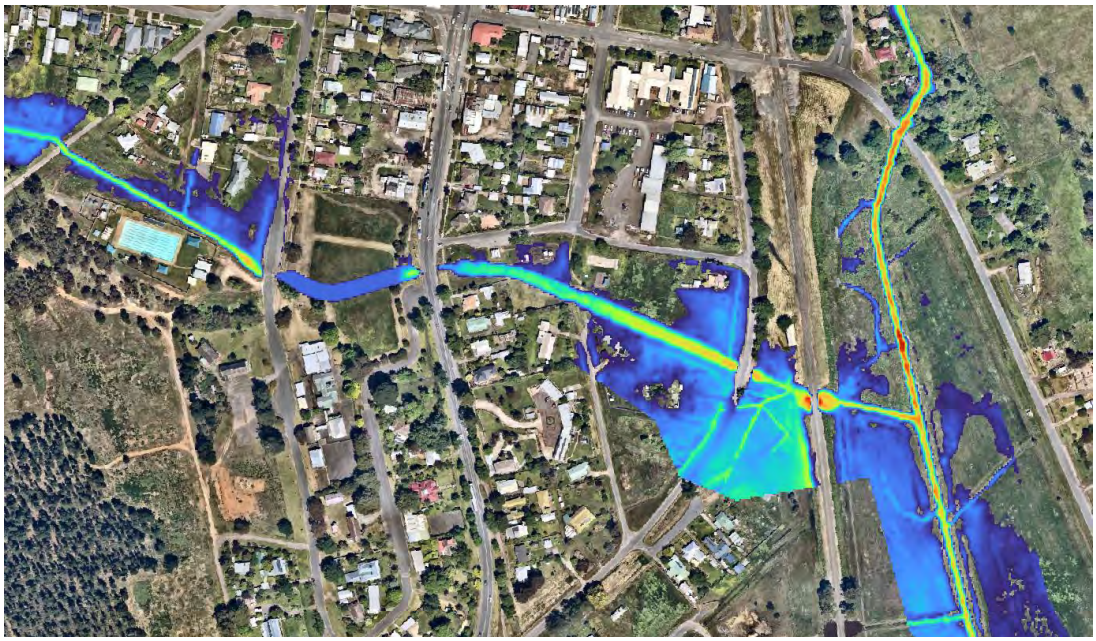


Plate 15: Scenario 3 – Flooding extent in the 1EY downstream of Havelock Street based on increase culvert size at Leichardt Street, underneath the central POS and conveyance channel

4 SUMMARY AND CLOSING

This technical memorandum details the hydraulic modelling assessment undertaken by Emerge Associates to support the landscape Masterplan for the revitalised Garibaldi Creek. In order to demonstrate that the proposed upgrades will not have a detrimental impact in the overall hydraulic behaviour of the waterway, the extensive existing work undertaken by others to characterise flood behaviour of Beaufort Townsite and relevant waterways was used to inform a site specific assessment of frequent rainfall events. An initial 1D hydraulic model was developed to determine the general design requirements for management of the frequent rainfall event, which then it was used to develop the design parameters recommended for the concept Masterplan for the revitalised waterway.

The key design parameters that should be adopted in the design of Garibaldi Creek channel include:

- Retain existing culverts and culvert inverts
- Garibaldi Creek channel should be at least 1 to 1.4 m deep (varies per the long section in Plate 7)
- Garibaldi Creek channel should have a base width of 3-4 m
- Garibaldi Creek channel should have side slopes no greater than 1:3.
- POS between Leichardt Street and Western Highway should have a 15m wide 500mm deep overflow channel with the same general alignment as the existing/retained culvert.

Based on the design parameters indicated by the 1D modelling assessment, design changes were developed based on what could be practically achieved in the Creek and POS. A 2D model was developed to demonstrate the effect of the proposed upgrades do not increase the risk of flooding upstream/downstream areas. Three Scenarios were modelled to allow comparative analysis. Scenario 1 (existing environment) provides a baseline for comparing proposed amendments, Scenario 2 (Creek and POS amendments) shows potential changes resulting from design chances to the Creek and POS.

Based on the results of Scenarios 1 and 2, it was noted that the culvert beneath the POS appears to be a key constraint. Therefore, a third Scenario (Scenario 3 – upgraded culvert and a swale) was tested to provide an indication of the likelihood that this approach could alleviate flooding upstream/downstream.

In summary, Scenario 2 does not affect the flood inundation upstream/downstream of the POS, however the modification provides some additional detention capacity within the POS, increasing the flood extent in the POS. Scenario 3 was found to provide some measure of relief to flood inundation upstream of the POS area. Further culvert increases could see additional benefit, notwithstanding it is possible that this could also result in an increase in flood extents further downstream near Yam Holes Creek.

5 REFERENCES

5.1 General references

Ball J, Babister M, Nathan R, Weeks W, Weinmann E, Retallick M and Testoni I (Editors) 2019, *Australian Rainfall and Runoff: A Guide to Flood Estimation*, Commonwealth of Australia (Geoscience Australia).

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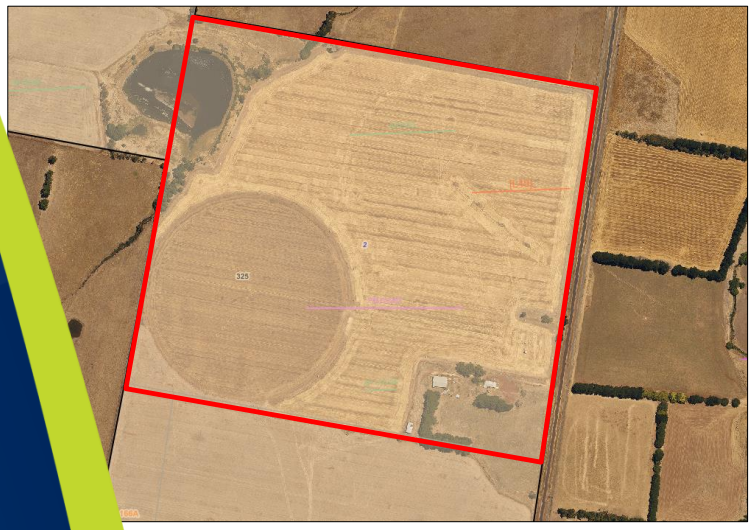

Pyrenees Planning Scheme Planning Report for a Two Lot Subdivision

Address: Lot 2 PS310387T, 325 Waubra-Talbot Road, Waubra
Reference: P-01141

iPlanning Services Pty Ltd – June 2024

Two (2) Lot Subdivision
325 Waubra-Talbot Road, Waubra

iPlanning

Prepared for:

Tim Dalton

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Quality Information

Document	Planning Report
Reference No.	P-01141
Date	June 2024
Prepared by	James Iles

iPlanning

Table of Contents

iPlanning

1. Introduction

iPlanning Services Pty. Ltd. has been engaged by Mr Tim Dalton to submit a Planning Permit Application on his behalf for a two (2) lot subdivision of land at 325 Waubra-Talbot Road, Waubra.

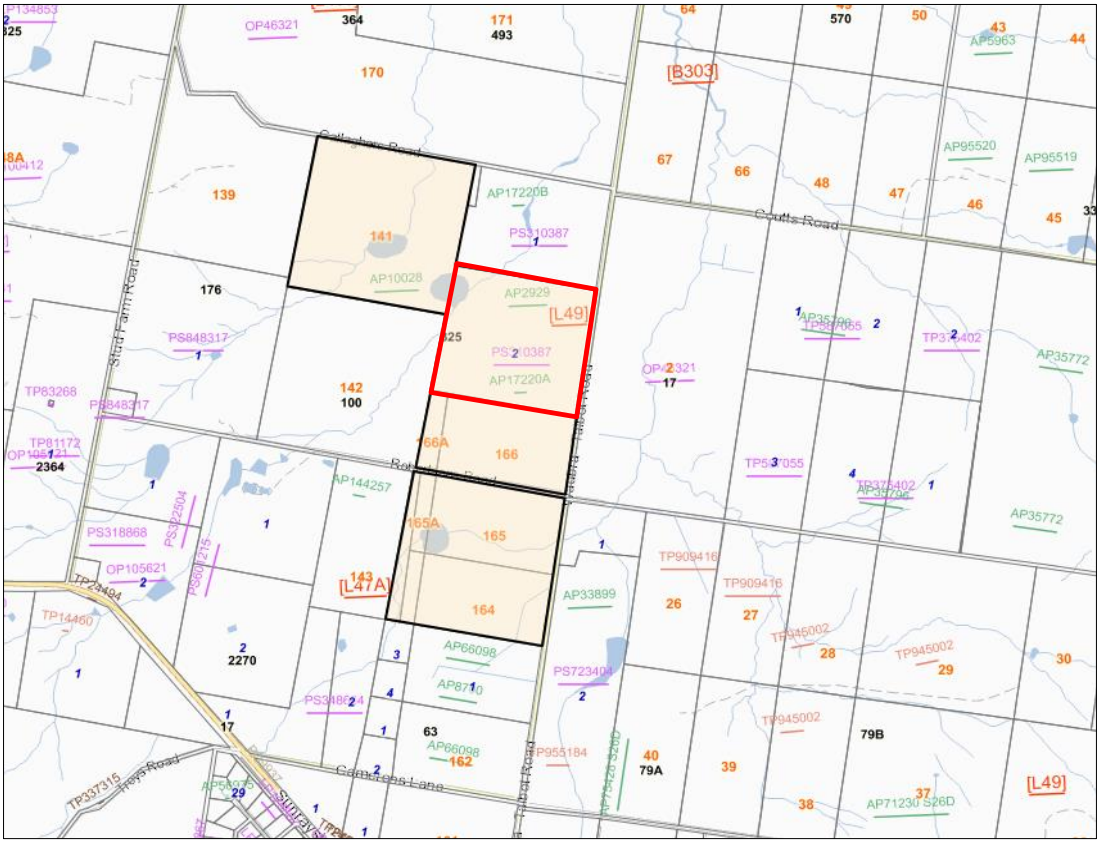
2. Permit Trigger/s

A Planning Permit is required for the above proposal under the following provisions of the Planning Scheme:

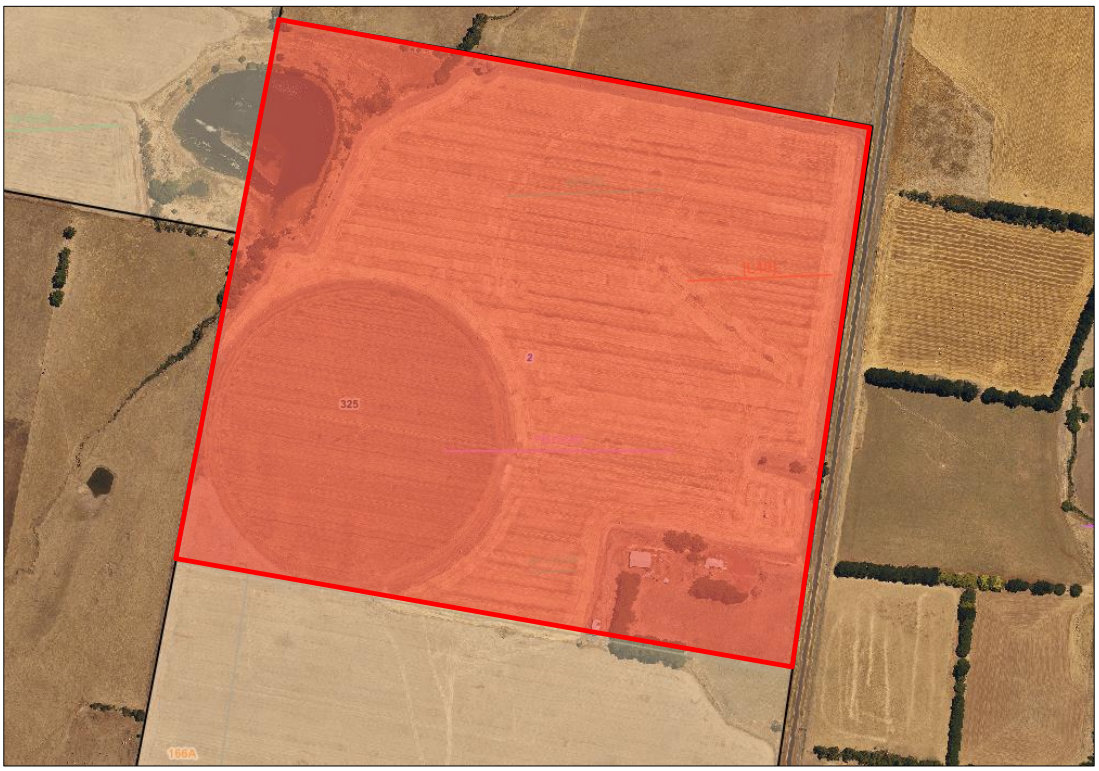
▪ **Farming Zone**	**Clause 35.07-3**	Subdivision of land
▪ **Environmental Significance Overlay**	**Clause 42.01-2**	Subdivision of land

3. Subject Site and Site Context

The subject site is located on the west side of Waubra-Talbot Road. The site consists of one Title and it is described as Vol. 10065 Fol. 309 Lot 2 on Plan of Subdivision No. 310387T. The site is regular in shape with a frontage of approximately 672.6 metres to Waubra-Talbot Road, a northern boundary of approximately 736.3 metres, a western boundary of approximately 672.4 metres and a southern boundary of approximately 765.4 metres with a total land area of approximately 50.55 hectares.



The site currently contains an existing dwelling, farm shed, vegetation and agricultural land. The dwelling is situated at the southeastern portion of the site which has existing pine windbreaks along the south and west. There are some existing native trees located on the northern side of the dwelling (north side of the existing driveway). The remaining land is used for cropping and the site forms part of a larger farming property to the northwest and the south. The land is relatively flat with a large dam located in the northwest corner that covers two properties.



The surrounding development includes farming land and existing dwellings located on similar sized lots. The land is mainly cropping with some animal grazing.

The subject site and the surrounding land is located within the Farming Zone. The site and the surrounding land is also within the Environmental Significance Overlay.

The Waubra-Talbot Road is a sealed road pavement with gravel shoulders and open drains on both sides. There are also grassed naturestrips on both sides. Overhead powerlines are located on the east side of the roadway. Waubra-Talbot Road is controlled and maintained by the Pyrenees Shire Council.

4. Proposal

The proposal is to subdivide the land into two (2) lots and the following is a breakdown of the proposal:

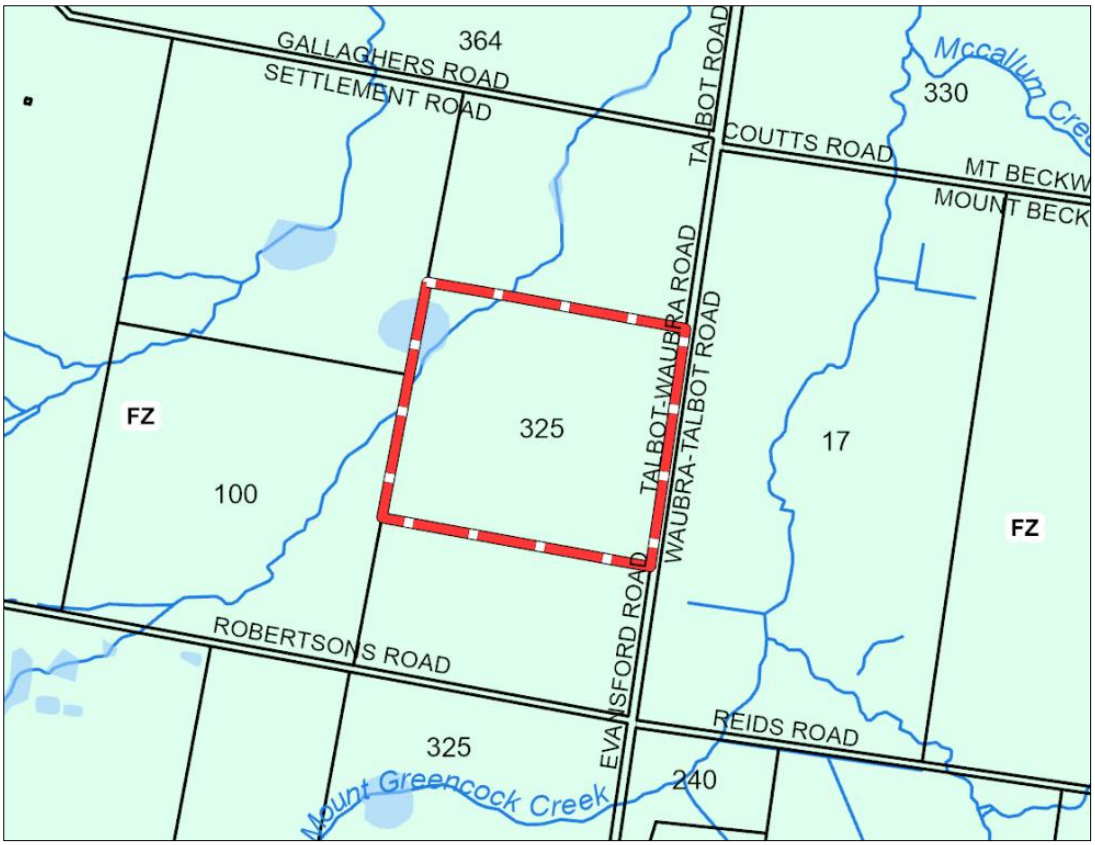
- Lot 1 will have an area of 2.226 hectares and will have a 145.32 metre frontage to Waubra-Talbot Road, a northern boundary of 152.33 metres, a western boundary of 145.38 metres and a southern boundary of 154.05 metres. The lot will contain the existing dwelling and driveway from the road. Power and telecommunications are available to the dwelling.
- Lot 2 will have an area of 48.33 hectares and will comprise a 527.28 metre frontage to the Waubra-Talbot Road, a northern boundary of 736.3 metres, western boundary of 672.4 metres and a southern boundary of 518.4 metres. This lot will remain as farming land.

The land will continue to be used for agricultural purposes.

5. Planning Controls

5.1 Zoning

The subject site is situated within the **Farming Zone** (FZ).



Clause 35.07 of the Planning Scheme refers to the Farming Zone and the purpose of the Zone is:

- To implement the Municipal Planning Strategy and the Planning Policy Framework.
- To provide for the use of land for agriculture.
- To encourage the retention of productive agricultural land.
- To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.
- To encourage the retention of employment and population to support rural communities.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.
- To provide for the use and development of land for the specific purposes identified in a schedule to this zone.

Response:

The proposal is consistent with the purpose of the zone as the land is to continue to be used for agricultural purposes. The larger lot will continue to be used for agricultural purposes and will be associated with the other lots to the northwest and south. The smaller lot is to too small for broad acre farming, however, is a size that can be used for more intensive type farming purposes such as intensive animal husbandry, dog keeping, specialised cropping that doesn't necessarily need large amounts of water, etc…The proposal is consistent with the Municipal Planning Strategy and the Planning policies as detailed below.

The continuing rural use of both lots will continue and the subdivision will have very little impact on the surrounding rural activities that currently operate in the Waubra area.

5.2 Subdivision

Clause 35.07-3 of the Scheme refers to Subdivision and a permit is required to subdivide land. Each lot must be at least the area specified for the land in a schedule to this zone. If no area is specified, each lot must be at least 40 hectares.

A permit may be granted to create smaller lots if any of the following apply:

- ***The subdivision is to create a lot for an existing dwelling. The subdivision must be a two lot subdivision.***
- The subdivision is the re-subdivision of existing lots and the number of lots is not increased.
- The subdivision is by a public authority or utility service provider to create a lot for a utility installation.

A permit cannot be granted which would allow a separate lot to be created for land containing a small second dwelling.

Response:

A planning permit is required for the subdivision is to create a lot for an existing dwelling. The subdivision must be a two lot subdivision.

5.3 Decision Guidelines

Clause 35.07-6 of the Farming Zone states the following decision guidelines which require assessment for the subdivision of the land.

General issues	
The Municipal Planning Strategy and the Planning Policy Framework	Please refer to Section 9.0 Policy Context.
Any Regional Catchment Strategy and associated plan applying to the land	Not applicable.
The capability of the land to accommodate the proposed use or development, including the disposal of effluent	The existing dwelling is connected to a septic system and is located within the boundaries of Lot 1. Lot 2 will continue to be a vacant lot and used for farming purposes.
How the use or development relates to sustainable land management	The sustainable land management of the property will continue through full time occupancy the site and it being managed to prevent the overrun of pests, weeds and vermin on the property. This will benefit not only the site but neighbouring properties through preventing the spread of introduced flora and fauna in the area.
Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining and nearby land uses.	The site is surrounded by other farming properties that have dwellings and are used for farming purposes. There are other examples of existing dwellings that have been excised off and are on smaller lots.
How the use and development makes use of existing infrastructure and services.	The subdivision will make use of the access to the site from the Waubra-Talbot. Electricity is located along the eastern side of Waubra-Talbot Road.
Agricultural issues and the impacts from non-agricultural uses	
Whether the use or development will support and enhance agricultural production	The land is used for agricultural purposes on a large scale, where the owner has other land in the immediate area that forms part of this larger farming property. The land is normally used for crop raising.
Whether the use or development will adversely affect soil quality or permanently remove land from agricultural production.	The proposed subdivision is not changing the existing condition of the land. It proposes to create a smaller lot for the dwelling with the balanced lot used for farming purposes.
The potential for the use or development to limit the operation and expansion of adjoining and nearby agricultural uses.	The adjoining properties will not be impacted on by the proposed subdivision.
The capacity of the site to sustain the agricultural use.	The larger lot will continue to be used for agricultural purposes and the smaller lot containing the dwelling will still be associated with the farming enterprise.
The agricultural qualities of the land, such as soil quality, access to water and access to rural infrastructure.	It is regarded that the larger lot has good farming qualities and has been for many years. The dwelling and is surrounding land has not been used for farming and is better suited for a more intensive farming activity, but separate from the broad acre farming.
Any integrated land management plan prepared for the site.	A Land Management Plan is provided.
Whether Rural worker accommodation is necessary having regard to: ▪ The nature and scale of the agricultural use. ▪ The accessibility to residential areas and existing accommodation, and the remoteness of the location.	Not applicable.

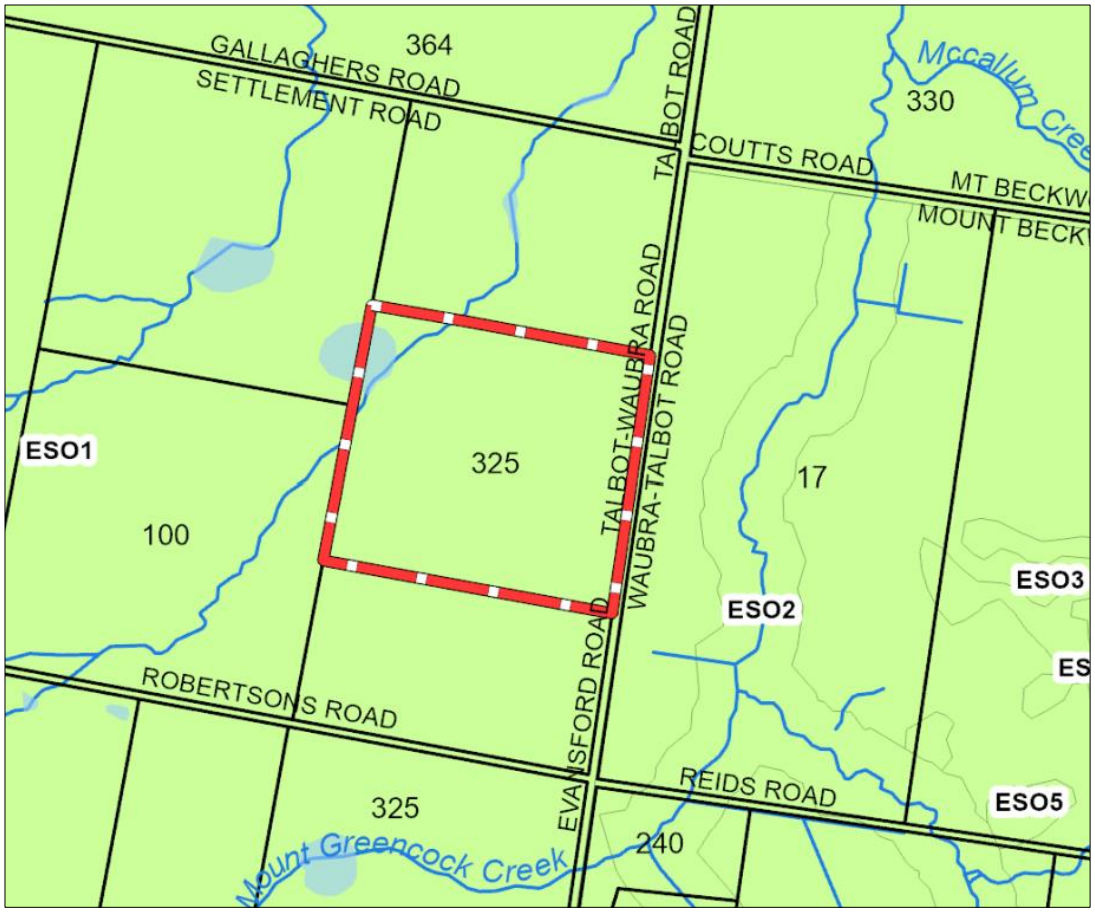
The duration of the use of the land for Rural worker accommodation.	
Accommodation issues	
Whether the dwelling will result in the loss or fragmentation of productive agricultural land.	No dwelling is proposed for Lot 2. An existing dwelling currently exists on Lot 1.
Whether the dwelling will be adversely affected by agricultural activities on adjacent and nearby land due to dust, noise, odour, use of chemicals and farm machinery, traffic and hours of operation.	With appropriate landscaping and management of the smaller lot will help with any potential issues/conflicts raised with adjoining land uses.
Whether the dwelling will adversely affect the operation and expansion of adjoining and nearby agricultural uses.	The dwelling has been associated with the existing agricultural operations and the farming operation is unlikely to expand as it will continue to be used for crop raising.
The potential for the proposal to lead to a concentration or proliferation of dwellings in the area and the impact of this on the use of the land for agriculture.	There is no dwelling proposed on the larger lot. It will continue to be used for crop raising.
The potential for accommodation to be adversely affected by noise and shadow flicker impacts if it is located within one kilometre from the nearest title boundary of land subject to: ▪ A permit for a wind energy facility; or ▪ An application for a permit for a wind energy facility; or ▪ An incorporated document approving a wind energy facility; or ▪ A proposed wind energy facility for which an action has been taken under section 8(1), 8(2), 8(3) or 8(4) of the Environment Effects Act 1978.	Not applicable as the application is for a subdivision only.
The potential for accommodation to be adversely affected by vehicular traffic, noise, blasting, dust and vibration from an existing or proposed extractive industry operation if it is located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the Mineral Resources (Sustainable Development) Act 1990.	Not applicable.
Environmental issues	
The impact of the proposal on the natural physical features and resources of the area, in particular on soil and water quality.	No impacts will be felt from the subdivision. The subdivision will create a lot for the existing dwelling and the existing farm shed will continue to be used with the existing agricultural use on the larger lot.
The impact of the use or development on the flora and fauna on the site and its surrounds.	There will be no impact to existing flora and fauna.
The need to protect and enhance the biodiversity of the area, including the retention of vegetation and faunal habitat and the need to revegetate land including riparian buffers along waterways, gullies, ridgelines, property boundaries and saline discharge and recharge area.	The site is not home to any ecologically sensitive characteristics.
The location of on-site effluent disposal areas to minimise the impact of nutrient loads on waterways and native vegetation.	The existing 50 hectare site contains an existing dam at the northwest corner. There will be no effluent to be discharged from the larger lot. The existing dwelling

	lot has ample room for the existing septic system to treat and dispose of under the current regulations.
Design and siting issues	**Comments**
The need to locate buildings in one area to avoid any adverse impacts on surrounding agricultural uses and to minimise the loss of productive agricultural land.	No new buildings are to be built on Lot 1.
The impact of the siting, design, height, bulk, colours and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts.	No new buildings are to be built on Lot 1.
The impact on the character and appearance of the area or features of architectural, historic or scientific significance or of natural scenic beauty or importance.	No new buildings are to be built on Lot 1.
The location and design of existing and proposed infrastructure including roads, gas, water, drainage, telecommunications and sewerage facilities.	No new buildings are to be built on Lot 1.
Whether the use and development will require traffic management measures.	There will be no measurable change in traffic movements or detrimental impacts on the road network as a result of the subdivision.
The need to locate and design buildings used for accommodation to avoid or reduce noise and shadow flicker impacts from the operation of a wind energy facility if it is located within one kilometre from the nearest title boundary of land subject to: ▪ A permit for a wind energy facility; or ▪ An application for a permit for a wind energy facility; or ▪ An incorporated document approving a wind energy facility; or ▪ A proposed wind energy facility for which an action has been taken under section 8(1), 8(2), 8(3) or 8(4) of the Environment Effects Act 1978.	Not applicable as the application is for a subdivision only.
The need to locate and design buildings used for accommodation to avoid or reduce the impact from vehicular traffic, noise, blasting, dust and vibration from an existing or proposed extractive industry operation if it is located within 500 metres from the nearest title boundary of land on which a work authority has been applied for or granted under the Mineral Resources (Sustainable Development) Act 1990.	Not applicable.

6. Overlays

6.1 Environmental Significance Overlay

The subject site is included within the **Environmental Significance Overlay** (ESO1).



Clause 42.01 of the Planning Scheme refers to the Environmental Significance Overlay and the purpose of the Overlay is:

- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- To identify areas where the development of land may be affected by environmental constraints.
- To ensure that development is compatible with identified environmental values.

Schedule 1 of the Overlay refers to Designated Water Supply Areas and the environmental objectives to be achieved are:

- To ensure the protection and maintenance of water quality and water yield within the designated water supply catchments as detailed in Clause 21.05-1.6.
- To maintain and where practicable enhance the quality and quantity of water produced within the catchments and in waterways.
- To protect the quality of surface and groundwater supplies within the Shire and the broader region.
- To prevent erosion of land, pollution, siltation and eutrification of waterways, water bodies, storages and drains.
- To ensure that catchment yield and environmental flows are maintained.
- To manage the impact of incremental development on water quality and yield.

Clause 3.0 refers to Permit Requirements and states that:

- A permit is not required for subdivision of existing buildings in a sewered area.

Response:

A permit is triggered under the Schedule to the Overlay as the subdivision is not in a sewered area.

Clause 5.0 refers to the Decision Guidelines and The following decision guidelines apply to an application for a permit under Clause 42.01, in addition to those specified in Clause 42.01 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

Decision Guidelines	Comments
The issues (as appropriate) listed under the decision guidelines specified for the zone.	The proposal meets the decision guidelines of the Farming Zone.
The slope, soil type and other environmental factors including the potential for pollution of waterways and groundwater.	The land is relatively flat with a slight fall to the southeast. The soils are highly absorbant and there is no waterway that is close to the dwelling that would be polluted. There is an exsting septic system already connected to the dwelling.
The slope, soil type and other environmental factors including the potential for pollution of waterways and groundwater.	Not impact of pollution on waterways or groundwater will occur. There is a system already in place.
The need to maintain water quality at a local and regional level and whether the proposal is consistent with the provisions of any incorporated documents (including the state Environment Protection Policies – Waters of Victoria and Groundwaters of Victoria).	Not applicable.
The possible effect of the subdivision or development on the quality and quantity or water in waterways, water bodies, storages and drains.	No impacts will be caused by the subdivision. The subdivisiion proposes to excise the dwelling from the large parcel. No new dwelling is to be built on the new large lot.
The preservation of and impact on soils and the need to prevent erosion.	There is no evidance of any erosion on the site.
The need to manage incremental development that is likely to result in, or create a precedent for, development densities or activities likely to be detrimental to water quality or yield.	Not applicable. There is no new development to occur on the large lot.
The information contained in any site context plan or development plan which the Responsible Authority may have requested.	Not required.
Any relevant catchment management plan, policy strategy or Ministerial Direction (including the Interim Guideline for Planning Permit Applications in Open Potable Water Supply Catchment Areas or any subsequent revision of that guideline).	Not applicable.
If within the Troy, Musical Gully and Avoca (Sugarloaf) catchments, Sections 5.2 and 5.3 of the Forest Management Plan – Midlands Forest Management Area (Department of Sustainability and Development).	Not applicable.

7. Particular Provisions

7.1 Public Open Space Contribution and Subdivision

Under the provisions of **Clause 53.01**, a person who proposes to subdivide land must make a contribution to the council for public open space in an amount specified in the schedule to this clause (being a percentage of the land intended to be used for residential, industrial or commercial purposes, or a percentage of the site value of such land, or a combination of both). If no amount is specified, a contribution for public open space may still be required under Section 18 of the *Subdivision Act 1988*.

Response:

No public open space contribution of 5% is required for a two (2) lot subdivision.

7.2 Native Vegetation

Clause 52.17 of the Planning Scheme refers to Native Vegetation requirements and the purpose of the Clause is:

- To ensure that there is no net loss to biodiversity as a result of the removal, destruction or lopping of native vegetation. This is achieved by applying the following three step approach in accordance with the Guidelines for the removal, destruction or lopping of native vegetation (Department of Environment, Land, Water and Planning, 2017) (the Guidelines):
  - Avoid the removal, destruction or lopping of native vegetation.
  - Minimise impacts from the removal, destruction or lopping of native vegetation that cannot be avoided.
  - Provide an offset to compensate for the biodiversity impact if a permit is granted to remove, destroy or lop native vegetation.
- To manage the removal, destruction or lopping of native vegetation to minimise land and water degradation.

Clause 52.17-1 Permit Requirement states that a permit is required to remove, destroy or lop native vegetation, including dead native vegetation. This does not apply:

- If the table to **Clause 52.17-7** specifically states that a permit is not required.
- If a native vegetation precinct plan corresponding to the land is incorporated into this scheme and listed in the schedule to **Clause 52.16**.
- To the removal, destruction or lopping of native vegetation specified in the schedule to this clause.

Response:

No native vegetation is to be removed as part of the application.

8. General Provisions

8.1 Decision Guidelines

Under the provisions of **Clause 65.02**, before deciding on an application to subdivide land, the responsible authority must also consider, as appropriate:

Clause 65.02 – Application to subdivide land	Comments
The suitability of the land for subdivision	The land is suitable for subdivision.

	Moreover, the subdivision finds support in the Municipal Planning Strategy and the Planning Policy Framework and is consistent with the purpose of the Farming Zone.
The existing use and possible future development of the land and nearby land	This is a rural subdivision in a farming area. The resulting lots will allow new and existing agricultural practices to occur in the area. Nearby and adjacent land is also zoned farming and will remain for rural use and development.
The availability of subdivided land in the locality, and the need for the creation of further lots	This subdivision presents itself as an excision of the existing dwelling from the large lot to create a lot that can still be used for agricultural purposes.
The effect of development on the use or development of other land which has a common means of drainage	The subdivision will not adversely affect the drainage regime that is associated with adjoining land or other land in the vicinity of the subject site.
The subdivision pattern having regard to the physical characteristics of the land including existing vegetation	Having regard to the physical characteristics of the subject land and its surrounding context, it is submitted that the pattern and rhythm of the subdivision is appropriate for the subject land. The subdivision will facilitate development that is in keeping with the existing and preferred neighbourhood character.
The density of the proposed development	The subdivision intends to create two (2) lots. There are other examples in the immediate area that have had dwellings excised from larger parcels of farming land.
The area and dimensions of each lot in the subdivision	The proposed subdivision will create two (2) new lot that will allow for an existing dwelling and for existing rural activities.
The layout of roads having regard to their function and relationship to existing roads	Not applicable.
The movement of pedestrians and vehicles throughout the subdivision and the ease of access to all lots	Not applicable.
The provision and location of reserves for public open space and other community facilities	Not applicable.
The staging of the subdivision	Not applicable.
The design and siting of buildings having regard to safety and the risk of spread of fire	Not applicable.
The provision of off-street parking	Sufficient land is available on each of the proposed lots to accommodate off-street car parking in association with the existing dwelling.
The provision and location of common property	Not applicable.
The functions of any body corporate	Not applicable.
The availability and provision of utility services, including water, sewerage, drainage, electricity and gas	The proposed subdivision can be serviced by the following utility services, which are all available to it: ▪ Drainage; ▪ Electricity; and, ▪ Telecommunications.

If the land is not sewered and no provision has been made for the land to be sewered, the capacity of the land to treat and retain all sewage and sullage within the boundaries of each lot.	The dwelling is connected to an existing septic system.
Whether, in relation to subdivision plans, native vegetation can be protected through subdivision and siting of open space areas	Not applicable.

9. Policy Context

It is considered the proposal is consistent with the Municipal Planning Strategy and the Planning Policy Framework as outlined below:

9.1 Municipal Planning Strategy

Clause 02-03-3 – Natural Resource Management

Agriculture aims to:

- Protecting agricultural land from fragmentation.
- Encouraging sustainable and diverse agriculture.
- Consolidating inappropriately subdivided rural land.
- Discouraging rural-residential development where it impacts on agricultural land.

Response:

The land will continue to be used for agricultural purposes.

Water aims to:

- Conserving water resources.
- Minimising possible contamination of water supplies from urban, industrial and agricultural land use.
- Restricting subdivision, land use and development within water supply catchments.

Response:

The subdivision is excising an existing dwelling from the main farm. The larger lot will continue to be used for agricultural purposes and the smaller lot will contain the dwelling and the septic tank. There is no increase in the number of dwellings in the area.

9.2 Planning Policy Framework

Clause 12.01-1L – Biodiversity – contains strategies such as:

- Protect significant and sensitive areas, including wetlands, from the negative effects of vegetation clearance and modification.
- Retain areas of remnant understorey vegetation.

- Encourage the planting of native vegetation in winery developments, within lots that are not required for the growing of grapes.

Response:

No native vegetation is to be removed from the site.

Clause 14.01-1L – Agriculture in Pyrenees Shire – contains strategies such as:

- Limit small-lot rural excisions.
- Encourage the effective restructuring of inappropriate subdivisions.
- Designate 'restructure' parcels of sufficient size and configuration to construct a dwelling on each parcel without prejudicing the environmental capacity and landscape qualities of the area.

Response:

The land is currently being used for agricultural purposes and will continue to be used for this purpose.

Clause 14.01-2L – Sustainable Agriculture in Pyrenees Shire – contains strategies such as:

- Facilitate the preparation and implementation of land and water management plans at a farm and regional scale.
- Encourage the development of vineyards and wineries.
- Facilitate the development of supporting infrastructure (e.g. shedding, transport loading facilities and processing facilities) required in association with vineyard development.
- Limit land use and development in grape-growing areas that may be incompatible with viticulture.

Response:

The proposal will not result in the loss of agricultural land. The subdivision will enable the continued rural use of the land and improve the long-term productive capacity. The land is capable of supporting rural use given its soil quality, access to rural infrastructure is a positive for the proposal to proceed. The smaller lot cannot be used for broad acre farming purposes, but can be used for more intensive rural pursuits. Electricity and telephone are services available to the site, access to good road networks and close to Waubra.

Clause 19.03-3L – Integrated Water Management – contains strategies such as:

- Discourage residential development near the Beaufort Sewage Treatment Plant.
- Design private sewerage treatment and effluent disposal systems to minimise the discharge of waste into stream water in periods of flood.

Response:

There are services currently provided to the dwelling. No services are necessary to the larger lot.

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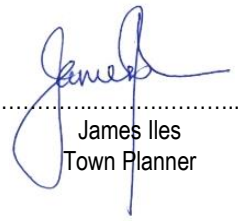
10. Conclusion

In summary, it is respectfully submitted that this proposed subdivision is consistent with the objectives and strategies of both the Municipal Planning Strategy and Planning Policy Framework of the Pyrenees Planning Scheme. In conclusion, it is considered that the proposed subdivision is appropriate to the site and its surrounds given the following:

- The proposal is consistent with the purpose of the Farming Zone.
- The proposal responds positively to the decision guidelines of Clause 65.02.

For all of the reasons outlined above, which have been expanded upon throughout this report, it is respectfully requested that the Pyrenees Shire Council support the application and issue a planning permit to allow for a two lot subdivision located at 325 Waubra-Talbot Road, Waubra.



……..

James Iles
Town Planner

11. Photos of the site and surrounds

Existing dwelling on the site.

Existing pine windbreaks to the south of the dwelling.

Existing land adjoining the dwelling site which is part of the larger farming enterprise.

Looking south along the property frontage of Waubra-Talbot Road.

Looking north along the property frontage of Waubra-Talbot Road.

Existing farming land opposite the site.

Existing farming land opposite the site.

Looking south along Waubra-Talbot Road.

Looking north along Waubra-Talbot Road.

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Land Management Plan

Address: 325 Waubra-Talbot Road, Waubra
Reference: P-01141

Pyrenees Shire Council

iPlanning Services Pty Ltd – June 2024

Land Management Plan
325 Waubra-Talbot Road, Waubra

iPlanning

Prepared for:

Mr Tim Dalton

Prepared by:

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Quality Information

Document	Land Management Plan
Reference No.	P-01141
Date	June 2024
Prepared by	James Iles

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1. Introduction

This Land Management Report aims to provide supporting documentation to the Planning Permit Application prepared by iPlanning Services Pty. Ltd. for submission to the Pyrenees Shire Council for consideration of an application for a two lot subdivision on land known as 325 Waubra-Talbot Road, Waubra.

This Land Management Plan details the current extent of the subject land and highlights the impacts likely to result from the proposed subdivision. It also recommends strategies to be implemented by the owner(s) to minimise potential damage, and to improve the overall quality of the site.

This Land Management Plan responds to the conditions of the subject site and the likely effects of the proposed subdivision. It aims to facilitate a seamless integration with the use of the land for agricultural purposes. Flexibility has been fundamental in the development of this Land Management Plan to ensure it can respond to changing or unexpected local conditions.

1.1 Background

The land is currently used for grazing of animals as well as cropping. The subject site is considered to be of a reasonably high value in relation to broad acre agricultural activities due to its size and site constraints which includes existing wind turbines on the site. The existing agricultural use on the site will continue to be economically viable, due to the natural and physical features of the site, and size of the parcel.

The two lot subdivision enables the existing dwelling and most of the farm sheds to be contained on a separate lot with the balance continuing to be used for agricultural purposes.

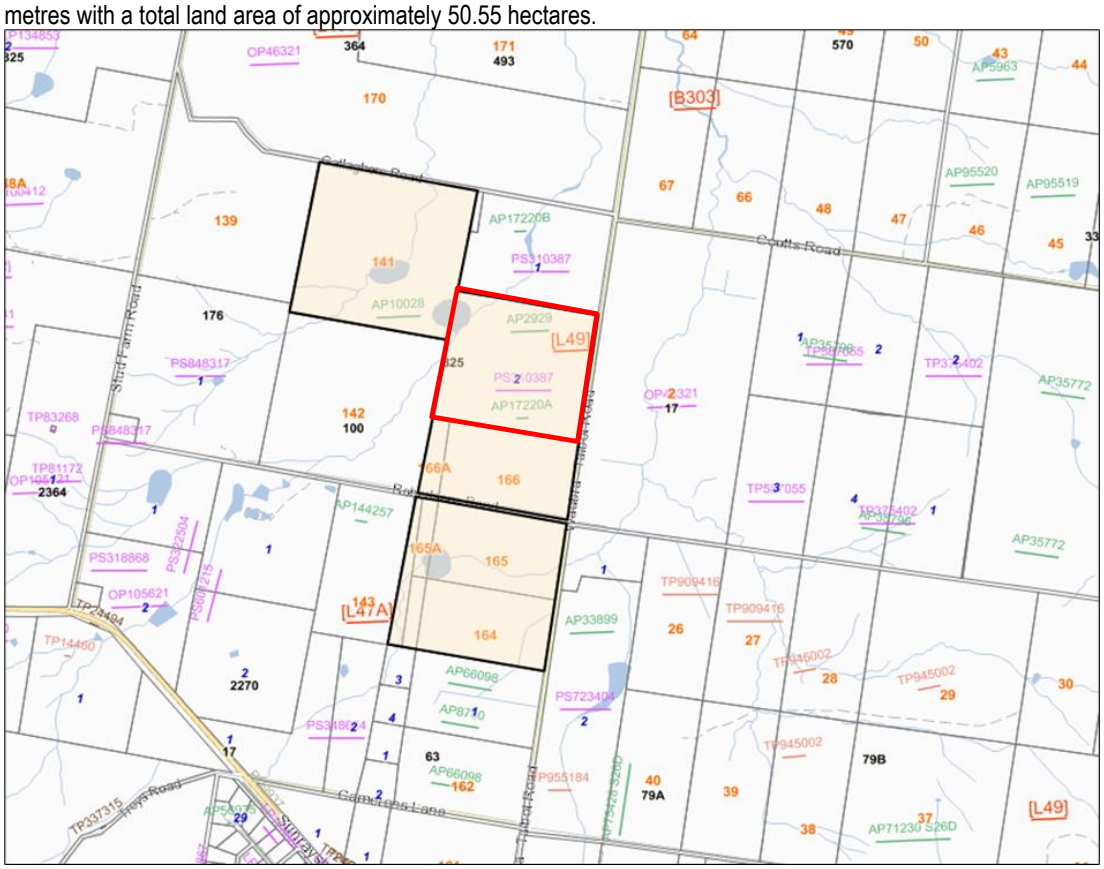
2. Existing Conditions

2.1 Category and Classification of the land

The subject site is located within the Pyrenees Shire Council and is included within the Farming Zone (FZ). The site is affected by the Environmental Significance Overlay (ESO1).

2.2 Property Description and Location

The subject site is located on the west side of the Waubra-Talbot Road. The site consists of one Title and it is described as Vol. 10065 Fol. 309 Lot 2 on Plan of Subdivision No. 310387T. The site is regular in shape with a frontage of approximately 672.6 metres to Waubra-Talbot Road, a northern boundary of approximately 736.3 metres, a western boundary of approximately 672.4 metres and a southern boundary of approximately 765.4 metres with a total land area of approximately 50.55 hectares.



The site currently contains an existing dwelling, farm shed, vegetation and agricultural land. The dwelling is situated at the southeastern portion of the site which has existing pine windbreaks along the south and west. There are some existing native trees located on the northern side of the dwelling (north side of the existing driveway). The remaining land is used for cropping and the site forms part of a larger farming property to the northwest and the south. The land is relatively flat with a large dam located in the northwest corner that covers two properties.

2.3 Existing Features/infrastructure

Electricity and telecommunications currently exist on site. Reticulated sewerage is not available to the site and all wastewater from the dwelling is directed to a septic tank system. Potable water is captured within the existing rain water tanks.

Electricity to the dwelling is provided from the existing overhead power lines that run along the east side of the Waubra-Talbot Road. Services are unlikely to be required for the larger lot. The Waubra-Talbot Road is a sealed road pavement with gravel shoulders and open drains on both sides. There are also grassed naturestrips on both sides. Overhead powerlines are located on the east side of the roadway. Waubra-Talbot Road is controlled and maintained by the Pyrenees Shire Council.

2.4 Topography, Geology and Soils

According to Natures Kit (DELWP website) the subject site is located within the Victorian Volcanic Plains Bioregion. Victorian Volcanic Plain is dominated by Cainozoic volcanic deposits. These deposits form an extensive flat to undulating basaltic plain with stony rises, old lava flows, numerous volcanic cones and old eruption points and is dotted with shallow lakes both salt and freshwater. The soils are variable ranging from red friable earths and acidic texture contrast soils on the higher fertile plain to scoraceous material, and support Plains Grassy wetland Woodland and Plains Grassland ecosystems.

2.5 Vegetation Description and Status

The site has been cleared of trees except for planted pine trees along the southern and western sides of the existing dwelling.

The predominant Ecological Vegetation Class (EVC132) in this area is the Plains Grasslands.

2.6 Summary

Recommendations of measures to be taken during the proposed subdivision, as well as ongoing management strategies, are made later in the report. The land will be managed in a conservative way with appropriate weed control, maintenance of the existing fencing and general up keep of the land.

3. Existing and Potential Land Management Issues

3.1 Weed Species

The EVC benchmarks for the Victorian Volcanic Plain Bioregion details common weed species occurring in the EVC which occurs on the site. These are:

Typical Weed Species	Common Name	Invasive	Impact
Aira elegantissima	Delicate Hair-grass	high	low
Hypochoeris radicata	Cat's Ear	high	low
Briza maxima	Large Quaking-grass	high	low

The weeds are a mixture of low lying herbaceous species. The high invasive and impact can spread at a great speed and can form dense patches that prevent the growth and regeneration of native plants, and can smother native grasses and herbs. In addition, the weeds are annual plants and it will die off and will leave dead spots which enables soil erosion to occur.

Large infestations of weeds can cause high negative impacts when they are not palatable to stock, and they can injure animals, reduce profit from wool and cause shearing difficulties, and the large size of the thistles damages the environment through outcompeting both native and pasture species.

3.2 Loss of Native Vegetation

No vegetation is to be removed. The land will continue to be used for agricultural purposes.

3.3 Erosion

There is no evidence of significant erosion occurring on the site or even along any drainage line on the site. Any potential fencing along the waterway may help with any erosion, but the land has been cropped and there is no evidence of any erosion.

3.4 Salinity

No areas of salinity recharge or discharge were identified on the subject site. The site is not located within the Salinity Management Overlay. No native vegetation will be removed from the site. Consequently, there is not expected to be any new impacts on ground water systems on the site or surrounds, and salinity is not considered to be a significant problem. The further re-vegetation that is to occur is expected to further lessen the chance of the site being affected by salinity.

4. Land Management Plan and Strategies

4.1 Specific Strategies

4.1.1 Weeds

Weed monitoring and management will occur to prevent the spread of weed species onto and within the site. The following strategies for weed control have been recommended based on the size of the property and the time physically required by the owner and the monetary funds required to manage it.

The process of controlling weeds on the subject site has been broken into 3 parts – the monitoring of the site for weed species, the removal of weed infestation, and the prevention of the spread of weeds onto the property. As no significant weed infestations were identified on-site, the focus will be on preventing weed species from occurring and removing any patches of weeds before they can establish.

a) Monitoring

The entire site should be searched annually to locate any weed infestations before they can be properly established. This should occur in early spring.

Any weed infestations which are identified should be removed as per the instructions below. This should occur during spring prior to the flowering of the plants.

Any areas of infestation which were identified in spring should be checked again in autumn to ensure the weed species has not regenerated. If weed species are re-emerging, removal should be repeated again in autumn.

b) Removal

There are a number of methods which can be used to effectively control weed species. These include:

- Cut and paint – involves cutting the weed species off at the stem and applying a concentrated herbicide to the cut area to prevent further growth.
- Drill and paint – used on trees and involves drilling a hole into the trunk to enable herbicide to be applied directly to the tree.
- Manual removal – involves removal of the weed (and where possible the root system) by pulling and digging out the weed.
- Re-vegetation – involve planting similar native species to outcompete the weed species.
- Burning – involves controlled burning of weed patches.
- Chemical removal – involves applying herbicides to weed species, usually using a hand held spray unit.
- Slashing – involves cutting the weed species down to just above ground level to prevent flowering.
- Pasture management – involves using stock to graze areas affected by weeds to prevent flowering.
- Mechanical – involves using machinery such as bulldozers, mowers etc… to remove large patches of weeds.

As the land is to be used for grazing of animals and/or cropping, the recommended weed strategies are the mechanical removal of weed infestation as they occur and the application of herbicides to the cut area of plants. The majority of weed species identified as being common to the EVC's of the site are low lying or prostrate herbs and graminoids, so will not be difficult to mechanically remove using ploughing equipment or chemical removal is recommended when the costs of these chemicals are minimal.

c) Timing

- The main removal of weeds should occur during spring, prior to flowering, for maximum results.
- Weeds located along waterways should be removed in summer when waterways are dry.
- When chemical removal is proposed for weeds, this should be undertaken on a day when it is not windy or raining, to prevent the chemicals from spreading to indigenous plants and to maximize efficiency of the chemicals.

d) Strategies

Native species indigenous to the area should be obtained prior to the removal of the weeds. The species chosen will be dependent upon the weed species it is to displace. This native vegetation may be seeds or tube stock, dependent upon the species selected.

The weed species should be manually removed by hand. If significant root systems remain in the soil following the manual removal, the application of herbicides to the cut areas should occur.

The removal of weed species should occur from the section least affected to the area most concentrated with weeds, to prevent the spread of weed species to clean areas of the site. Following the removal, the new plants/seeds should be planted in the affected area. Where chemical application has occurred, the re-vegetation of the native plants should be delayed until chemical residue has dissipated to prevent the chemicals leaching and killing these new plants.

Any tools and equipment used during the removal should be cleaned down prior to moving into a clean area of the site.

e) Prevention

The majority of weed species identified as being common to the EVC's located on the site are wind dispersed, and therefore preventing their spread onto the property is not achievable. However, a number

of significant invasive weeds located in this region are spread through other channels including animals, livestock, machinery and vehicles, and a number of methods can be used to prevent their spread onto and within the property. Actions recommended to prevent the spread of weeds onto the subject site include:

- Request that visitors clean their vehicles, machinery and equipment before entering your property.
- Clean machinery, vehicles and tools that have been in weed-infested areas.
- If livestock are to be kept on the property:
- Remove weed seeds from animals by brushing them thoroughly and cleaning their hooves before transporting them onto the site.
- Buy certified weed free fodder and seed where possible.
- Source hay from a reliable source, such as a property known to be weed free. Wherever possible, grow and use hay internally on the site.
- Quarantine new livestock for a period of 7-10 days in a restricted area of the site until they have been shorn or until weed seeds have had the chance to pass through their system. Once the quarantine period has finished, collect and remove all quarantined manure.
- Prevent the establishment of new weeds by:
- Not over-clearing vegetation (remove only targeted weed species),
- Using minimal disturbance techniques to avoid soil and surrounding vegetation disturbance.
- Only use mulch collected from on-site to prevent the movement of weed species into the site.

It is important to note that the elimination of invasive weed from a property is not usually possible. However, controlling weeds on a property is achievable, and the regularly monitoring and removal of small infestations of weed species as they occur is the most effective way to prevent larger infestations, which are more difficult and costly to remove.

4.2 Strategies for Ongoing Actions

These proposed actions are the recommended strategies to be implemented by the owner to achieve sustainable land management practices and improve the quality of the land. The following recommendations are ongoing and will need to be sustained over an indefinite period of time.

- Establish appropriate regime (eg. annually, every two years, etc…) whereby areas of native vegetation on the site are grazed, cut, burned, or slashed. This will enable native vegetation to remain in as 'natural' a state as possible. If vegetation is completely secluded from any grazing or fire, dominant native species soon overgrow and smother rarer and/or pioneer species such as native herbs and grasses.
- Limit the removal of fallen logs/branches from native vegetation areas, as these are important habitat tools for native faunal species such as lizards, frogs and small marsupials.
- Minimise human access to the treed areas of the site, to prevent adverse disturbance or damage to native flora and fauna.
- Have contingency plans in action to prepare for natural disasters. This may include actions such as the storage of stock feed to protect against starvation in times of drought.
- Maintaining ground cover (preferably over 70%) is the best insurance for erosion as it reduces surface water flow and its velocity (The faster the water moves, the less chance of infiltration and increased likelihood of topsoil loss)
- Ensure drainage treatment for the driveway and dwelling are effective and drains to the chosen discharge point. Ensure concentrated water associated with any drainage outlet does not cause soil erosion problems.
- Ensure that the driveway is suitably constructed and maintained with appropriate surfacing, gradients and culverts to maintain safe access to the dwelling and to prevent sediment run-off.
- Regular maintenance of the septic tank system to maximize operating efficiency.

- The maintenance of water saving devices in the existing residence to reduce the effluent load for onsite disposal, and the use of low phosphorus and low sodium (liquid) detergents to improve effluent quality and maintain soil properties.
- Operation and management of the effluent treatment and disposal system in accordance with the manufacturer's recommendations.
- Monitor the subject site for areas of salinity recharge or erosion landslip. Appropriately re-vegetate or otherwise treat any affected areas.
- Manage stormwater within the site including rainwater tank to collect rainfall roof run-off. Surface stormwater and overflow from the water tanks should be directed to appropriate legal point of discharge.
- Restrict vehicle access to the existing formed tracks throughout the site to minimise damage to vegetation and pasture grasses.
- Pasture grasses should be improved via cultivation and maintenance. Ground cover of pasture should be maintained by not over-grazing the site.

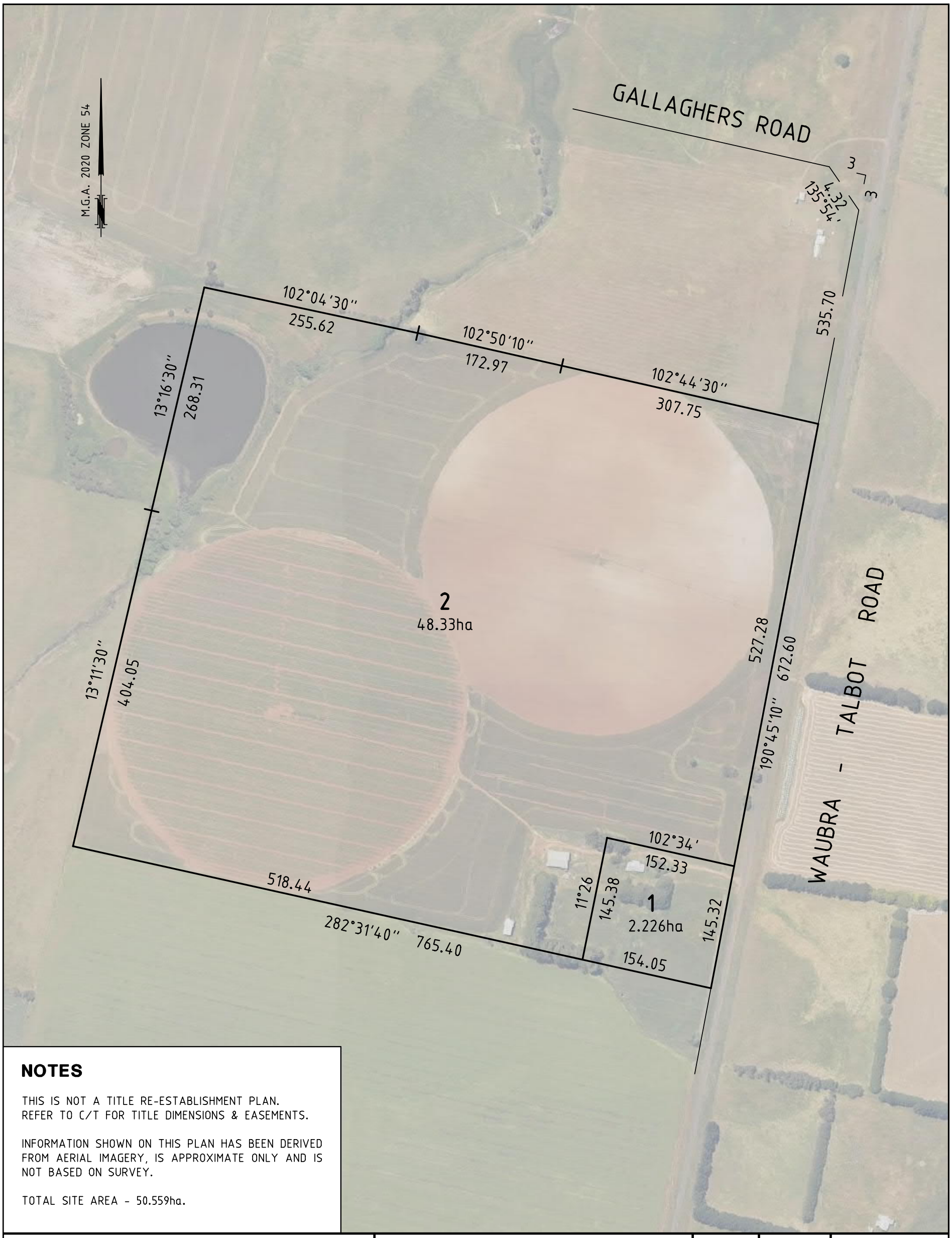
5. Conclusion

It is considered that the actions outlined in this Land Management Plan will prevent and/or significantly reduce any negative impacts to the subject land that may occur as a result of the proposed subdivision. Specific measures have been outlined for the long term management of the site. It is the responsibility of the owner(s) of the lot(s) to ensure these measures are adhered to appropriately.

The proposed management actions will improve the quality of the subject land which in turn should improve the natural and environmental features whilst providing a haven for native flora and fauna of the region.

The objectives of this Land Management Plan will be considered to be achieved when:

- All exposed areas are covered in grass, planting or suitable ground cover (eg. gravel, mulch, etc…).
- No soil erosion occurring within the site.
- Weed species are effectively managed and controlled.
- Native vegetation is protected and retained.
- Natural regeneration of native species is allowed to continue to occur in appropriate locations.



NOTES

THIS IS NOT A TITLE RE-ESTABLISHMENT PLAN.
REFER TO C/T FOR TITLE DIMENSIONS & EASEMENTS.

INFORMATION SHOWN ON THIS PLAN HAS BEEN DERIVED FROM AERIAL IMAGERY, IS APPROXIMATE ONLY AND IS NOT BASED ON SURVEY.

TOTAL SITE AREA - 50.559ha.

DICKSON HEARN PTY LTD
A.C.N. 162 086 339
3/92 BRIDGE MALL,
BALLARAT, 3350.
Phone (03) 5333 2225 Fax (03) 5333 3220
Email: ball@dicksonhearn.com.au

SITE PLAN

325 WAUBRA-TALBOT ROAD
WAUBRA

C/T. VOL.10065 FOL.309

DRAWN BY	L.P.M.	DWG. No. 9559-01
DATE	23/10/23	
CHECKED	D.J.H.	REVISION B
SCALE	1:4000	SHEET SIZE A3
DATUM		SHEET 1 OF 1

Our Ref JN:jn
File No 66/22/32

28 February 2022

The Hon Richard Wynne MP
Minister for Planning, Minister for Housing
Level 16
8 Nicholson Street
East Melbourne
Victoria, 3002

sent via email : Development.approvals@delwp.vic.gov.au

Dear Minister,

RE: Submission in response to PA2101150 – Use and Development of the land for the purposes of a Wind Energy Facility and Utility installation, create or alter assess to a road in a Road Zone, Category 1 or in a Public Acquisition Overlay for a Category 1 Road, display a business identification sign and removal of native vegetation at 54 Kayleys Lane Brewster VIC 3352, 295 Trawalla Road Trawalla VIC 3373, and 7 Pin Oak Court Trawalla VIC 3373

Thank you for providing Pyrenees Shire Council (Council) the opportunity to make a submission in relation to the above-described proposal.

During the exhibition period, Council received a delegation of concerned residents form the Trawalla and Brewster area who expressed several concerns about the proposal that are reflected in this submission.

Council resolved at its Ordinary Council Meeting on 15 February as follows:

> *That Council:*
> *1. Prepares a submission on the Planning Permit Application for the Brewster Wind Energy Facility that seeks to represent community concerns and mitigate any impacts to council-controlled assets; and*
> *2. Writes to the Minister of Planning requesting a one-month extension to the statutory period for submissions to this project.*

In respect of the period for submissions, Council is concerned that the community have not had sufficient time to consider the documentation to formulate an informed position. A letter of request was sent by email on 16 February to the Minister seeking an extension of time.

Council Plan

Council's vision as expressed in the Council Plan 2021-24 states:

> *Our vision is for inclusive, happy, healthy connected communities that create sustainable and welcoming townships, natural environments and rural areas.*

The key themes of "Place" and "Environment" reflected in the Council plan include the following Council commitments:

- *Sustain and enhance unique character of our communities*

- *Maintain a planning scheme that accommodates community values and guides sustainable development*
- *Manage impacts of large-scale infrastructure projects … on communities*
- *Foster a climate change resilient community*
- *Support environmentally responsible technology innovation initiatives*

This submission is prepared in the context of the Council Plan 2021-24 and the Pyrenees Planning Scheme.

In summary, upon review of the application documentation, Council is concerned that the information provided to support the planning permit application does not satisfy clauses 35.07, 65 and 52.32 of the Pyrenees Planning Scheme.

The absence of critical information required to support the application and the reliance on planning permit conditions to address the missing information is concerning to Council and our communities.

Noise

Council remains concerned around the proponent's selection of the candidate turbine, which despite being of the same megawatt capacity as the proposed turbine, is 81 meters smaller. This difference has the potential to significantly underrepresent the probable impacts on noise emissions and properties. The *Environmental Noise Assessment December 2021* as prepared by Marshall Day Acoustics, does not appear to be suitable to support assessment and determination by the Responsible Authority, due its dependance on the candidate turbine.

Background noise testing has not been undertaken and therefore cannot inform the Responsible Authority's understanding of impacts associated with the proposed use and development.

Part 4.6 of the *Environmental Noise Assessment* informs that background testing should be carried out where the predicted noise limits exceed 35dB at sensitive receptors. It is understood that the proponent intends to undertake background noise assessments only if required by a planning permit. Council is not satisfied that this approach allows the Responsible Authority to truly understand the noise impacts on our community at the time of making a determination. Further, the Responsible Authority is not provided with the opportunity to understand the cumulative noise impacts associated with the nearby freeway and train infrastructure, and whether the additional noise predicted by the proposed wind farm is reasonable.

The *Environmental Noise Assessment* refers to special audible characteristics, particularly the tonality, amplitude modulation and impulsiveness of a turbine. The report advises that tonality information is not currently available for the candidate turbine and that amplitude modulation and impulsiveness is not predicted. It then goes on to state that "… evidence of operational wind farms in Australia indicates that [tonality, amplitude modulation and impulsiveness] occurrence is limited and atypical". As the Pyrenees currently hosts several windfarms, it is our experience that amplitude modulation and impulsiveness do occur and cannot be defined as "atypical". The effects of these factors must be understood when assessing this application and not at a later stage of the project development, as suggested by the applicant.

In the absence of full and representative noise modeling, the proponent has failed to satisfactorily demonstrate that any noise impacts associated with the proposed use and development are reasonable and compliant with specified noise limits.

Community Engagement

A review of the *Community Engagement Plan December 2021* demonstrates a failure by the applicant to adhere to its own defined Guiding Principles and Objectives in relation to community engagement. The proponent's approach to engaging and informing the community throughout the early stages of this proposal has fallen short of the community expectations as expressed to council by several landowners.
The proposal expanded from four (4) to seven (7) turbines at some stage during the second half of 2021. The community was not informed of this increase until the application was placed on notice. Similarly, Council only became aware of the increase following a proactive conversation with DELWP's development approvals team in January 2022.

The Consultation Action Plan described at part 5.3 of the Community Engagement Plan, is less than expected of genuine and planned engagement going forward.

Additionally, the Community Engagement Plan provides no quantifiable evidence of engagement undertaken to date, and fails to demonstrate how key stake holders such as the Primary School, Dynamic Flight Hang Gliding School and the Ballarat Radio Model Flying Club have been or will be engaged.

The proponent has targeted its engagement on existing and occupied dwellings. It has failed to recognize permitted dwellings but not yet accommodation uses (planning permit granted) or land owners who have a right to construct and use a dwelling in accordance with Section 1 of clause 35.07 of the Pyrenees Planning Scheme.

It is evident from references made within the Community Engagement Plan, that the proponent has relied on the communities 'familiarity' with wind farms, rather than delivering an appropriate level of consultation and engagement.

Visual Impacts
Chapter 3 of the *Significant Landscapes of South West Victoria*, as published on DELWP's website, identifies the views within the planning permit application as being of regional significance.

This regionally significant landscape includes the forested areas and steep escarpments of Mount Buangor, Mount Cole, Mount Lonarch and Mount Langhi Ghiran and the individual landforms of Mount Beckworth, Mount Bolton and Mount Ercildoune.

Chapter 5 of *Significant Landscapes of South West Victoria* defines the objectives of the study as being to:

- To protect and enhance the identified significant views and vistas.
- To manage the visual impact of development on the character and significance of the landscape.
- To maintain the important contribution that significant landscapes and views make to the regional economy as tourism assets.

The *Landscape and Visual Impact Assessment December 2021* accepts that the overall landscape character sensitivity to be moderate but suggests that it "may" have the capacity to absorb some change. The suggestion that the landscape "may…absorb change" is formed on the basis of it being a large, open landscape with a low density of people located in the immediate area. It fails to identify the Western Highway being the key entry point for visitors into the shire and any potential impact on tourism.

The mitigation identified in the *Landscape and Visual Impact Assessment*, relies on two measures:

- Minimising the visual contrast between the wind turbine and the landscapes in which they are viewed; and

- Screening views towards the wind turbines from specific receptor locations.

That the proposed turbines are 247 meters in height will be in a significant contrast with the surrounding landscapes, particularly the dark eucalyptus covered hills and mountains in the area. Council is concerned through the *Landscape and Visual Impact Assessment* that the visual impacts can be suitably mitigated or that due consideration has been given to the potential impacts on tourism and visitation.

Traffic Movements
The *Preliminary Traffic Impact Assessment November* 2021 fails to identify the internal site track network, and as such doesn't allow Council to be satisfied that the impacts on the site are reasonable and acceptable in accordance with clause 35.076 of the Pyrenees Planning Scheme. In particular, activities such as earthmoving and track construction which may impact the rate of flow and point of water discharge across a property boundary remain unclear.

Further, the *Preliminary Traffic Impact Assessment* does not clearly identify the offsite impacts of vehicle movements on Council's roads or how this will affect existing road users. Details around water, quarry material and cement cartage routes and impacts remain unclear.

Future land uses
As DELWP is aware, VC212 has seen the introduction of permit requirements and decision guidelines in relation accommodation uses located within one kilometer from the nearest title boundary of land subject to a wind energy facility. Such requirements and the resultant impacts have not required consideration previously, however are very real and need to be understood in relation to this project. Such provisions deter development, and in turn threaten investment, diversification, and the sustainability of agriculture. The proposed use and development, if approved will restrict accommodation development on twelve (12) separate properties.

Highway Traffic
Notwithstanding Appendix F (Shadow Flicker Assessment Report), Council has concerns around the impact of shadow flicker and blade glint on users of the Western Highway and other roads in proximity to the proposed use and development.

Vehicles travelling east in the early morning, and west in the late afternoon along the Western Highway, currently struggle with dangerous conditions relating to the suns location on the horizon at these times of the day. The addition of shadow flicker (which is guaranteed) and blade glint (which has not been addressed) will exacerbate already challenging conditions.

Other concerns raised by the community
- That the Ecological Assessment prepared by Ecology and Heritage Partners underestimates and fails to value the presence of Brolga habitat and the number of breeding pairs observed during the 2021 breeding season.
- A perception that the actions of the proponent in relation to engagement with affected stakeholders has caused divide within the community.
- A concern that the alleged community benefits are not representative of the damage and cost to social and economic values.
- The application does not provide sufficient detail to allow the for the impacts on ground water associated with the anchorage of turbines to be understood and assessed.
- A sense that the photomontages included in the *Landscape and Visual Impact Assessment December* 2021 are mmisleading in both size and scale.
- Impact on agricultural activities including aerial spraying and surface water flow are not properly understood.

In conclusion, Council remains concerned that the application has not been supported by an adequate level of information that allows the Responsible Authority to sufficiently understand and assess the impacts of the proposed use and development.

Further, Council is concerned that the proponent has relied on the probability of a highly conditioned planning permit, rather than doing the preliminary work required to satisfy the community, Council and the Responsible Authority, that this proposed use and development is an acceptable planning outcome.

In the instance that the Responsible Authority determines to issue a planning permit, Council requests the opportunity to be able to provide input into any proposed permit condition, as a means of encouraging an outcome that is most suitable to the community it represents.
We thank you again for the opportunity to make this submission and awaiting a decision with interest.
Yours sincerely,

Jim Nolan
Chief Executive Officer

Pyrenees Shire Council

Our ref: Brewster Wind Farm

25 October 2024

The Honerable Sonia Kilkenny
Minister for Planning
C/- Department of Transport and Planning

Dear Minister Kilkenny,

Planning Permit Application PA2403106

For: Use and development of the land for a wind energy facility and utility installation, removal of native vegetation, alteration of access to a road in a Transport Zone 2 and land in a Public Acquitison Overlay, and the display of business identification signange

Pyrenees Shire Council (Council) has received notice of the above planning permit application for the wind energy facility located at Brewster (known as the Bewster Wind Farm).

Context
This submission has been prepared duing the council election period. The formal position of the newly-elected council is unable to be reflected in this submission due to the timing of the notification period of the planning permit application.

This submission has therefore been prepared in the context of how the proposal reponds to the Pyrenees Planning Scheme and the *Planning and Environment Act 1987*. In that context, and in summary, Council does not support the grant of a permit for the reasons outlined below and in the attached.

The Pyrenees Shire hosts four wind energy facilites with over two hundred turbines. Council has a history of supporting these facilities and positive engagement in these planning processes, and these facilities have demonstrated beneficial outcomes for the community.

Council acknowledges and supports the Government's ongoing efforts in the renewable energy transition. However the urgency of this transition should not overide the need to deliver net community benefit and sustainable development.

Response

Council objects to the grant of a planning permit for the Brewster Wind Farm for the following reasons:

1. The application will impact Brolga (*Grus rubicunda*), listed as Endangered in Victoria, and is inconsistent with the Objective of Clause 12.01-S of the Pyrenees Planning Scheme to protect and enhance Victoria's biodiversity.

2. Incomplete information provided regarding noise management and groundwater, limiting the ability for the application to demonstrate consistency with relevant policy at Clause 13.05 and 14.02 of the Pyrenees Planning Scheme.

3. The application process fails to address the Departmental Guidelines as required under Clause 52.32-5 of the Pyrenees Planning Scheme regarding community consultation. This has erroded trust between the community and applicant, and leaves in doubt the ability of the applicant to deliver and manage the project in the manner described in the accompanying reports.

4. Lack of consideration of the *Planning and Environment Act 1987* including the principles of planning in Victoria, net community benefit, and fair and orderly planning outcomes.

Please see Council's detailed comments regarding these issues in ***Attachment 1***.

Council's original submissions to permit application PA2101150 are provided as ***Attachment 2.*** Given the nature of the applictions and the matters raised Council requests that these issues be considered in determining the application.

Concerns with the planning permit application process

On 28 February 2022 Council made a submission to the previous permit application for the Brewster Wind Farm (PA2101150), raising a number of areas for concern for the community and Council.

PA2101150 was subsequently withdrawn by the proponent. Notification of the current planning permit application PA2403106 was provided to Council on 20 August 2024.

Council understands that the applicant sought to withdraw and resubmit the planning permit application at the encouragement and direction of Department of Transport and Planning (the Department). The intent was to allow the application to be considered under Clause 53.22 of the Pyrenees Planning Scheme that was amended through planning scheme amendment VC261, gazetted on 4 April 2024.

The changes to Clause 53.22 of the Pyrenees Planning Scheme introduced through VC261 included expanding the Development Facilitation Program and exempting applications from review rights of Section 82(1) of the *Planning and Environment Act 1987*. It is noted that VC261 was not subject to notification or exhibition as the Minister exercised powers of intervention under section 20(4) of the Act. The documents that constitute VC261 note that the intent of removing appeal rights was to allow projects to proceed quicker, implying that the community and stakeholders including Council serve to delay renewable energy projects.

Council considers it wholey inappropriate for the Department to recommend or promote that applicants utilise pathways that intentially removes rights enshrined under *Planning and Environment Act 1987,* in particular for active projects. Removing third party appeal rights limits community participation in the process and critical review of any of the studies produced to support the project.

The notification period of the planning permit commenced with local notification on 27 September 2024. The application documentation inlcudes significant technical work, some of it being seen for the first time. These factors, combined with the outstanding issues raised in Council's previous submission, make it difficult for the community to make meaningful submissions that will able to be considered on planning grounds.

Thank you for the opportunity to make this submission. We welcome ongoing engagement on this project. If it is determined to issue a permit, Council requests the circulation of draft conditions for consideration.

Please do not hesitate to contact us if you wish to discuss any element of this submission further.

Yours sincerely,

Jim Nolan
Chief Executive Officer

Attachment 1

Planning considerations

The planning report (Brewster Wind Farm, RE Future, July 2024) identifies a list of policies contained within the Pyrenees Planning Scheme that are relevant to this application.

Of interest to Council in the context of this submission are:

Planning Policy

12 Environmental and Landscape Values

Clause 12.01 Biodiversity

The strategies of Clause 12 that are designed to achieve the objective of biodiversity protection and enhancement, include using biodiversity information in the identification of key habitat for rare or threatened species.

Council previously raised community concerns regarding the lack of consideration of Brolga records and habitat. Brolga is an Endangered species in Victoria, and from the commencement of the project the location of the facility within Brolga habitat has not been adequately, or accurately, considered by the proponent. A Brolga assessment was undertaken by Ecology and Heritage Partners (dated June 2024) in accordance with the methodology set by the Department of Sustainability and Environment in 2012.

Following review and discussion with the community, Council has formed the view that the assessment is not accurate and must not be relied on to determine the impact to the species.

Council is aware that:

- Landowners have discussed the occurrence of Brolga on their properties with the proponent and ecologist, and collected records, including drone footage and photographs. Many of these records have been omitted from the report.

- Information provided to the proponent on flight paths of Brolga between the study area and surrounds have not been captured in the report.

- Wetlands, including one used for breeding in close proximity to a turbine, have been omitted entirely from the assessment.

- Other inaccuracies exist within the report with regards to habitat classifications and records.

- Flight surveys were not undertaken during critical dawn and dusk periods when Brolga are most active.

- Landowners have no record of being contacted regarding local records or sightings of Brolga, despite claims to contrary (page 13).

As the foundation of the report (records of breeding, foraging and flight, habitat identification and classification) is likely to be inaccurate, the application of the buffers as outlined in Section 5.1 of the report will not achieve the requirement to avoid or minimize impacts to Brolga.

13 – Environmental risks and amenity

13.05-1S - Noise management

Clause 13.05-1S includes consideration of noise from wind energy facilities. The policy identifies that noise effects should be managed and not detrimental to sensitive land uses including dwellings.

It is unclear from the report *Noise Assessment- Brewster Wind Farm* (Marshall Day, 30 June 2024) if the previous concerns raised by Council have been adequately addressed, including for the following reasons:

- Background noise monitoring was not made available within the documents provided to the Council.
- Some community members report that no monitoring has occurred on their properties that could have been reasonably expected.

Further noise assessments are recommended by report *Noise Assessment- Brewster Wind Farm* (Marshall Day, 30 June 2024) suggesting that the wind energy facility would need to demonstrate further compliance with the relevant standards.

Council understands that some members of the community are concerned that noise impacts will be more severe post-construction that considered by the *Noise Assessment- Brewster Wind Farm* (Marshall Day, 30 June 2024) if the applicant seeks to modify turbine height or blade size.

14 – Natural Resource Management

14.02 – 1S Catchment planning and management

Council has previously raised concerns about groundwater contamination, as several residents with the project area rely on bore water.

The geotechnical desktop assessment states that 'the local groundwater regime would be investigated' however this is clearly insufficient to state that the application responds to the policy at Clause 14.02. Clause 14.02 includes protection of water sources and aquatic environments, including groundwater. The application should have demonstrated how ground water contamination will be prevented after consideration of the water table characteristics in the study area.

Particular Provisions

52.32-5 Wind energy facility

Before deciding on an application, in addition to the decision guidelines of Clause 65, the responsible authority must consider a range of matters including the Municipal Planning Strategy and the Planning Policy Framework of the Pyrenees Planning Scheme, the impact of the facility on a range of matters, and the Departmental Guidelines *Policy and Planning Guidelines for Development of Wind Energy Facilities in Victoria* (Department of Environment, Land, Water and Planning, November 2021).

Council disagrees with the planning report (RE Future Brewster Wind Farm, Application for Planning Permit, Volume 1 – Planning Report, REF Developments June 2024) that states the site is suitable for the establishment of a wind energy facility due to the impacts to various matters being considered low risk. Council is of the view that inadequate information has been provided or the concerns of the impacted community have not been considered in the manner required to determine the impacts are low risk or acceptable.

In consideration of the matters required by the Departmental Guidelines, community engagement and benefit sharing is of particular relevance. In Council's previous submission of 2022 this matter was raised due to expansion of the project that was not made public until formal notification. Council has again witnessed the proponent fail to engage with and inform the community on key elements of the project. This is detrimental to the trust and social capital needed for the long-term operation of the facility. Council views this as a failure to undertake the necessary community engagement required by the Departmental Guidelines. In addition, no meaningful consultation on the community benefits scheme has occurred with the community.

65.01 – Approval of an application or plan

Before deciding on an application or approval of a plan, the responsible authority must consider, as appropriate:

- The matters set out in section 60 of the Act.
- Any significant effects the environment, including the contamination of land, may have on the use or development.
- The Municipal Planning Strategy and the Planning Policy Framework.
- The purpose of the zone, overlay or other provision.
- Any matter required to be considered in the zone, overlay or other provision.
- The orderly planning of the area.
- The effect on the environment, human health and amenity of the area.
- The proximity of the land to any public land.
- Factors likely to cause or contribute to land degradation, salinity or reduce water quality.
- Whether the proposed development is designed to maintain or improve the quality of stormwater within and exiting the site.

- The extent and character of native vegetation and the likelihood of its destruction.
- Whether native vegetation is to be or can be protected, planted or allowed to regenerate.
- The degree of flood, erosion or fire hazard associated with the location of the land and the use, development or management of the land so as to minimise any such hazard.
- The adequacy of loading and unloading facilities and any associated amenity, traffic flow and road safety impacts.
- The impact the use or development will have on the current and future development and operation of the transport system.

Several of these issues are dealt with through various consultant reports prepared to support the application. Council notes that concern exists within the community about the impact of the facility on transport, in particular the Western Highway as the principal road network and the use of the airspace for emergency aviation. Council has no view on these matters but asks that concerns of the community be considered, and in deciding on these matters the Minister is guided by responses of the managing authorities.

The planning report (RE Future Brewster Wind Farm, Application for Planning Permit, Volume 1 – Planning Report, REF Developments June 2024) accompanying the advertised documents has failed to consider the *Planning and Environment Act 1987*, as required by Clause 65.

In failing to address the objectives of planning in Victoria, or any significant social, environmental, or economic effects, the application as viewed by Council is incomplete and should not be supported by the Minister.

In considering the objectives of planning in Victoria as required by s60(1)(b) of the Act, Council makes the following comments for consideration:

- The application demonstrates benefit to the wider Victorian community as it provides for renewable energy generation.

- This benefit does not necessarily represent a net community benefit when considering the small size of the facility (6 turbines) against the environmental impact, the uncertainty surrounding community benefit, remaining issues around noise and groundwater, and the lack of community trust for the delivery and operation of the facility.

- The location of the wind energy facility, while within the farming zone, is near a higher density of dwellings due to the smaller sized farming properties and the Rural Living Zone to the west. This increases the proportion of the community impacted by the facility and suggests, combined with other limitations, it is unsuitable for a development of an energy facility.

- The application as proposed does not represent a fair and orderly outcome for the use and development of land due to the potential impact to the community and the environment. When considering integrated decision making the impact is disproportionately large when compared to the size of the energy facility.

Draft 1 emailed to Council 10/10/2024 - Awaiting their response

Moloney Asset Management Systems

MAMS

Report Following the Survey of Road Assets for Pyrenees Shire

Undertaken in Sep-24

Road Condition Survey – Pyrenees Shire

Report produced by Moloney Asset Management Systems
exclusively for Pyrenees Shire

Peter Moloney MIEAust
Moloney Asset Management Systems

peter@moloneys.com.au

1.0 Report Summary - Major Findings

This report provides a summary of the major findings coming out of the condition survey of Pyrenees Shire's road assets undertaken by Moloney Asset Management Systems (MAMS) in Sep-2024

1.1 Major Findings

1. *The road assets within Pyrenees Shire were generally found to be in "Very Good to Excellent" overall condition when benchmarked against all 72 councils assessed by Moloney Asset Management Systems (MAMS). See Figure 2.1 for full details.*
2. *Your performance since our last survey in 2021 has delivered a solid condition improvement for your sealed and unsealed road pavement assets but your sealed surfaces have declined in condition a little.*
3. *Your sealed road pavement assets have very low levels of both isolated pavement failures and very poor condition assets.*
4. *Your unsealed road pavements have very low levels of isolated pavement failure and relatively low levels of poor condition assets*
5. *Your sealed surface may have declined a little since 2021 but they remain in Excellent overall condition with extremely low levels of poor condition assets.*
6. *The total present renewal shortfall or backlog of over intervention assets (OIA's) for the whole roads group is estimated at $3,500,274 representing 1.16% of the total road asset valuation. This equates to 57% of the level of one full year's full annual liability for the renewal of the assets and as such is considered to be within the "Excellent" Condition range based on a consideration of the total level of OIA's*
7. *When you're overall condition in six above is based on our industry standard intervention levels (Level of service), your "Excellent" condition lifts one ranking up to the "Exceptionally good" level.*
8. *In providing a single overall condition rating for your whole road network we look at 4 individual condition factors for each of the 3 sub asset classes that were inspected. Your single overall ranking here was found to be "Very Good to Excellent".*
9. *The current planned future renewal funding level of $3,100,000 pa for the road assets is considered to be very close to an appropriate total level for the next 5 - 10 years subject to normal CPI increases.*
10. *We developed a recommended funding strategy using the Moloney funding scenario finder that delivered a commencing total annual renewal demand of $3,100,000 pa. This is predicted to maintain your assets within their present "Excellent" condition regarding the extent of OIA's.*
11. *The recommended funding strategy does not include any allowance for asset upgrades as part or the renewal program.*
12. *The recommended funding level should be considered as an average figure over the next 5 - 10 years. It may vary year to year depending on project size and council priorities. It may also vary between the sub asset classes year to year.*
13. *Council has done a good job with the management of their road assets since our last survey in 2021 and more particularly over the last 14 years. Your assets are ageing. But your targeting of major maintenance and renewal programs has been excellent.*
14. *We have undertaken 6 condition surveys of your road network over the last 14 years and the long term trend for all 3 asset classes that we inspected is very sound.*
15. *The recommended funding strategy is just one available option. With all data now within the Moloney model, different funding scenarios can be examined quite easily. Council is encouraged to use the model to deliver a funding strategy that best meets their needs.*
16. *All financial reporting within this document is based in today's values with no allowance for any CPI movement. The Moloney software has the capacity to adjust all outputs for an adopted annual CPI increase at the touch of a button. But it is felt that reporting with CPI included can present some difficult to interpret results.*

1.1.2 Other Important findings

1. *Unique degradation curves have been produced based on actual condition change over six condition surveys undertaken in 2010 and 2024. This has greatly enhanced the financial modelling results within this report.*

2. *Key performance indicators have been developed at a sub asset level that accurately benchmark asset condition change since the last survey*

3. *The same key performance indicators have been used to benchmark Pyrenees Shire externally against all 72 councils assessed by MAMS.*

4. *The report also tracks the movement in the key performance indicators over the last 14 years. The news here is quite good.*

5. *Our unique degradation curves suggest that your accounting service lives for all asset classes tend to be far lower than what you are achieving. This is a trend that has been evident in many councils over the last 29 years of our work and it is strongly recommended that you review upwards your asset service lives for accounting purposes.*

2.0 Report Summary - Condition Findings

2.1 Overall condition at Sub Asset level

This section provides a summary of the condition findings at road sub asset level for each of the sub assets that were inspected along with a description of how they have changed since the time of the last condition survey in 2021Dec-21.

2.1.2 Overall Condition Findings for road sub assets

Sub Asset Description	**Indicator 1** - Overall Condition (Weighted Average Asset Condition)		**Indicator 2** - Ext of poor Cond Assets (Just below the Intervention Level)		**Indicator 3** - Ext of poor Cond Assets (At and above the Intervention Level)		**Indicator 4** - Ext of Isolated Failures		Single Overall Condition Descriptor (Considering all 4 Indicators)
	Your Condition Descriptor	Change since last survey	Your Extent	Change since last survey	Your Extent	Change since last survey	Your Extent	Change since last survey	
Sealed Rd Pavements	Very Good	Modest Improvement	Close to Average levels	Modest Improvement	Excellent - Extremely low levels	Very Strong Improvement	Excellent - Extremely low levels	Very Strong Improvement	**Very Good to Excellent**
Sealed Surfaces	Very Good	Small Condition Decline	Excellent - Extremely low levels	Strong condition improvement	Excellent - Extremely low levels	Considerable condition decline	N/A	N/A	**Excellent**
Unsealed Rd Pavements	Very Good	Small Condition Decline	Good - Better than Average	Small Condition Improvement	Good - Better than Average	Small condition Decline	Excellent - Very low levels	Strong Improvement	**Very Good**
							Single Overall Condition Rating for whole Road network		**Very Good to Excellent**

Figure 2.1 Summary of sub asset condition findings

It is very difficult to provide one single condition indicator that adequately covers the condition of these complex assets. We have developed a series of 4 separate indicators that we feel cover the main condition trends for the assets.

Figure 2.1 provides a summary of the overall condition findings for each of the sub asset classes that were inspected. There are four overall indicators that are reported upon. Each has a descriptor in the first grey column that ranks you against all 72 councils assessed by MAMS. The second green column for each indicator provides a description of how your condition has changed since our last survey.

1. **Overall Condition - Weighted Average Asset Condition** - Derived by benchmarking your weighted average asset condition against that of all 72 councils inspected by MAMS. The weighted average condition is a single overall average condition for all segments that is weighted for the extent of the asset within each.
2. **Extent of poor condition Assets Just below the Intervention level** - This is the extent of the asset base that is close to the intervention level and may require retreatment in the near future. If your intervention level was condition 8 then this would normally include the two condition ratings immediately below that of Conditions 6 + 7. This is a particularly important indicator where you are dealing with the at and above intervention assets but have a high percentage just below intervention.
3. **Extent of Poor condition Assets at and above the intervention level** - This is the extent of the asset base that is currently at and above the selected intervention level. It is a critical indicator of the overall health of the sub asset set as it measures how you are performing against your desired worst condition to remain in service.
4. **Extent of Isolated Failures** - For all sub assets other than sealed surfaces and in some cases footpaths, we record the extent of any isolated asset failures. These can occur within otherwise good condition asset and your base ranking is delivered by comparing your results to those of the full 72 councils we have assessed. The rating is generally measured as the percentage of failure within the total segment. We do normally rank the isolated failures into two separate categories. Urgent failures that require remedial attention right now and non urgent that are failures but their repair is not as urgent as the former ones.
5. **Single overall Condition descriptor** - While the 4 individual indicators provide a great deal of condition information, this figure delivers a single condition indicator that takes into account the 4 independent indicators and delivers a single condition rating for each sub asset class.

The assets tend to vary a bit across the sub asset classes and the four individual condition indicators. But the single overall condition for the whole road network at the bottom right of Figure 2.1 indicates a set of road assets in Very Good to Excellent overall condition.

Your sealed road pavements were found to be in Very Good to Excellent overall condition, your unsealed road pavements in Very Good condition and your sealed Surfaces in Excellent overall condition.

2.2 Standardised Full Road Network Condition Findings - Level of OIA's

This section will look at the condition and performance of the whole road network. It can be difficult to report on the performance of the whole network when dealing with sub assets that have quite different life cycles, unit renewal rates and intervention levels between different councils. We have developed a single reporting indicator that is independent of asset life, the adopted intervention level and unit renewal rates.

The total level of the Over Intervention Assets (OIA's) within a road network provides a very strong indicator of overall condition performance. The best measure of the level of OIA's is considered to be the extent of the OIA's expressed as the number of years value of the average annual liability (similar to annual depreciation in accounting terms). See Appendix D for a detailed explanation. But in brief the backlog of OIA's expressed in this way provides a really solid condition benchmark that is independent of asset service life, asset quantity and unit renewal rates.

There is one other variable that needs to be standardised and that is the intervention level. If Council "A" has a high level of service (low intervention level) and Council "B" has a low level of service (High intervention level). Then for the same absolute extent of poor condition assets (OIA's) for Council B will be reported at a lower level Council A. To avoid these problems we have adopted a standardised set of typical industry standard intervention levels that we apply to all councils when reporting within Figure 2.2 below.

Pyrenees Shire has some lower than industry standard intervention levels for some asset classes. (higher level of service). Accordingly your extent of OIA's when gauged against the standardised intervention levels is a little lower than when gauges against your own adopted intervention levels. Refer to section D2 within appendix D to see the results with your adopted intervention levels.

Standardised Levels of Over Intervention Assets

Present extent of OIA's expressed in three ways			Your overall road asset condition based in the extent of OIA's	
Current % of OIA's expresses in years worth of average annual liability	Your present value of OIA's in $	Your OIA's as a % of your total asset base valuation	Moloney standardised condition description	Additional comments on sandardised condition descriptor
23.48%	$1,347,365	0.45%	Exceptionally good	Extremely low levels of over intervention assets
The figures based on your Adopted intervention levels - For comparison purposes				
57.00%	$3,500,274	1.20%	Excellent	Very low level of over intervention assets

Figure 2.2 Standardised levels of Over Intervention Assets

Figure 2.2 summarises the present level of OIA's for the full road network in terms of the number of year's worth of annual liability that it represents. The figure of 23.48% of one full year's annual liability equates to a Moloney standardised condition description of "Exceptionally good". This being an improvement from the "Excellent" condition outcome based on your own intervention levels. See Appendix D, Figure D 1 for details of the standardised descriptors.

3.0 Report Summary - Financial Findings

The Moloney financial modelling software was used to deliver the following three reports for each of the sub asset sets and to then combine the results into a whole of roads group single report.

1. Prediction of renewal demand to treat all over intervention assets - Column E within Figure 3.1 (and series 5 graphs in sub asset sections). Note that the figure in column E has been averaged over the first 5 years to better reflect how the model is structured.

2. Prediction of future asset condition based on the continuation of the planned renewal expenditure level (series 6 graphs in sub asset sections)

3. Delivery of a recommended funding profile - Column G (series 7 graphs in sub asset sections). Note that within Column G the recommended funding strategy can include in some cases a recommended annual compounding increase in funding (see column heading).

The individual modelling results for the above three reports can be found within each of the sub asset sections 4 - 8 below. Figure 3.1 provides an overall financial summary in a table rather than graphical form.

	A	B	C	D	E	F	G	H	I
Sub Asset Description	Average renewal expenditure since the time of last survey	Average Planned renewal expenditure for the next 5 Years	Average Annual Liability (Based upon modelling lives and valuations) (AL)	Annual Depreciation based on Accounting valuations and lives (AD)	Average Capital Renewal Demand for next 5-years to eliminate all over intervention assets	Date of Condition Inspection	Recommended Year 1 funding level with no annual compounding increase	Planned renewal expenditure (Column B) as a % of the Annual Liability	Recommended Funding level (Column G) as a % of the Annual Liability Rate
Sealed Pavements	**$1,850,000**	**$1,200,000**	**$2,953,421**	**$2,858,049**	**$1,328,482**	Sep-2024	$1,130,000	**41%**	**38%**
Sealed Surfaces	**$1,330,000**	**$900,000**	**$1,282,946**	**$1,297,850**	**$842,418**	Sep-2024	$1,050,000	**70%**	**82%**
Unsealed Pavements	**$640,000**	**$1,000,000**	**$1,890,872**	**$1,346,435**	**$1,000,000**	Sep-2024	$920,000	**53%**	**49%**
Totals	**$3,820,000**	**$3,100,000**	**$6,127,240**	$5,502,334	$3,170,900		**$3,100,000**	**51%**	**51%**
C - B Estimated Annual Consumption Rate		**$3,027,240**							

Figure 3.1 Recommended and other funding profiles

Figure 3.1 contains a lot of information but it is a very important table that summarises the financial position relating to the road assets in a number of different ways.

A - This is the average renewal expenditure since the time of the last condition survey

B - The planned average renewal expenditure over the next 5 years. Note also that Column H provides your planned expenditure expressed as a percentage of the annual liability rate in Column C.

C - "Average annual liability" is the average annual renewal expenditure needed over the long term in order to maintain your asset base. The figure is similar to the accounting term "Annual Depreciation", but is calculated in a different way by directly linking it to the unit renewal rates and life cycles as used within the financial model. It can differ quite markedly from "Annual depreciation" because of the requirement for annual depreciation to comply with Australian and international accounting standards, which promote the delivery a tax deductible figure for "Annual depreciation", often with little regard to what your actual future annual liability is.

D - "Annual Depreciation" - This is similar to C above, but is designed to deliver a figure that a business can claim as a tax deduction rather than providing an estimate of your ongoing liability to maintain the capital value of your assets.

E - "Average capital renewal demand over the first 5 years". This figure comes from the Moloney "Predicted Capital Requirement" model. It is the estimated renewal expenditure necessary to eliminate all over intervention assets within five years. The average figure over the first 5 years is used because in some cases where early renew demand is high the model eases in the demand over a 5 year period. In all cases if this average figure was allocated then the model predicts that all over intervention assets would be eliminated after 5 years.

F - This is a record of the year that the condition data was collected. It may vary between the asset sets if not all inspected at the same time.

G - The year one recommended commencing funding level. This comes from the Moloney funding scenario finder and mostly aims at a total commencing expenditure that is the same or close to your current expenditure in column B. Note that within the title row there may be an annual compounding future percentage increase that is used to bring down the year one expenditure to more closely match your current total expenditure.

If the current renewal funding level is very low there may be a recommendation to lift the year one spend to a level above the planned total spend in column B. This would be done to avoid excessively high annual compounding percentage increases.

H + I - Two useful comparisons figures relating to the percentage of the annual liability rate being met by the planned renewal expenditure in Column B and the recommended in column G.

3.1 Recommended future funding strategy

For Pyrenees the Moloney funding scenario finder was used and it was found that the total planned renewal expenditure of $3,100,000 pa was very close to an appropriate total level for the next 5 - 10 years. But this did not include any provision for the upgrading of the assets as part of the recommended funding level. The scenario finder delivered a total recommended renewal expenditure of $3,100,000 pa for the next 10 years.

Figure 3.2 contains the three input criteria for each of the five possible road sub assets that are the subject of this report. The Moloney "Funding Scenario Finder" was used to deliver the recommended funding strategy as contained within Column G of Figure 3.1 above. A detailed explanation of the "Funding Scenario Finder can be found within Appendix D below.

		Criteria 1. Extent of OIA's		Criteria 2.	Criteria 3		
Road Sub Asset Set Description	Value of the Desired level of over int. assets	Desired extent of Over intervention assets (OIA's) as a % of one Years Annual Liability	Desired Extent of OIA's as a % of total Sub Asset base valuation	Years to achieve Desired Condition outcome	Annual % of Compounding funding increase (if required)	Amount in $ of the Annual % Increase	Moloney Standardised Descriptor for the Desired Condition Outcome
Sealed Rd Pavements	$2,953,421	100%	1.25%	10	0.00%	$0	Excellent
Sealed Surfaces	$1,282,946	100%	5.14%	10	0.00%	$0	Excellent
Unsealed Rd Pavements	$1,890,872	100%	4.61%	10	0.00%	$0	Excellent
All Assets	$6,127,240	100%	2.03%	10	0.00%	$0	Excellent

Figure 3.2 Funding scenario finder modelling criteria for road sub assets

Figure 3.2 contains the details of the three input criteria for the Moloney funding scenario finder which was used to deliver the recommended funding strategy as reported within column G of Figure 3.1 above.

The extent of over intervention assets (OIA's) was set at 100% of the level of one year's annual liability after 10 years for all assets. Your current level being 57% so we are accepting for a small overall condition decline over the next 10 years. But we are still maintaining the asset base at the top of the "Excellent" condition range.

The recommended funding strategy is to set the total renewal expenditure level at a flat $3,100,000 pa for the next 10 years subject to CPI increases as appropriate.

Scenario Finder Results

Desired extent of OIA's expressed in 3 ways			Commencing year one renewal expenditure requirement (from scenario finder)	Moloney Descriptor for the - Desired Condition outcome of the road network	
As a % of one years average annual liability	As its replacement value in $	As a % of the total asset base valuation		Standardised Moloney condition description	Additional Comments on condition descriptor
100%	$6,127,240	2.03%	$3,100,000	Excellent	Very low level of over intervention assets

Figure 3.3 Projected condition outcome from recommended funding strategy

Figure 3.3 provides a summary of the Moloney funding scenario finder results for the whole roads group. The individual sub asset inputs are as detailed within Figure 3.2 while Figure 3.3 shows the overall results for the whole roads group.

The overall desired condition outcome for the whole roads group as set within the scenario finder is to deliver 100% of the level of one years total annual liability as the extent of over intervention assets (OIA's) after 10 years (See Appendix D Figure D 1 for details of the Moloney standardised descriptors as well as further details relating to the scenario finder operation).

3.1.1 Summary of recommended future funding strategy

The Moloney financial modelling "Funding Scenario finder" was used to deliver the following results:

- *All assets will be delivered within "Excellent"' Overall condition after 10 years*
- *The recommended commencing annual renewal expenditure requirement is $3,100,000 pa*
- *No annual compounding increase was found to be required*
- *All figures are in today's values but can be adjusted for CPI within the model if required.*

3.2 Planned Renewal Spend as a Percentage of Annual Liability

A strong financial performance indicator is the ratio of your present total renewal expenditure expressed as a percentage of the average annual liability. Annual liability is similar to annual depreciation but is free of the constraints of the accounting standards. It is aimed at delivering a figure that represents the average annualized cost of asset renewal over the long term.

Our experience is that not many councils need to spend at the full level of annual liability yet in order to meet their renewal demand. But Annual Liability does represents the average annual renewal demand over the long term and as the assets age your renewal demand will grow and eventually be greater than the annual liability.

Pyrenees Shire **Your Ranking** **51%**

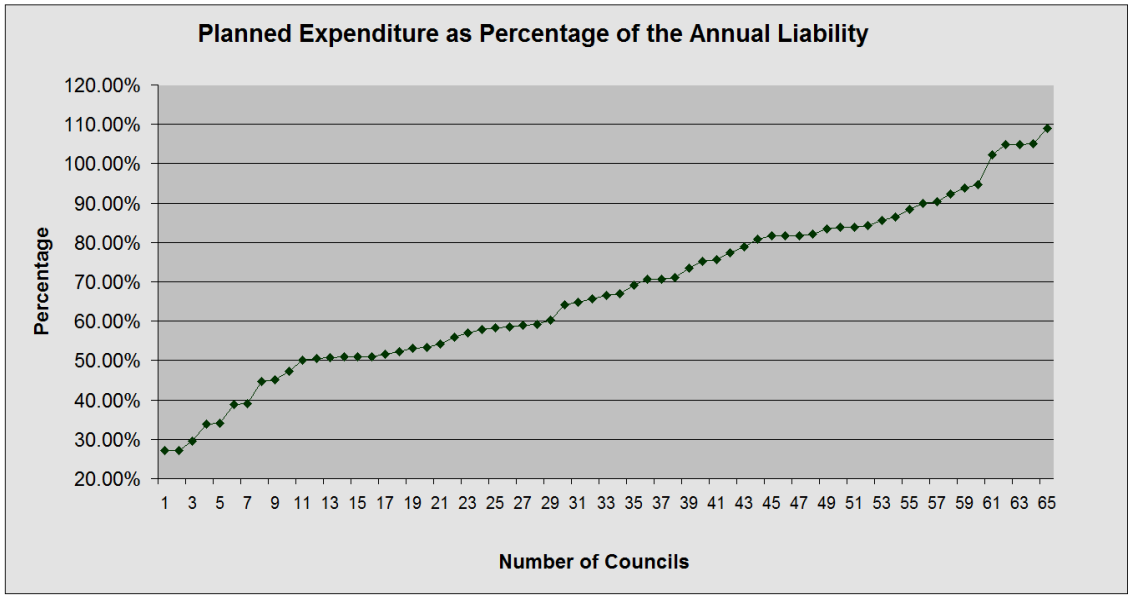


Figure 3.4 Planned Expenditure as a percentage of Annual Liability

Figure 3.4 indicates that your planned renewal expenditure is at 51% of the estimated annual liability or consumption rate associated with the road assets. While you do not rank very highly here, it must be remembered that your figure is based upon much shorter asset service lives than we expect you will achieve. Hence the figure can be ignored.

3.3 Estimated percentage of the asset base Consumed

The estimated percentage of the asset base that has been consumed comes from the ratio of your total replacement value to your present accumulated depreciation.

Your figure of 44% consumed puts you as better than around 60% of the councils we have inspected.

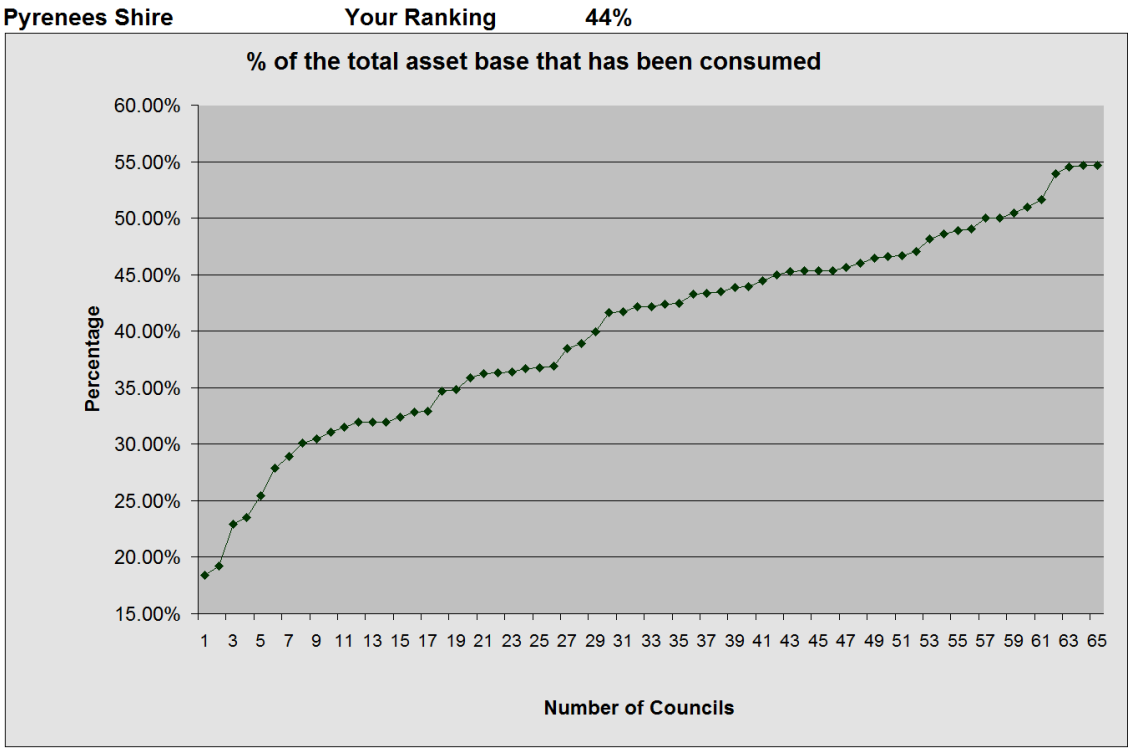


Figure 3.5 Estimate of the percentage of your assets consumed

Figure 3.5 presents some very interesting comparisons with figures ranking from 18.4% up to 54.9%. The figure of 18.4% relates to an outer Melbourne metro council that has very strong development and has around 50% of its road network having been constructed within the last 10 - 15 years (hence low consumption).

At the other end of the scale are councils with road assets having a very high average age. Your figure at 44% consumed is well within the better half of the 65 councils for whom we have figures for.

The above two graphs are really designed to illustrate any problems with a council that is seriously under funding the renewals on their road network. To qualify as a problem council you would need to be within the highest 10% - 15% of one or both of the above figures.

You situation with the above two indicators does not highlight any problems.

Section 4: Sealed Road Pavement Sub Assets

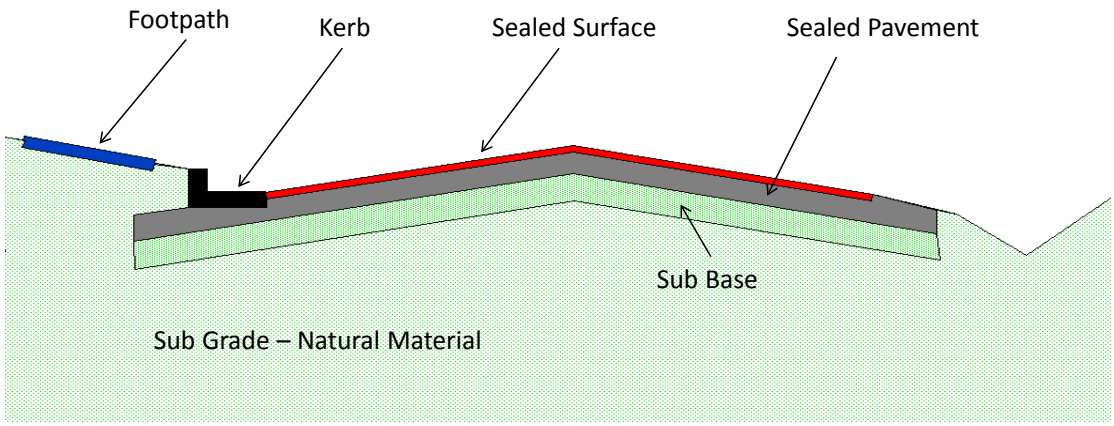
This section deals with the Sealed Road Pavement Sub asset set which is the first of the five possible road sub asset classes that we can inspect. It will look at both internal and external benchmarking of asset condition as well as providing financial forecasting of future renewal demand and projected asset condition.

Section 4.0 below provides an explanation of each of the five possible road sub asset classes.

4.0 The Five Road Sub Assets

4.0.1 The Road Sub Asset components

The infrastructure assets within council's road reservations consist broadly of the following five sub assets.



1 Sealed Surface - Red

2 Sealed Rd Pavement - Grey

3 Kerb - Black

4 Unsealed Pavement- Grey
Same as Sealed Pavement without the seal on top

5 Footpath - Blue

Sub Grade is the natural material that the road is built upon

Sub Base is a second pavement layer that may or may not be present

Figure E.1 Road cross section showing the five possible road sub asset sets to be examined

The total road asset is broken down into five like performing sub asset sets as detailed above. The main reason for separating the road assets is to group them into like performing assets with the same service life. For example the sealed surface on the top of a sealed road pavement may have a service life of 10 - 20 years while the underlying pavement may be in the 50 - 150 year range. Hence they cannot be examined or modelled as a single asset set.

4.0.2 The Sealed Surface Sub Asset Set - Red

The sealed surface is the thin sprayed bitumen seal or asphalt surfacing that seals off the underlying pavement from the intrusion of water. Its primary purpose is to waterproof the underlying pavement as well as maintain a more constant moisture content within the pavement layer. It also provides a smooth wearing surface. Typical service life 15 - 30 years

4.0.3 The Sealed Road Pavement Sub Asset Set - Grey

The sealed road pavement is made up of a granular material (crushed rock, gravel or the like) that is used to distribute the imposed vehicle wheel load to the underlying soil over a greater area than the wheel contact area, such that there is little or no deformation or movement in the underlying soil. Pavements do break down and move with time and typically their service life would be in the 50 - 150 year range.

4.0.4 The Kerb Sub Asset Set - Black

Kerbs in urban areas are normally constructed of concrete and are used to drain water away from the pavement. They tend to have a life similar to the sealed road pavement. They also assist in retaining the pavement edge in place.

4.0.5 The Unsealed Road Pavement Sub Asset Set - Grey

The unsealed road pavement performs the same role as the sealed pavement except that it does not have the additional protection of a sealed surface over it. Its service life is generally shorter than the sealed pavement and typically would have a life of 15 - 45 years.

4.0.6 The Footpath sub asset set

Footpath assets are not really related to the road itself and can be seen as pavements for foot traffic. Their life may vary greatly and can be quite extensive if localised failures are repaired as they occur. Typical service life for concrete Unsealed Pavements is 40 - 80 years.

As can be seen from the above very brief descriptions, the adopted road sub asset components all have different lives and performance requirements. This is why they are examined and modelled separately.

This survey has covered the asset classes of Sealed Road Pavement, Unsealed Road Pavement and Sealed Surfaces.

4.0.7 The Sub Base

Some councils value a second component or layer of the pavement known as the "Sub Base" that sits under the base layer. It is imposable to condition rate a sub base via a visual inspection so we do not include it as an inspected road sub asset component. It relates more to the accounting treatment of the road for asset valuation purposes.

4.1 Condition and Performance of Sealed Road Pavements - Internal Benchmarking

MAMS have developed a series of eight key condition indicators that can be applied to all road sub asset sets. They are used to measure condition movement between the two most recent field surveys as well as providing external benchmarking against other council districts assessed by MAMS on the same basis.

The same key condition indicators are used for all road sub asset sets. However for some assets certain indicators are not applicable and as such are omitted. Detailed below is a brief explanation of the eight key condition indicators. The explanation here is also applicable to their use with other road sub asset sets beyond the sealed road pavements.

4.1.1 Weighted Average Asset Condition - "WAAC"

The weighted average asset condition is a single condition indicator that represents the condition of the whole asset set in one single figure. It is derived by multiplying the raw asset condition (0 - 10 scale) for each individual asset component by the asset quantity. These figures are then summed and divided by the total asset set quantity. This then delivers a single condition figure for the whole asset class that summarises its overall condition in a single figure. It is very useful for tracking overall condition movement with time as well as providing strong external benchmarking.

4.1.2 Percentage of Urgent Failures

The percentage of urgent failures is a measure of the isolated failures identified during the survey as needing immediate repair. The figure is expressed as a percentage of the total asset group quantity.

4.1.3 Percentage of Other Failures

The percentage of other failures represents those isolated failures which, while present on the ground, do not require urgent attention. The figure is expressed as a percentage of the total asset group quantity.

4.1.4 Average Roughness

Average roughness only relates to pavement assets. For sealed road pavements, it is a key capital condition indicator of longitudinal pavement shape, while for unsealed pavements it is a key maintenance indicator. It is based on a 0 – 10 scale with 0 being perfect and 10 un-driveable.

4.1.5 Average Profile

Average pavement profile is similar to the roughness rating and can be seen as the pavement cross sectional shape indicator. Profile is all about the efficient shedding of water from the road pavement. Profile 0 would have enough slope to shed water easily, while profile 10 would retain vast amounts of water within the road pavement.

4.1.6 Extent of Poor Condition Assets above a given Condition

The percentage of the asset base at and above a given condition rating is an excellent way of expressing the extent of poor condition assets present. This figure is expressed as a percentage of the total asset base and is reported at several different condition levels from condition 5 to 8 depending upon the asset set in question. For example sealed road pavements at and above condition 7 would represent the extent of the asset base that would be likely to require rehabilitation over the next 1 – 10 years.

Note that it is not the extent of the asset base within a given condition rating, but rather the extent at and above that condition rating.

4.1.7 Recent Internal Benchmarking

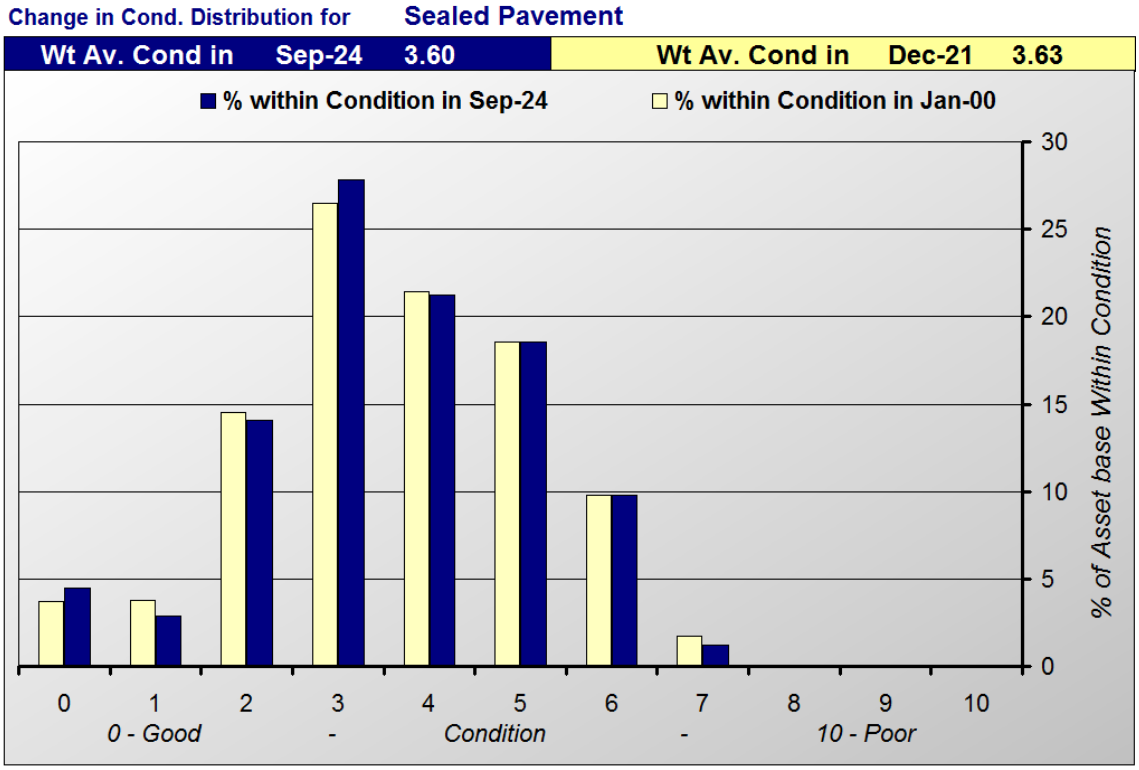


Figure P1 Condition Distribution Comparison Graph – Between Surveys

Figure P1 indicates a rise in the extent of new assets within condition zero combined with a corresponding drop in the extent of condition 7 and above

Key Cond. Indic. No.	Sealed Pavement Condition Indicator	Figures from Last Survey in Dec-21	Figures from Current Survey in Sep-24	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.63	3.60	0.03	0.33%	Better
2	% of Urgent Failures	0.02	0.01	0.01	26.1%	Better
3	% of Other Failures	0.53	0.46	0.08	14.3%	Better
4	Average Pavement Roughness	3.22	3.21	0.00	0.1%	Better
5	Average Pavement Profile	2.41	2.40	0.01	0.6%	Better
6	% of Asset Base above Condition 6	11.52	11.00	0.52	4.5%	Better
7	% of Asset Base above Condition 7	1.71	1.20	0.51	30.0%	Better
8	% of Asset Base above Condition 8	0.01	0.00	0.01	100.0%	Better

Renewal Demand Being Met For:	% of Annual Liability expenditure Planned in Future years	% of Annual Liability expenditure Since the time of the last survey
Sealed Rd Pavement Asset Group	41%	55%

Figure P2 Table of Key Condition Indicator Change since the last Survey

The above 2 figures provide internal benchmarking that details how asset condition has changed since the last survey. Figure P1 provides the condition distribution for each survey along with the first of the key condition indicators, the weighted average asset condition.

Figure P2 contains the eight key condition indicators relevant to this asset class and also shows how they have changed since the previous survey. At the bottom of the table are two very important figures. These indicate the percentage of the annual liability rate that has been met since the time of the last survey, along with the percentage planned for future years.

Figures P1 and P2 demonstrate that asset condition has improved across all of the eight key performance indicators since the time of our last condition survey. There was a very strong improvement in the extent of poor condition assets at and above conditions 7 + 8 as well as a sound reduction in the extent of isolated pavement failures. This indicates excellent targeting of the renewal and major patches programs.

Note also that the level of renewal expenditure has been at 55% of the estimated consumption rate since the time of our last survey. This tends to indicate that your adopted service lives are lower than the level you are actually achieving.

4.1.8 Summary - Recent Internal Benchmarking

Pyrenees has experienced a significant overall condition improvement of 0.33% with their weighted average asset condition since our last survey in 2021. There has also been a very strong reduction in the extent of both the poor condition assets as isolated pavement failures.

4.1.9 External condition Benchmarking

Figure P3 provides external benchmarking based on the same key performance indicators as used internally in figure P2. The total number of councils assessed by MAMS on exactly the same basis is 72 for this sub asset class. The graph then displays the number of councils ranked better and worse than Pyrenees Shire for each of the eight performance indicators. The dark green bars represent the number of councils that Pyrenees Shire is ranked better than, while the light green is the number that Pyrenees is ranked worse than. In simple terms the large the dark green bars the better

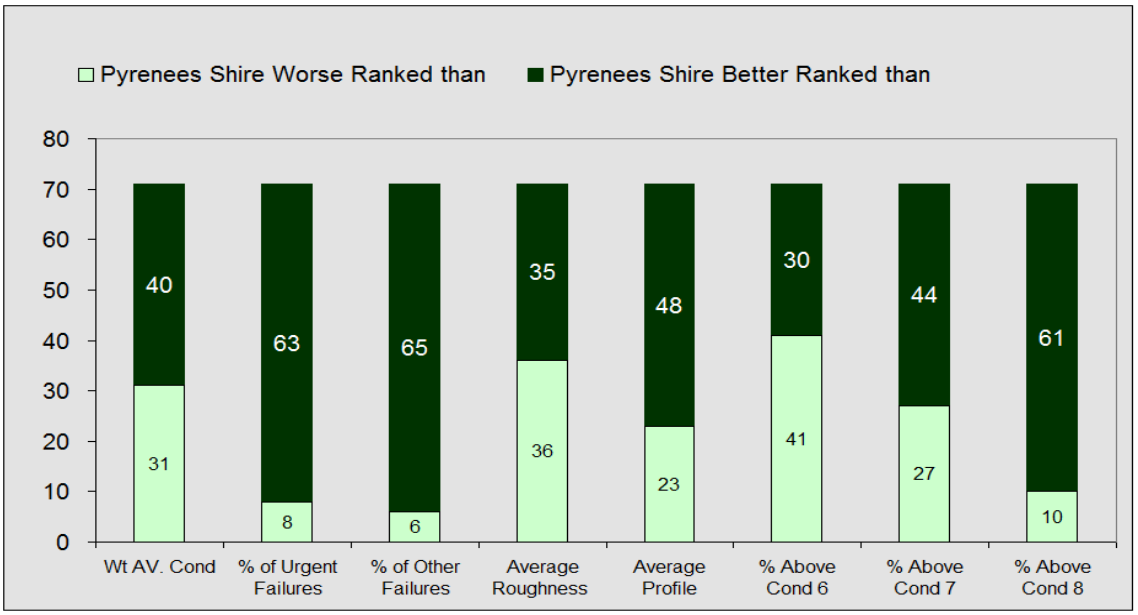


Figure P3 Key Condition Indicators as Compared with other Councils surveyed

The comparison with all 72 councils assessed in Figure P3 indicates a set of Very Good to Excellent condition assets. Pyrenees ranks very well in relation to the extent of isolated pavement failures as well as the extent of poor condition assets at and above condition 8.0

4.1.9.1 Summary of External condition Benchmarking

In summary the external benchmarking indicates that the sealed road pavement assets are in Very Good to Excellent overall condition and are being very well managed. For a more detailed look at the 4 individual condition indicators that are used to deliver this condition assessment refer to Figure 2.1 above

4.1.10 Long term condition performance

MAMS has undertaken six condition surveys for Pyrenees over the last 14 years and is now in a position to provide a plot of certain key performance indicators over the long term.

There are three areas that we track that apply to most sub asset classes

1. *The extent of poor condition assets at and above conditions 6 - 8.*
2. *The extent of isolated asset failures*
3. *The movement in the weighted average asset condition*

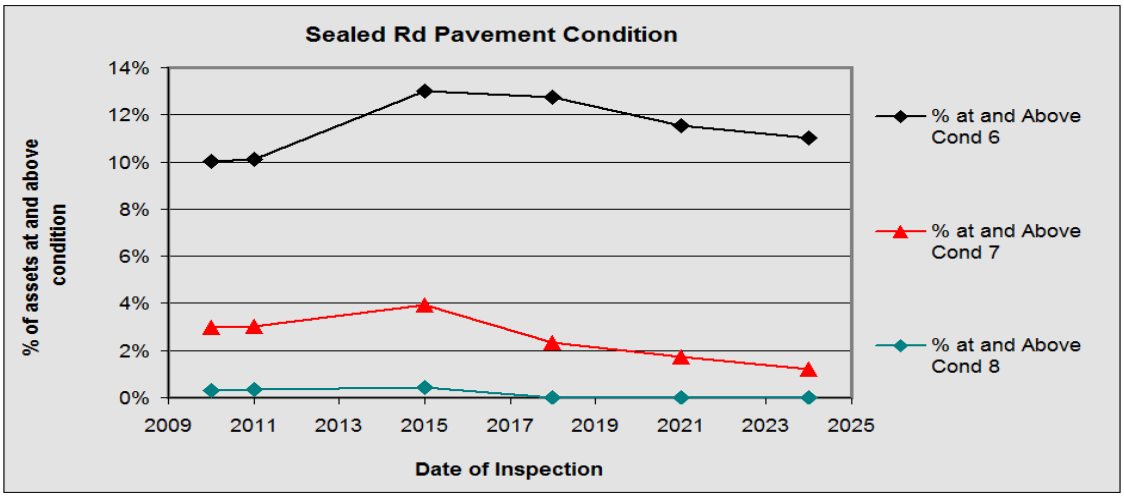


Figure P4 - Long term movement in the extent of poor condition assets

Figure P4 plots the long term movement in the extent of poor condition assets. It looks at the extent of the asset base at and above conditions 6 - 8 over the last 8 years. The general trend indicates a decline in condition over the first 5 years followed by a strong and steady condition improvement since 2015.

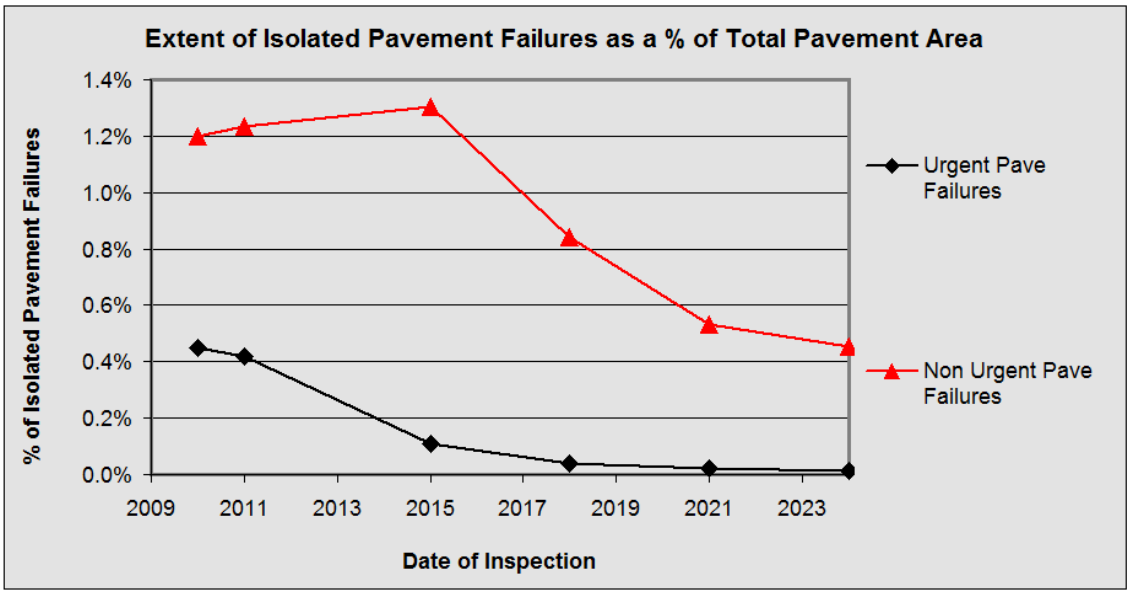


Figure P5 - Long term extent of isolated pavement failures

Figure P5 is a plots the extent of the isolated pavement failures. There are two classes of pavement failures the urgent, which require attention immediately and the non urgent or potential failures that will require attention over the next few years. The trend here is similar to P4 above with a solid overall improvement over the long term.

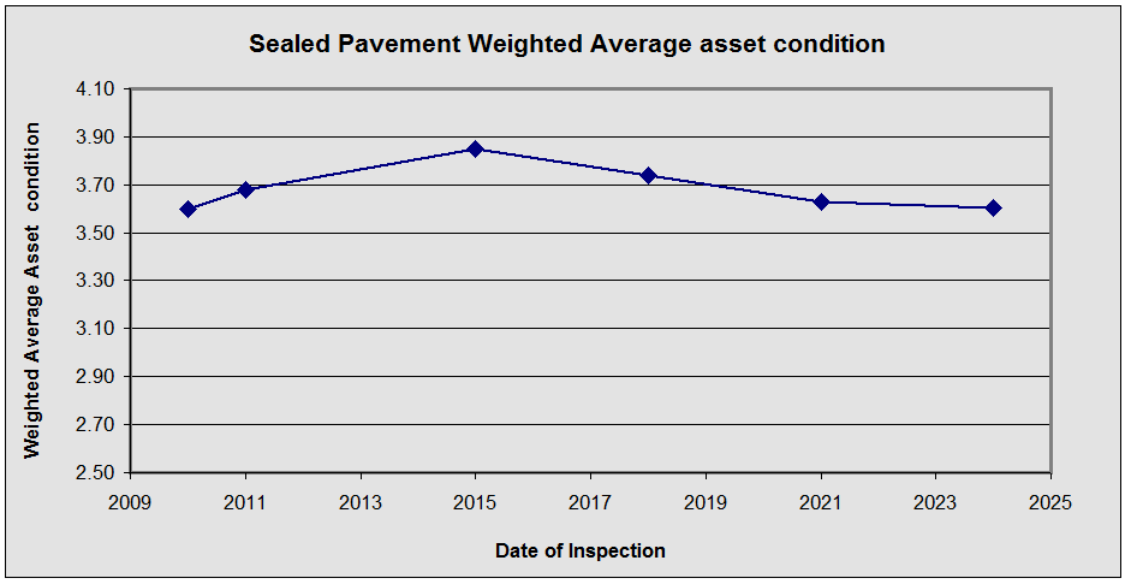


Figure P6 - Long term movement in the weighted average asset condition

Figure P6 plots the long term movement in the weighted average asset condition or WACA. The WACA is a single overall condition for the whole asset set weighted for the extent of the asset base within each condition rating range from 0 when new up to 10 when there is no remaining value. The figure can best be seen as the financial value within the asset class with 10 having no value and 0 having its full remaining value.

In your case the WAAC has experienced a decline up until 2015 and a steady improvement since then. While you are spending below the average consumption rate it must be expected that the WAAC will decline in the long term. However, our work over the long term indicates that you are understating the service life for all assets and that you are probably spending at just a little below the real consumption rate. Hence your WAAC while it has varied over the last 14 years is now back to its first reading of 3.60.

4.1.10.1 Summary of long term condition movement.

Figures P4, P5 and P6 above indicate a strong condition improvement over the long term for both the extent of poos condition assets and the extent of isolated pavement failures.

4.2 Sealed Road Pavement Financial Modelling Analysis

The Sealed road pavement assets will be modelled in like performing data sets with the results aggregated into one presentation for the whole sub asset group

4.2.1 Sealed Road Pavement – Selection of Retreatment Intervention Level

The point at which you choose to intervene to renew or replace an asset will have a big impact on the predicted future renewal demand. The intervention level can be seen as the level of service associated with the asset set. High intervention level equates to a low level of service while low intervention level relates to a high level of service.

Detailed below are a series of photographs illustrating various sealed road pavement condition ratings. They do not cover the complete condition range but hopefully will provide some guidance to the selection of an acceptable retreatment intervention level.

	
Condition 0 – 1 No Failures no shape loss	Condition 6 Moderate failures and shape loss
	
Condition 7 Ext shape loss and failures	Condition 8 – 9 Bad shape loss and ext failures

It is very difficult to cover pavement condition in such a limited range of photographs but hopefully they will provide some idea of asset condition in the 6 – 9 condition range where most interventions will take place. Pavements can be within this condition range for a number of different reasons and the photos will

cover only a limited range of these situations. They should be seen as one possible condition situation and not the only situation for that condition rating.

4.2.2 Sealed Road Pavement Financial Modeling

Modelling Parameter	Urban Link and Collector Pavements	Urban Access Rd Pavements	Rural Link and Collector Pavements	Rural Access Rd Pavements	Shoulders on Narrow Seals < = 5.5 Width	Shoulders on Wider Seals > 5.5 Width	Totals
Asset Quantity in sqm	145,435	350,353	3,587,503	740,474	850,000	1,157,000	4,823,765
Unit Renewal Rate	$60.00	$57.34	$45.00	$45.21	$6.00	$6.00	
Total Asset Group Renewal Cost	$8,726,070	$20,088,000	$161,437,635	$33,476,010	$5,100,000	$6,942,000	$235,769,715
Annual Renewal Exp.	$25,000	$20,000	$1,095,000	$50,000	$10,000	$20,000	$1,220,000
Retreat. Intervention Condition	8.0	8.0	7.5	8.0	7.0	7.0	
Life to Condition 10 in Years	110.0	130.0	90.0	100.0	30.0	35.0	
Life in years to Intervention	107.1	126.5	83.3	96.7	25.8	30.1	

Figure P7 – Summary of Modelling Input Parameters for sealed road pavement assets

Sealed road pavement modelling has been undertaken within six categories as detailed in P7 above. Retreatment intervention levels have been set at levels that are close to the general industry standard of condition 8.0, but they do reflect what you are currently achieving. Service life remains below the total life coming out of the asset degradation curve analysis within appendix B and will tend to deliver conservative financial demand results. See Appendix B for more details.

Unit renewal rates used within the modelling process have been supplied by council and reflect the latest actual costs in sealed road pavement rehabilitation. Note also that we have included the gravel shoulders on the sealed rural roads as a capital renewal requirement. This lifts the annual liability on this sub asset class above that of annual depreciation as they are not included in that figure.

The total sub asset group has been broken down into several individual data sets in order to refine the modelling result based on the most appropriate intervention levels and life cycles for each.

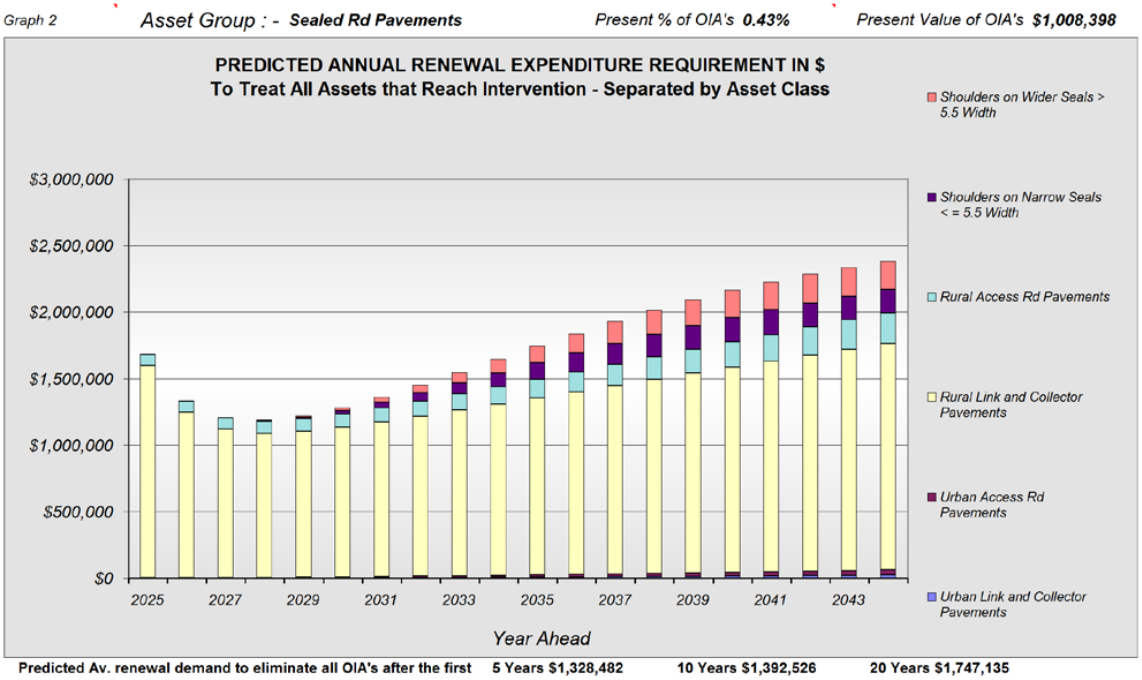


Figure P8 Predicted Renewal Demand to treat all assets that reach the Intervention level in future years

Figure P8 plots the annual funding profile required to eliminate all over intervention assets. If there is a large backlog of over intervention assets such that the raw year one demand is 30% or greater than the year two demand then the Moloney model eases the difference in over the first five years (this will show up as a reducing demand over the first five years). For this reason we prefer to quote the present renewal demand as the average figure for the first 5 years. In this case the first 5 year average renewal demand is estimated at $1,328,482 pa. If this expenditure is maintained all OIA's will be eliminated within 5 years.

Figure P8 indicates that the capital renewal demand pattern to treat all assets that are predicted to reach the retreatment intervention level has an average renewal demand figure of $1,328,482 pa over the first 5-years. With the peak demand of over the next 20 years estimated at $2,385,000 pa in the year 2044.

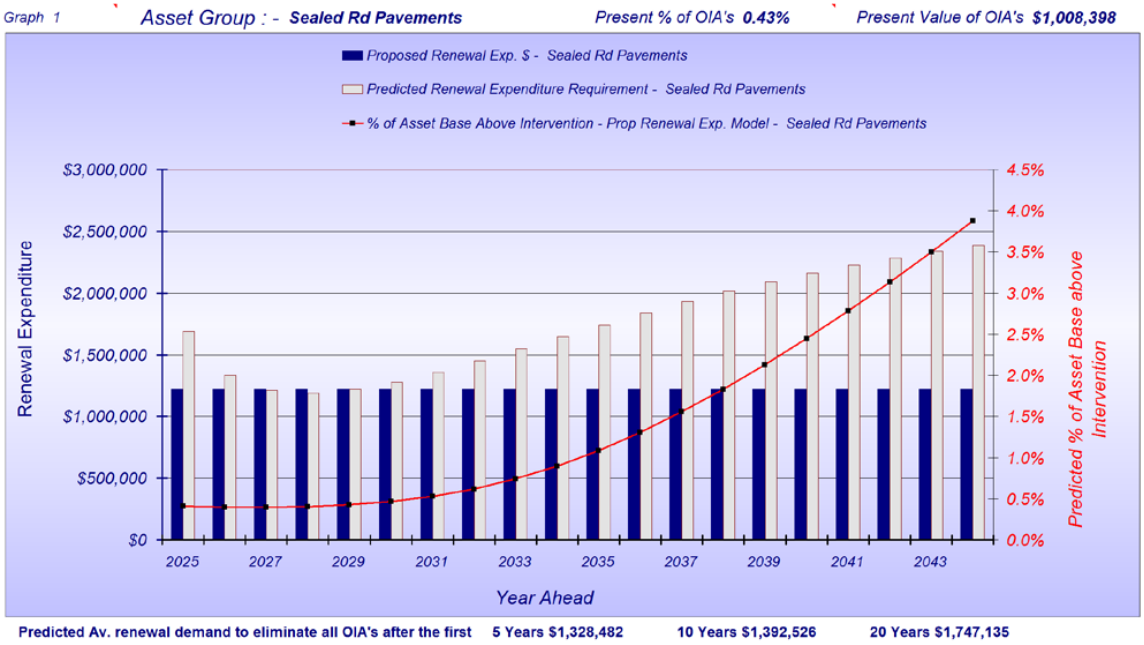


Figure P9 Future Predicted Condition Based on adoption of planned expenditure profile

Figure P9 plots the extent of the asset base that is predicted to rise above the intervention level (red line) based upon the continuation of the planned level of renewal expenditure (in blue bars). It also plots the predicted renewal demand to treat all over intervention assets within the grey bars (Same aggregate figures as within Figure P5 but not split into the individual modelling sets).

Figure P9 indicates that the planned renewal expenditure of $1,200,000 pa if maintained will result in the same level of OIA's of 0.43% of the network after 5 years but is predicted to rise to 0.90% after 10 years.

The Moloney financial modelling software has the capacity to develop a recommended renewal funding profile that will deliver a nominated extent of over intervention assets within a selected time frame. A global outcome can be set for the whole roads group. In this way the model can also be used to allocate funding between the sub asset classes on a needs basis, to deliver the best overall condition outcome for the whole road network.

Please refer to Appendix D which explains why and how we set the desired extent of over intervention assets in terms of the number of year's worth of annual liability that it represents. Appendix D4 also provides an explanation of the Moloney funding scenario finder along with its three basic input criteria requirements. The three input criteria adopted for the sealed road pavement assets are as detailed within figure P10 below with the results of the funding scenario finder operation contained within figure P11.

	Criteria 1. Extent of OIA's				
Road Sub Asset Set Description	Expressed as the % of One Years Annual Liability	Expressed as a % of The Total Asset Set Replacement Valuation	**Criteria 2.** Years to achieve Desired Condition outcome	**Criteria 3** Annual % of Compounding funding increase (if required)	Moloney Standardised Descriptor for the Desired Condition Outcome
Sealed Rd Pavements	100.0%	1.25%	10	0.00%	**Excellent**

Figure P10 Modelling scenario finder inputs - Sealed Pavement Assets

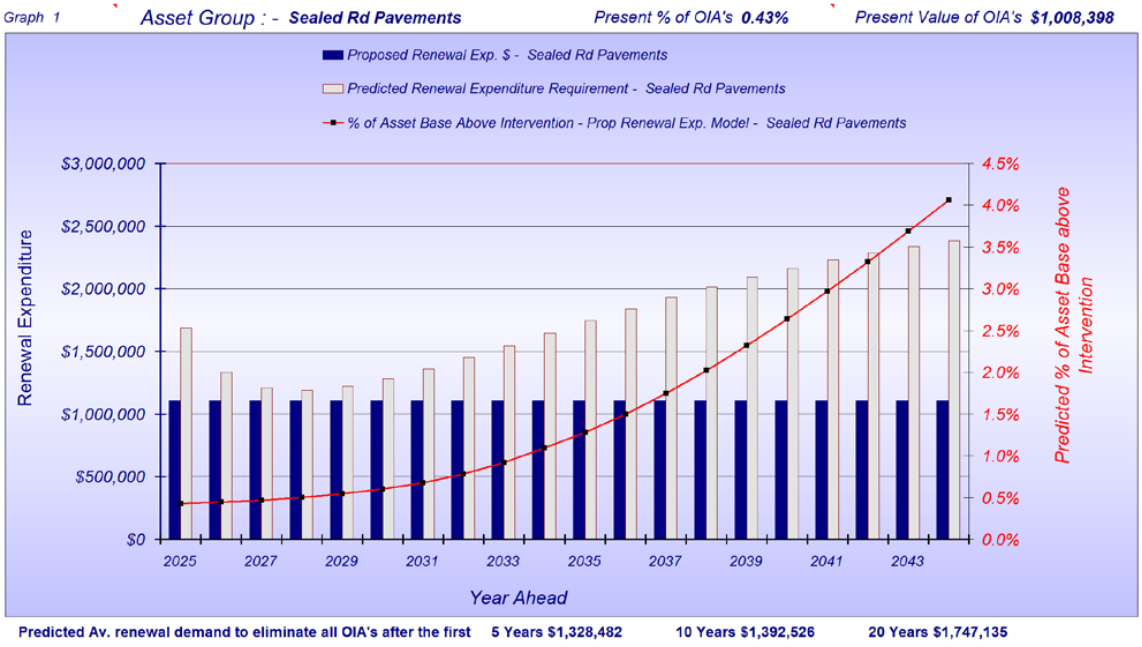


Figure P11 Recommended Renewal funding Strategy

For the Sealed Road Pavements we have set the level of over intervention assets (OIA's) at 100% of the level of one year's annual liability after 10 years. This equates to 1.25% of the total network valuation, the current level being 0.43% so we are accepting a very small overall condition decline. The extent of OIA's is predicted to be at the top of the "Excellent" condition Range (See Appendix D for details).

The recommended renewal expenditure level over the next 5 - 10 years is a flat $1,130,000 pa without the need for any annual compounding increase. This recommended level of expenditure is predicted to deliver on the desired condition outcome as listed in Figure P10.

The level of OIA's is predicted to be at 1.25% of the network after 10 years. This remains within the standard condition descriptor of "Excellent" (See Appendix D for more details).

4.3 Sealed Road Pavement Summary

The sealed road pavement assets were found to be in "Very Good to Excellent" overall condition and there had been a strong condition improvement in both the extent of poor condition assets and isolated pavement failures since the time of our last survey.

It is recommended that renewal funding be set at a flat $1,130,000 pa next 5 - 10 years and that it be further subject to any annual CPI increases as appropriate.

Section 5: Sealed Surface Sub Assets

This section will deal with the Sealed Surface Sub assets. It will look at both internal and external benchmarking of asset condition as well as providing financial forecasting of future renewal demand and projected asset condition.

5.1 Condition and Performance of Sealed Surfaces

The same eight common key performance indicators are used for all road sub assets. An explanation for each is available within sections 4.1 to 4.1.6 above rather than duplicating those details here. Five of the eight condition indicators that were appropriate to the sealed surface assets are detailed here.

5.1.1 Recent Internal Benchmarking of asset condition

This section will deal with your internal condition performance firstly in a detailed way since the last condition survey in 2021 and then over the longer term covering all MAMS inspections of the assets.

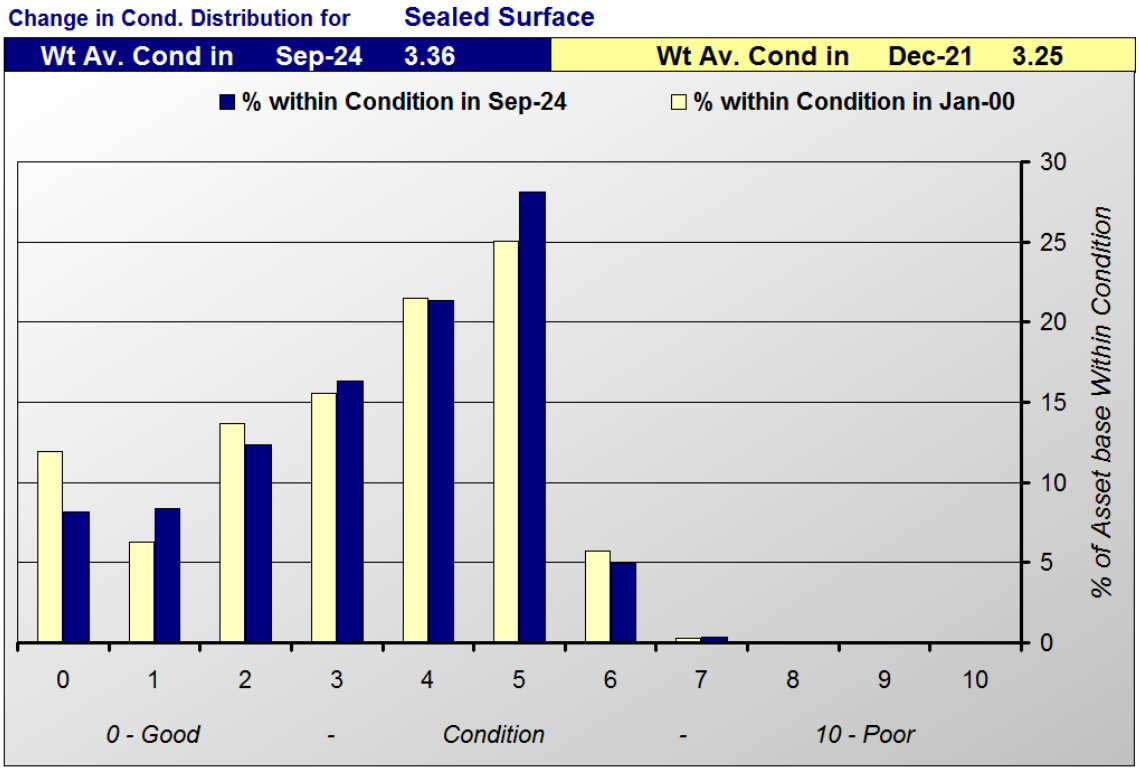


Figure S1 Condition Distribution Comparison Graph – Between Surveys all Sealed Surfaces

Figure S1 indicates a small condition decline with the "WAAC" since 2021.

Key Cond. Indic. No.	Sealed Surface Condition Indicator	Figures from Last Survey in Dec-21	Figures from Current Survey in Sep-24	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.251	3.356	-0.105	-1.5%	Worse
2	% of Asset Base above Condition 5	31.076	33.437	-2.362	-7.6%	Worse
3	% of Asset Base above Condition 6	6.056	5.346	0.710	11.7%	Better
4	% of Asset Base above Condition 7	0.312	0.373	-0.061	-19.4%	Worse
5	% of Asset Base above Condition 8	0.026	0.051	-0.024	-93.5%	Worse
	Renewal Demand Being Met For:	% of Annual Liability expenditure Planned in Future years		% of Annual Liability expenditure Since the time of the last survey		
	Sealed Surface Asset Group	70%		94%		

Figure S2 Condition Change since last survey & Renewal demand being met

The above 2 figures provide internal benchmarking that details how asset condition has changed since the time of the last survey. Figure S1 provides the condition distribution for each survey along with the first of the key condition indicators, the weighted average asset condition.

Figure S2 contains five of the eight possible key performance indicators that relate to this asset class. See section 4.2 above for a detailed explanation of each indicator. Figure S2 also shows how the indicators have changed since the previous survey. At the bottom of the table are two very important figures. These indicate the percentage of the annual liability rate that has been met since the last survey, along with the percentage planned for future years.

Figure S2 indicates that overall condition (weighted average asset condition) has declined by -1.5% since 2021. Three of the other four indicators have also declined quite measurably

5.1.3 Summary - Recent Internal Benchmarking

The extent of poor condition assets at and the WAAC have both declined since our last survey in 2021

5.1.4 External condition Benchmarking

Figure S3 provides external benchmarking based on the same key performance indicators as used internally in figure S2. The total number of councils assessed by MAMS on exactly the same basis is 72 for this sub asset class. The graph then displays the number of councils ranked better and worse than Pyrenees Shire for each of the five performance indicators. The dark green bars represent the number of councils that Pyrenees Shire is ranked better than, while the light green is the number that Pyrenees is ranked worse that.

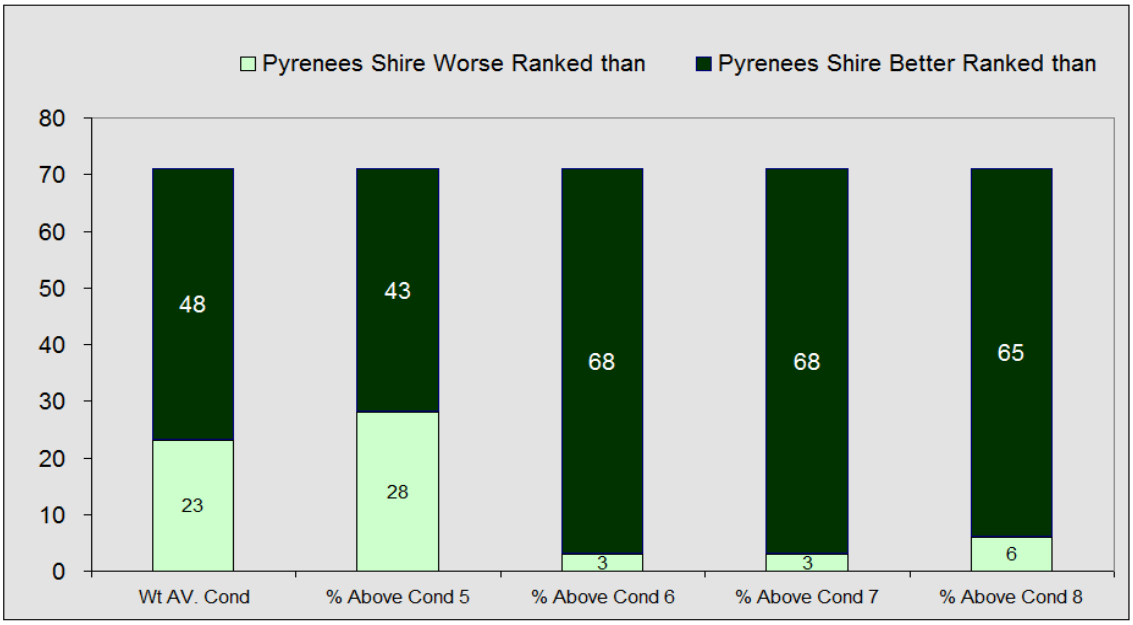


Figure S3 Key Condition Indicators as Compared with other Councils surveyed

Figure S3 indicates that for Pyrenees the weighted average asset condition is within the best 30% of the councils we have surveyed. The extent of poor condition assets is among the lowest we have ever encountered.

5.1.4.1 Summary of External condition Benchmarking

Your sealed Surfaces were found to be in " Excellent" overall condition when compared to the 72 councils we have inspected. For a more detailed look at the 4 individual condition indicators that are used to deliver this condition assessment refer to Figure 2.1 above.

Note that while there may have been a small condition decline since 2021 (See Figure S2) your overall position for this asset class remains at " Excellent".

5.1.5 Long term condition performance

MAMS has undertaken six condition surveys for Pyrenees over the last 14 years and is now in a position to provide a plot of certain key performance indicators over the long term.

There are three areas that we track that apply to most sub asset classes

1. *The extent of poor condition assets at and above conditions 6 - 8.*
2. *The extent of isolated asset failures - Not applicable to Sealed Surface assets*
3. *The movement in the weighted average asset condition*

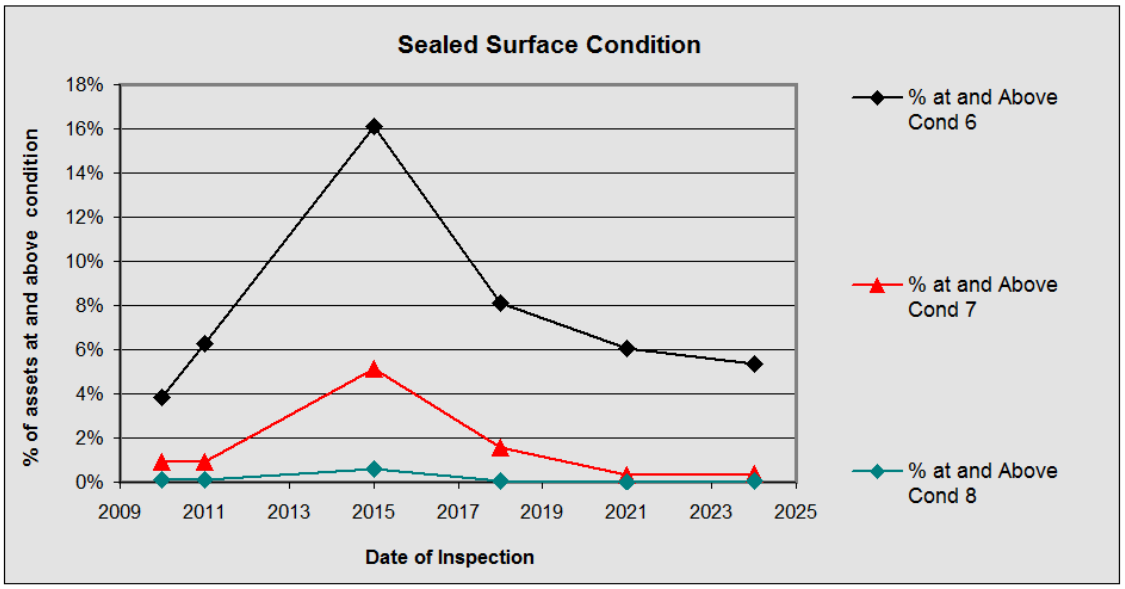


Figure S4 - Long term extent of poor condition assets

You are directed to section 4.1.10 above for a more detailed explanation of figures S4 and S5. Here we will just report on the outcome without providing a detailed explanation of each graph.

Condition declined between 2010 and 2015 but has improved strongly since 2015. Long term you sealed surface condition has remained as Excellent.

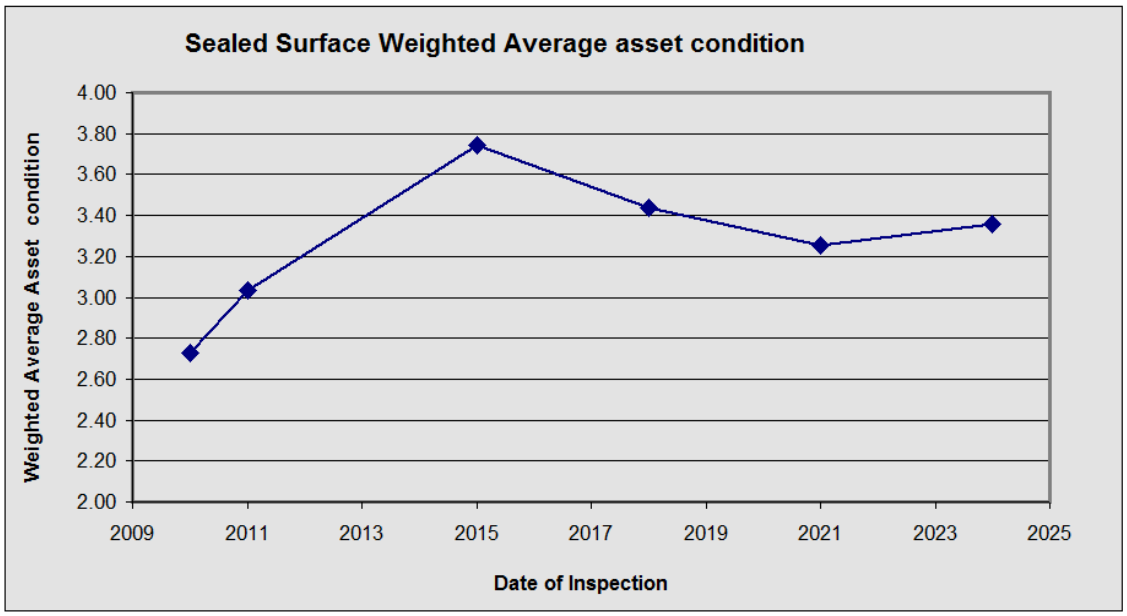


Figure S5 - Long term movement to the weighted average asset condition

Figure S5 indicates that overall asset condition declined between 2010 and 2015 and has generally improved since 2015 with a very small decline between 2021 and 2024.

5.1.5.1 Summary of long term condition movement.

Figures S4 and S5 above indicate an improved condition between 2015 and 2024. But from 2010 to 2015 condition did declined a little. These assets remain in " Excellent" overall condition with appropriate

current levels of renewal expenditure. It could even be that you were over funding this asset class in the years leading up to 2010 but we have no hard evidence to support this.

5.2 Sealed Surface Financial Modelling Analysis

The Sealed surface assets will be modelled in like performing data sets with the results aggregated into one presentation for the whole sub asset group

5.2.1 Sealed Surface – Selection of Retreatment Intervention Level

The point at which you choose to intervene to renew or replace an asset will have a big impact on the predicted future renewal demand. The intervention level can be seen as the level of service for the asset set. High intervention level equates to low level of service while low intervention level relates to a high level of service.

Detailed below are a series of photographs illustrating various sealed surface condition ratings. They do not cover the complete condition range but hopefully will provide some guidance to the selection of an acceptable retreatment intervention level.

	
Condition 0 – 1 Seal in excellent near new condition	Condition 5 Cracking but seal not too oxidized
	
Condition 6.5 - 7 Oxidized and stripping	Condition 8 Fully Oxidized and falling apart

It is very difficult to cover sealed surface condition in such a limited range of photographs but hopefully they will provide some idea of asset condition in the 6 – 9 condition range where most interventions will take place. Sealed surfaces can be within this condition range for a number of different reasons and the photos will cover only a limited range of these situations. They should be seen as one possible condition situation and not the only situation for that condition rating.

5.2.2 Sealed Surfaces – Financial Modeling Results

Modelling Parameter	All Asphalt Surfaces	All Town Spray Seals	All Rural Spray Seals	Totals
Asset Quantity in sqm	37,992	419,316	3,720,169	4,177,477
Unit Renewal Rate	$19.37	$5.92	$5.85	
Total Asset Group Renewal Cost	$735,939	$2,480,892	$21,762,988	$24,979,819
Annual Renewal Exp.	$2,000	$73,000	$825,000	$900,000
Retreat. Intervention Condition	7.0	7.0	7.0	
Life to Condition 10 in Years	40.0	23.0	23.0	
Life in years to Intervention	37.5	19.2	19.2	

Figure S6 – Summary of Modelling Input Parameters for Sealed Surface Assets

The sealed surfaces will be modelled within three like performing data sets as detailed within Figure S6 above. Retreatment intervention levels have been set at what are considered to be the industry standard value of condition 7.0. Service lives have been pushed out to better reflect the values coming out of our degradation curve analysis in Appendix B.

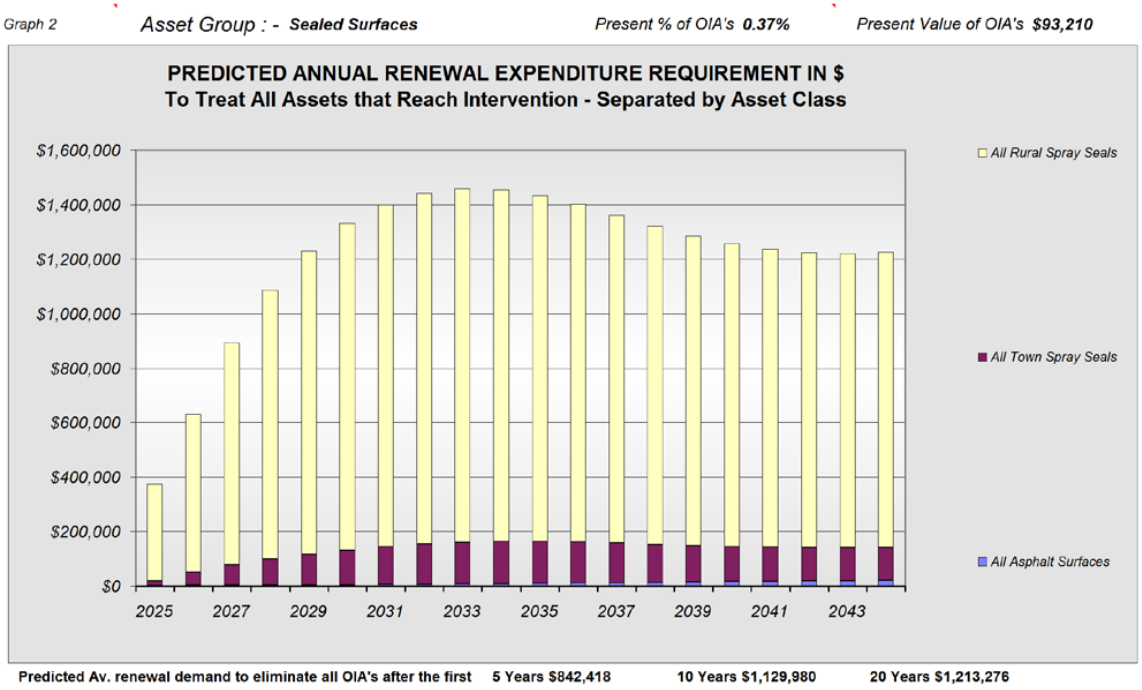


Figure S7 Predicted Renewal Demand to treat all assets that reach the Intervention level in future years

Figure S7 plots the annual funding profile required to eliminate all over intervention assets. If there is a large backlog of over intervention assets such that the raw year one demand is 30% or greater than the year two demand then the Moloney model eases the difference in over the first five years (this will show up as a reducing demand over the first five years). For this reason we prefer to quote the present renewal demand as the average figure for the first 5 years. In this case the first 5 year average renewal demand is estimated at $842,418 pa. If this expenditure is maintained all OIA's will be eliminated within 5 years.

Figure S7 indicates that the capital renewal demand to treat all assets that are predicted to reach the retreatment intervention level over the next 20 years has an average demand for the first 5 years of

$842,418 pa. The peak demand over the next 20 years is estimated at $1,460,000 pa in the year 2033. But remember these expenditure levels are to eliminate ALL OIA's.

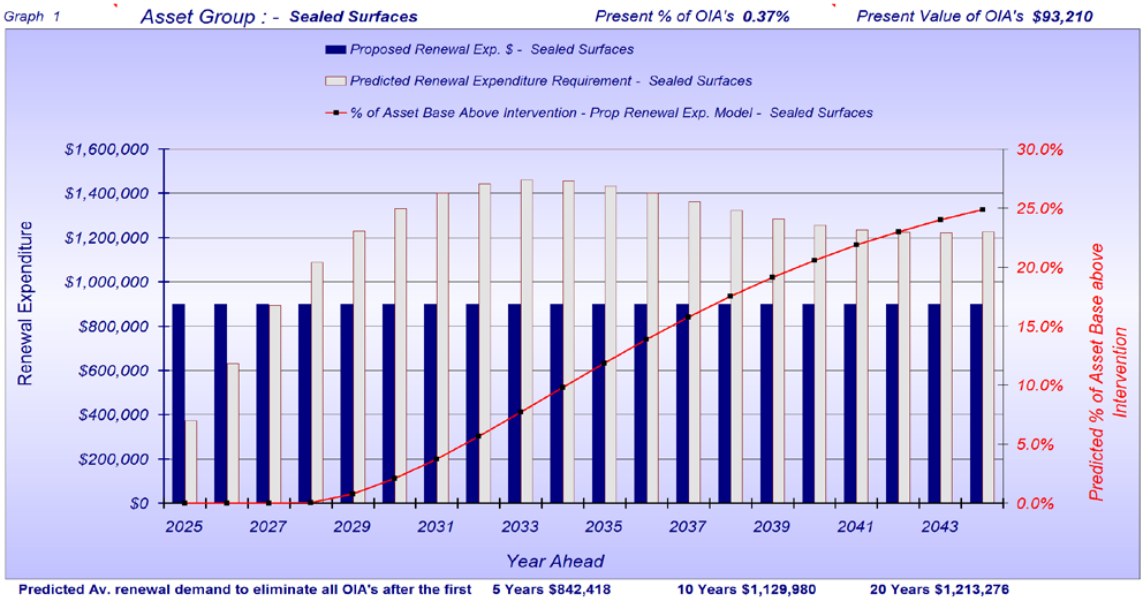


Figure S8 Future Predicted Condition Based on planned expenditure profile

Figure S8 plots the extent of the asset base that is predicted to rise above the intervention level (red line) based upon the continuation of the planned level of renewal expenditure (in blue bars). It also plots the predicted renewal demand to treat all over intervention assets within the grey bars (Same aggregate figures as within Figure S7 but not split into the individual modelling sets).

The planned renewal expenditure profile in figure S8 is a flat $900,000 pa. The extent of over intervention assets (OIA'S) is currently at 0.37% of the network, which equates to around 0.15 years of annual liability and as such is within the "Exceptionally good" condition range as per Appendix D. The planned expenditure profile is predicted to result in a rise to 9.80% of OIA's after 10 years.

The Moloney financial modelling software has the capacity to develop a recommended renewal funding profile that will deliver a nominated extent of over intervention assets within a selected time frame. A global outcome can be set for the whole roads group. In this way the model can also be used to allocate funding between the sub asset groups to deliver the best overall condition outcome for all road assets.

Please refer to Appendix D which explains why and how we set the desired extent of over intervention assets in terms of the number of year's worth of annual liability that it represents. Appendix D4 also provides an explanation of the Moloney funding scenario finder along with its three basic input criteria requirements. The three input criteria adopted for the sealed surface assets are as detailed within figure S9 below with the results of the funding scenario finder operation contained within figure S10.

	Criteria 1. Extent of OIA's				
Road Sub Asset Set Description	Expressed as the % of One Years Annual Liability	Expressed as a % of The Total Asset Set Replacement Valuation	**Criteria 2.** Years to achieve Desired Condition outcome	**Criteria 3** Annual % of Compounding funding increase (if required)	Moloney Standardised Descriptor for the Desired Condition Outcome
Sealed Surfaces	100.0%	5.14%	10	0.00%	**Excellent**

Figure S9 Modelling scenario finder inputs - Sealed Surface Assets

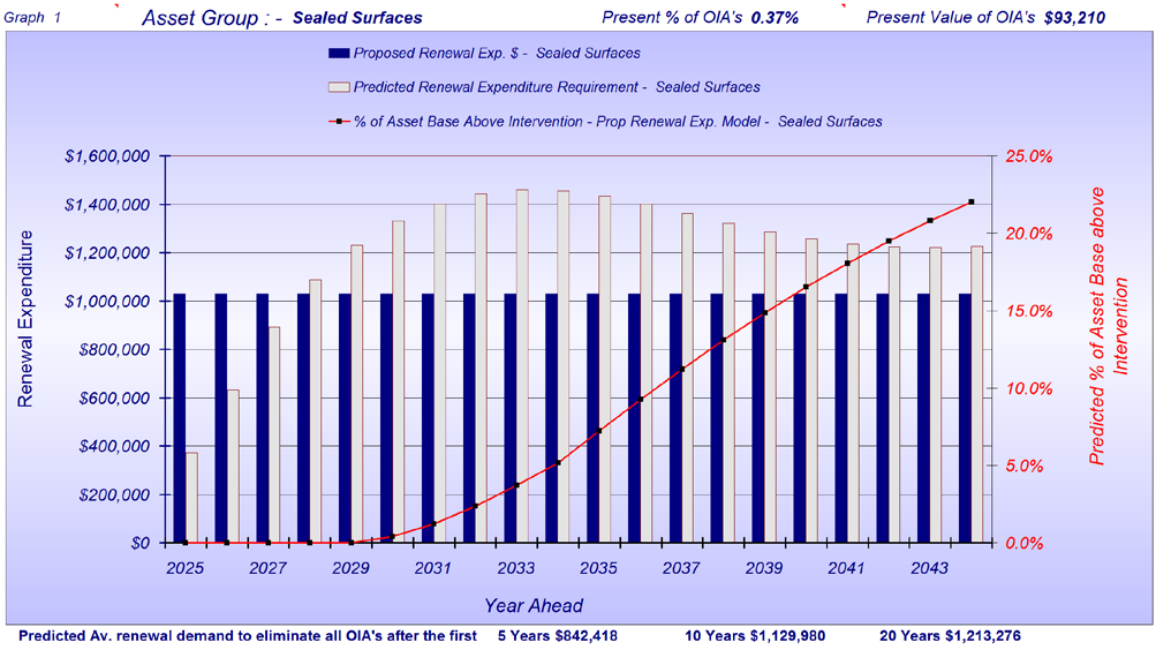


Figure S10 Recommended Renewal funding Strategy

For the sealed surfaces we have set the level of over intervention assets at 100% of the level of one year's annual liability after 10 years, which equates to 5.15% of the network as the level of OIA's after 10 years. The current level being 0.37%. We have set the desired extent of OIA's at the of the "Excellent" condition range (See Appendix D Figure D 1 for details relating to this classification range). The time frame to achieve the result has been set at 10 years. Council will have the opportunity to reassess the level of funding following the next condition survey in 3 - 4 years time.

The model predicts that a flat annual expenditure of $1,050,000 pa for the next 10 years will deliver the desired condition outcome as outlined within figure S9.

5.3 Sealed Surface Summary

The sealed surface assets were found to be in " Excellent" overall condition but had experienced a small overall condition decline since our last survey in 2021. But they do remain in " Excellent" overall condition.

It is recommended that annual renewal expenditure be set at a flat $1,050,000 pa for the next 10 year and that this be subject to any CPI increases as appropriate.

Section 6: Unsealed Road Pavement Sub - Assets

This section will deal with the unsealed road Pavement Sub assets. It will look at both internal and external benchmarking of asset condition as well as providing financial forecasting of future renewal demand and projected asset condition.

6.1 Condition and Performance of Unsealed Pavements

The same eight common key performance indicators are used for all road sub assets. An explanation for each is available within sections 4.1 to 4.1.6 above rather than duplicating those details here. Five of the eight condition indicators that were appropriate to the Unsealed Pavement assets are detailed here.

6.1.2 Internal Benchmarking of asset condition

This section will deal with your internal condition performance firstly in a detailed way since the last condition survey in 2021 and then over the longer term covering all MAMS inspections of the assets.

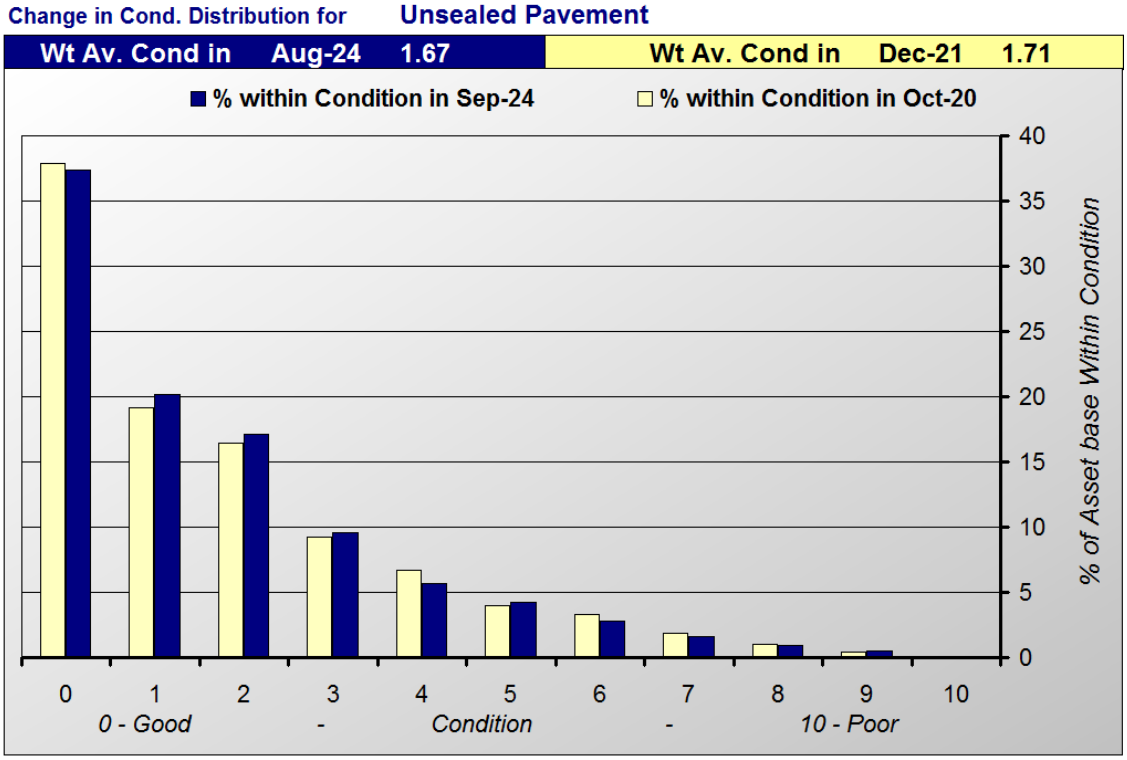


Figure U1 Condition Distribution Comparison Graph – Between Surveys all Unsealed Pavements

Unsealed Pavement Indicators

Key Cond. Indic. No.	Unsealed Pavement Condition Indicator	Figures from Last Survey in Dec-21	Figures from Current Survey in Aug-24	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	1.711	1.671	0.040	0.6%	Better
2	% of Pavement Failures	0.464%	0.457%	0.0001	1.6%	Better
3	Average Pavement Roughness	3.51	3.45	0.054	1.5%	Better
4	Average Pavement Profile	2.37	2.28	0.093	3.9%	Better
5	Average Pavement Depth in mm	98	100	1.80	1.8%	Better
6	% of Asset Base above Condition 6	6.55	5.86	0.690	10.5%	Better
7	% of Asset Base above Condition 7	3.26	3.03	0.235	7.2%	Better
8	% of Asset Base above Condition 8	1.44	1.45	-0.013	-0.9%	Worse
	Renewal Demand Being Met For:	% of Annual Liability expenditure Planned in Future years		% of Annual Liability expenditure Since the time of the last survey		
	UnSealed Rd Pavement Asset Group	52.9%		63.5%		

Figure U2 Condition Change since last survey & Renewal demand being met

The above 2 figures provide internal benchmarking that details how asset condition has changed since the last survey. Figure U1 provides the condition distribution for each survey along with the first of the key condition indicators, the weighted average asset condition.

Figure U2 contains seven of the eight possible key performance indicators that relate to this asset class. See section 4.2 above for a detailed explanation of each indicator. Figure U2 also shows how the indicators have changed since the previous survey. At the bottom of the table are two very important figures. These indicate the percentage of the annual liability rate that has been met since the last survey, along with the percentage planned for future years.

There is one additional indicator used that is unique to unsealed road pavements and that is the average depth of imported pavement material. It represents the key driver for unsealed pavement condition.

Figure U2 indicates that overall condition (weighted average asset condition) has improved very marginally since 2021. The best capital condition indicator for this asset class is considered to be the average depth of imported pavement material. Here the depth has resin from 98 mm in 2021 up to 100 in 2023. There has also been an improvement in the extent of isolated pavement failures as well as the extent of poor condition assets.

6.1.2.1 Summary - Recent Internal Benchmarking

Pyrenees has experienced a small condition improvement with its Unsealed Pavements since our last survey in 2021.

6.1.3 External condition Benchmarking

Figure U3 provides external benchmarking based on the same key performance indicators as used internally in figure U2. The total number of councils assessed by MAMS on exactly the same basis is 72 for this sub asset class. The graph then displays the number of councils ranked better and worse than Pyrenees Shire for each of the five performance indicators. The dark green bars represent the number of councils that Pyrenees Shire is ranked better than, while the light green is the number that Pyrenees is ranked worse that.

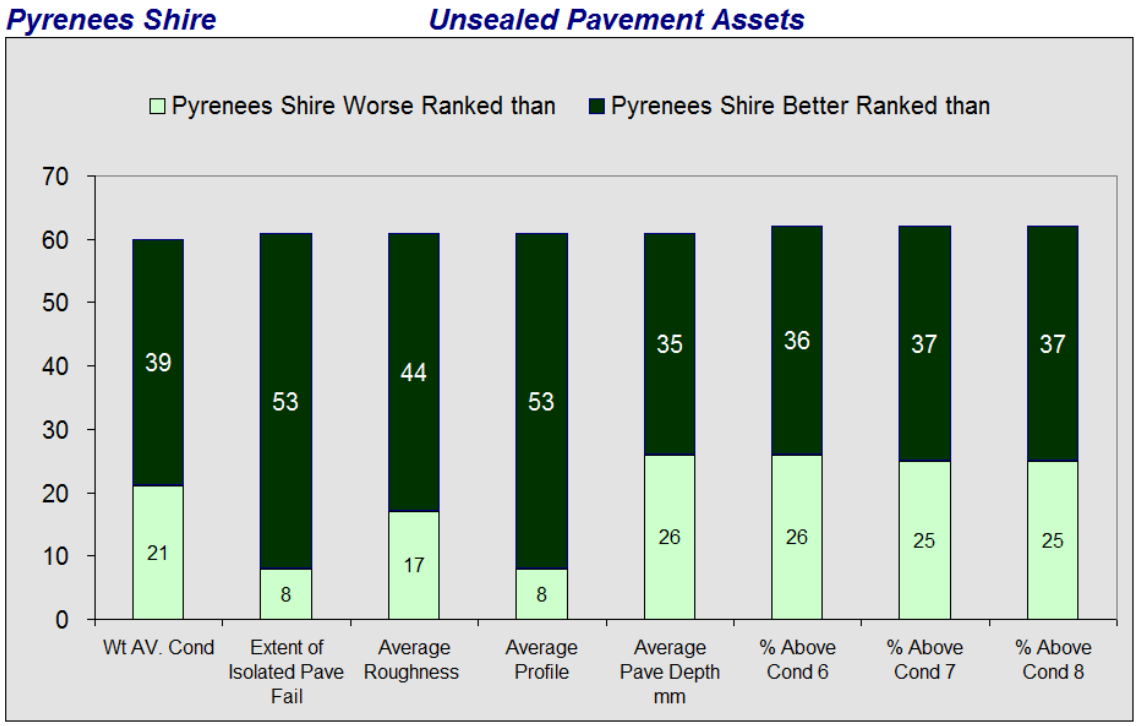


Figure U3 Key Condition Indicators as Compared with other Councils surveyed

The results here for Pyrenees are a little varied. You rank quite well across most of the condition indicators with a particularly good ranking for the extent of isolated pavement failures

Figure U3 indicates that your weighted average asset condition remains within the best 1/3 of the councils we have assessed

6.1.3.1 External condition Benchmarking

Your Unsealed Pavements were found to be in "Very Good" overall condition when compared to the 61 councils we have inspected for this asset class. For a more detailed look at the 4 individual condition indicators that are used to deliver this single overall condition assessment refer to Figure 2.1 above

6.1.5 Long term condition performance

MAMS has undertaken six condition surveys for Pyrenees over the last 14 years and is now in a position to provide a plot of certain key performance indicators over the long term.

There are three areas that we track that apply to most sub asset classes (1 - 3 below). In addition to this we have one additional indicator for the unsealed road pavements (Depth of imported pavement material). The following 4 graphs provide a plot of these 4 indicators over the last 14 years.

1. *The extent of poor condition assets at and above conditions 6 - 8.*
2. *The extent of isolated asset failures - Not applicable to Sealed Surface assets*
3. *The movement in the weighted average asset condition*
4. *The depth of imported pavement material*

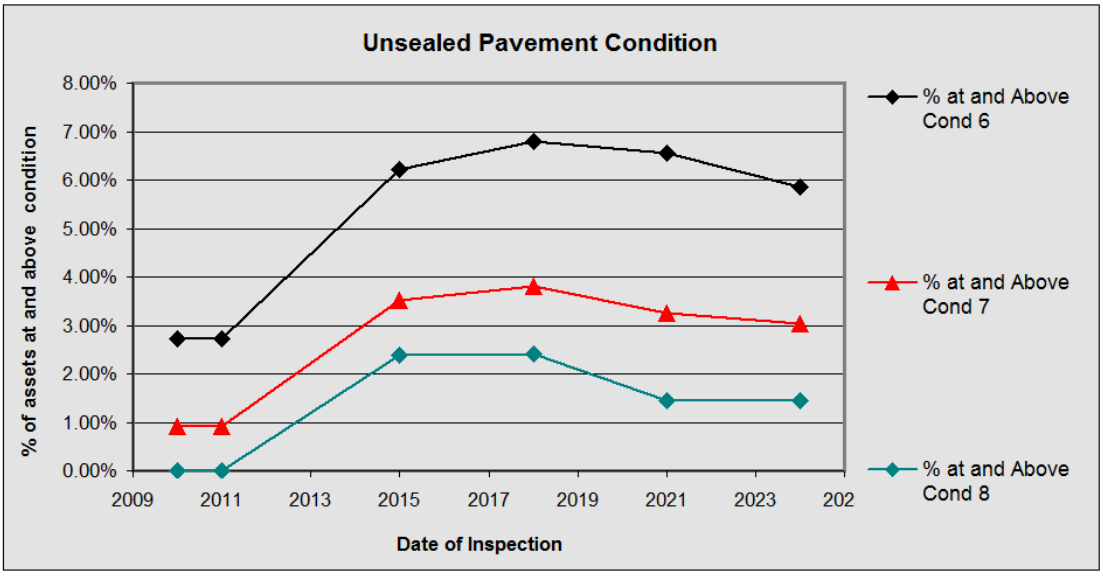


Figure U4 - Long term movement with the extent of poor condition assets

The extent of poor condition assets at and above conditions 6 - 8 was based on a lower design depth of 100 mm of imported pavement material for all pavements in the first survey in 2010. This was raised to 150 mm in the 2015 survey hence the extent of poor condition assets lifted. Also the unsealed pavements were not included in the second survey in 2011hence the results are the same.

So for the long term we can really only rely on the 2015 and later data as being consistent. Here you have generally reduced the extent of poor condition asset a little with time.

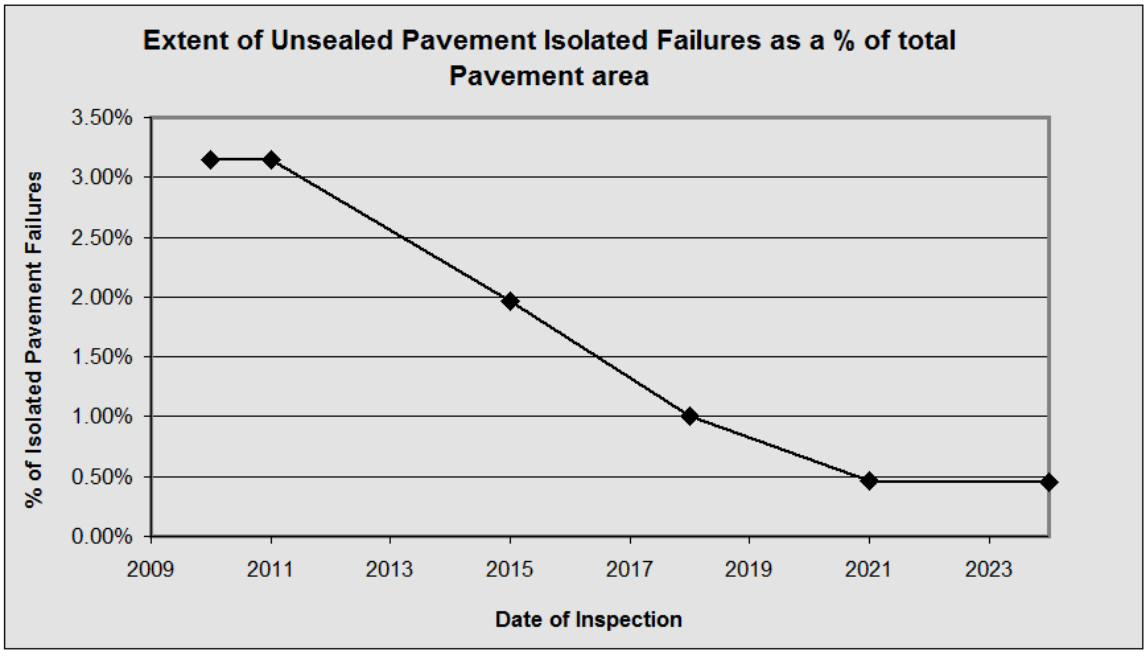


Figure U5 - Long term movement with the extent of Isolated Pavement Failures

Results within Figure U5 show a steady reduction in the extent of isolated pavement failures since 2009. This graph is valid for its full time frame as the extent of isolated pavement failures is independent of the design depth of the pavement (unlike the condition rating in U4 above).

We normally show a Figure U6 dealing with changes to the weighted average asset condition. But the change in design depth of the unsealed pavements over the last 14 years has meant that this presentation would be quite confusing.

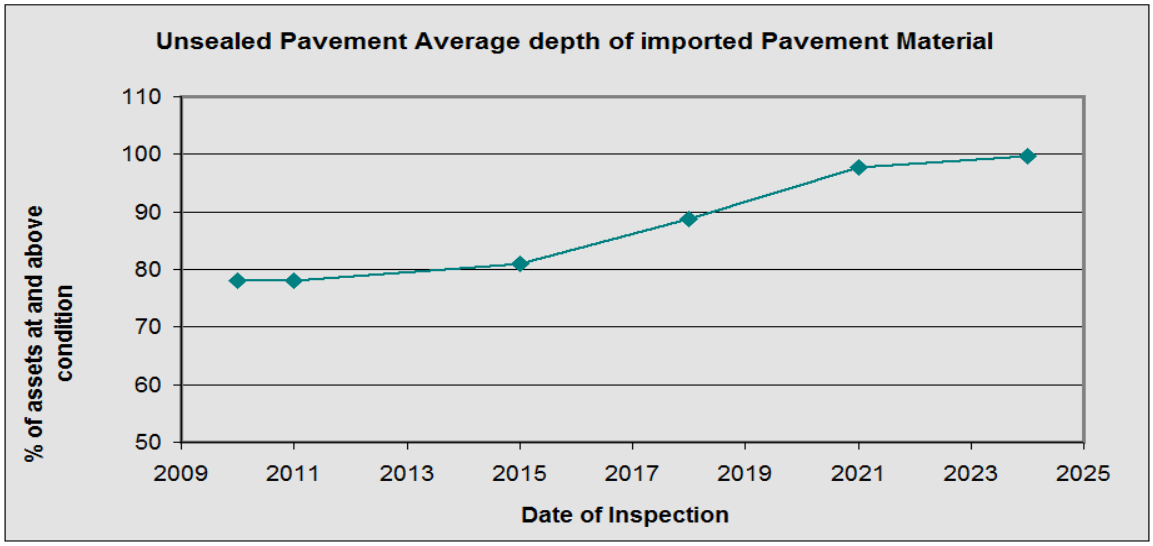


Figure U7 - Long term average Depth of importer pavement material

The strongest and most reliable measure of unsealed pavement condition performance is considered to be the measured average depth of imported pavement material. Here you have experiences a slow and continual increase in the average depth over the last 14 years.

6.1.5.1 Summary of long term condition movement.

Your unsealed pavements have experienced a continual condition improvement since our first survey in 2010. This particularly applies to the two most definitive indicators of, Depth of imported pavement material and the extent of isolated pavement failures.

6.2 Unsealed Pavement Financial Modelling Analysis

The Unsealed Pavement assets will be modelled in like performing data sets with the results aggregated into one presentation for the whole sub asset group

6.2.1 Unsealed Pavement – Selection of Retreatment Intervention Level

The point at which you choose to intervene to renew or replace an asset will have a big impact on the predicted future renewal demand. The intervention level can be seen as the level of service for the asset set. High intervention level equates to low level of service while low intervention level relates to a high level of service.

Detailed below are a series of photographs illustrating various Unsealed Pavement condition ratings. They do not cover the complete condition range but hopefully will provide some guidance to the selection of an acceptable retreatment intervention level.

Condition 0 – 1 Average Depth 150 mm

Condition 7 – Average depth 20 – 30 mm only

Condition 8 – Av depth 10 – 20 mm only

Condition 9 – Average depth 0 – 10 mm only

It is very difficult to cover Unsealed Pavement condition in such a limited range of photographs but hopefully they will provide some idea of asset condition in the 6 – 9 condition range where most interventions will take place. Unsealed Pavements can be within this condition range for a number of different reasons and the photos will cover only a limited range of these situations. They should be seen as one possible condition situation and not the only situation for that condition rating.

6.2.2 Unsealed Pavements – Financial Modeling Results

Modelling Parameter	Unsealed Pavement With 150 mm Design Depth	Unsealed Pavement With 100 mm Design Depth	Unsealed Paved undet Maintenance	Totals
Asset Quantity in sqm	2,154,005	2,428,022	46,148	4,628,175
Unit Renewal Rate	**$10.00**	**$8.00**	**$0.50**	
Total Asset Group Renewal Cost	$21,540,053	$19,424,175	$23,074	$40,987,302
Annual Renewal Exp.	**$580,000**	**$418,000**	**$2,000**	**$1,000,000**
Retreat. Intervention Condition	6.0	6.0	7.0	
Life to Condition 10 in Years	30.0	30.0	100.0	
Life in years to Intervention	21.7	21.7	86.1	

Figure U8 – Summary of Modelling Input Parameters for Unsealed Pavement Assets

The Unsealed Pavements will be modelled within three like performing asset sets as detailed within Figure U8 above. Intervention levels have been set a little below the industry standard levels (Better level of service), but do reflect more closely what you are currently achieving. Asset service lives have been set to levels well below the lives coming out of our degradation curve analysis within Appendix B. Thus the modelling results will be quite conservative.

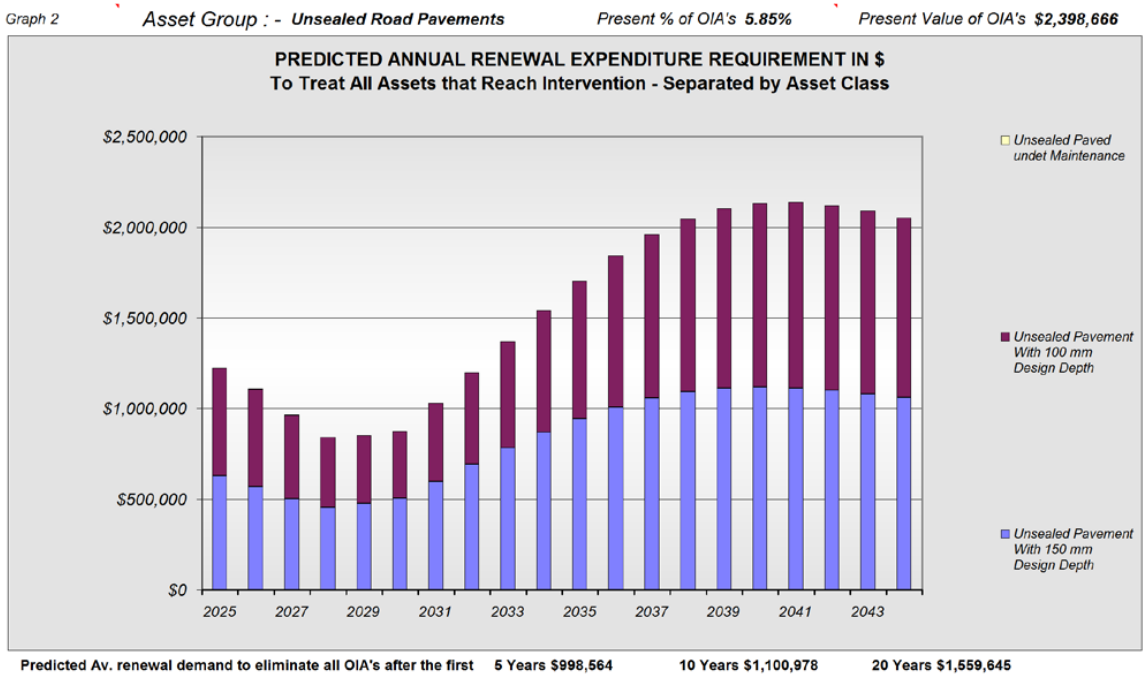


Figure U9 Predicted Renewal Demand to treat all assets that reach the Intervention level in future years

Figure U8 plots the annual funding profile required to eliminate all over intervention assets. If there is a large backlog of over intervention assets such that the raw year one demand is 30% or greater than the year two demand then the Moloney model eases the difference in over the first five years (this will show up as a reducing demand over the first five years). For this reason we prefer to quote the present renewal demand as the average figure for the first 5 years. In this case the first 5 year average renewal demand is estimated at $998,564 pa. If this expenditure is maintained all OIA's will be eliminated within 5 years.

Figure U9 indicates that the capital renewal demand to treat all assets that are predicted to reach the retreatment intervention level over the next 20 years has an average figure for the first 5 - years of $998,564 pa. With the peak demand over the next 20 years estimated at $2,140,000 pa in the year 2041. But it is suspected that the asset life to condition 10 will be appreciably higher than the adopted figures within the model. Thus the peak renewal demand of $2,140,000 pa in 2041 is probably being overstated.

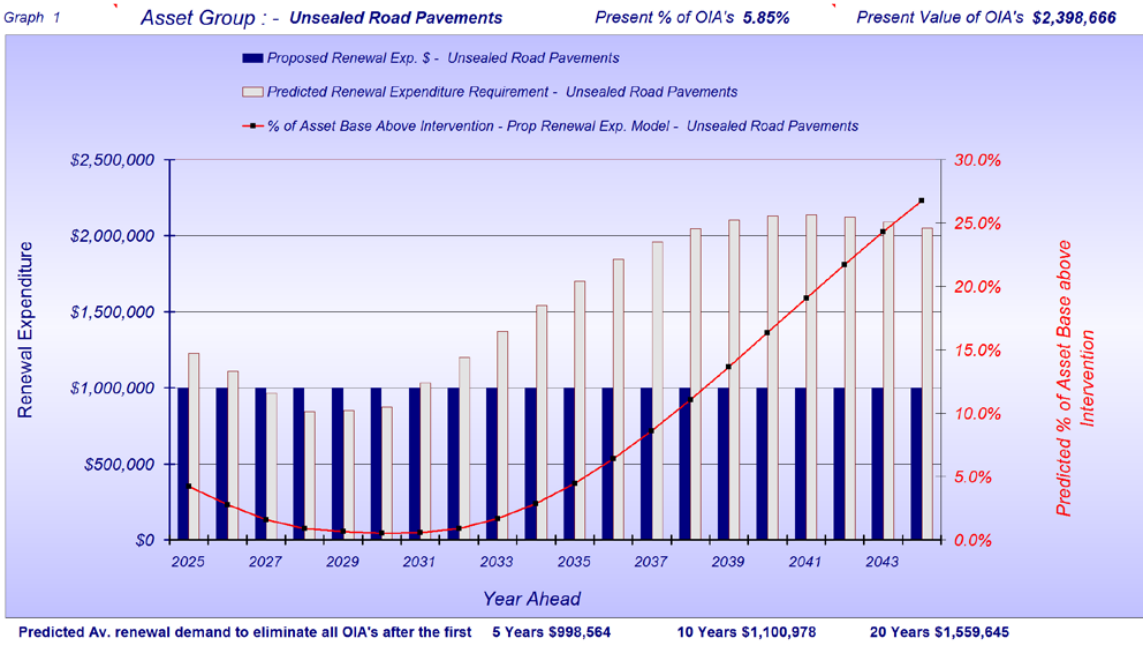


Figure U10 Future Predicted Condition Based on planned expenditure profile

Figure S10 plots the extent of the asset base that is predicted to rise above the intervention level (red line) based upon the continuation of the planned level of renewal expenditure (in blue bars). It also plots the predicted renewal demand to treat all over intervention assets within the grey bars (Same aggregate figures as within Figure U8 but not split into the individual modelling sets).

The planned renewal expenditure profile in figure U10 is a flat $1,000,000 pa. The extent of over intervention assets is currently at 5.85% and is predicted to fall to 2.86% after 10 years based upon the planned spend.

The Moloney financial modelling software has the capacity to develop a recommended renewal funding profile that will deliver a nominated extent of over intervention assets within a selected time frame. A global outcome can be set for the whole roads group. In this way the model can also be used to allocate funding between the sub asset groups to deliver the best overall condition outcome for all road assets.

Please refer to Appendix D which explains why and how we set the desired extent of over intervention assets in terms of the number of year's worth of annual liability that it represents. Appendix D4 also provides an explanation of the Moloney funding scenario finder along with its three basic input criteria requirements. The three input criteria adopted for the Unsealed Pavement assets are as detailed within figure U10 below with the results of the funding scenario finder operation contained within figure U11.

	Criteria 1. Extent of OIA's				
Road Sub Asset Set Description	Expressed as the % of One Years Annual Liability	Expressed as a % of The Total Asset Set Replacement Valuation	**Criteria 2.** Years to achieve Desired Condition outcome	**Criteria 3** Annual % of Compounding funding increase (if required)	Moloney Standardised Descriptor for the Desired Condition Outcome
Unsealed Rd Pavements	100.0%	4.61%	10	0.00%	**Excellent**

Figure U11 Modelling scenario finder inputs - Unsealed Pavement Assets

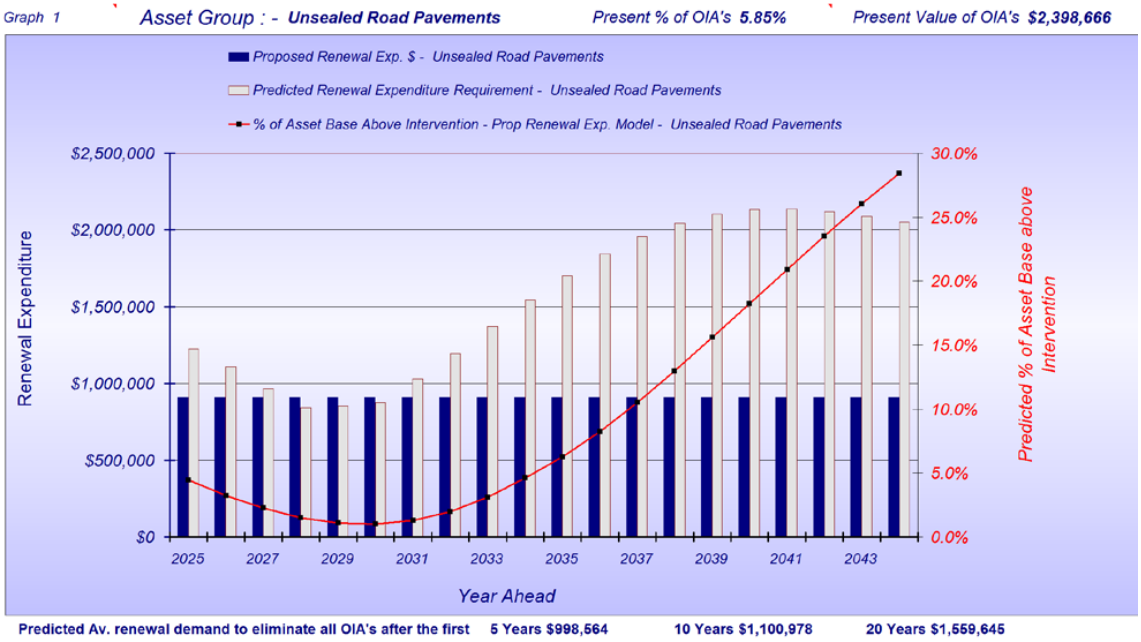


Figure U12 Recommended Renewal funding Strategy

For the unsealed pavements we have set the level of over intervention assets at 100.0% of the level of one year's annual liability after 10 years, which equates to 4.61% of the network the current level being 5.85%. So we are asking for a small condition improvement. We have set the desired extent of over intervention assets at the top of the "Excellent" condition Range. (See Appendix D Figure D 1 for details relating to this classification range).

The model predicts that a flat expenditure of $920,000 pa for the next 10 years will deliver on the desired condition outcome.

5.3 Unsealed Pavement Summary

The Unsealed Pavement assets were found to be in "Very Good" overall condition and had experienced a small condition improvement between 2021 and 2024.

It is recommended that the average renewal expenditure be set at a flat $920,000 pa for the next 5 - 10 years and that it be further subject to any annual CPI increases as appropriate.

Section 7: Kerb Sub Assets

The kerb assets were not inspected as part of this project.

Section 8: Footpath Sub Assets

The footpath assets were not inspected as part of this project.

Section 9: Aggregated Modelling Results for the Road Network

9.1 Overall Financial Reporting

Accurate network modelling within the Moloney system depends upon several independent modelling variables. Council now has a good handle on most of these variables and the modelling results are becoming quite meaningful. Modelling has been based upon the ongoing rehabilitation of the existing asset base only and does not allow for an expanding asset base. Any proposed expenditure on the upgrading of existing assets must be added to the figures delivered within this report.

The Moloney System allows for the modelling of up to 40 individual asset sets and to then combine these results firstly into up to ten reporting groups (Sub asset sections in this report). Then finally into an aggregated set of reports for the whole road network. This section will deal with the aggregated modelling results for the whole roads group.

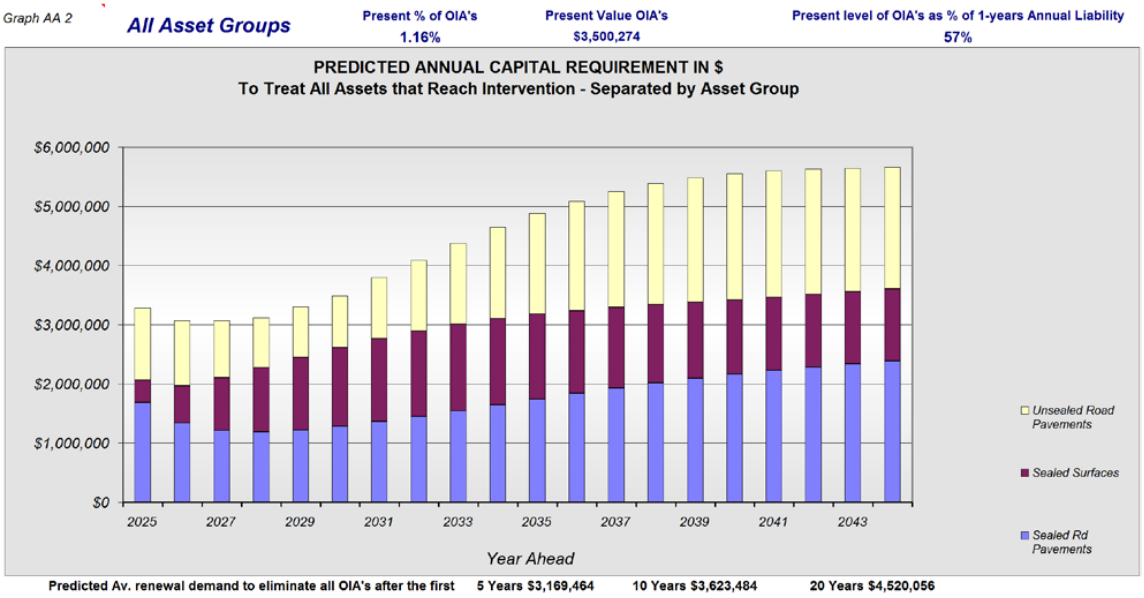


Figure Agg 1 Predicted Renewal Demand to treat all assets that reach the Intervention level

Figure Agg 1 plots the annual funding required to treat all over intervention assets within the first 5 years. It also splits the total renewal demand into the sub asset sets that were analysed within sections 4 to 8 above.

Figure Agg 1 plots the 20 year estimated renewal demand to treat all assets that are predicted to reach the retreatment intervention level through normal decay with time. Because the model is programmed to ease in the year one demand over 5 years when the raw year one demand is 30% greater than year two, it is best to report the commencing renewal demand as an average figure for the first 5 years. The average renewal demand over the first 5 years for the whole roads group is estimated at $3,170,900. The peak demand over the next 20 years is estimated at $5,660,000 in the year 2044. But remember this is aiming for a zero level of OIA's.

9.1.1 Condition based upon the total level of OIA's

Agg 1 also displays at the top of the graph the present extent of over intervention assets (OIA's) for the whole roads group expressed in three ways.

1. As a percentage of the total asset base valuation - 1.16%.
2. As the total renewal value of the OIA's - . $3,500,274
3. As the percentage of one years annual liability (or annual consumption rate), corresponding to the level of your OIA's - 57%

The Moloney standardised condition descriptor table in Figure D 1 of Appendix D reports this extent of OIA's for the whole road network as being at the best end of the "Excellent" condition range.

9.1.2 Condition based upon the total level of OIA's with standardized intervention levels

For external benchmarking purposes it is best to report the number of years worth of annual liability represented by the total level of OIA's as one based on a set of standardised intervention levels.

Pyrenees has a lower intervention level (Higher level of service) for some assets than what we consider to be the general industry standard. Hence your overall performance based on the standard intervention levels will be a little better than what is being reported within figure Agg 1 above. Detailed below are the three indicators relating to the extent of OIA's when your results are based upon the industry standard intervention levels.

1. *Percentage of the total asset base above the intervention level - 0.45%*
2. *Total replacement value of OIA's - $1,347,365*
3. *The percentage of one years annual liability corresponding to the level of OIA's - 23.48%*

The standardised condition descriptor table in Figure D 1 of Appendix D reports this extent of OIA's for the whole road network as being in the middle of the "Exceptionally good" condition range. So based on the standardised intervention levels you have moved up one whole ranking from the top of the "Excellent" condition range to the top of the "Exceptionally good" condition Range.

9.1.3 Predicted condition based upon the planned renewal expenditure

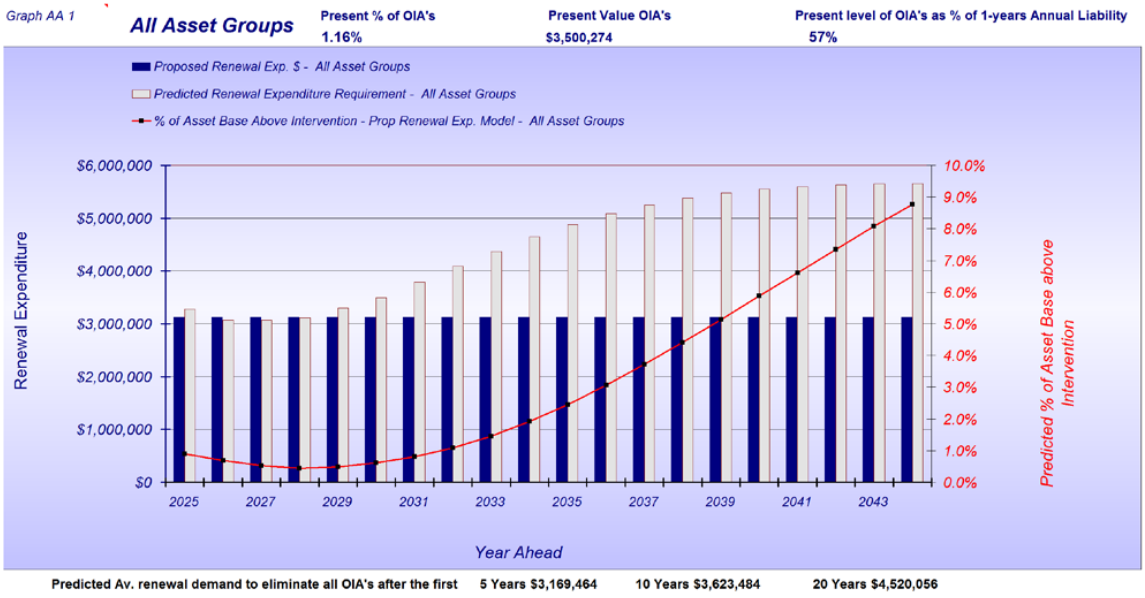


Figure Agg 2 – Future Predicted Condition - Based on the continuation of the planned expenditure profile

Figure Agg 2 plots the extent of the asset base that is predicted to rise above the intervention level (red line) based upon the continuation of the planned level of renewal expenditure (in blue bars) on the same basis as the present split between the road sub assets. It also plots the predicted renewal demand to treat all over intervention assets within the grey bars (Same aggregate figures as within Figure Agg 1 but not split into the sub asset modelling groups).

If the planned total renewal expenditure of $3,100,000 is maintained for the next 10 years with the same split between the asset classes, figure Agg 2 indicates that the present extent of OIA's at 57% of the level of one years annual liability or 1.16% of the total asset base value, will rise to 1.91% after 10 years.

The Moloney financial modelling software has the capacity to develop a recommended renewal funding profile that will deliver a nominated extent of over intervention assets within a selected time frame. A

global outcome can be set for the whole roads group. In this way the model is also used to allocate funding between the sub asset groups on a needs basis to deliver the best overall condition outcome for the whole roads group.

Please refer to Appendix D which explains why and how we set the desired extent of over intervention assets in terms of the number of year's worth of annual liability that it represents. Appendix D4 also provides an explanation of the Moloney funding scenario finder along with its three basic input criteria requirements.

		Criteria 1. Extent of OIA's		Criteria 2.	Criteria 3		
Road Sub Asset Set Description	Value of the Desired level of over int. assets	Desired extent of Over intervention assets (OIA's) as a % of one Years Annual Liability	Desired Extent of OIA's as a % of total Sub Asset base valuation	Years to achieve Desired Condition outcome	Annual % of Compounding funding increase (if required)	Amount in $ of the Annual % Increase	Moloney Standardised Descriptor for the Desired Condition Outcome
Sealed Rd Pavements	$2,953,421	100%	1.25%	10	0.00%	$0	Excellent
Sealed Surfaces	$1,282,946	100%	5.14%	10	0.00%	$0	Excellent
Unsealed Rd Pavements	$1,890,872	100%	4.61%	10	0.00%	$0	Excellent
All Assets	$6,127,240	100%	2.03%	10	0.00%	$0	Excellent

Figure Agg 3 Modelling scenario finder inputs - All Assets

The three input criteria adopted for each of the road sub asset sets are as detailed within figure Agg 3 with the results of the funding scenario finder operation contained within figure Agg 4.

Figure Agg 3 above contains the three input criteria being applied within the Moloney funding scenario finder for each of the three road sub asset sets that were inspected. The same three criteria were adopted for all 3 sub assets.

It was found that a total flat renewal expenditure of $3,100,000 pa for the next 10 years would deliver on the required condition outcome as outlined within figure Agg 3. That represents a total level of OIA's of 1.92% of the network value.

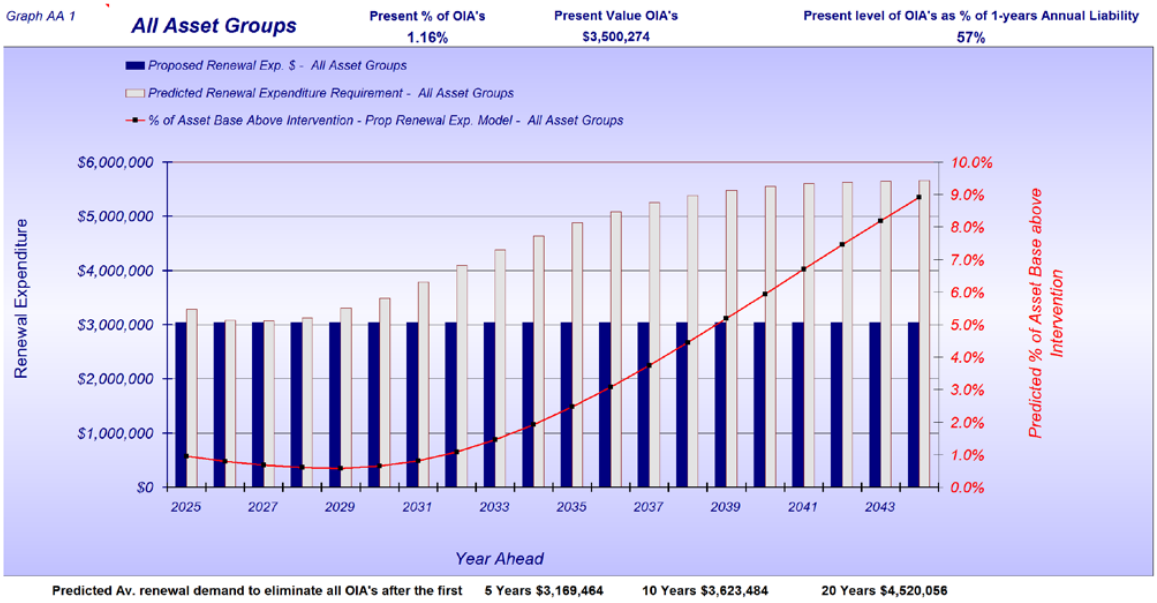


Figure Agg 4 – Recommended future funding Strategy

Figure Agg 4 details the recommended total renewal expenditure level for the next 10 years.

It was found that a flat annual expenditure of $3,100,000 pa would deliver the required condition outcome of 100% of one years annual liability or 1.92% of the total road network replacement value, as the total level of OIA's after 10 years. This keeps you within the "excellent" overall condition range as based on the total level of OIA's.

There may be a need to increase funding a little into the second decade, but there will be several condition surveys between now and then, which will further refine the modelling predictions. The modelling inputs for service life are considered to be quite conservative so there may be a lower than reported renewal demand in the second decade resulting from the adoption of the lower than expected total service lives for some assets.

Remember also that this level of renewal expenditure has no allowance for any upgrade component such as the widening of an existing seal width. So your actual spend may need to be a little higher if you wish to include any upgrade works.

Other scenarios can be run to achieve different outcomes on different time frames. The Moloney model is extremely versatile and it is strongly recommended that council spend the time to understand it and use it, as it will be a most valuable tool in the development of the 10 year financial plan for the organization. Note also that the model is not limited to road assets and can be set up to analyse any assets that are created, decay with time and then require replacement or renewal.

The model can also be set to allow for annual CPI increases. But over a 10 - 20 year time frame it can be difficult to distinguish between real increasing renewal demand and that relating to inflation. Hence our preference is to report in today's values only.

It is also stressed that the recommended funding strategy should be seen more as an average expenditure requirement over the next 5 - 10 years. There may be years when expenditure is higher or lower, or where the funding split between the sub asset classes changes. The primary aim of the financial modelling work is to deliver the average renewal demand across all of the road sub assets that are included within this survey and report as a single average total renewal demand for the whole road network.

Sub Asset Description	Average renewal expenditure since the time of last survey	Average Planned renewal expenditure for the next 5 Years	Average Annual Liability (Based upon modelling lives and valuations) (AL)	Annual Depreciation based on Accounting valuations and lives (AD)	Average Capital Renewal Demand for next 5-years to eliminate all over intervention assets	Date of Condition Inspection	Recommended Year 1 funding level with no annual compounding increase
Sealed Pavements	**$1,850,000**	**$1,200,000**	**$2,953,421**	**$2,858,049**	**$1,328,482**	Sep-2024	$1,130,000
Sealed Surfaces	**$1,330,000**	**$900,000**	**$1,282,946**	**$1,297,850**	**$842,418**	Sep-2024	$1,050,000
Unsealed Pavements	**$640,000**	**$1,000,000**	**$1,890,872**	**$1,346,435**	**$1,000,000**	Sep-2024	$920,000
Totals	**$3,820,000**	**$3,100,000**	**$6,127,240**	$5,502,334	$3,170,900		**$3,100,000**
C - B Estimated Annual Consumption Rate		**$3,027,240**					

Figure Agg 5 – Summary Table of Current & Recommended Renewal Expenditure Levels

Figure Agg 5 provides some important overall financial figures. It shows that Pyrenees Shire is presently funding its road renewal program at $3,100,000 pa. The full annual liability is estimated at $6,127,240 pa with annual depreciation estimated at $5,502,334 pa, so it could be said that the assets are being consumed at around $3,027,240 pa. But these figures are all predicated upon asset service lives that are quite a bit lower than the total lives coming out of our degradation curve analysis.

There are some differences between the "Annual Liability" (AL) figures and the "Annual Depreciation" (AD) Figures. The differences mostly hinge upon the adopted asset service lives and unit renewal rates.

The AD figures are bound to Australian and international accounting standards that are really designed to deliver a tax deductible figure for business, while we have far more freedom with the AL figures to deliver the best estimate of the actual ongoing annual liability (or annual consumption rate) to manage the assets in perpetuity.

The Adopted planned renewal expenditure and immediate past expenditure levels are all assumed as being the same as at the time of our last survey, as council has not yet supply us with these figures

All figures within this report are in today's values. No allowance has been made for CPI increases. The Moloney software does have the capacity to report with an allowance for CPI if required. But over a 10-20 year time frame CPI lifts values quite markedly and it can be difficult to discern if a rising renewal demand is due to CPI increases or a real growth in renewal demand. Thus we prefer to report the predicted renewal demand in today's values.

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Appendix A: Asset Valuations

This appendix deals with asset valuations

A.1 Estimated Asset Valuations

Following the completion of the survey the data was placed into the Moloney asset management system and the table below represents a summary of the overall asset quantities and valuations. The annual depreciation figure of $5,529,110 pa is based upon the best available accounting greenfields construction costs and the adopted accounting service lives.

Annual Depreciation has not been used within this report as the basis of the average long term renewal demand. We have adopted what we call the "Annual Liability" for this purpose. See Appendix E for the definitions of both figures.

The annual liability figures are all based on the estimated rehabilitation costs (Not greenfields construction costs) and we have more flexibility to set service lives that are closer to the lives coming out of the degradation curve analysis. In this way our financial modelling results can be more accurate and we can compare planned or recommended expenditure levels to the actual average annual long term liability rather than the annual depreciation which is designed to deliver a tax deductible figure for use in business tax calculations.

Date of Asset Valuation *30-May-2024*

ASSET DESCRIPTION	Total Quantity	Units	Replace. Value $	Asset Life in Years	Written Down Value $	Accumul. Deprec. $	Annual Deprec. $	Average Date of Cond. Assessment	Annual Liability from Modelling inputs
Sealed Pavements	744,261	Lin. Met	$223,727,715	88.7	$119,006,691	$104,721,024	$2,858,049	20-Sep-24	$2,953,421
Unsealed Pavement	1,227,237	Lin Met	$40,987,302	30.0	$32,454,316	$8,532,986	$1,346,435	20-Sep-24	$1,890,872
Sealed Surface	744,261	Lin. Met	$26,785,200	20.8	$12,963,724	$13,821,477	$1,297,850	20-Sep-24	$1,282,946
Sealed Rd Formation	744,261	Lin. Met	$32,128,250	100.0	$32,128,250	$0	$16,064	20-Sep-24	$0
U/S Rd Formation	1,227,237	Lin. Met	$21,423,685	100.0	$21,423,685	$0	$10,712	20-Sep-24	$0
TOTAL VALUATIONS			**$345,052,152**		**$217,976,665**	**$127,075,487**	**$5,529,110**		**$6,127,240**

Figure 3.1 Table of asset valuations for financial modelling purposes

There are some differences between the "Annual Liability" (AL) figures and the "Annual Depreciation" (AD) Figures. The differences mostly hinge upon the adopted asset service lives and unit renewal rates.

The AD figures are bound to Australian and international accounting standards that are really designed to deliver a tax deductible figure for business, while we have far more freedom with the AL figures to deliver the best estimate of the actual ongoing annual liability (or annual consumption rate) to manage the assets in perpetuity.

The valuations for the WDV are all based on age. As your adopted asset service lives for accounting purposes are well below what we consider you will achieve your WDV tends to be a bit lower than what we get if we base it on the observed asset condition. The date of the valuation has been set at 30-May-2024. But this can be recalculated to another date within the Moloney Software if needed.

Council is advised to check and approve all of the inputs into the asset valuations within Figure 3.1 before adopting them for accounting purposes.

Appendix B: Asset Degradation – Performance Curves

Asset degradation or performance curves, unique to the district, can be developed once two or more consistent condition surveys have been undertaken. This is done in the Moloney system by examining all assets within a given condition rating following the first survey and determining which have degraded by the time of the second and or subsequent surveys.

The condition change between surveys is used to predict the annual statistical probability of an asset degrading from one asset condition to the next. In turn this equates to an expected average life within each condition rating. The degradation curves serve two very important functions. Firstly they are used within the financial modelling section of the Moloney system to predict future asset condition movement and financial demand. Secondly they should form the basis of the justification for the selection of depreciation or service life cycles within the accounting system.

The term Degradation Curve comes from a particular format that the degradation data can be presented in. Figure B 1 below is a graphical representation of one of the pavement groups to be modelled and shows how an average asset within the group would perform. In this case it commences at year zero in condition zero at the top left side of the graph and progresses to reach condition 10 after 224 - years.

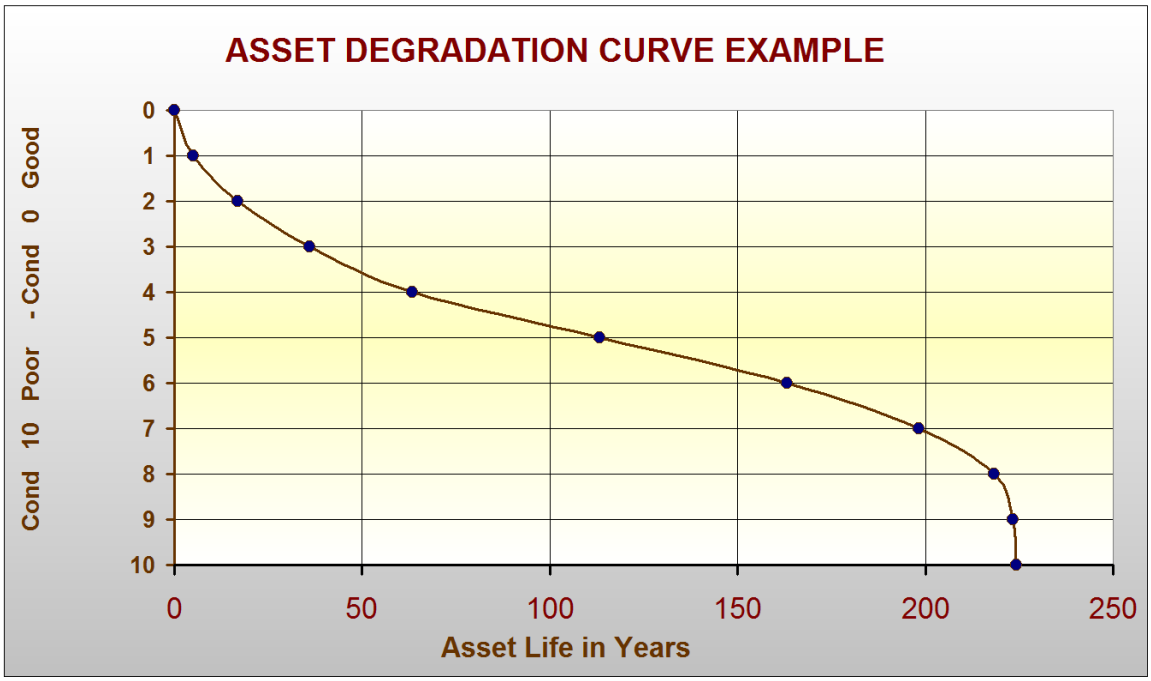

Figure B 1 Example of a Degradation Curve (See Fig B 2 First Column)

Within the asset degradation tables below the results are expressed as an expected life in years within each of the condition ratings 0 to 9. Little or no asset life is allocated above condition 8 as this is generally considered the upper condition limit for an asset to remain in service.

Figures sometimes need to be manually adjusted to remove inconsistencies resulting from small sample size at the extreme ends of the condition range. In all cases the total expected life will be reduced because of the small sample size. In no situations will the total life be increased other than the rare case where there are no assets present within a condition range that have degraded between the two surveys.

B .1 Degradation Curves as developed by MAMS

Degradation curves were produced for Pyrenees Shire by analysing the change in asset condition over up to six condition surveys between 2010 and 2024.

The total life illustrated in all of the tables within this section is the life to condition 10. In practice you will often intervene and rehabilitate before reaching condition 10. The total life is input into the financial model

and the life to the selected intervention level will be less than that figure depending upon where you choose to intervene.

If you choose a low intervention level (High level of service) then your life to intervention can be very much lower than the total life to Condition 10. Think of the car tyre analogy. Down to the indicator lugs at, 40,000 km. fully worn through at 70,000 km.

B.1.1 Sealed Road Pavement - Degradation Curves

Sealed Road Pavement Degradation Rate in Years

Asset Condition Rating Range	All Urban Rd Pavements 2010 - 2024	All Rural Rd Pavements 2010 - 2024	All Urban Rd Pavements 2010 - 2022	All Urban Rd Pavements 2015 - 2022	All Rural Rd Pavements 2010 - 2022	All Rural Rd Pavements 2015 - 2022
9 - 10	1.0	1.0	2.0	2.0	2.0	2.0
8 - 9	5.0	5.0	5.0	2.0	5.0	5.0
7 - 8	20.0	15.0	10.0	10.0	20.0	10.0
6 - 7	35.0	42.0	45.9	33.1	50.0	30.0
5 - 6	50.0	33.6	45.0	45.0	38.0	30.0
4 - 5	50.0	25.0	52.0	45.0	19.0	35.0
3 - 4	27.3	25.0	25.4	35.0	19.0	35.0
2 - 3	19.1	13.6	15.1	30.1	11.2	25.0
1 - 2	11.8	9.4	9.8	7.7	8.1	6.2
0 - 1	5.0	10.5	5.0	4.5	8.5	2.5
	224	180	215	214	181	181

Figure B.2 Sealed Rd Pavement Degradation Table

Figure B 2 displays the average service life within each of the 10 condition rating changes starting with the life between zero and one and ending with the life from nine to ten.

Life cycles on the sealed road pavements are normally developed for urban and rural roads separately as the urban pavements do tent to have longer service lives. For Pyrenees we found the urban sealed road pavements had a total life to condition 10 of 215 yeas and for rural roads 180 years. The estimated life to the intervention level of condition 7.0 being around 190 and 160 years respectively.

A word of caution in relation to the degradation curves. The way the degradation curves are calculated assumes that you construct an asset, it decays with time and needs renewal at some future date. The intervention of capital upgrade works such as full width patches do tend to hold asset condition static for a far longer period than if the work was not undertaken. However, if the pavement program condition was improved even by a little as a result of such works then that segment would be ignored in the degradation curve calculations.

The way our sealed road pavement program condition is calculated depends upon shape and failure information so in most cases where you have done extensive full width patches the failures would have been reduced and so these segments would have been excluded from the calculations.

B.1.2 Sealed Surface - Degradation Curves

Sealed Surfaces Degradation Rate in Years

Asset Condition Rating Range	All Asphalt 2021 - 2024	All Spray Seals 2021 - 2024	All Asphalt 2019 - 2022	All Spray Seals 2019 - 2022	All Spray Seals 2015 - 2022
9 - 10	0.0	0.0	1.0	0.0	0.0
8 - 9	1.0	2.0	2.0	1.0	2.0
7 - 8	3.0	4.0	5.0	3.5	4.0
6 - 7	5.0	7.0	6.0	6.0	5.0
5 - 6	8.0	6.0	7.0	7.2	6.8
4 - 5	10.0	5.0	7.0	5.4	5.0
3 - 4	10.0	3.9	7.0	4.0	4.0
2 - 3	5.9	2.8	7.0	2.8	3.6
1 - 2	3.7	2.6	4.0	2.8	3.1
0 - 1	3.0	2.9	4.4	2.7	2.4
	50	36	50	35	36

Figure B.3 Sealed Surface Degradation Table

Lives for the sealed surface assets are very close to the average lives we have found for other council districts we have assessed. Life to condition 10 for spray seals was found to be 35 years and for asphalt 50 years. Life to the intervention level of condition 7.0 was around 30 and 45 years respectively.

B.1.3 Unsealed Pavement - Degradation Curves

Unsealed Pavement Degradation Rate in Years

Asset Condition Rating Range	All Unsealed Pave 2015 - 2024	All P15 Pave 2015 - 2024	All P10 Pave 2015 - 2024	All Unsealed Pave 2015 - 2021	All Unsealed Pave Design Depth 150 mm 2015 - 2021	All Unsealed Pave Design Depth 100 mm 2015 - 2021
9 - 10	0.0	0.0	0.0	0.0	0.0	0.0
8 - 9	2.0	2.0	2.0	1.0	1.0	2.0
7 - 8	3.0	3.6	7.0	4.9	3.4	5.0
6 - 7	7.0	6.0	5.6	5.8	6.0	5.0
5 - 6	7.0	6.0	6.0	5.2	6.0	5.0
4 - 5	5.3	6.0	5.0	4.0	6.0	5.0
3 - 4	5.6	6.0	4.0	4.0	6.0	4.0
2 - 3	5.4	5.3	4.0	4.0	3.8	4.0
1 - 2	6.4	5.9	6.8	4.2	4.1	4.3
0 - 1	5.0	5.0	6.0	7.0	4.0	6.0
	47	46	46	40	40	40

Figure B.4 Unsealed Pavement Degradation Table

Lives here are generally a little higher than the results we have developed for other council districts. Life to condition 10 is expected to be around 46 Years with the life to the intervention level of condition 6.0 at 33 years.

B. 2 Benefit of Unique Degradation Curves

Unique degradation curves developed via an analysis of condition change between surveys takes all variables into account to deliver a time - condition performance profile based upon the actual council

locality. It is then used within the Moloney model to predict future condition change with time and greatly enhances the overall financial Modelling outcome.

In an indirect way the unique degradation curves take all variables into account. If council has a very poor attention to the maintenance of table drains alongside the rural sealed roads for example, the roads will decay more quickly and this will be reflected within the unique curves.

Appendix C - The Moloney Financial Model

C.1 The basis of the model

Predictive modelling is undertaken within the Moloney financial modelling software in the following way

- It is a whole of asset set model that predicts overall performance of the asset set not an individual asset.
- The model commences with the present condition distribution (series1 figures within each of the of the sub assets sections),
- The degradation curves are applied to the present condition distribution annually. If there was a 10 year life found within the degradation curves between conditions 3 and 4 then the model would degrade 1/10 or 10% of the condition 3 assets to condition 4 annually. This process operates across the condition range annually.
- From this point there are two distinct modelling paths. Model 1 and Model 2.
- Within Model No 2 - A retreatment intervention condition is nominated (level of service) and all assets that rise above the intervention level through the degradation process are returned as a capital renewal requirement. The primary output being a 20 year capital renewal profile to deliver a zero level of over intervention assets. (See the series 5 figures in each of the sub asset sections above). The model returns the repaired assets back to condition zero annually and they start their cycle again.
- Within Model No 1 - A proposed 20 year capital renewal expenditure profile is input and the model predicts the resulting asset condition change with time. (See the series 6 figures in the sub asset sections).
- Model No 1 takes the annual value of the planned renewal expenditure from the worst end of the condition distribution and put back to condition zero each year. Condition change can be monitored in a number of ways but the extent of the asset base that rises above the selected intervention level each year is considered to be the most useful. This is referred to as the level of "Over intervention Assets" or OIA's.
- We have also reverse engineered model No 1 through an iterative process to deliver a desired extent of OIA's after a selected number of years. The model delivers the annual expenditure necessary to achieve this outcome. We call this operation the "funding scenario finder" and a further explanation is available within Appendix D below. A detailed explanation is available from our web site at www.moloneys.com.au off the Information Tab - 1 The Funding Scenario Finder Aug 2018

C .1.1 More detail on the operation of the Financial Model

For a more detailed explanation of the model and how it works please refer to our web site at www.moloneys.com.au and from the Information tab download the PDF document titled "The basis of the Moloney Model". There is also an extensive amount of other background information. No log in or other details are required to be input on the web site for access to this information.

C.2 Source and Status of the Modelling Inputs

Modelling outcome is very much dependent upon the accuracy of the input data and how assets are grouped. The basic five input criteria required for the modelling process are detailed below with their source identified.

Rehabilitation Cost	—	Supplied by Council - Reviewed by Moloney
Present Expenditure Levels	—	Supplied by Council
Asset Quantity	—	Directly from this survey
Asset Condition	—	Directly from this survey
Degradation Curves	—	Unique Degradation curves developed by MAMS

Modelling outcome is dependent upon all 5 of the above variables. If any one is of poor or questionable quality then the whole process can be flawed.

The degradation curves used in the modelling process within this report have been specifically developed for Pyrenees Shire via the statistical analysis of asset condition change over up to six condition surveys since 2010.

C.2.1 Asset Unit Renewal Rates

The asset unit renewal rates used within the modelling sections of this report are all based upon the projected cost to renew or rehabilitate the asset. Unit rates used within the asset valuation section may vary depending upon the accounting requirements of the council and may not directly relate to the values and or service lives used within the model.

C.2.2 Modelling Projections

This report is limited in its financial analysis of the costs associated with the ongoing cyclical rehabilitation of the existing road network. Costs associated with new or upgraded assets would need to be added to the total expenditure levels delivered here. The financial analyses undertaken within the report can best be seen as an estimate of the ongoing financial demand to maintain the present asset base in perpetuity.

Any variation from this approach would be detailed within the sub asset report sections. For example council may have a policy to reconstruct all sealed rural roads of a particular class to a minimum width of say 6.8 m. We can adjust the model to accommodate this policy and if this were done it would be explained within the relevant sub asset section.

Appendix D Setting the Extent of Over Intervention assets and the funding scenario finder

This Appendix will deal with the setting of the Intervention Level and the setting of the extent of Over Intervention Assets. It will also briefly cover the operations of the Moloney "funding scenario finder".

D.1 Definitions

D.1.1 Intervention Level - Level of Service

The Intervention level is the condition rating at which it is believed the asset should be replaced or rehabilitated. An asset usually commences at condition zero when new or newly rehabilitated and then progresses with time up the 0 - 10 condition rating scale. While the scale ends at condition 10 it would be normal to intervene to replace of rehabilitate the asset within the condition range 6 - 9 depending upon the desired level of service.

The intervention Level is simply the condition rating point at which the authority decides an asset should ideally be replaced or rehabilitated. You may not always achieve this level of service and the extent of the asset base that is above the selected intervention level at any time is your level of over intervention assets or your level of OIA's.

D .1.2 The Extent of Over Intervention Assets (OIA's)

The extent of OIA's is a very strong indicator of overall condition performance. In very simple terms it is the extent of the asset base that is above the selected Intervention level. It can be applied at an individual asset set level, a sub asset group level or at a whole of roads group level. It can also be expressed in a number of different ways three of which are illustrated at the top of Figure Agg 2 above and are as described below.

1. The OIA's as a Percentage of the total asset set valuation
2. The Dollar value of the OIA's
3. The OIA's as a percentage of the value of one year's average annual liability or consumption rate.

D .1.3 Annual Liability

The term "Annual Liability" is a practical substitute for the accounting term of "Annual Depreciation". They can be equal or quite close in value in some cases. But can also be very different in value. The problem stems from the purpose of each figure. Annual depreciation is designed to deliver the amount that can be claimed for taxation purposes for the ongoing consumption of an asset and has some strong requirements in terms of international and Australian accounting standards.

Annual liability is similar in nature to annual depreciation. But it is aimed at providing an estimate of the future cost associated with the ongoing ownership and replacement of the assets. It is derived in the simplest sense by dividing the replacement cost by the service life. But for a variety of reasons the best estimate of the replacement cost and the service life used in the derivation of annual depreciation can be quite different to your actual future liability to maintain the asset. Hence we often refer to the "Annual Liability" Cost. These are generally the unit rates and service lives that we use within the financial modelling process.

To simplify matters and to ensure consistent reporting within this document we have adopted "Annual liability" (AL) as our reporting figure that links to the future renewal demand associated with your assets.

Our annual liability figures come directly from the replacement cost divided by the life to the selected intervention level as used for each individual asset set that is modelled. (You can see these figures for each asset set within the series 4 tables within each of the sub asset set sections - Sections 4 to 9).

D .2 Setting the Extent of Over Intervention Assets (OIA's)

If you had $1,000 as the level of OIA's on a total asset base of $100,000 your extent of OIA's would be 1.0% (See 1 in D.1.2 above). Its value would be $1,000 (See 2 in D.1.2 above). However, there is a problem in reporting on a simple percentage of OIA's across assets with different service lives. Just as there is in comparing the dollar value between authorities with very different asset replacement values.

For example, if reporting on a single asset set with a service life of 100 years that had OIA's of 10% of the asset base, this would represent a very poor situation, with 10 years worth of average annual liability as the backlog or level of OIA's. But if reporting on an asset set with a service life of 10 years that same 10% level of OIA's, would represent only 1 year's level of average annual liability and would be a very sound position to be in. Hence straight reporting of the percentage of OIA's does not translate well between assets with different service lives.

Similarly the total dollar value of OIA's cannot be compared between authorities with different asset base valuations and unit renewal rates.

To address this problem the extent of OIA's can be expresses as the number of years worth of annual liability (in accounting terms the number of years worth of annual depreciation) that the level of OIA's represents. The size of the backlog of OIA's expressed in this way provides a really strong indicator that is independent of both asset service life, total asset valuation and the unit renewal rate.

This is of particular value when using the Moloney funding scenario finder on multiple asset sets with different service lives. In this situation the desired extent of OIA's can be set just once within the model as a percentage of one year's annual liability, rather than manually selecting different percentages of OIA's to match expected service life. Service life is thus eliminated as a variable. The model can then apply the same condition outcome in financial terms to sub asset sets with quite different service lives.

Expanding upon the above example. If you set the desired level of OIA's at a global level to one years annual liability then the Moloney funding scenario finder would set the actual desired percentage of OIA's (which is the figure it uses in its calculations) for asset classes with different service lives as detailed below.

- 100 year service life - 1.0% of OIA's
- 10 Year service life - 10.0% of OIA's
- 25 Year service life - 4.0% of OIA's

The Moloney model required the actual percentage of OIA's to be set for each individual data set that is to be modelled. The funding scenario finder can set this figure for each individual asset set based on its service life.

D .3 Standardised descriptors for the level of over Intervention Assets OIA's

Figure D 1 has been developed as a guide to the selection of a suitable level of OIA's. The figures within the table are based on our 26 years of road condition rating experience, involving in excess of 280 full council road network surveys.

Guide to the acceptable extent of over intervention assets (OIA's)

% Range of one years Annual Liability	Your Asset Base renewal value at the top of this range	% of the total value of all assets at the top of the range	Standardised Condition Description	Additional Comments on Descriptor
0% - 50%	$3,063,620	0.9%	Exceptionally good	Extremely low levels of over intervention assets
51% - 100%	$6,127,240	1.8%	Excellent	Very low level of over intervention assets
101% - 150%	$9,190,859	2.7%	Very Good	low level of over intervention assets
151% - 200%	$12,254,479	3.6%	Good	Low to acceptable level of over intervention assets
201% - 250%	$15,318,099	4.4%	Fair	Condition only Fair and a little below the good range
251% - 300%	$18,381,719	5.3%	Acceptable	Level of OIA's at the upper extent of the acceptable range
301% - 350%	$21,445,338	6.2%	Poor	Moving into the start of the problem area
351% - 400%	$24,508,958	7.1%	Very Poor	In need of urgent reduction
401% and Above	$30,636,198	8.9%	Disastrous	Severe problems with assets in this condition

Figure D 1 Standardised descriptors for the level of OIA's

Figure D 1 displays nine ranges of OIA's expressed in years worth of annual liability. As explained above, linking the extent of OIA's back to the number of years of annual liability eliminates the problem that can occur with different asset lives. Reporting the extent of OIA's in this way provides a uniform platform that enables strong external benchmarking of Council performance as well as eliminating the bias that can occur with short life assets that may have what at first appears to be a high level of OIA's. It also allows the setting of a single and consistent extent of OIA's across several data sets with quite different service lives when using the Moloney funding scenario finder model.

What the table is saying in the simplest of terms is that a level of one year's annual liability as the value of OIA's is an excellent position. Two years remains at a good level. Three years is at the top of the acceptable range and four year and more is considered to be into the problem zone.

Another way of looking at it is to think of it as the number of years you are behind in meeting the renewal demand in terms of year's worth of unmet annual liability, or average annual renewal demand.

Present extent of OIA's expressed in three ways			Your overall road asset condition based in the extent of OIA's	
Current % of OIA's expresses in years worth of average annual liability	Your present value of OIA's in $	Your OIA's as a % of your total asset base valuation	Moloney standardised condition description	Additional comments on sandardised condition descriptor
57%	$3,500,274	1.20%	Excellent	Very low level of over intervention assets

Figure D 2 Your extent of OIA's as a percentage of one year's annual liability based on your adopted intervention levels

Figure D 2 presents your level of OIA's expressed as a percentage of one year's level of annual liability. Your figure being 57%. The table also records the total value of your OIA's'' in straight dollar terms as well as it's percentage of the total asset base replacement value.

IMPORTANT NOTE: The figures quoted within Figure D2 for Pyrenees Shire are based on your adopted intervention levels. See Section D 3.1 below for your level of OIA's based upon standardized intervention levels.

Pyrenees has adopted some intervention levels that are lower than the general industry standard (Higher level of service). Hence for comparison purposes the results within Section D 3.1 below should also be examined.

D 3.1 Standardized extent of OIA's

The adopted intervention levels (level of service) can vary widely between councils. Hence it can be useful for comparison purposes to report the extent of over intervention assets (OIA's) based on a set of industry standard intervention levels. In this way your level of OIA's as reported within Figure D3 below can more accurately be used for comparison purposes to the figures within Figure D2 above as they apply to all councils on the same basis.

Standardised Levels of Over Intervention Assets

Present extent of OIA's expressed in three ways			Your overall road asset condition based in the extent of OIA's	
Current % of OIA's expresses in years worth of average annual liability	Your present value of OIA's in $	Your OIA's as a % of your total asset base valuation	Moloney standardised condition description	Additional comments on sandardised condition descriptor
23.48%	$1,347,365	0.45%	Exceptionally good	Extremely low levels of over intervention assets
The figures based on your Adopted intervention levels - For comparison purposes				
57.00%	$3,500,274	1.20%	Excellent	Very low level of over intervention assets

Figure D 3 Your extent of OIA's as a Percentage of one year's annual liability with Standardised Intervention levels

Figure D 3 indicated that based upon the standardised intervention levels your overall condition has improves by one whole ranking from an "Excellent" rating up to an "Exceptionally good" rating.

Note that all figures used within the report that represent the average annual asset consumption rate (annual liability) are linked to the asset lives and unit rates used within the modelling process. The report is in no way bound to accounting lives or unit renewal rates, as these can have accounting standards constraints that render them quite problematic in the prediction of future ongoing renewal demand.

D .4 The Moloney funding scenario finder and it's inputs

The Moloney financial modelling software has the capacity to develop a recommended renewal funding profile that will deliver a nominated extent of over intervention assets within a selected time frame. A global outcome can be set for the whole roads group. In this way the model is also used to allocate

funding between the sub asset groups to deliver the best overall condition outcome for the whole roads network.

There are three input criteria that can be set independently for each sub asset class or they can all be set to a common figure for all sub assets. They are generally set to a common figure but sometimes there may be sound reasons why certain sub assets are set independently. For example you may require a zero level of over intervention assets on the Footpath assets because of their perceived higher public risk while accepting some extent of OIA's on other sub assets.

The funding scenario finder operates within the Moloney model in an iterative way to find a recommended funding profile that will deliver on a desired condition outcome. There are three basic input criteria.

1. Desired extent of over intervention assets (OIA's)
2. Year ahead by which you wish to achieve this outcome
3. The value of any annual compounding percentage increase in renewal funding

D.4.1 Desired extent of over intervention assets

As detailed within D3 above the extent of over intervention assets is generally set in terms of the number of year's worth of annual liability that it represents. It is often set to the same figure for all road sub assets so that the model then also distributes the total renewal demand bases on need. But it can be varied if required.

D.4.2 Year ahead to achieve the condition outcome

This can be set within the model for any time frame from 3 - 50 years. The most common time frame used is 10 years, but in some cases this is extended to 20 years.

D.4.3 Annual compounding increase in renewal expenditure

This facility was included to enable the year one commencing expenditure to be lowered to match the planned renewal expenditure. In this way a funding strategy can be developed that commences from your present level of renewal expenditure and ends up at a higher level in later year. Most councils do have a growing renewal demand and this facility caters for that situation. It is designed to delivers a proposed future funding strategy that starts from where you currently are and gets you to where you need to be with asset condition in future years.

D.4.4 The funding scenario finder operation

The program uses the Moloney Model No 1 (see Appendix C 1 above) in an iterative way to deliver the recommended funding strategy. Model No 1 was designed to deliver the predicted condition outcome for a selected renewal expenditure profile over a 3 - 50 years time frame.

An iterative process has been set up within Model No 1 based on the above three input criteria. It commences by estimating the year one commencing funding level required to achieve the condition outcome. It then keeps adjusting that figure by lifting or dropping it depending upon the condition outcome. When the condition outcome is within 0.05% of the desired level of OIA's (as set in 1 above) the process ceases and that figure is returned as the required year one commencing expenditure level.

Within the Moloney software the scenario finder can be run for a single asset set or more commonly for all road sub assets. When running it for multiple road sub asset sets it has the added advantage of splitting the total renewal funding on a needs basis between the different road sub asset classes and ensuring that none are forgotten.

Appendix E: What the condition Inspection has Delivered

This appendix will deal with an explanation of what the condition survey has delivered.

E.1 Segmentation and measurement of the road network

The linear road network was broken down into like performing segments that were generally constructed at the same time. Then each of the five sub asset components that were present within each segment and were to be part of the condition survey were measured quantified and condition rated.

For Pyrenees Shire the full road network was broken down into 2,673 individual like performing segments. Each segment was then measured and condition rated for the particular sub assets that were present within each segment.

E.2 What has been delivered

Once this data was placed within the MAMS System, the software delivered a range of outputs including those listed below.

E.2.1 Capital works programs

Works programs in priority order, based upon both the condition of the assets and the hierarchy or relative importance of the road, can be delivered within the following areas:

- Reseal – resurfacing program on sealed roads
- Sealed Road Pavement Rehabilitation program
- Sealed Road Pavement Major Patching or dig out repair program
- Sealed Road shoulder repair program
- Unsealed Road Resheeting program.
- Unsealed road isolated failure patching program.
- Kerb Renewal program and a separate Isolated Failure repair program.
- Footpath renewal program
- A host of other major maintenance reports such as crack sealing report, edge break report etc. These can be extracted from the data and are programmed directly into the MAMS road software.
- The MAMS software also has a mechanism for prioritising capital works on the more important classes of road

E.2.2 Asset valuations

Asset valuations can be delivered based on either the condition or the age of the assets. For a detailed explanation of the road asset valuation methodology adopted by MAMS please refer to the document titled Road Asset Valuations June 2018 available on our web site at Moloneys.com.au under the Information tab.

But a note of caution, the asset valuations presented within this report may vary from those adopted for accounting purposes. There are a lot of matters to be considered in the delivery of the accounting valuation figures and unless we were specifically engaged to deliver accounting valuations our figures may vary from councils adopted figures and you are advised to undertake your own accounting valuations using the survey data set as the basis of that operation.

E.2.3 Prediction of future financial renewal demand

The Moloney financial model can be used in conjunction with the survey information to deliver a prediction of the ongoing renewal demand and a recommended future funding strategy. See Appendix C and D for more details relating to the operation of the Moloney Model.

E.2.4 Performance benchmarking

Council's asset performance since the last survey is benchmarked against a series of key performance indicators. We also provide longer term benchmarking where there has been more than 2 condition inspections undertaken.

External benchmarking is provided against all councils assessed by MAMS on the same performance indicators, currently this includes 72 separate council districts.

Appendix F Glossary of Terms and Definitions

The table below contains a list of explanations for some common terms and phrases that have been used within the report

Term Used in Report	Explanation
Asset Condition Rating Scale	The condition Rating scale for all assets is on a (0 - 10) scale with 0- Brand new and 10 - No remaining value
Annual Depreciation (AD)	This is an accounting term designed to deliver the annual tax deductibility associated with an asset. It is largely irrelevant to Local Government financial management and forecasting, but Australian accounting standards dictate that it be reported upon even though councils do not pay income tax.
Annual Liability (AL)	This is the average annualised cost of the future replacement of the full extent of the asset base. It can vary dramatically from "Annual Depreciation". Financial Forecasting needs to be linked to the Liability of future renewal or replacement cost rather that historic cost. Throughout the report any reference to "Annual Liability" will be linked to the financial modelling unit rates and service lives and not those used for accounting purposes.
Asset set	This is an individual set of assets that is modelled within the Moloney model as a single asset set. There may be five sealed road pavement "Asset Sets" that make up the Sealed Rd Pavement asset group or "Sub Asset Set". They are generally modelled separately because of different "Service Lives" and or different "Levels of Service"
Backlog	This is an alternative term used to express the extent of Over Intervention Assets as a backlog of unmet renewal demand.
Funding Scenario Finder	The Moloney Financial Model has an inbuilt function that can create a recommended funding profile across the whole of the roads group based on a desired extent of over intervention assets (OIA's) after a set time frame. The scenario finder enables all asset sets to be modelled together and to also have the renewal expenditure optimised between the sub asset groups.
Greenfields - Brownfields Construction costs	These are accounting terms that can have a huge impact on financial modelling outcome. Greenfields construction cost is the original cost when the site was vacant with no traffic or other incumbrances. Brownfields construction cost is the cost associated with the reconstruction of the asset with all of the additional incumbrances such as other services, traffic etc. ALL replacement costs within this report are based on Brownfields costs as this is the only realistic way to undertake meaningful financial modelling.
Intervention Level - Or Retreatment Intervention Level	This is the point within the condition rating scale (0 - 10) that you determine the asset needs to be replaced or rehabilitated. It represents your planned level of service and is normally within the 6 - 9 cond. Range
Level of Service	Level of service within this report is directly related to the selected "Intervention Level". Low intervention level delivers high level of service, while high intervention level delivers Low level of service.
MAMS	Moloney Asset Management Systems.
Moloney Standardised Condition Descriptor	This is a description developed by MAMS that links overall asset condition to the extent of over intervention assets expressed as the number of years worth of "Annual Liability"
OIA's	"Over Intervention Assets"
Over Intervention Assets OIA's	This is the extent of the asset base that is above the selected intervention level. It is the extent of the asset base that needs renewal now. Sometimes referred to as the backlog of OIA's
Replacement Value	All replacement values used within this report (other than within Appendix A dealing with accounting valuations) are based on the actual planned replacement or rehabilitation cost of the asset. Also referred to as the "Renewal Cost". It may vary considerably from the accounting replacement cost. (See "Greenfields - Brownfields" Definition)
Service Life	This is the expected life in years that an asset on average will remain in service. Service life will reduce as your level of service improves with lower intervention levels. You don't get the additional asset life that could be obtained beyond the intervention level (if adopting a higher level of service).
Sub Asset Set	For reporting purposes this document has adopted up to five road sub asset sets within the broader roads asset group. They are, Sealed Rd Pavements, Sealed Surfaces, Unsealed Rd Pavements, Kerbs and Footpaths. The asset sets are modelled and reported upon separately within the report, broadly in line with councils funding categories.

Figure F 1 Glossary of terms and Definitions used in report

090481

Caroline Rafferty
c/o Landsborough Primary School
McKinley Street Landsborough

Thursday, 19th of September 2024
Mr Jim Nolan
CEO
Pyreness Shire
5 Lawrence Street
Beaufort 3373

Dear Mr. Nolan,

Re: The bridge on McKinlay Street in the Pyreness Shire that has been damaged for over a year and is a health hazard.

My name is Caroline Rafferty. I have two children in the Landsborough Primary School and I am the President of the Landsborough Primary School Council. I write to you on behalf of all the other parents of the school, the school Principal, Ben Gallagher, and all the teaching staff at the school.

I write to you in regards to the small bridge in McKinlay Street, Landsborough, right near the Landsborough Primary School.

Please see the images attached. The bridge has been like this for approximately 12 months.

The staff at Landsborough Primary School and all the students' parents cross this bridge with their children five days a week. In addition, some families live north of the bridge and even north of the school and also cross this bridge often.

I would like to ask, how long is it going to be before a car falls off this bridge? And/or someone gets injured due to this bridge? In addition, one family, who have two children under ten years of age, live right near this damaged bridge.

Please see signed signatures from Landsborough Primary School staff and parents of children at the school on the 2nd page of this letter. We all ask, can this bridge be urgently fixed please?

I can be contacted on phone number: 0403 028 522
Or via email at: caroline.rafferty@edumail.vic.gov.au

Thank you for your urgent attention.

Caroline Rafferty. President School Council. Landsborough Primary School

PYRENESS SHIRE – CAN YOU PLEASE FIX THE BRIDGE IN MCKINLAY STREET, LANDSBOROUGH

Signed signatures:

LANDSBOROUGH PRIMARY SCHOOL STAFF

NAME.	*TITLE.*	*SIGNATURE.*
Ben Gallagher	Acting Principal	

SCHOOL COUNCIL:

NAME.	*TITLE.*	*SIGNATURE.*
Caroline Rafferty	President School Council	

PARENTS:

NAME.	*SIGNATURE.*
Lauren Firth	
Paul Parker	
Victoria Skipper	
Jody Skipper	
Anne Nicholls	
Rowena Carroll	

Pyrenees Shire Council's public notices – November 2024

COUNCIL ELECTION UPDATE

By the time you are reading this, the Pyrenees Shire Council election results will have been announced. Head to www.pyrenees.vic.gov.au for information about your new Council.

COMMUNITY INFORMATION

Australia Day Awards 2025 – nominations now open

Do you know someone who has done something extraordinary who you feel needs to be recognised publicly? Do you know an organisation or group that has held an amazing event in the Pyrenees Shire during 2024? Council's 2025 Australia Day Awards are now open and you are invited to submit nominations for Young Citizen of the Year, Citizen of the Year, and Community Event of the Year.

Nomination close 12 noon on Monday 2 December with winners announced at the Australia Day Ceremony in Lexton on Friday 26 January 2025. More information and nomination forms: www.pyrenees.vic.gov.au/AusDayAwards.

Prepare your property for summer

Residents and property owners are reminded to clean up their properties before the Fire Danger Period starts on Monday 18 November.

You can do this in a number of ways including:

- Keeping grass 10cm or shorter in length;
- Cleaning your gutters regularly;
- Removing flammable items from decks and verandas;
- Removing dry leaves, twigs and other fire hazards;
- Pruning shrubs and trees; and,
- Moving woodpiles away from your house.

Residents and property owners can use the free green waste disposal at all Council transfer stations when cleaning up their properties

Residents can find information about the Fire Danger Period and cleaning up their properties on the CFA's website: www.cfa.vic.gov.au.

Wattle Creek Bore

Central Highlands Water is renewing and replacing the set up and has advised that they expect the bore to be commissioned in December.

Roadside slashing program

Council's roadside slashing program started in the Northern part of the Shire last week, with Crowlands, Landsborough, Barkly and Moonambel completed. Contractors will then move onto Natte Yallock, Avoca and surrounds. Once the northern part of the shire is completed, the slashing program will stop for short while.

Fire prevention inspections

Officers have started inspecting properties in the Shire. Notices will be issued where fire hazards are identified.

Moonambel Recreation Reserve Committee of Management
A public meeting will be held at Moonambel Pavilion on 11 December at 7.30pm to nominate between three and nine people as the Committee of Management for a term of three years. All positions will be declared open on the night and nominations will be accepted before or on the night. Contact your local DEECA office for more information or contact the secretary, Jill Hunter, on 5467 2211.

Statutory Meeting of Council
The Statutory Meeting of Council to swear in the new Councillors and elect a new Mayor will be held on Tuesday 12 November at 6pm at the Lexton Community Hub. The meeting will be live streamed on Council's YouTube channel. If there are technical issues preventing the livestream of the meeting, the meeting will be recorded and uploaded to Council's YouTube channel.

November Council meeting
The next Ordinary Council Meeting will be held on Tuesday 19 November from 6pm in the Beaufort Council Chambers, 5 Lawrence Street. Members of the public are welcome to attend in person but you can also tune in live from the comfort of your own home on our YouTube channel www.youtube.com/pyreneessc. Recordings of our meetings are on the same channel.

EVENTS

Story Time at Pyrenees Libraries
Don't forget to take your little ones to Story Time every Wednesday – 10:15am at Avoca library and 10:30am at the Beaufort library.

Youth Fest @ The Show presents Bloom Pyrenees
Head to the Beaufort Show on Sunday 17 November from 10am for badge making, a youth and community chalk mural project, take-home seedling art, wellbeing support, and info about the Pyrenees Youth Census.

More events: www.visitpyrenees.com.au

EMPLOYMENT

Planning Services Lead
Band 8 - permanent – full-time position
Applications close 5pm Monday 18 November 2024.

Governance Administration Officer
Permanent – Full Time
Band 4 - $70,265 - $74,844 + Super & RDO
Applications close 5pm Monday 18 November 2024.

Applications from diverse/female/male people are encouraged. Find out more and apply online at pyrenees.vic.gov.au/employment.

TENDERS

Request for tender – preferred supplier – professional services – Contract 2324-018
Pyrenees Shire Council is advertising for Preferred Supplier submissions for Professional Services, for a three-year contract with an additional two-year option. Specifications and submissions are available through Councils E-Tender portal www.tenderlink.com/pyrenees/ Submissions close at 2pm on 27 November 2024.

ROADWORKS AND PROJECTS UPDATE

Camerons Lane Waubra
Works will has started on the re-construction of 720m of Camerons Lane, Waubra, between Sunraysia Highway and Waubra-Talbot Road.

Linton Carngham Road
Preparation work has started on the re-construction work on Linton Carngham Road, Snake Valley, between the Shire boundary and Lawrence Drive.

Infrastructure repairs
Repair work continues on infrastructure damaged by the October/November 2022 flood events. There is more work to do on roads, culverts, floodways and bridges. We thank you for your patience during these works.

Mckinlay Street bridge
The bridge on Mckinlay Street, Landsborough, has been funded within the 2024/25 Council Budget for the repair and installation of new guard railing. This work has been scheduled to be repaired.

A temporary treatment has been installed onsite with water filled barriers, bollards, mesh fencing and signage. We thank the community for their patience while waiting for these works to be completed.

Pyrenees Shire Council

For the Period

1 July 2024 to 30 September 2024

Contents

Forecast Results – 30 September 2024

Full Year Forecast Results			
Comprehensive Income Statement	**Amended Budget $'000**	**Forecast $'000**	**Variance $'000**
Net Result	**(821)**	**1,824**	**2,645**
Income	24,601	27,246	**2,645**
Expenditure	25,422	25,422	-
Cashflow	7,609	7,694	**85**
Rate Collection	1,116	1,116	-
Working Capital	1.68	1.69	**0.01**
Capital Works Expenditure	**8,400**	**11,045**	**(2,645)**
General Works	181	155	**25**
General Operations	1,445	1,471	**(25)**
Footpaths	30	30	-
Kerb & Channel	27	27	-
Drainage Works	157	157	-
Major Patch Program	100	100	-
Gravel Resheets	627	627	-
Reseals	722	722	-
Road Construction	60	60	-
Building Renewal Program	240	240	-
Roads to Recovery	1,435	2,520	**(1,085)**
LRCIP Phase 4	-	1,560	**(1,560)**
Flood Event	-	-	-
Recreation Projects	77	77	-
Major Projects	2,879	2,879	-

Notes:

Comprehensive Income Statement:

Improved result is linked to the forecasting of additional income which had not been budgeted for. This additional income will offset by the additional expenditure forecast within the capital works budget.

- Roads to Recovery ($1.1 million) – Additional funds were allocated to the Council after the budget had been formulated.
- LRCIP Phase 4 ($1.56 million) – These are the remaining funds from Councils allocation, projects started in 2023/24 and will be finalised this financial year.

Capital Works Budget:

The forecast excess expenditure relates to additional income forecast for the year. Refer to the note relating to the Comprehensive Income Statement.

YTD Results – 30 September 2024

Year to Date Results			
Comprehensive Income Statement	**Budget $'000**	**Actual $'000**	**Variance $'000**
Net Result	**13,696**	**13,441**	**(255)**
Income	19,978	20,197	**219**
Expenditure	6,282	6,756	**(474)**
Cashflow	13,619	12,872	**(748)**
Rate Collection	11,374	11,233	**141**
Working Capital	4.05	4.76	**0.71**
Capital Works Expenditure	**500**	**680**	**(180)**
General Works	23	9	**14**
General Operations	67	63	**4**
Footpaths	-	-	**-**
Kerb & Channel	-	0	**(0)**
Drainage Works	-	125	**(125)**
Major Patch Program	5	25	**(20)**
Gravel Resheets	-	1	**(1)**
Reseals	50	24	**26**
Road Construction	-	-	**-**
Building Renewal Program	15	8	**7**
Roads to Recovery	-	2	**(2)**
LRCIP Phase 4	-	268	**(268)**
Flood Event	-	2	**(2)**
Recreation Projects	19	2	**17**
Major Projects	267	134	**133**

Notes:

- Working Capital has improved due to government grants received ahead of works being completed. These funds are recorded in the balance sheet under trust funds.

- There are timing issues in the early part of the financial year which impacts the variations in the capital works program. To date the program is ahead of schedule relating to the following programs:
    - Drainage program
    - Reseals program
    - Gravel resheet program
- The financial accounts do not necessarily reflect these progress in the program due to timing issues between the forecasting of when funds would be paid compared to the actual payment date.

Financial Statements

Comprehensive Income Statement

Comprehensive Income Statement
For the period ending 30 September 2024

		Full Year				Year to Date		
30 June 2023		Adopted Budget	Amended Budget	Forecast	Var	Budget	Actual	Var
($'000's)		($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)
	Income							
12,809	Rates and charges	13,993	**13,993**	13,993	**0**	**12,903**	12,844	**(59)**
264	Statutory fees and fines	281	**281**	281	**0**	**70**	59	**(11)**
917	User Fees	732	**732**	732	**0**	**183**	145	**(38)**
10,901	Grants Operating	7,477	**7,477**	7,477	**0**	**6,293**	6,635	**342**
4,857	Grants Capital	1,435	**1,435**	4,080	**2,645**	**359**	99	**(260)**
158	Contributions Monetary	34	**34**	34	**0**	**8**	8	**0**
6	Net Gain/(Loss) on disposal of property,infrastructure, plant and equipment	0	**0**	0	**0**	**0**	276	**276**
724	Other Income	649	**649**	649	**0**	**162**	131	**(31)**
30,636	**Total income**	**24,601**	**24,601**	**27,246**	**2,645**	**19,978**	**20,197**	**219**
	Expenses							
9,713	Employee Costs	9,901	**9,972**	10,150	**(178)**	**2,414**	2,460	**(46)**
9,438	Materials and services	8,664	**8,841**	8,662	**179**	**2,228**	2,632	**(404)**
6	Bad and doubtful debts	10	**10**	11	**(1)**	**2**	0	**2**
6,016	Depreciation	6,202	**6,202**	6,202	**0**	**1,551**	1,551	**0**
13	Amoritisation - right of use assets	9	**9**	9	**0**	**2**	0	**2**
25	Finance Costs - Borrowings	68	**68**	68	**0**	**17**	15	**2**
1	Finance Costs - leases	11	**11**	11	**0**	**3**	4	**(1)**
263	Other expenses	309	**309**	309	**0**	**65**	94	**(29)**
25,475	**Total expenses**	**25,174**	**25,422**	**25,422**	**0**	**6,282**	**6,756**	**(474)**
5,161	**Total Comprehensive result**	**(573)**	**(821)**	**1,824**	**2,645**	**13,696**	**13,441**	**(255)**

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Balance Sheet

Balance Sheet

As at 30 September 2024

		Full Year				Year to Date		
30 June 2023		**Adopted Budget**	**Amended Budget**	**Forecast**	**Var**	**Budget**	**Actual**	**Var**
($'000's)		**($'000's)**	**($'000's)**	**($'000's)**	**($'000's)**	**($'000's)**	**($'000's)**	**($'000's)**
	Assets							
	Current assets							
9,202	Cash and cash equivalents	10,079	**7,609**	7,694	85	**11,708**	12,872	1,164
2,421	Trade and other receivables	2,102	**2,435**	2,435	0	**12,693**	12,674	(19)
14	Inventories	14	**14**	14	0	**14**	19	5
207	Prepayments	59	**207**	207	0	**207**	15	(192)
43	Other assets	100	**43**	43	0	**43**	0	(43)
11,887	**Total current assets**	**12,354**	**10,308**	**10,393**	**85**	**24,665**	**25,580**	**915**
	Non-current assets							
8	Trade and other receivables	52	**8**	8	0	**8**	7	(1)
286,871	Property, infrastructure, plant and equipment	289,766	**288,751**	**291,316**	2,565	**285,818**	285,964	146
286,879	**Total non-current assets**	**289,818**	**288,759**	**291,324**	**2,565**	**285,826**	**285,971**	**145**
298,766	**Total assets**	**302,172**	**299,067**	**301,717**	**2,650**	**310,491**	**311,551**	**1,060**
	Liabilities							
	Current liabilities							
2,436	Trade and other payables	4,010	**2,431**	2,436	(5)	**2,436**	1,161	1,275
1,171	Trust funds and deposits	1,846	**1,171**	1,171	0	**1,171**	1,884	(713)
219	Interest-bearing liabilities	369	**219**	219	0	**159**	0	159
2,329	Provisions	2,391	**2,329**	2,329	0	**2,329**	2,329	0
6,155	**Total current liabilities**	**8,616**	**6,150**	**6,155**	(5)	**6,095**	**5,374**	**721**
	Non-current liabilities							
123	Provisions	253	**200**	**200**	0	**123**	123	0
1,265	Interest-bearing liabilities	2,143	**2,315**	**2,315**	0	**1,265**	1,392	(127)
1,388	**Total non-current liabilities**	**2,396**	**2,515**	**2,515**	**0**	**1,388**	**1,515**	**(127)**
7,543	**Total liabilities**	**11,012**	**8,665**	**8,670**	**(5)**	**7,483**	**6,889**	**594**
291,223	**Net Assets**	**291,160**	**290,402**	**293,047**	**2,645**	**303,008**	**304,662**	**1,654**
	Equity							
99,946	Accumulated surplus	99,884	**99,125**	101,770	2,645	**111,731**	113,387	1,656
191,277	Reserves	191,276	**191,277**	191,277	0	**191,277**	191,275	(2)
291,223	**Total Equity**	**291,160**	**290,402**	**293,047**	**2,645**	**303,008**	**304,662**	**1,654**

Cashflow

Cash Flow Statement								
For the period ending 30 September 2024								
			Full Year			Year to Date		
			Inflows/(Outflows			Inflows/(Outflows		
30 June 2023		Adopted Budget	Amended Budget	Forecast	Var	Budget	Actual	Var
($'000's)		($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)
	Cash flows from operating activities							
13,220	Rates and charges	13,978	**13,979**	**13,979**	**0**	**2,631**	2,589	**(42)**
273	Statutory fees and fines	281	**271**	**270**	**(1)**	**68**	59	**(9)**
390	User Charges	794	**732**	**732**	**0**	**183**	146	**(37)**
1,694	Grants Operating	7,478	**7,477**	**7,477**	**0**	**6,293**	6,635	**342**
4,833	Grants Capital	1,435	**1,435**	**4,080**	**2,645**	**359**	99	**(260)**
205	Contributions Monetary	34	**34**	**34**	**0**	**8**	8	**0**
411	Interest received	(2)	**450**	**450**	**0**	**112**	**30**	**(82)**
60	Trust Funds	0	**0**	**1**	**1**	**0**	713	**713**
377	Other receipts	651	**199**	**199**	**0**	**50**	101	**51**
1,214	Net GST	1,501	**0**	**1**		**0**	0	**0**
(9,783)	Employee costs	(9,825)	**(9,895)**	**(10,073)**	**(178)**	**(2,414)**	(2,460)	**(46)**
(12,620)	Materials and services	(9,533)	**(8,846)**	**(8,664)**	**182**	**(2,228)**	(3,677)	**(1,449)**
(327)	Other payments	(340)	**(309)**	**(309)**	**0**	**(65)**		**65**
							(94)	
(53)	**Net cash provided by (used in) operating activities**	**6,452**	**5,527**	**8,177**	**2,649**	**4,997**	**4,149**	**(754)**
	Cash flows from investing activities							
(10,950)	Payments for property, infrastructure, plant and equipment	(7,427)	**(8,400)**	**(10,965)**	**(2,565)**	**(500)**	**(644)**	**(144)**
74	Proceeds from sale of property, infrastructure, plant and equipment	308	**309**	**309**	**0**	**0**	**276**	**276**
(10,876)	**Net cash provided by (used in) investing activities**	**(7,120)**	**(8,091)**	**(10,656)**	**(2,565)**	**(500)**	**(368)**	**132**

			Full Year			Year to Date		
			Inflows/(Outflows			Inflows/(Outflows		
30 June 2023		Adopted Budget	Amended Budget	Forecast	Var	Budget	Actual	Var
($'000's)		($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)	($'000's)
	Cash flows from financing activities							
(31)	Finance costs	(68)	**(68)**	**(68)**	**0**	**(17)**	**(15)**	**2**
1,000	Proceeds from borrowings	1,300	**1,300**	**1,300**	**0**	**0**	**0**	**0**
(121)	Repayment of borrowings	(251)	**(250)**	**(250)**	**0**	**(60)**	**(92)**	**(32)**
(3)	Interest paid - lease liability	(8)	**(11)**	**(11)**	**0**	**(3)**	**(4)**	**(1)**
(7)	Repayment of lease liability	(11)	**0**	**0**	**0**	**0**	**0**	**0**
838	**Net cash provided by (used in) financing activities**	**962**	**971**	**971**	**0**	**(80)**	**(111)**	**(31)**
(10,091)	Net increase/(decrease) in cash and cash equivalents	**294**	**(1,593)**	(1,508)	**85**	**4,417**	3,670	**(654)**
19,293	Cash and cash equivalents at the beginning of the financial year	9,785	**9,202**	9,202	**0**	**9,202**	9,202	**0**
9,202	**Cash and cash equivalents at the end of the financial year**	**10,079**	**7,609**	**7,694**	**85**	**13,619**	**12,872**	**(748)**

Capital Works Statement

Statement of Capital Works
For the period ending 30 September 2024

	Full Year				Year to Date		
	Adopted Budget ($'000's)	Amended Budget ($'000's)	Forecast ($'000's)	Var ($'000's)	Budget ($'000's)	Actual ($'000's)	Var ($'000's)
Property							
Land	650	650	650	0	0	1	(1)
Land Improvements	0	0	0	0	0	0	0
Total land	**650**	**650**	**650**	**0**	**0**	**1**	**(1)**
Buildings							
Buildings	0	0	0	0	0	0	0
Building improvements	1,190	1,652	1,652	0	230	128	102
Total buildings	**1,190**	**1,652**	**1,652**	**0**	**230**	**128**	**102**
Total property	**1,840**	**2,302**	**2,302**	**0**	**230**	**129**	**101**
Plant and equipment							
Plant, machinery and equipment	764	1,197	1,223	(26)	0	52	(52)
Fixtures, fittings and furniture	21	21	21	0	0	0	0
Computers and telecommunications	309	502	502	0	95	0	95
Library books	26	26	26	0	7	10	(3)
Total plant and equipment	**1,120**	**1,746**	**1,772**	(26)	**102**	**62**	40
Infrastructure							
Roads	3,032	3,062	3,767	(705)	107	54	53
Bridges	420	420	1,149	(729)	10	190	(180)
Footpaths and cycleways	30	30	138	(108)	0	21	(21)
Drainage	157	157	878	(721)	0	199	(199)
Waste Management	87	605	678	(73)	36	16	20
Recreational, leisure and community facilities	51	51	26	25	0	0	0
Other infrastructure	15	27	256	(229)	15	9	6
Total infrastructure	**3,792**	**4,352**	**6,892**	**(2,540)**	**168**	**489**	**(321)**
Total capital works expenditure	**6,752**	**8,400**	**10,966**	**(2,566)**	**500**	**680**	**(181)**
Represented by:							
New asset expenditure	2,236	2,459	3,530	(1,071)	146	12	134
Asset renewal expenditure	3,244	4,089	5,298	(1,209)	339	581	(242)
Asset expansion expenditure	0	0	721	(721)	0	74	(74)
Asset upgrade expenditure	1,272	1,852	1,417	435	15	13	2
Total capital works expenditure	**6,752**	**8,400**	**10,966**	**(2,566)**	**500**	**680**	**(180)**

Detail Capital Works

Net Capital Report

For the period ending 30 September 2024

Project	Expense					
	Amended Budget	Forecast	Forecast Variance	YTD Budgets	YTD Actuals	YTD Var
Council Infrastructure Program						
General Works						
702071 - Directional Signage Upgrade Exp	**0**	0	0	**0**	9,200	(9,200)
722000 - Forward Survey & Design Works	**30,800**	30,800	0	**7,500**	0	7,500
728000 - Dust Suppression GAT Seals	**60,800**	60,800	0	**0**	0	0
734000 - Playgrounds & Public Open Space Furniture	**10,300**	10,300	0	**0**	0	0
739000 - Waterways; Dams & Bores	**27,400**	27,400	0	**15,400**	0	15,400
740000 - Transfer Station Improvements	**51,300**	26,119	25,181	**0**	0	0
	180,600	**155,419**	**25,181**	**22,900**	**9,200**	**13,700**
General Operations						
706005 - Motor Vehicle Purchases	**0**	0	0	**0**	1,517	(1,517)
720000 - Furniture & Fittings Purchases	**20,500**	20,500	0	**0**	0	0
723000 - Motor Vehicle Purchases	**316,371**	316,371	0	**0**	50,924	(50,924)
724000 - Library Collection Purchases	**25,600**	25,600	0	**6,816**	10,321	(3,505)
732000 - Heavy Plant Purchases	**881,076**	906,257	(25,181)	**0**	0	0
743000 - Information Technology	**201,950**	201,950	0	**60,000**	0	60,000
	1,445,497	**1,470,678**	**(25,181)**	**66,816**	**62,763**	**4,053**
Footpaths						
729000 - Footpath Rehabilitation	**23,600**	23,600	0	**0**	0	0
730000 - Footpaths	**6,200**	6,200	0	**0**	0	0
	29,800	**29,800**	**0**	**0**	**0**	**0**
Kerb & Channel						
733000 - Kerb & Channel	**26,700**	26,700	0	**0**	320	(320)

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	Expense					
Project	Amended Budget	Forecast	Forecast Variance	YTD Budgets	YTD Actuals	YTD Var
Bridge Works						
721000 - Bridges; floodways; & Major Culverts	**420,300**	420,300	0	**10,000**	0	10,000
721030 - Bridge Repair & Various Upgrade Works	**0**	0	0	**0**	16,041	(16,041)
	420,300	**420,300**	**0**	**10,000**	**16,041**	**(6,041)**
Drainage Works						
705246 - Drainage Project 2020-21	**0**	0	0	**0**	9,134	(9,134)
727000 - Drainage Projects	**156,800**	141,800	15,000	**0**	0	0
727040 - Stormwater renewal Correa Pk to Railway	**0**	0	0	**0**	54,358	(54,358)
727070 - Gregory St Drainage Project	**0**	15,000	(15,000)	**0**	61,704	(61,704)
	156,800	**156,800**	**0**	**0**	**125,197**	**(125,197)**
Major Patch Program						
701025 - Major Patch Program	**100,000**	26,000	74,000	**50,000**	25,423	24,577
710030 - Major Patch Program - Liebig St	**0**	24,000	(24,000)	**0**	0	0
710040 - Major Patch Program - Vite Vite Rd	**0**	40,000	(40,000)	**0**	0	0
710050 - Major Patch Program - Amphitheatre Rd	**0**	10,000	(10,000)	**0**	0	0
	100,000	**100,000**	**0**	**50,000**	**25,423**	**24,577**
Gravel Resheets						
701002 - Gravel Road Resheets - NORTH	**0**	0	0	**0**	629	(629)
731000 - Gravel Resheets	**627,300**	627,300	0	**0**	0	0
731250 - Chute Waterloo Rd	**0**	0	0	**0**	0	0
731270 - Davies Crt	**0**	0	0	**0**	0	0
731280 - Marias Lane	**0**	0	0	**0**	0	0
731290 - Back Raglan Rd	**0**	0	0	**0**	0	0
731300 - Trawalla Rd	**0**	0	0	**0**	0	0
731310 - Beaufort Carranballac Rd	**0**	0	0	**0**	0	0
731320 - Old Geelong Rd	**0**	0	0	**0**	0	0
731330 - Old Shirley Rd	**0**	0	0	**0**	0	0
731340 - Carngham Lake Goldsmith Rd	**0**	0	0	**0**	0	0
731350 - Cheesmans Rd	**0**	0	0	**0**	0	0
731260 - Lobbs Rd	**0**	0	0	**0**	0	0
	627,300	**627,300**	**0**	**0**	**629**	**(629)**

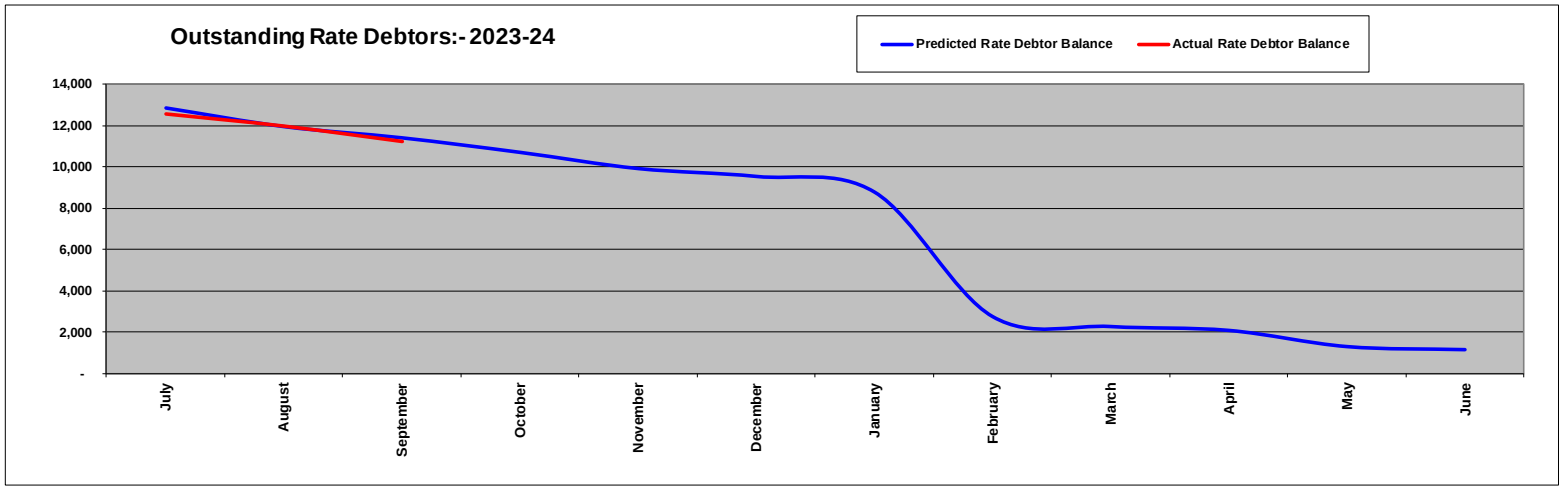
	Expense					
Project	Amended Budget	Forecast	Forecast Variance	YTD Budgets	YTD Actuals	YTD Var
Reseals						
735000 - Reseals	**722,200**	0	722,200	**50,000**	0	50,000
735200 - Eurambeen Streatham Rd	**0**	15,599	(15,599)	**0**	1,271	(1,271)
735210 - Carngham Streatham Rd²	**0**	62,282	(62,282)	**0**	4,006	(4,006)
735220 - Carngham Streatham Rd	**0**	39,078	(39,078)	**0**	1,102	(1,102)
735230 - Fords Rd	**0**	28,530	(28,530)	**0**	501	(501)
735240 - Linton Carngham Rd²	**0**	47,229	(47,229)	**0**	793	(793)
735250 - Skene St²	**0**	32,434	(32,434)	**0**	2,490	(2,490)
735270 - Landsborough Elmhurst Rd	**0**	50,366	(50,366)	**0**	888	(888)
735280 - Troys Rd²	**0**	57,136	(57,136)	**0**	2,479	(2,479)
735290 - Waubra Talbot Rd²	**0**	73,725	(73,725)	**0**	2,240	(2,240)
735300 - Creek St²	**0**	8,667	(8,667)	**0**	0	0
735310 - Landsborough Barkley Rd²	**0**	71,081	(71,081)	**0**	759	(759)
735320 - Glenlofty Warrenmang Rd²	**0**	18,098	(18,098)	**0**	2,321	(2,321)
735330 - Mills La²	**0**	6,947	(6,947)	**0**	0	0
735340 - Landsborough Stawell Rd²	**0**	0	0	**0**	206	(206)
735350 - Lexton Ararat Rd²	**0**	29,991	(29,991)	**0**	497	(497)
735360 - Amphitheatre Rd Pt 2²	**0**	63,440	(63,440)	**0**	1,703	(1,703)
735370 - Chute Raglan Rd²	**0**	3,679	(3,679)	**0**	51	(51)
735380 - Astbury St²	**0**	34,756	(34,756)	**0**	735	(735)
735390 - Goldsmith St²	**0**	9,010	(9,010)	**0**	239	(239)
735400 - Number One Ck Rd²	**0**	45,507	(45,507)	**0**	246	(246)
735410 - Avoca Bealiba Rd²	**0**	0	0	**0**	786	(786)
735420 - North St²	**0**	10,365	(10,365)	**0**	0	0
735430 - Templeton St	**0**	14,280	(14,280)	**0**	643	(643)
	722,200	**722,200**	**0**	**50,000**	**23,957**	**26,043**
Road Construction						
738000 - Road Construction	**60,200**	60,200	0	**0**	0	0
	60,200	**60,200**	**0**	**0**	**0**	**0**
Building Renewal Program						
744000 - Building Renewal Program	**239,600**	239,600	0	**15,000**	8,157	6,843
703018 - Lexton Community Facilty Upgrade Exp	**0**	0	0	**0**	298	(298)
703069 - Building Renewal Program	**0**	0	0	**0**	0	0
						12
	239,600	**239,600**	**0**	**15,000**	**8,455**	**6,545**

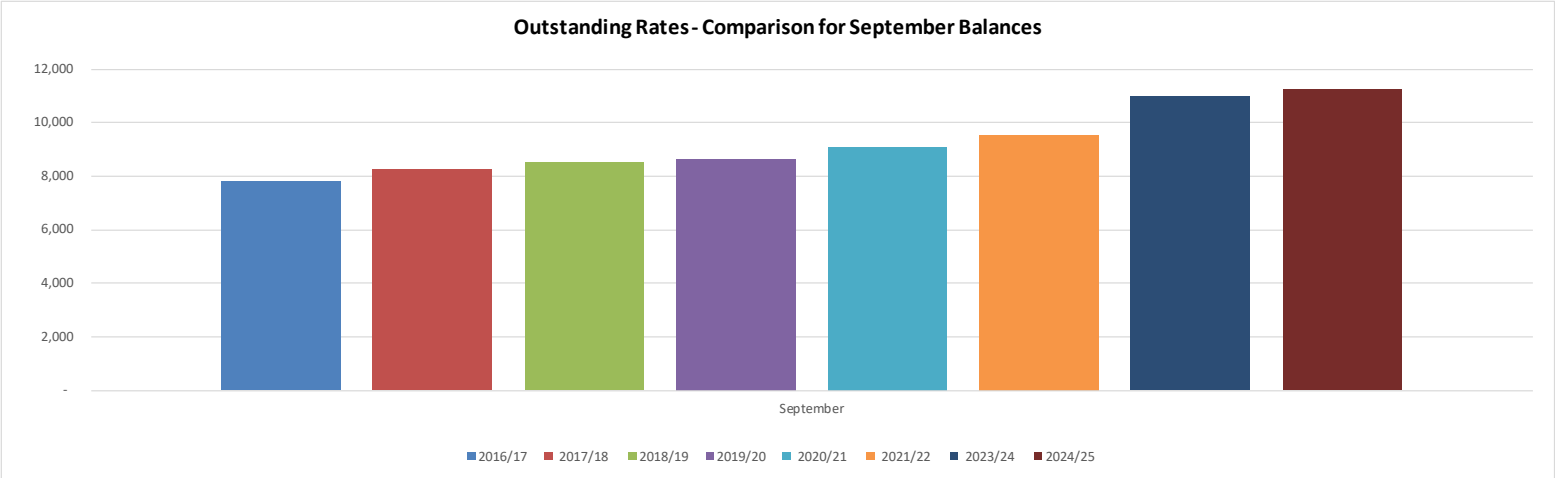
Project	Amended Budget	Forecast	Forecast Variance	YTD Budgets	YTD Actuals	YTD Var
Roads to Recovery						
736000 - Reseals - Roads to Recovery	**256,300**	0	256,300	**0**	0	0
737000 - Road Construction - Roads to Recovery	**1,178,800**	0	1,178,800	**0**	0	0
721010 - Bridge Reconstruction - Eurambeen-Streatham Rd - Bridges 58 & 60		300,000	(300,000)			
737050 - Linton-Carngham Rd Reconstruction (RTR)	**0**	750,000	(750,000)	**0**	0	0
737100 - Camerons Ln Reconstruction (RTR)	**0**	145,000	(145,000)	**0**	0	0
737110 - Racecourse Rd Construction (RTR)	**0**	125,000	(125,000)	**0**	0	0
737120 - Stockyard Hill Rd / Beaufort Carranballac Rd Intersection Construction (RTR)		145,000	(145,000)			
737130 - Eurambeen Raglan Rd Construction (RTR)	**0**	675,000	(675,000)	**0**	0	0
735260 - Landsborough Elmhurst Rd (RtR)	**0**	150,000	(150,000)	**0**	1,507	(1,507)
745090 - RTR - Kerb and Channel new - Livingstone Street		80,000	(80,000)			
738010 - Willoby St Reconstruction - Lawrene St to Livingstone St	**0**	150,000	(150,000)	**0**	0	0
	1,435,100	**2,520,000**	**(1,084,900)**	**0**	**1,507**	**(1,507)**
LRCIP Phase 4						
745010 - LRCIP Phase 4 - Bridge Rail Renewal (2 x bridges)	**0**	150,000	(150,000)	**0**	0	0
745030 - LRCIP Phase 4 - Floodways - Horwills Lane	**0**	64,090	(64,090)	**0**	48,089	(48,089)
745040 - LRCIP Phase 4 - Major Culverts - Spring Flat Road x 2	**0**	214,545	(214,545)	**0**	125,565	(125,565)
745050 - LRCIP Phase 4 - Stormwater - Astbury Street extension	**0**	342,336	(342,336)	**0**	0	0
745060 - LRCIP Phase 4 - Stormwater - High Street Median works	**0**	28,938	(28,938)	**0**	52,303	(52,303)
745070 - LRCIP Phase 4 - Stormwater - Pound Lane additional drain	**0**	350,000	(350,000)	**0**	21,552	(21,552)
745080 - LRCIP Phase 4 - Kerb & Channel renewal	**0**	9,084	(9,084)	**0**	20,899	(20,899)
745090 - LRCIP Phase 4 - Kerb and Channel new - Livingstone Street	**0**	99,010	(99,010)	**0**	0	0
745100 - LRCIP Phase 4 - Netball / Tennis court resurfacing	**0**	73,330	(73,330)	**0**	0	0
745120 - LRCIP Phase 4 - Streetscape and drainage works	**0**	228,744	(228,744)	**0**	0	0
745000 - LRCIP Phase 4	**0**	0	0	**0**	0	0
	0	**1,560,077**	**(1,560,077)**	**0**	**268,409**	**(268,409)**
Flood Event						
108557 - Floods - Oct 2022 - Sealed Pavements	**0**	0	0	**0**	2,110	(2,110)

Recreation Projects						
726000 - Recreation Projects	**76,900**	76,900	0	**18,750**	2,197	16,553
	Expense					
Project	Amended Budget	Forecast	Forecast Variance	YTD Budgets	YTD Actuals	YTD Var
Major Projects						
702095 - front counter renovations in Council offices - Frontline Service Review	**58,144**	58,144	0	**14,535**	0	14,535
703019 - Avoca Depot Upgrade Exp	**353,882**	353,882	0	**200,000**	119,385	80,615
703095 - Beaufort Caravan Park Improvements Exp	**0**	0	0	**0**	5,000	(5,000)
705245 - Strategic Capital Projects	**500,000**	500,000	0	**0**	0	0
705251 - Burke Street Land Development Exp	**150,000**	150,000	0	**0**	1,320	(1,320)
707001 - Lake Beaufort Fishing Platform	**17,300**	17,300	0	**17,300**	8,582	8,718
741000 - Beaufort Caravan Park Redevlopment	**500,000**	500,000	0	**0**	0	0
742000 - End user computing strategy implementation stage 2	**300,000**	300,000	0	**35,000**	0	35,000
750000 - Regional Workers Accommodation	**1,000,000**	1,000,000	0	**0**	0	0

Rate Collection

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	Actual								Revised Budget	Actual	Var
Opening Balance		344	383	280	305	316	336	405	**1,102**		
July	359	283	9,764	209	10,588	11,137	11,584	12,388	**12,822**	12,525	297
August	8,673	9,082	9,192	9,759	10,300	10,679	10,653	11,516	**11,919**	11,954	(35)
September	7,822	8,263	8,536	8,648	9,093	9,543	9,603	10,989	**11,374**	11,233	141
October	7,451	7,890	8,065	8,290	8,678	9,167	9,407	10,309	**10,670**		10,670
November	6,704	7,136	7,287	7,522	7,880	8,334	8,492	9,552	**9,886**		9,886
December	6,346	6,811	7,025	7,113	7,465	7,975	8,094	9,184	**9,505**		9,505
January	5,989	6,196	6,345	6,557	7,061	7,436	7,525	8,452	**8,748**		8,748
February	1,746	2,068	1,954	1,848	2,048	2,711	2,648	2,626	**2,718**		2,718
March	1,258	1,432	1,395	1,010	1,410	2,305	2,306	2,160	**2,236**		2,236
April	1,189	1,267	1,076	1,243	1,137	1,919	1,512	1,979	**2,048**		2,048
May	561	652	452	573	460	727	780	1,222	**1,265**		1,265
June	344	383	280	305	316	336	405	1,102	**1,116**		1,116




Outstanding Rates - Comparison for September Balances
12,000
10,000
8,000
6,000
4,000
2,000
-
September
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22
2023/24
2024/25

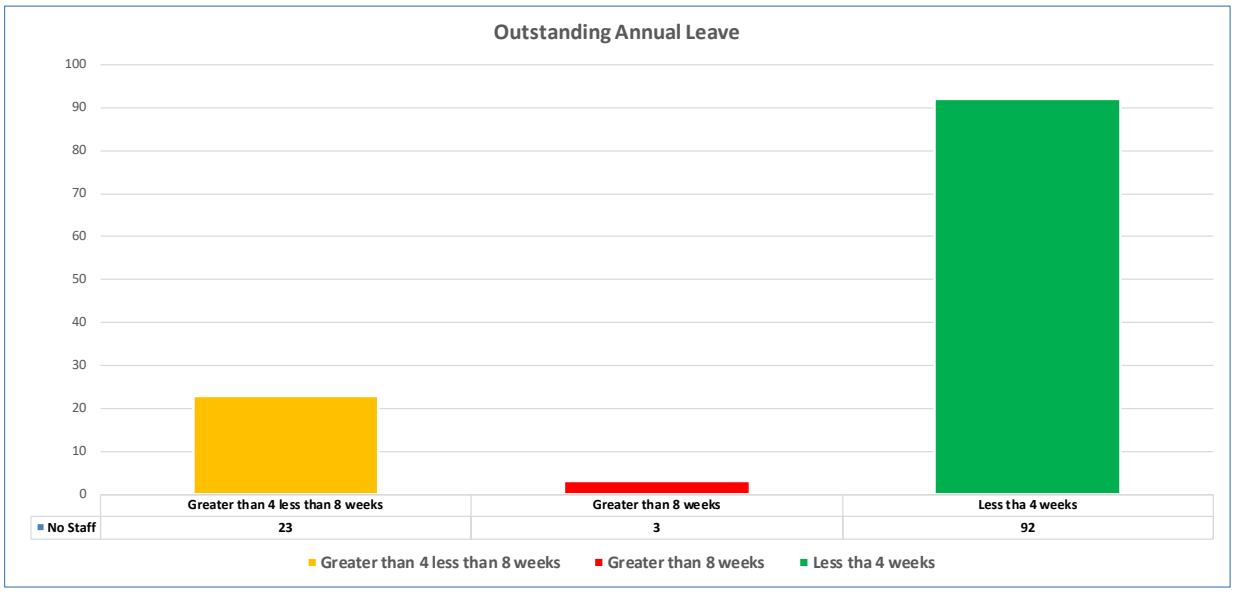
Creditor Listing greater than $300,000

For perioed 1 July 2021 to 30 September 2024			
Creditor Code	**Creditor Name**	**No. Invoices**	**Invoice Paid Amount (Inc GST)**
777	AUSTRALIAN TAXATION OFFICE	54	3,880,156
3026	STATE REVENUE OFFICE - VICTORIA	9	2,690,656
4972	CIVIL & EARTH AUSTRALIA PTY LTD	22	2,430,946
147	VISION SUPER	1091	2,033,000
128	HOWELL CONTRACTORS PTY. LTD.	330	1,924,530
2731	PRIMAL SURFACING PTY LTD	31	1,767,905
549	DAVID ELDRIDGE PTY LTD (TRADING AS DE QUARRY SOLUTIONS	217	1,617,739
5372	SURFCOAST TREE SERVICES	12	1,341,277
3423	S H A E ENTERPRISES PTY LTD	34	1,146,793
236	VEOLIA	242	1,179,518
805	FOUR SEASONS WASTE PTY. LTD.	25	1,017,223
5294	A & N DURANT EARTH MOVING P/L	93	911,904
3392	NEVETT WILKINSON FRAWLEY - LAWYERS UNIT TRUST	7	811,531
929	CLEANAWAY PTY LTD (66835 - Waste Collection)	39	795,439
4889	BELGRAVIA HEALTH & LEISURE GROUP PTY LTD	24	773,997
3440	HUMES (HOLCIM AUSTRALIA PTY LTD)	6	642,291
64	BROADBENT MACHINERY	108	592,644
138	JLT RISK SOLUTIONS PTY LTD	28	603,802
2641	LMK EARTHWORKS	82	585,176
3490	ENOCH CIVIL CONSTRUCTION	5	602,883
39	PEARCE EARTHMOVING	60	560,165
5279	RMG (AUS) PTY LTD	30	471,249
5323	DEARAUGO & LEA ELECTRICAL CONTRACTORS (VIC) PTY LTD	4	487,740
4793	BERNE FLEMING CIVIL PTY LTD	26	465,491
1955	BUTLER EXCAVATIONS PTY LTD	19	449,751
2326	GALLAGHER BASSETT SERVICES	4	416,432
2264	MAV INSURANCE - LIABILITY MUTUAL INSURANCE (826088862)	3	429,983
5236	ASCO GROUP (AUST) PTY LTD	9	399,847
2622	KERNOW ENVIRONMENTAL SERVICES P/L	22	367,002
4264	DEPARTMENT OF HEALTH AND AGED CARE	1	330,939
2256	PJM MACHINERY PTY LTD	23	320,067
			32,048,077

Grants held in Trust

Grants held in Trust		
As at 30 September 2024		
Acc No	**Acc Description**	**YTD Balance**
950215	CHSP Social Support Individual Holding	(2,101)
950217	HACC-PYP Minor Capital Holding	(10,000)
950224	Implementation of 3 yr old preschool Holding	(32,165)
950262	Community Recovery Officer Grant	(40,279)
950263	Kindergarten Infrastructure and Service Plan Grant	(42,000)
950264	Beaufort Caravan Park - State Govt Funding Inc	(150,000)
950265	LRCIP Local Roads and Community Infrastructure Program Phase 4	(298,390)
950266	Pyrenees SC Statuatory Planning Assistance Holding	(26,710)
950268	Avoca Flood Mitigation Investigation - Holding	(60,000)
950269	Pyrenees Municipal Bushfire Hazard Assessment 2023-24 Holding	(50,000)
950270	Council Flood Support Fund (AGRN1096) - Holding	(100,000)
950280	Increase the visibility;awareness;accessibility of our Libraries Holding	(200,000)
		(1,011,645)

Outstanding Annual Leave



Performance Indicators

Performance Indicators

For the period ending 30 September 2024

		Full Year				Year to Date		
		Adopted Budget	**Amended Budget**	**Forecast**	**Var**	**Budget**	**Actual**	**Var**
Operating position:								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	**-8.7%**	**-9.7%**	-9.7%	**0.0%**	**68.0%**	66.4%	**-1.6%**
Liquidity								
Working Capital	Current assets / current liabilities	**143.4%**	**167.6%**	168.9%	**1.2%**	**404.7%**	476.0%	**71.3%**
Unrestricted cash	Unrestricted cash ($'000)	**4,223**	**4,007**	4,087	**80**	**8,101**	9,827	**1,726**
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate & charges	**18.0%**	**18.1%**	**18.1%**	**0.0%**	11.0%	10.8%	**-0.2%**
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	**2.4%**	**2.4%**	2.4%	**0.0%**	**0.6%**	0.9%	**0.2%**
Indebtedness	Non-current liabilities / own source revenue	**15.3%**	**16.1%**	16.1%	**0.0%**	**10.4%**	11.3%	**0.8%**
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	**72.8%**	**95.8%**	108.3%	**12.5%**	**22.8%**	38.3%	**15.5%**

COUNCIL POLICY
Councillor Social Media Policy

Date created:	November 2024
Date of next review:	November 2028
Adopted by:	Council
Date adopted:	
Responsible officer:	Chief Executive Officer

1. INTRODUCTION

This policy outlines the benefits and risks of social media use by Councillors and provides guidance on its appropriate use and specific provisions which must be observed. This policy is transcribed from a template published by the Victorian Local Government Association, for use by its members.

Social media is a powerful tool to maintain connections between Councillors and members of the public. The use of social media can foster an environment of open communication between Councillors and the municipal community.

Used well, social media can be used by Councillors to:

a. strengthen community engagement,
b. foster transparency and trust,
c. provide a trusted voice in the social media environment,
d. distinguish the role of the individual Councillor from that of the Council,
e. provide another avenue to contact the Councillor directly and
f. enable Councillors to hear from members of the community that may otherwise be difficult to reach.

Councillor social media use also presents risks for Councillors, including:

a. the exposure to trolling, cyberbullying and other abusive behaviour,
b. the creation of a platform for the dissemination of misinformation,
c. the creation of an expectation about the 24/7 availability of a Councillor,

d. a significant administrative workload associated with managing a platform,

e. the risk of inadvertently disclosing confidential information, and

f. an exposure to legal liability.

2. DEFINITIONS

In this policy:

Confidential information	has the same meaning as at section 3 of the Local Government Act 2020 (Vic)
Health information	has the same meaning as at section 3 of the Health Records Act 2001 (Vic)
Social media	means online interactive technologies through which individuals, communities and organisations can share, co-create, discuss, and modify user-generated content or pre-made content posted online. Social media may include but is not limited to: • social networking websites (e.g., Facebook, LinkedIn, Yammer, Threads) • video and photo sharing websites (e.g., Flickr, Instagram, Snapchat, TikTok, Vimeo, YouTube) • blogs, including corporate blogs and personal blogs • blogs hosted by media outlets (e.g., 'comments' on news articles) • micro-blogging (e.g., Mastadon, Truth Social, X) • wikis and other online community generated forums (e.g., Wikipedia) • forums, discussion boards and groups (e.g., Google groups) • vodcasting and podcasting • group messaging technologies/apps (e.g., WhatsApp, SMS) • streaming platforms (e.g., Twitch, Mixer) • geospacial tagging (e.g., Foursquare, Facebook checkin) • any other tool or emerging technology that allows individuals to publish or communicate in a digital environment (excluding website content)
Model Councillor Code of Conduct	has the same meaning as at section 3 of the Local Government Act 2020 (Vic)
Personal information	has the same meaning as at section 3 of the Privacy and Data Protection Act 2014 (Vic)

3. COUNCILLOR SOCIAL MEDIA

This part clarifies that a Councillor is not required to have a social media presence but that they have a right to do so. For those Councillors that decide to be active on social media, it sets out their rights and responsibilities relating to their activity.

a. Councillors are under no obligation to maintain a social media presence.

b. Councillors who choose to maintain a social media presence:
    i. do so of their own volition,
    ii. have a right to express and independent view consistent with the Charter of Human Rights and Responsibilities Act 2006, and
    iii. acknowledge that they are required to adhere to the Model Councillor Code of Conduct
c. Councillors who choose to maintain a social media presence are responsible for:
    i. compliance with this policy,
    ii. administration of the social media platform,
    iii. moderation of community content, and
    iv. compliance with the terms of service of the social media platform in use.
d. The provisions applicable to Councillor social media also apply to a social media presence operated by another person who, with the Councillor's authorisation, administers, moderates, or uploads content on the Councillor's behalf.

4. COUNCIL RESOURCES AND SUPPORT

This part outlines the support available from the organisation to Councillors who choose to maintain a social media presence. It also explains the prohibition on the use of Council resources for certain social media activity/

a. Councillors who choose to maintain a social media presence will be provided with:
    a. technical support for Council provided hardware,
    b. training in social media obligations as part of the mandatory Councillor induction and ongoing professional development programs,
    c. generic collateral (such as graphics, images and suggested copy) that promotes Council programs, and
    d. access to Council's employee assistance program – a voluntary and confidential service designed to assist Councillors with personal concerns that affect their personal wellbeing and/or performance as a Councillor.

    Council's EAP provider is Ballarat Community Health who can be contacted on 1800 054 172.
b. Councillors will not be provided with:
    a. technical or other support for the use of social media platforms,
    b. Social media monitoring or reporting services, or
    c. Legal advice regarding social media content.
c. Councillors must not use Council resources, including Council facilities, computer equipment, smartphones and internet connections for social media activity:
    a. to gain or attempt to gain, directly or indirectly, an advantage for themselves or for any other person,
    b. to cause, or attempt to cause, detriment to the Council or another person,

c. in a way that is intended to, or is likely to, affect the result of an election under the Local Government Act 2020 (Vic),

d. in a way that is intended to, or is likely to, affect the result of an election under the Local Government Act 2020 (Vic),

e. in a way that is intended to, or is likely to, affect the result of an election for a state or federal parliament, or

f. in the furtherance of private business or commercial activity.

5. GOOD FAITH BEHAVIOUR

This part sets out a requirement for Councillors to act in good faith on social media, and to uphold their obligation to ensure that their behaviour does not bring discredit upon the Council.

Councillors who maintain a social media presence are required to do so in good faith, which means:

a. not posting content which could be perceived to be an official comment on behalf of the Council (noting that Councillors are free to link or re-post social media content that has been published by the Council, including the addition of their own perspective or commentary),

b. not creating a social media presence purporting to represent a Council auspiced entity, such as an advisory committee, reference group, steering committee or similar,

c. not posting anonymously, or by using a fake or intentionally misleading identity,

d. not engaging in trolling, harassment, personal attacks or similar behaviour,

e. not intentionally publishing misinformation, falsehoods or misleading material,

f. not engaging in doxing,

g. not engaging in cyberbullying, and

h. not publishing defamatory material

6. FREEDOM OF EXPRESSION

This part sets out the lawful restrictions reasonably necessary to ensure Councillor expression is consistent with the Model Councillor Code of Conduct and with various laws applicable to social media content. It makes clear that the right of Councillors to freely express their views is not otherwise limited.

a. Councillors enjoy the human right to freedom of expression which includes the freedom to seek, receive and impart information and ideas of all kinds, subject to any lawful restrictions reasonably necessary.

b. Subject to this part, Councillors are free to express an independent view on social media, providing it is made clear to the audience that it is their personal view and does not represent the Council. This includes, but is not limited to:

   i. expressing a personal view that differs from that of the Council,

   ii. stating a desire for change to a Council policy or position,

   iii. expressing an opinion on a matter that is to come before the Council (without expressing a pre-determined decision),

iv. encouraging members of the public to participate in the decision-making process,

v. expressing disappointment or dissatisfaction or stating that they do not support a Council position or decision,

vi. explaining why they voted on a matter in the way they did in a meeting that was open to the public, or

vii. otherwise engaging in robust public debate.

c. Councillors must not post content on their social media that, if posted, would be contrary to the Model Councillor Code of Conduct in that it:

i. could reasonably be perceived to be an official comment on behalf of the Council where the Councillors has not been authorised by the Mayor to make such a comment,

ii. is demeaning, abusive, obscene, threatening or of a sexual nature,

iii. intentionally causes or perpetuates stigma, stereotyping, prejudice or aggression against a person or class of persons,

iv. constitutes discrimination or vilifications,

v. undermines the Council when applying the Council's community engagement policy to develop respectful relationships and partnerships with Traditional Owners, Aboriginal community controlled organisations, and the Aboriginal community,

vi. undermines the Council in fulfilling its obligation under the Act or any other Act (including the gender Equality Act 020) to achieve and promote gender equality,

vii. are not in line with the Council's policies and procedures as a child safe organisation and obligations under the Child Wellbeing and Safety Act 2005 to the extent that they apply to Councillors,

viii. adversely affect the health and safety of other persons,

ix. would bring discredit upon the Council,

x. would deliberately mislead the Council or the public about any matter related to the performance of the Councillor's public duties,

xi. makes Council information publicly available where public availability of the information would be contrary to public interest,

xii. expressly or impliedly requests preferential treatment for themselves or a related person or entity, and

xiii. is otherwise contrary to the Model Councillor Code of Contact.

d. Councillors must not post content on their social media where publication would be contrary to law, including but not limited to:

i. The Local Government Act 2020 (Vic), insofar as it relates to misuse of position, including the disclosure of confidential information,

ii. The Privacy and Data Protection Act 2014 (Vic), insofar as it relates to the disclosure of personal information,

iii. The Health Records Act 2001 (Vic), insofar as it relates to the disclosure of health information,

iv. The Defamation Act 2005 (Vic), in a manner that constitutes defamation.

v. The Copyright Act 1968 (Cth), in a manner than constitutes an infringement of Copyright,

vi. The Summary Offences Act 1966 (Vic), in a manner that is obscene, indecent or uses threatening language and behaviour,

vii. The Crimes Act 1958 (Vic), in a manner that constitutes stalking, and

viii. The Criminal Code Act 1995 (Cth), in relation to the use of a carriage service to menace or harass.

e. Councillors shall not post content that creates a reasonable apprehension of bias in relation to matters subject to, or potentially subject to, Council decisions.

7. CUSTOMER REQUESTS

This part sets out the process for dealing with customer requests and other inquiries sent to Councillors that are intended for the Council. This part recognises that Council's privacy obligations do not ordinarily enable it to collect personal information via a third party.

a. From time to time, Councillors may receive service requests, complaints, feedback or other correspondence intended for the Council (customer requests) from members of the public via social media channels.

b. Where it is reasonable and practical to do so, Council must collect personal information about an individual only from that individual, and not via a councillor. Councillors in receipt of customer requests:

   a. may pass on customer requests that do not contain personal information to Council's centralised customer request handling process,

   b. may seek permission from the customer to pass on their personal details to the Council along with their customer request and, once permission is received, pass on the request together with the permission to Council's centralised customer r4equest handling process,

   c. shall not otherwise pass on customer requests that contain personal information, and

   d. may refer a customer to Council's website which sets out the official communication channels and contains information about Council's privacy obligations and the handling of personal and health information.

c. Councillors shall not solicit customer requests or otherwise encourage members of the public to bypass the Council's official communication channels.

8. MODERATION OF COMMUNITY CONTENT

Councillor social media pages are not official communication channels of the Council and are privately hosted by individual Councillors. This part sets out the rights and obligations of Councillors to moderate content and limit participation on their social media platform.

a. Councillors have an absolute right to moderate community content on their social media platforms, including comments, reactions and other contributions.

b. Councillors must remove community content that, if published by the Councillor, would be contrary to the Model Councillor Code of Conduct.

c. Councillors have an absolute right to block or ban persons from their social media platform at their sole discretion.

9. RECORD KEEPING

Councillors are not employed by a public office and are therefore not public officers as defined by the Public Records Act 1973 (Vic). This part clarifies that a Councillor does not have any record keeping obligations in respect of social media content.

a. Documents made or received by Councillors are not public records (regardless of the content) unless they are then received by an employee of the Council.

b. Councillors are not required to maintain records of social media content for record-keeping purposes.

10. CLARIFICATION STATEMENTS

This part provides a series of clarification statements for inclusion on a Councillor's social media platform (in the 'about me', biography', 'impressum' or similar place). The statements required will depend on the content hosted by the Councillor, and the inclusion of multiple or all of the statements may be required.

a. Councillors who maintain a social media presence must ensure their profile clarifies that their social media presence is not an official platform of the Council. For example:

"This page is hosted by me in my capacity as an individual. This is not an official page of the Pyrenees Shire Council and should not be used for making service or maintenance requests or otherwise contacting Council. Council can be contacted at www.pyrenees.vic.gov.au. "

b. Councillors who use their social media presence to comment on Council matters must ensure their profile makes it clear that they are speaking in an individual capacity, and not on behalf of the Council. For example:

"The views expressed on this social media platform are my own and not that of the Council."

c. Councillors who enable community content on their social media presence should include a statement asserting the Councillor's right to control access to the page and to moderate third-party content. For example:

"As the host of this page, I endeavour to maintain a safe, positive space for the discussion of Council issues and I reserve the right to hide or delete content and to block or ban users."

d. Councillors who use their social media presence to publish electoral material must include an authorisation statement in accordance with the Local Government Act 2020 (Vic), noting that this obligation applies at all times, not just during a formal election period. Councillors may not use a Council address for this purpose. For example:

"Authorised by J Citizen, 123 Main Street SUBURB VIC 9999"

11. RELATED DOCUMENTS

a) Council Policy

- Councillor Confidentiality Policy
- Privacy Policy

- Policy regarding reasonable private usage of Council IT equipment

b) Legislation

- Copyright Act 1968 (Cth)
- Criminal Code Act 1995 (Cth)
- Crimes Act 1958 (Vic)
- Defamation Act 2005 (Vic)
- Equal Opportunity Act 2000 (Vic)
- Freedom of Information Act 1982 (Vic)
- Health Records Act 2001 (Vic)
- Local Government (Governance and Integrity Regulations 2020 (Vic)
- Local Government Act 2020 (Vic)
- Privacy and Data Protection Act 2014 (Vic)
- Summary Offences Act 1966 (Vic)

12. VERSION HISTORY

Version Number	Issue date	Description of change
1.0	November 2024	Initial release

COUNCIL POLICY
Council Confidentiality Policy

Date created:	November 2024
Date of next review:	November 2028
Adopted by:	Council
Date adopted:	
Responsible officer:	Chief Executive Officer

1. INTRODUCTION

This policy aims to protect Council information that is provided to Councillors to assist them in the performance of their role but that needs to be managed securely prior to a Council decision on the matter being made.

The Model Councillor Code of Conduct requires that Councillors diligently use Council processes to become informed about matters which are subject to Council decisions.

To assist Councillors in fulfilling this obligation, they are provided with the information necessary to enable them to fully understand matters on which decisions are to be made. This includes information relating to decisions intended to be presented to Council meetings, meetings of delegated committees and to decisions to be made by an officer under delegation.

The public availability of information leading to Council decisions is to be facilitate in accordance with the public transparency principles in the Local Government Act 2020. However, the confidentiality of this information is important in some circumstances, as the provision of information in confidence enables Council officers to provide frank and fearless views to Councillors and facilitates open and candid discussion. It is also necessary to comply with confidentiality provisions in law relating to confidential, personal or health information.

This policy provides a mechanism for the provision of information subject to confidentiality restrictions to Councillors and places controls on the disclosure of that information in accordance with the Local Government Act. This policy was based on the *Model Council Confidentiality Policy* developed and provided by the Victorian Local Governance Association.

2. DEFINITIONS

In this policy:

Chief Executive Officer	means the person appointed by a Council under section 44 of the LG Act to be its Chief Executive Officer or any person acting in that position
Confidential information	means the information defined in section 3 of the LG Act and in section 4 of this policy
Councillor	means a person who holds the office of member of a Council
Exempt matter	means matter the inclusion of which in a document causes the document to be an exempt document - as defined in section 5 of the Freedom of Information Act (Vic) 1982
Health information	has the same meaning as at section 3 of the Health Records Act (Vic) 2001
HR Act	means the Health Records Act (Vic) 2001
Internal documents	means those documents listed at section 5.4 of this policy and any documents so classified under the provisions of section 8.1 of this policy Internal documents will be marked – "Classified – Sensitive"
LG Act	means the Local Government Act (Vic) 2020
Model Councillor Code of Conduct	Means the Code of Conduct prescribed in accordance with section 139 of the LG Act
PDP Act	means the Privacy and Data Protection Act (Vic) 2014
Personal information	means information or an opinion (including information or an opinion forming part of a database), that is recorded in any form and whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion, but does not include information of a kind to which the Health Records Act 2001 applies - as defined in section 3 of the Privacy and Data Protection Act (Vic) 2014

3. PUBLIC TRANSPARENCY

The LG Act contains nine overarching governance principles, which a Council must give effect to in the performance of its role. One of the principles is that "the transparency of Council decisions, actions and information is to be ensured".

The requirement for transparency is core to the democratic system and is one way that Councils are held accountable to their communities. However, the transparency of Council information is not absolute, and may be subject to reasonable limitations in some circumstances.

The LG Act provides that Council information be publicly available unless:

a. the information is confidential, or

b. public availability of the information would be contrary to the public interest.

The Privacy and Data Protection Act 2014 (PDP Act) requires that Councils collect, hold, manage, use, disclose and transfer personal information in accordance with the Information Privacy Principles (IPPs) set out in that act.

The Health Records Act 2001 (HR Act) provides that Councils must not do an act, or engage in a practice, that is an interference with the privacy of an individual.

4. CONFIDENTIAL INFORMATION

A Councillor must not intentionally or recklessly disclose confidential information, unless the Council has determined that it should be publicly available (except in the circumstances set out at section 125 of the LG Act). Confidential information is defined as:

a. Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released,

b. security information, being information that if released is likely to endanger the security of Council property or the safety of any person,

c. land use planning information, being information that if prematurely released is likely to encourage speculation in land values,

d. law enforcement information, being information which if released would be reasonably likely to prejudice the investigation into an alleged breach of the law or the fair trial or hearing of any person,

e. legal privileged information, being information to which legal professional privilege or client legal privilege applies,

f. personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs,

g. private commercial information, being information provided by a business, commercial or financial undertaking that relates to trade secrets, or if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage,

h. confidential meeting information, being the records of meetings closed to the public under section 66(2)(a) of the LG Act,

i. internal arbitration information, being information specified in section 145 of the LG Act,

j. Councillor Conduct Panel confidential information, being information specified in section 169 of the Lg Act,

k. Information prescribed by the regulations to be confidential information for the purposes of this definition, and

l. Information that was confidential information for the purposes of section 77 of the LG Act 1989.

Confidential information may not be disclosed by Councillors unless it is information that the Council has determined should be publicly available in accordance with section 125 of the LG Act or where its disclosure is otherwise permitted or required by law. Disclosure in any other circumstances constitutes a breach of this policy.

5. DOCUMENTS WHERE PUBLIC AVAILABLE WOULD BE CONTRARY TO THE PUBLIC INTEREST

In order to support Council's deliberative process, it is necessary to provide Councillors with information which, if disclosed, would be contrary to the public interest. This includes, but is not limited to, documents which contain confidential information.

Securely managing this information is essential to good governance, in that it enables Councillors to be provided with necessary information to inform the deliberative process which might not otherwise be able to be provided.

Documents where public availability would be contrary to the public interest are classified as internal documents and will be marked as "Classified – Sensitive".

Internal documents are:

a. documents containing confidential information,
b. documents containing exempt matter,
c. documents provided to Councillors in relation to Councillor briefings, including meeting agendas, officer briefing papers and their attachments, handouts and presentations,
d. drafts of officer reports prepared for Council meetings or meetings of delegated committees, and
e. documents classified as an 'internal document' by the Chief Executive Officer in accordance with section 8 of this policy.

Internal documents (or part thereof) may not be disclosed by Councillors unless the Council or the Chief Executive Officer has determined that they should be publicly available. Disclosure in any other circumstances constitutes a breach of this policy.

6. PERSONAL INFORMATION

Councillors may be provided with personal information about individuals in order to inform them about matters which are to be subject to Council decisions.

Personal information is defined in section 2 of this policy and includes information or opinion about an individual whose identity is or could be ascertained from that information.

A Councillor must not use or disclose personal information about an individual for a purpose (the secondary purpose) other than the primary purpose of collection, unless one of the following apply:

a. The secondary purpose is directly related to the primary purpose of collection and the individual would reasonably expect the Councillor to use or disclose the information for the secondary purpose.
b. The individual has consented to the use or disclosure.
c. The use or disclosure is required or authorised by or under law.

Personal information should not be disclosed by Councillors other than in accordance with this policy. Disclosure in any other circumstances constitutes a breach of this policy.

7. HEALTH INFORMATION

Councillors may be provided with health information about individuals in order to inform them about matters which are to be subject to Council decisions.

Health information is any of the following:

a. Information or an opinion about the physical, mental or psychological health (at any time) of an individual, or a disability (at any time) of an individual, or an individual's expressed wishes about the future provision of health services to him or her, or a health service provided, or to be provided, to an individual – that is also personal information, or
b. Other personal information collected to provide, or in providing, a health service.
c. Other personal information about an individual collected in connection with the donation, or intended donation, by the individual of his or her body parts, organs or body substances.
d. Other personal information that is genetic information about an individual in a form which is or could be predictive of the health (at any time) of the individual or of any of his or her descendants.

Health information does not include health information, or a class of health information or health information contained in a class of documents, that is prescribed as exempt health information for the purposes of the HR Act generally or for the purposes of specified provisions of the HR Act.

A Councillor must not use or disclose health information about an individual for a purpose (the secondary purpose) other than the primary purpose of collection, unless one of the following apply:

a. The secondary purpose is directly related to the primary purpose of collection and the individual would reasonably expect the Councillor to use or disclose the information for the secondary purpose.
b. The individual has consented to the use or disclosure.
c. The use or disclosure is required or authorised by or under law.

Health information must not be disclosed by Councillors other than in accordance with this policy. Disclosure in any other circumstances constitutes a breach of this policy.

8. CLASSIFICATION OF INTERNAL DOCUMENTS

In addition to those documents listed at section 5.4, a document may be classified as an internal document by the Chief Executive Officer.

In determining whether a document should be classified as an internal document (Classified – Sensitive), the Chief Executive Officer must commence the assessment from the position of acknowledging the presumption in favour of documents remaining unclassified.

A document may be classified as an internal document only if:

a. its disclosure would be contrary to the public interest, and

b. access to the document must be managed securely as a matter of good governance.

In determining whether a document should be classified as an internal document, the Chief Executive Officer must identify any relevant public interest factors favouring disclosure and non-disclosure, balance the relevant factors favouring disclosure and non-disclosure, and decide whether disclosure of the information would, on balance, be contrary to the public interest.

In making a public interest assessment, the following considerations shall be regarded as irrelevant to the assessment and not be used to influence the outcome:

a. whether the information could cause embarrassment to, or a loss of confidence in, the Council, and

b. the extent to which the document may be misinterpreted or misunderstood by the public.

Documents provide to Councillors that have been classified as internal documents will be clearly identified by marking them with the classification "Classified – Sensitive".

9. RELATED DOCUMENTS

a) Council Policy

- Privacy and Data Protection Policy
- Public Transparency Policy

b) Legislation

- Freedom of Information Act 1982 (Vic)
- Health Records Act 2001 (Vic)
- Local Government (Governance and Integrity Regulations 2020 (Vic)
- Local Government Act 2020 (Vic)
- Privacy and Data Protection Act 2014 (Vic)

10. VERSION HISTORY

Version Number	Issue date	Description of change
1.0	November 2024	Initial release

Author: Rod Poxon, Committee Chair

Please find attached the six monthly report dated September 2024, for the period March to September 2024.

This report provides information regarding the performance and activities of the Committee and is provided twice yearly by the Committee Chair.

During the reporting period, face-to-face meetings of the Audit & Risk Committee were held on 26 March 2024 and 18 June 2024.

I believe the Committee has undertaken its duties in a responsible and effective manner and I acknowledge the contributions of members of the Audit & Risk Committee and Council officers during the reporting period.

19 September 2024

The Mayor
Pyrenees Shire Council
5 Lawrence Street
BEAUFORT VIC 3373

Dear Sir

Report on Council Audit and Risk Committee – March 2024 to September 2024

Under the Audit and Risk Committee Charter, as Chair of the Council's Audit and Risk Committee I am required to report to Council twice each year on the performance and activities of the Committee.

This is the second report for 2024 and covers the period referenced above.

The Audit and Risk Committee met on 26 March 2024 and 18 June 2024. The meetings were held in Council Chambers with some members and representatives attending via video link.

For the March meeting, the Committee comprised:
Three Independent members:
Ms Wendy Honeyman (Chair);
Mr Rod Poxon; and
Mr Brian Keane
and
Two Council members
Cr Ron Eason and
Cr Damian Ferrari (an apology, not present)
A quorum was present for the meeting.

For the June meeting, the Committee comprised:
Mr Rod Poxon (Chair);
Mr Brian Keane; and
Mr Kelvin Tori
and
Two Council members
Cr Ron Eason and
Cr Damian Ferrari
A quorum was present for the meeting.

Independent Committee Members

Wendy Honeyman's tenure on the Committee came to an end in April 2024 after having served for a nine year period, and more recently being the Chair. The contribution made by Wendy was recognised by all, and she was warmly thanked and congratulated.

Subsequently, Rod Poxon was elected as the Chair for the next twelve months.

The independent member vacancy created by Wendy's departure was advertised and a number of high quality applications were received. After interviews and assessments, Mr Kelvin Tori was appointed to the Audit and Risk Committee as an independent member.

CEO Reports

The CEO provides reports to each meeting, keeping the Committee informed and up-to-date with important happenings in the Pyrenees Shire, particularly concerning the key matters of management, finance, governance and risk. These reports set the scene and context for the remainder of the Audit and Risk Committee meetings.

For the March and June meetings, the CEO (Jim Nolan) provided information about:

- *Emergency Management activities in response to the Bayindeen-Rocky Road Fire Event - February 2024.* The CEO noted that some supports and activities being provided by Council may not be funded by Government, so there is a risk of financial shortfalls, thereby placing pressure on Council budgets.
- *Emergency Management activities in response to the Flood Event – October to November 2022.* The CEO reported that there is uncertainty about the extent of Council flood remedial work that will be ineligible for funding from Government. Since December 2023, due to delays with Council claim approvals, no works have occurred to reinstate roads damaged – this delay is putting at risk Council's ability to complete the total program by mid-2025.
- *State Waste Charge Guidelines.* The new guidelines mean that Councils cannot include some aspects of the waste program in Council's waste charge. Therefore, these costs will need to be funded through general rates. This will impact the sector and work is underway to determine the financial extent of the impact.
- *Property Valuation Matters.* Property valuations for the 2023/24 financial year have been challenged by a significant number of ratepayers - the majority of these reviews have resulted in Council needing to repay rates to those ratepayers. The total negative financial impact has been in the order of $100,000 in the 2023/24 financial year.
- *Community Satisfaction Survey 2024.* The survey results were recently received and are generally on par or better than the 2023 results, which is a pleasing outcome given the challenges faced by Council over recent years.

Internal Audit Services

AFS & Associates Pty Ltd of Bendigo is the Internal Audit Service provider.

An internal audit of Council's ***Purchasing Cards*** processes and controls was conducted in May 2024. The closing meeting to discuss findings and recommendations with management was held too late for the report to be included as part of the June 2024 meeting.

Status and Updates for the Internal Audit Program

A review of outstanding recommendations from former internal audits was conducted in May 2024, with:

- 23 items being deemed as complete since the previous review, and
- 28 items requested by management to be removed from the register subject to Audit & Risk Committee approval.

The update included the proposed scope and approach for the next internal audit on *'Human Resources'* which is due to commence in early August 2024. This audit was brought forward in the program at the request of the Audit & Risk Committee and has a key focus on recruitment and employment practices.

External Audit Activities and Reports

The Pyrenees Shire Council external auditor is Johnsons MME based in Albury (NSW), represented by Mr Ryan Schischka. Ryan Schischka led discussions concerning the Interim Audit approach for 2024, and then subsequently the outcomes and findings. The Interim Management Letter for the year ending 30 June 2024 was presented and discussed, with no significant or major matters outstanding.

Financial and Budget Reports

Mr Glenn Kallio, Manager Finance, presents the committee with financial and budget updates at each meeting. Most recently, Glenn has noted that several external financial issues are being experienced by Council that Council has had no control over. These relate to:

- October 2022 flood event
- February 2024 fire event
- Issues relating to the 2023-24 re-valuation of rateable properties by the Valuer General.

It's pleasing to note that to date, Council has had the financial capacity to deal with these financial issues. However, year to date cashflow has recorded a negative balance of $3.178 million for the period ending May 2024. In addition to the issues listed above, Council is currently behind in expected collection rates for rates. At the end of May 2024, the net debt outstanding totalled $1.222 million, $415k behind target. The emergency events within Pyrenees Shire have contributed to the rates collection delays. This situation should improve over the next 6 months.

With respect to Capital Works expenditure and budgets, Council has resolved to purchase strategic land totalling $1.4 million. These funds will be cash-flowed this financial year with borrowings in the 2024-25 budget to recover the funds.

Compliance, Governance and Risk Reports and Updates

The Audit and Risk Committee receives regular updates and reports on key aspects of governance, risk and compliance at each meeting. These reports noted the following key matters:

- *Fraud:* There have been no identified instances of fraud over the reporting period.
- *Protected disclosures*: Council has not received a protected disclosure during the reporting period here.
- *Non-compliances*: Council has incurred no compliance breaches during the reporting period
- *Privacy and Data Security:* There have been no known data breaches within the reporting period.

It was agreed by the Committee that monitoring of outstanding external audit actions will be added to the Audit and Risk Committee workplan.

Renewal of Council insurances for 2024-25 has been delayed due to broker tardiness. Council officers are concerned with this delay so the matter will be escalated with some urgency. The insured amount of Council buildings and contents has increased from $72.5m to $88.8m (22.5% increase) which is likely to add further pressure on premiums.

Following the fires in the Raglan/Mt Cole area in February 2024, Council found itself tasked with addressing the impact on roads, particularly concerning removal of hazardous trees. About 40km of roads were identified as being affected. Assessments by the arborist indicated thousands of trees needed removal. Contractors were promptly engaged to begin removal work, and Council kept the community informed throughout the process. Subsequently Council received a letter from a solicitor representing two community members, threatening legal action via VCAT if tree removal didn't cease immediately. Council, after seeking legal counsel, attempted to resolve the matter through mediation. Unfortunately, before mediation could occur, Council was notified of the dispute's lodgement with VCAT. Council remains optimistic that the parties involved can reach a resolution without resorting to litigation, thereby avoiding unnecessary time and expenses.

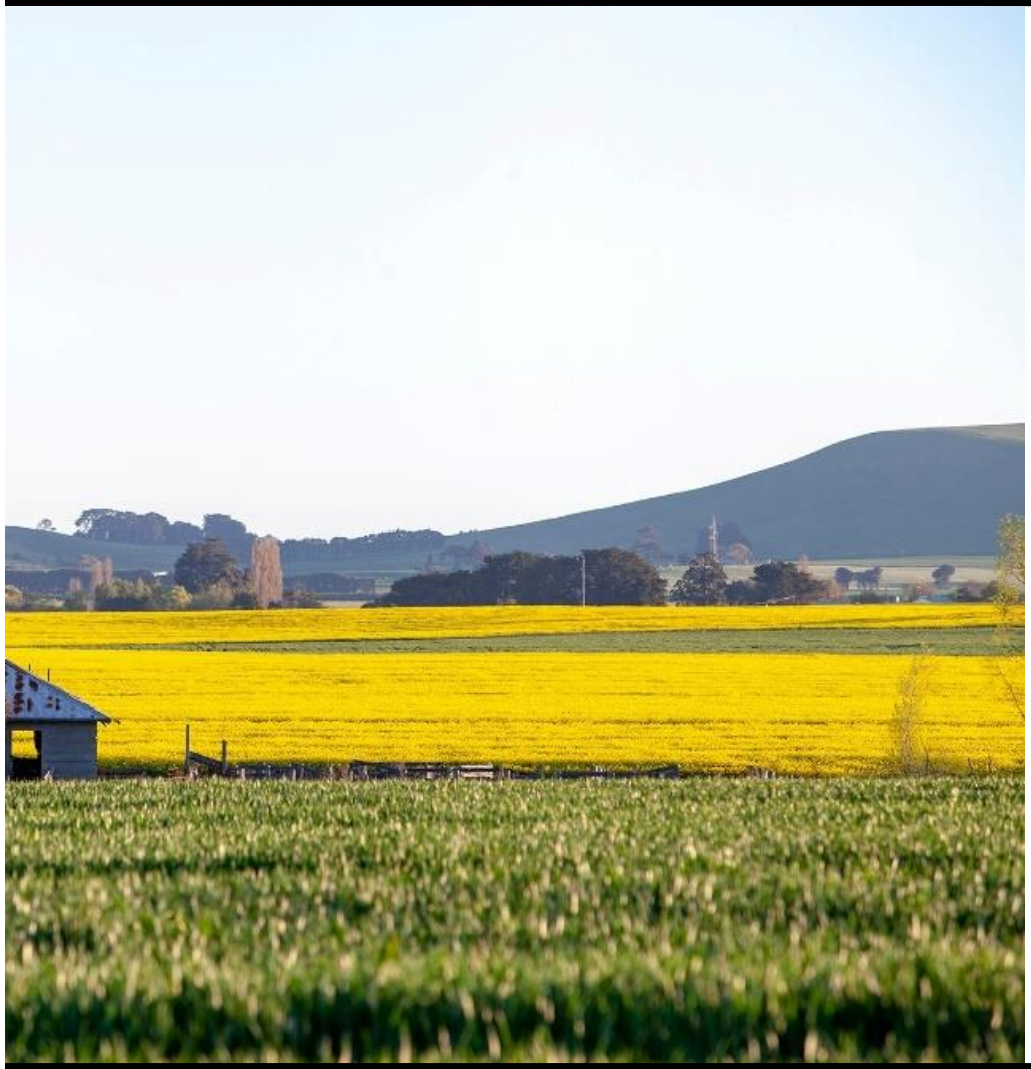
Summary

I believe that the Audit and Risk Committee has undertaken its duties in a responsible and effective manner over the reporting period.

I would like to acknowledge the contribution and commitment of all members of the Audit and Risk Committee and Council officers to these important processes.

Should you have any questions regarding this report, please do not hesitate to contact me on 0402 795 322.

Rod Poxon
Committee Chair



Partners in success

Chartered Accountants

Internal Audit Report

2024-02 Purchasing Cards

May 2024

Confidential

Prepared for:
Pyrenees Shire Council

Prepared by:
Brad Ead
AFS & Associates Pty Ltd

Pyrenees Shire Council

Table of Contents

Executive summary

Background

Purchase cards provide Pyrenees Shire Council (PSC) a cost effective, convenient, and timely way to pay for low value goods and services. However, these benefits come with the risk of misuse and loss of public money if the purchasing cards are not effectively managed.

Overall, PSC have established effective controls to prevent and detect misuse of their purchase cards. The development and implementation of these controls also help PSC fulfill their legislative responsibilities around financial management under the *Local Government Act 2020* (the Act).

At the time of our review, there are 26 active purchase cards issued with an aggregate spending limit of $75,000 and an average spend per transaction of $145, over the two years from 31 March 2022 and 30 April 2024.

Refer to **Appendix 4** for further analysis of purchase card usage over the period 31 March 2022 to 30 April 2024.

What you asked us for

Refer to **Appendix 1** for the objective, detailed scope and associated internal audit procedures of the internal audit.

What we did

In this audit, we looked at how PSC effectively manage the risks associated with the administration, use, and cancellation of purchase cards.

Our work included:

- Review of the Corporate Purchase Card Policy and other related policies and procedures (i.e., Procurement Policy).
- Discussions with the Senior Accountant related to:
  - administering and cancelling purchase cards
  - reconciling and approving purchase card transactions
  - exceptions noted during the testing.
- Testing the bank's current cardholder listing for alignment to PSC's 2024 Instrument of Delegation (IOD)
- Testing a sample of purchase card transactions from active cardholders, reconciliations and approvals across the 12 months for compliance with the Corporate Purchase Card Policy.
- Analysis of Purchase card usage between 31 March 2022 and 30 April 2024.
- Analysis of Purchase Order Transactions in comparison to ATO's industry benchmarks for processing invoices used to reconcile purchase orders.

What we found

Major findings	Moderate findings	Minor findings	Opportunities	Areas of strength
0	0	3	0	5

PSC's robust Internal Control Framework can be evidenced by the five key strength areas and the absence of any high risk findings. Specifically, PSC demonstrated proactive management of purchase cards through:

- an annual review of its Corporate Purchase Card Policy
- the effective use of ExpenseMe Pro - the online expense management system for reconciling and authorising transactions - for managing the use of purchase cards
- provision of supporting documents substantiating transactions are for strictly for Council purposes
- timely review of purchase card transactions
- recognition of risks associated with purchase card use.

However, we noted:

- inconsistencies between the current cardholder listing and Council's financial delegations
- one instance where a Corporate/Purchase Card Policy acknowledgment had not been signed by the cardholder prior to card use
- there is scope to update the Procurement Policy.

Areas of strength

1

2024 Corporate Purchase Card Policy
The 2024 Corporate Purchase Card Policy is a strong foundation supporting the use of corporate purchasing cards and managing associated risk. It is also reviewed and updated annually. The recent updates to the Policy include the use of the Application & Policy Acknowledgment and Termination of Use Advice Forms.

The Policy addresses:

- processes and approvals required for issuing purchase cards
- allowable uses for purchase cards
- documentation requirements for each transaction made using purchase cards
- processes for termination of use and cancelling purchase cards
- roles and responsibilities of the cardholder's Business Unit Manager and Director in relation to authorising, reviewing, and approving card transactions.

It also includes templates for:

- Corporate/Purchase Card Application & Policy Acknowledgment
- Corporate Purchase Card – Termination of Use Advice.

2

ExpenseMe Pro (ProMaster) for authorising purchase card transactions
PSC uses the ExpenseMe Pro as the online expense management system for reconciling and authorising transactions completed using purchase cards.

Specifically this centralised system is used for:

- reviewing purchase card transactions
- reconciling each transaction to and attaching supporting documentation
- progressing all reconciled transactions (from the previous month) to the Unit Manager for review and verification
- retaining all original documentation related to each transaction
- disputing unauthorised transactions.

Using ExpenseMe Pro allows PSC to track and retain a full audit trail of:

- monthly statements and reconciliation and approval thereof
- transactions and supporting tax invoices.

It also provides:

- built-in alerts for unusual expense types and transactions exceeding authorised delegations
- transaction and card usage analyses.

Using a centralised online system:

- supports the transparency of financial management practices at the Council
- provides efficiency in the administration of the cards.

3

Timely review and approval of purchase card transactions

The Corporate Purchase Policy requires purchase card transactions to be verified and approved within 14 days after month-end.

We conducted a high level analysis of all purchase card transactions between 30 March 2022 to 30 April 2024 and found:

- 2,016 of 2,135 (94%) transactions were reviewed and verified with supporting documentation by the cardholder within 30 days.
- 1,936 out of 2,135 (91%) transactions were approved and authorised by the cardholder's manager in less than 30 days.

The timely verification and authorisation of purchase card transactions demonstrates effective accountabilities and controls for checking the appropriate use of purchase cards.

4

Recognising the risks of purchase cards

The Council recognises the risks related to using purchasing cards for low dollar value procurement and has established control measures to manage these risks.

We reviewed the Council's Risk Management Procedure 2020, Fraud and Strategic Risks Register, and Operational Risk Reports, and confirmed Council has identified:

- potential risks linked to the use of purchasing cards
- existing controls to manage these risks
- further control actions to be implemented
- impact scores based on likelihood and severity of risks
- target risk impact score upon the implementation of controls.

This ensures the risks are managed within PSC's Risk Management Framework.

5

Purchase card Use and Reconciliation

Our testing of a sample of 99 purchase card transactions between 31 March 2022 and 30 April 2024 found:

- all transactions were adequately substantiated by tax invoices.
- there were no instances wherein the Purchase card was used outside of its prescribed scope of use.

Overall our sample testing confirmed compliance with the 2024 Corporate Purchase Card Policy.

Detailed findings

Minor	1. Cardholder delegations	
	Observation Three of the 32 current cardholders do not have expenditure delegations, as per the Council's updated IoD. Cardholders must have the appropriate financial delegation to incur expenses on the Council's behalf. These three cardholders are current employees and were included in the 2023 IoD, however are not included in the most updated version of the document adopted 1 February 2024: 1. Card (5526 **** **** 7424) for the Regional Development Coordinator. This position is in the 2023 IoD but not in the 2024 version of the document. The last transaction was dated 29 April 2024. 2. Card (5526 **** **** 5004) for the Environment & Sustainability Coordinator. The employee holding this position had purchase card delegations in 2023 but only has purchase order delegations in the 2024 IoD. The last transaction was dated 29 April 2024. 3. Card (5526 **** **** 0307) for the Community Wellbeing Administration Officer with no recent transactions. The cardholder's position is not within the 2023 or 2024 IoD and the last transaction was dated 31 May 2022. We are unable to confirm if the position is included in the 2022 IoD when then card was last used, but the employee holding this position is still the holder of an active purchase card. Further details of the testing conducted of cardholders' financial delegations can be found in **Appendix 3, Table 2.**	**Risk** Having cardholders with no financial delegations can lead to transactions occurring without authority. Active purchase cards not being used pose an avoidable risk of loss, theft and/or misuse. **Root cause** Movements of cardholders between roles with different expenditure delegations without consideration of the impact upon purchase card usage authorities. Management advised: ▪ The first exception noted involves an employee being temporarily seconded to another role without financial delegations but requires the delegation in their substantive role. ▪ The second exception noted involves an ongoing handover to the new position holder as the employee previously holding the position is moving to another role without financial delegations.

Minor	1. Cardholder delegations			
Recommendation				
1.1	Periodically update and review the IoD to reflect recent employee movements within the Council and the implications of these on cardholder authorisations.	☒ Agree	☐ Disagree	**Management comment:** Management agrees. **Responsible officer:** Manager Finance **Action date:** September 2024
1.2	Develop a process for keeping unused purchase cards within the Finance department while employees are temporarily moving into roles without financial delegations.	☒ Agree	☐ Disagree	**Management comment:** Management agrees. This procedure also needs to identify where another officer temporarily needs the card during a temporary secondment, and communication protocols to allow for notify the Finance team of such movements. **Responsible officer:** Director Corporate & Community Services **Action date:** December 2024
1.3	Periodically analyse card use to identify cards not being used and for which there may not, therefore be a need.	☒ Agree	☐ Disagree	**Management comment:** Management agrees. This monitoring activity will be documented within the Purchase Card Procedure. **Responsible officer:** Manager Finance/Director Corporate & Community Services **Action date:** December 2024

Detailed findings (continued)

Minor	2. Purchase card use without completed acknowledgement		
Observation We found one instance of a current purchase card where there is no evidence of a completed Corporate/Purchasing Card Acknowledgment Form. The 2024 Corporate Purchase Card Policy explicitly states a completed Corporate/Purchasing Card Acknowledgment Form must be completed by the cardholder before the purchase card is issued. Obtaining a completed Purchase Card Application & Acknowledgment Form ensures the cardholder fully understands their responsibilities related to the appropriate use of purchase cards, providing an audit trail of the cardholder being authorised to own and use a purchase card. At the time of writing this was being actioned with the purchase card in question due to be cancelled in the event the completed Corporate/Purchasing Card Acknowledgment Form by a set date.			**Risk** The absence of a completed Acknowledgment Form can lead to: ▪ non-compliance to the Corporate Purchase Card Policy which outlines their legal obligations and responsibilities in using purchase cards ▪ misuse of purchase cards due to the cardholders lack of awareness of its appropriate use. **Root cause** The absence of a completed Corporate/Purchasing Card Application Form is due to the delayed compliance with the new requirement within the Corporate Purchase Card Policy when it was updated in April 2024.
Recommendation			
2.1 When processing future purchase card applications, ensure a Corporate/Purchasing Card Acknowledgement Form is signed by the proposed cardholder before a purchase card is issued and allocated.	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. This requirement is already included within the purchasing card processes and such instances should not occur in the future. **Responsible officer:** Manager Finance **Action date:** Complete

Detailed findings (continued)

<table>
<tr><td colspan="4">Minor
3. Timely updates to the Procurement Policy</td></tr>
<tr><td colspan="3">Observation
During the course of our review, we noted the Procurement Policy is out of date and was due for review in May 2023. It was last modified in 26 April 2022.

Whilst not specifically within the scope of our review, the Procurement Policy includes corporate purchase cards as a procurement method. The timely review of policies and procedures related to the use of purchase cards and the Council's overall Procurement Strategy ensures that the information prescribed within remain appropriate and fit for purpose.</td><td>Risk
Outdated policies supporting the Council's Procurement Governance Framework (including the use of purchase cards) can lead to:

▪ inconsistent approaches to procurement across the different Council departments
▪ purchase orders being raised for transactions wherein using a purchase card might have been more appropriate, contributing to inefficient procurement management.

Root cause
Updating the Procurement Policy was not an urgent priority for management at the time considering the 2022 floods impacting the communities within Pyrenees municipality.</td></tr>
<tr><td colspan="4">Recommendation</td></tr>
<tr><td>3.1 Review and update the Procurement Policy to ensure alignment and consistency with information within the Corporate Purchase Card Policy.</td><td>☒
Agree</td><td>☐
Disagree</td><td>Management comment: Management agrees.

Responsible officer: Director Corporate & Community Services
Action date: December 2024</td></tr>
</table>

Appendix 1 – Objective, Scope and Approach

Objective

The objective is to ensure compliant use of Council's purchasing cards has occurred across last 12 months by cardholders.

Scope and Approach

The table below presents the scope of the Internal Audit and the detailed internal audit procedures undertaken to perform the Internal Audit.

Ref.	Scope Area	Ref.	Internal Audit Procedures
A	Assess the use of purchasing cards by cardholders of Council, including the Mayor and CEO to confirm: ▪ documentation is appropriately retained ▪ cardholder agreements are appropriately signed and retained to confirm understanding of Council requirements of card use ▪ approvals and reconciliations are occurring ▪ the assignment and removal of cardholders is sufficient.	**A1**	Meet with key personnel and discuss the procedures for approval and reconciliations of purchasing cards.
		A2	Review PSC's purchasing card policies and procedures and confirm: ▪ they include key controls relating to: > administering purchasing cards > the appropriate use of purchase cards > reviewing and approving expenditure > terminating purchasing cards ▪ they are appropriate to support a larger number of purchasing cards than exists currently.
		A3	Perform sample testing of purchasing card transactions, statements, reconciliations and approvals from across the previous 12 months, testing for compliance with, and application of the PSC Credit/Purchasing Card Policy Framework and Instrument of Delegations.
		A4	Perform testing of purchasing cardholders to ensure: ▪ cardholder agreements are appropriately signed by the employee and retained on file ▪ cardholders are current employees ▪ purchasing cards have been cancelled in a timely manner for terminated employees.
		A5	Meet with key personnel and discuss the procedures for approval and reconciliations of purchasing cards.
B	Perform data analytics over purchasing card spending (if possible) to identify categories and trends in the use of purchasing cards.	**B1**	Perform data analytics to identify categories and trends in the use of purchasing cards (if possible).
C	Identify the use of purchasing cards for purchases where an alternate purchasing mechanism is available/preferred (e.g. fuel cards or purchase order under contract).	**C1**	Meet with key personnel to discuss the process for reviewing purchasing card expenditure to identify alternate purchasing mechanisms.
		C2	Review purchasing card policies and procedures to identify instances where employees are able to use purchasing cards vs. should use alternative means.
		C3	Perform limited sample testing or data mining of purchasing card transactions to identify instances where an alternate purchasing mechanism should have been used instead of a purchasing card.

Ref.	Scope Area	Ref.	Internal Audit Procedures
D	Analyse procurement activity to identify potential opportunities for expanding the number of purchasing cards in use to achieve procurement and accounts payable efficiencies.	D1	Using data analysis tools, analyse procurement activity over the last two years to identify: ▪ the volume of small value transactions ▪ most frequent suppliers for small value transactions ▪ the volume of purchase orders.
		D2	Apply industry bench marks of the cost to: ▪ raise and process a purchase order ▪ process a single invoice.

Appendix 2 - Risk rating methodology

Risk rating	Definition of audit risk ratings
	Major risk exposure Major likelihood and/or consequence. Requires immediate attention, suggest within two months.
	Moderate risk exposure Moderate likelihood and/or consequence. Requires attention within six months.
	Minor risk exposure Low likelihood and/or consequence. Requires attention within 12 months.
	Opportunity An opportunity to gain an efficiency or saving exists.
	Area of strong control and risk mitigation identified We are comfortable that the control /s identified are mitigating the associated risk.

Our ratings are designed for simple communication of our understanding of the matter and potential impact on your organisation.

We consider your risk management framework in allocating a rating.

Appendix 3 - Results of testing

Table 1. Sample Testing – Purchase Card Transactions

Sample Information			Purchase Card Use	Supporting Documentation (inc. tax invoice) for Purchase Card Transactions			Cardholder Authorisations			
#	Cardholder position	Selected months for testing	Do transactions align with the prescribed use of purchase cards?	# of transactions reviewed (total from the selected months)	Are there supporting docs for each transaction made in Month 1?	Are there supporting docs for each transaction made in Month 2?	Purchase Card Limit as per Delegation (dated Feb 2024)	Card Limit from BEN Confirmation (dated March 2024)	Do the delegations align?	Is the cardholders monthly spend below the card limit?
1	**Chief Executive Officer**	February 2024 March 2024	✓	7	✓	✓	3,000	3,000	✓	✓
2	**Executive Assistant to CEO and Councillors**	April 2023 May 2023	✓	16	✓	✓	10,000	10,000	✓	✓
3	**Senior Accountant**	June 2023 July 2023	✓	5	✓	✓	5,000	5,000	✓	✓
4	**Manager ICT**	August 2023 September 2023	✓	15	✓	✓	10,000	10,000	✓	✓
5	**Flood Recovery Coordinator**	October 2023 November 2023	✓	4	✓	✓	2,000	2,000	✓	✓
6	**Works Officer Avoca**	December 2023 January 2024	✓	17	✓	✓	3,000	3,000	✓	✓
7	**Planning & Development Administration Officer**	February 2024 March 2024	✓	28	✓	✓	2,000	2,000	✓	✓
8	**Manager Community Wellbeing**	March 2023 April 2023	✓	2	✓	✓	2,000	2,000	✓	✓
9	**Works Officer Beaufort**[1]	May 2023 June 2023	N/A	0	N/A	N/A	3,000	3,000	✓	✓
10	**Manager Planning & Development**	June 2023 July 2023	✓	5	✓	✓	2,000	2,000	✓	✓

[1] – Cardholder did not have any purchase card transactions for the selected months.

Table 2. Cardholders' Financial Delegations Testing – Current Employees

#	Cardholder Position	Retained Completed Application & Acknowledgment Forms	Are they in the bank's List of Current Credit Cardholders as at March 2024?	Are they included in the 2024 IoD?	Results and Further Notes
1	**Chief Executive Officer**	✓	✓	✓	**No exceptions noted.**
2	**Director – Corporate & Community Services**	✓	✓	✓	**No exceptions noted.**
3	**Director – Assets And Development Services**	✓	✓	✓	**No exceptions noted.**
4	**Manager – Community Experience**	N/A	✓	✓	Procedure requiring application & acknowledgment forms was not yet in place at the time of issuing the purchase card.
5	**Manager – Economic Development & Tourism**	✓	✓	✓	**No exceptions noted.**
6	**Manager – Works**	×	✓	✓	**Exceptions noted.** As at May 2024 signed application and acknowledgment forms have not yet been received from the cardholder despite already having used the purchase card as recent as April 2024.
7	**Manager – Planning & Development** (*current*)	✓	✓	✓	**No exceptions noted.**
8	**Manager – Community Wellbeing** *(current)*	N/A	✓	✓	Procedure requiring application & acknowledgment forms was not yet in place at the time of issuing the purchase card.
9	**Manager – ICT**	✓	✓	✓	**No exceptions noted.**
10	**Executive Assistant to CEO and Councillors**	✓	✓	✓	**No exceptions noted.**
11	**EA to the Directors** (*current*)	✓	✓	✓	**No exceptions noted.**
12	**Works Officer – Beaufort** (*current*)	✓	✓	✓	**No exceptions noted.**
13	**Works Officer – Avoca**	✓	✓	✓	**No exceptions noted.**
14	**Senior Accountant**	✓	✓	✓	**No exceptions noted.**

#	Cardholder Position	Retained Completed Application & Acknowledgment Forms	Are they in the bank's List of Current Credit Cardholders as at March 2024?	Are they included in the 2024 IoD?	Results and Further Notes
15	**Property Revenue Officer**	N/A	✓	✓	Procedure requiring application & acknowledgment forms was not yet in place at the time of issuing the purchase card.
16	**Community Safety and Amenities Team Leader**	✓	✓	✓	**No exceptions noted.**
17	**Building & Maintenance Officer**	✓	✓	✓	**No exceptions noted.**
18	**Flood Recovery Coordinator**	✓	✓	✓	**No exceptions noted.**
19	**Risk Management Coordinator**	✓	✓	✓	**No exceptions noted.**
20	**Tourism Officer**	✓	✓	✓	**No exceptions noted.**
21	**Planning & Development Officer**	✓	✓	✓	**No exceptions noted.**
22	**Community Wellbeing Administration Officer**	✓	✓	×	**Exceptions noted.** Position holder is still in the list bank's current cardholders listing but is not included in the prior year and current year IoDs. All transactions are historical (dated 2022).
23	**Environment & Sustainability Coordinator**	N/A	✓	×	**Exceptions noted.** Procedure requiring application & acknowledgment forms was not yet in place at the time of issuing the purchase card. Position holder is in the bank's current cardholders listing and the Council's current IoD but does not have a set purchase card limit of expenditure. Transactions are still being made and approved in 2024.
24	**Recreational Development Coordinator**	✓	✓	×	**Exceptions noted.** Position is in the prior year (2023) IoD but there are still transactions being made and approved in 2024.
25	**Regional Assessment Officer**	×	×	×	**No exceptions noted.** Position is only in the prior year (2023) IoD and all transaction are historical.
26	**Frontline Services Officer**	×	×	×	**No exceptions noted.** Position is only in the prior year (2023) IoD and all transaction are historical.

Table 3. Cardholders' Financial Delegations Testing – Former Employees

#	Cardholder Position	Retained Completed Application & Acknowledgment Forms	Completed Termination of Use Advice Form	Is the former employee not included in the 2024 IoD?
1	Senior Communications Officer (*Terminated 19 May 2022*)	✓	Not Applicable[1]	✓
2	Librarian and Community Development Officer (*Terminated 29 July 2022*)	×	Not Applicable[1]	✓
3	Manager – Planning & Development (*Terminated 28 July 2023*)	×	Not Applicable[1]	✓
4	Support Staff (*Terminated 31 August 2023*)	×	Not Applicable[1]	✓
5	Manager – Community Wellbeing (*Terminated 05 March 2024)*	×	Not Applicable[1]	✓
6	Works Officer – Beaufort (*Terminated 19 April 2024*)	×	Not Applicable[1]	✓

Not Applicable[1] – The employee left the organisation prior to implementing the requirement for completing a Termination of Use Advice Form.

Appendix 4 - Results of data analytics

Table 1. Cardholder Analysis

The table below details the total $ spend, number of transactions, and the average spend per transaction for each active cardholder at Pyrenees Shire Council from 30 March 2022 to 30 April 2024.

Cardholder Position	Total $ Spend	Number of Transactions	Average $ spend per transaction
MANAGER ICT	60,898	290	210
EXECUTIVE ASSISTANT TO CEO AND COUNCILLORS	55,710	178	313
SENIOR ACCOUNTANT	54,860	262	209
FLOOD RECOVERY COORDINATOR	23,972	116	207
MANAGER ECON DEVELOPMENT & TOURISM	23,584	101	234
WORKS OFFICER AVOCA	22,786	146	156
MANAGER CUSTOMER EXPERIENCE	14,899	81	184
EA TO THE DIRECTORS	14,880	116	128
RISK MANAGEMENT CO-ORDINATOR	13,257	74	179
BUILDING & MAINTENANCE OFFICER	11,856	56	212
EA TO THE DIRECTORS	11,311	58	195
WORKS OFFICER BEAUFORT	8,829	103	86
COMMUNITY SAFETY AND AMENITIES TEAM LEADER	8,764	88	100
ENVIRONMENT & SUSTAINABILITY CO-ORDINATOR	7,668	97	79
MANAGER COMMUNITY WELLBEING	6,965	38	183
PROPERTY & REVENUE OFFICER	6,650	254	26
DIRECTOR CORPORATE & COMMUNITY SERVICES	6,613	55	120
WORKS OFFICER BEAUFORT	6,316	40	158
RECREATIONAL DEVELOPMENT CO-ORDINATOR	5,377	84	64
REGIONAL ASSESSMENT OFFICER - BAND	4,570	63	73
WORKS MANAGER	4,081	51	80
MANAGER PLANNING & DEVELOPMENT	3,883	44	88
CHIEF EXECUTIVE OFFICER	3,505	72	49
DIRECTOR ASSETS AND DEVELOPMENT SERVICES	3,001	41	73
LIBARIAN AND COMMUNITY DEVELOPMENT OFFICER	2,851	35	81

Cardholder Position	Total $ Spend	Number of Transactions	Average $ spend per transaction
PLANNING & DEVELOPMENT ADMINISTRATION OFFICER	2,672	96	28
FRONTLINE SERVICES OFFICER	1,334	20	67
MANAGER COMMUNITY WELLBEING *(Current)*	745	10	74
SUPPORT STAFF	251	25	10
COMMUNICATIONS OFFICER	195	5	39
MANAGER PLANNING & DEVELOPMENT	54	10	5
COMMUNITY WELLBEING AMINISTRATION OFFICER	8	2	4
TOTAL	**392,343**	**2,711**	**145**

Table 2. Comparison Between Card Spend and Position Level

The following table provides a summary of Purchase Card spend by position level.

Position Level	Number of current cardholders	Total $
EXECUTIVE LEADERSHIP TEAM	3	13,119
MANAGERS	6	115,090
SUPERVISORS, COORDINATORS AND OFFICERS	21	264,136
TOTAL	**30[1]**	**392,343**

[1] – Number of current cardholders does not include (two) instances where a role has been covered by two different employees in the past two years.

Table 3. Purchase Card Transactions per Thresholds

The following table stratifies all Purchase Card transactions from 31 March 2022 to 30 April 2024 according to its transaction value. Transactions below $50 are considered as 'low value transactions'.

Threshold $	Number of transactions	Total $
$ 0 – 50	1,429	19,477.19
50 – 250	821	96,602.62
250 – 1,000	379	179,348.68
1,000 – 2,000	49	68,347.87
2,000 – 3,000	6	14,399.01
3,000 – 4,000	2	7,120.00
4,000 – 5,000	2	8,241.70
5,000 – 6,000	1	5,374.90
TOTAL	**2,689[1]**	**398,911.97[1]**

[1] – Totals for this particular table is different from the first tables as thresholds included in Table 3 do not include 22 refund transactions amounting to $6,569.

Table 4. Volume of Purchase Card Transactions

Table 4a. Volume of Purchase Card Transactions – 2022

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions made from March to December 2022.

Time Period	Number of transactions	Total Monthly Spend $
2022		
March	9	1,436
April	98	11,521
May	90	18,007
June	216	45,730
July	193	34,128
August	103	10,075
September	91	13,519
October	103	11,532
November	108	12,903
December	97	12,514
TOTAL	**1,108**	**171,365**

Table 4b. Volume of Purchase Card Transactions – 2023

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions made from January to December 2023.

Time Period	Number of transactions	Total Monthly Spend $
2023		
January	91	10,675
February	119	17,194
March	106	11,857
April	88	11,288
May	133	18,571
June	130	19,501
July	94	16,286
August	82	11,865
September	103	15,625
October	98	14,856
November	108	20,850
December	89	8,618
TOTAL	**1,241**	**177,187**

Table 4c. Volume of Purchase Card Transactions – 2024

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions made from January to April 2024.

Time Period	Number of transactions	Total Monthly Spend $
2024		
January	101	10,366
February	71	9,016
March	100	17,159
April	90	7,250
TOTAL	**362**	**43,791**

Table 4d. Total Volume of Purchase Card Transactions 2022-2024

The following table provides a yearly summary of the aggregate spend and volume of Purchase Card transactions made from March 2022 to April 2024.

Time Period	Number of transactions	Total Spend $
2022	1,108	171,365
2023	1,241	177,187
2024	362	43,791
TOTAL	**2,711**	**392,343**

Table 5. Top 15 Suppliers Spend (Overall)

The following table lists the 15 most used suppliers for Purchase Card transactions. As mentioned within the report, this table may be used to identify opportunities for supply agreements or alternate payment methods.

#	Suppliers	Total Spend $	Number of Transactions	Average Spend per purchase $
1	VICROADS	44,863	212	212
2	APPLE PTY LIMITED	15,480	20	774
3	LOCAL GOVERNMENT PROFESSIONALS INC.	14,407	35	412
4	NEWBOOK PTY LTD.	12,802	21	607
5	BUNNINGS GROUP LTD.	12,659	67	189
6	AUSSIE BROADBAND LTD.	11,209	66	170
7	OFFICEWORKS LTD.	9,577	37	259
8	SKYMESH PTY LTD.	8,050	87	93
9	MUNICIPAL ASSOCIATION OF VICTORIA (MAV)	7,913	21	377
10	LAND USE VICTORIA (PROPERTY CERTIFICATES)	7,194	329	22
11	REBEL BALLARAT	5,475	2	2,7337
12	MICROSOFT AUSTRALIA	5,446	20	272
13	WEBJET LIMITED	4,569	10	457
14	MAILCHIMP	4,488	53	85
15	THE GOOD GUYS	4,336	9	482
	TOTAL	**168,465**	**989**	**31,748**

Table 6. Top 15 Supplier Spend for Low Value Transactions

The following table lists the 15 most used suppliers for Purchase Card transactions below $50. As mentioned within the report, this table may be used to identify opportunities for supply agreements or alternate payment methods.

#	Suppliers	Highest spend $	Lowest Spend $	Total $
1	LAND USE VICTORIA (PROPERTY CERTIFICATES)	45	6	302
2	FACEBOOK	48	2	39
3	ADOBE SYSTEMS PTY LTD.	40	29	26
4	BUNNINGS GROUP LTD.	48	3	617
5	RYANS IGA BEAUFORT	48	3	606
6	SMS BROADCAST PTY. LTD.	39	39	385
7	MAILCHIMP	50	3	320
8	UBER PTY LTD.	39	10	251
9	KMART	50	19	243
10	VICROADS	10	0.3	237
11	WOOLWORTHS	50	16	215
12	BEAUFORT RURAL PTY LTD.	41	0.5	191
13	HENDERSON MOWERS & CHAINSAWS PTY LTD.	46	7	186
14	OFFICEWORKS LTD.	39	5	178
15	J.F. & M. COX PTY. L	25	3	176
	TOTAL	**50**	**3**	**10,785**

Table 7. Volume of Low Value Transactions

Table 7a. Low Value Transactions – 2022

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions below $50 made from March to December 2022.

Time Period	Number of low-value transactions	Total Monthly Spend $
2022		
March	1	35
April	33	898
May	30	858
June	77	1,59
July	62	710
August	33	876
September	32	770
October	19	547
November	33	702
December	35	657
TOTAL	**355**	**7,110**

Table 7b. Low Value Transactions – 2023

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions below $50 made from January to December 2023.

Time Period	Number of low-value transactions	Total Monthly Spend $
2023		
January	29	705
February	50	1,143
March	27	595
April	27	586
May	40	920
June	46	1,133
July	20	416
August	21	597
September	24	637
October	27	540
November	31	608
December	29	429
TOTAL	**371**	**8,307**

Table 7c. Low Value Transactions – 2024

The following table provides a monthly summary of the aggregate spend and volume of Purchase Card transactions below $50 made from January to April; 2024.

Time Period	Number of low-value transactions	Total Monthly Spend $
2024		
January	44	709
February	25	467
March	33	534
April	42	466
TOTAL	**144**	**2,177**

Table 7d. Total Volume of Low Value Transactions – 2022-2024

The following table provides a yearly summary of the aggregate spend and volume of Purchase Card transactions below $50 made from March 2022 to April 2024.

Time Period	Number of low-value transactions	Total Spend $
2022	355	7,110
2023	371	8,307
2024	144	2,177
TOTAL	**870**	**17,594**

Table 8. Top 10 Categories for Purchase Card Transactions

The following table details the top 10 categories of the transactions being completed using Purchase cards from the period of 31 March 2022 to 30 April 30 2024. It is important to note ExpenseMe Pro classifies transactions as 'Risky Transactions' by default based on the available supplier information.

#	Transaction Category	Total Spend $	Number of Transactions	Average Spend per purchase $
1	**Risky Transactions**	160,682	936	172
2	**Business Services**	61,609	908	68
3	**Business Requirements**	47,565	209	228
4	**Building and Hardware**	28,469	145	196
5	**Vehicle Expenses**	27,869	127	219
6	**Accommodation**	17,449	64	273
7	**Department/Discount Stores**	13,285	129	103
8	**Digital Goods**	8,185	47	174
9	**Maintenance Contracts**	6,001	20	300
10	**Air Transport**	5,683	12	474
	TOTAL	**376,797**	**2,597**	**2,207**

Table 9. Volume of Purchase Order Transactions

Table 9a. Purchase Order Transactions – 2022

The following table provides a monthly summary of the aggregate spend and volume of purchase order transactions made from March to December 2022.

Time Period	Number of Purchase Order Transactions	Total Spend $
2022		
March	9	4,366
April	48	92,827
May	89	220,873
June	67	146,896
July	60	135,511
August	67	136,053
September	46	103,754
October	59	140,899
November	84	157,723
December	72	169,918
TOTAL	**601**	**1,308,820**

Table 9b. Purchase Order Transactions – 2023

The following table provides a monthly summary of the aggregate spend and volume of purchase order transactions made from January to December 2023.

Time Period	Number of Purchase Order Transactions	Total Spend $
2023		
January	75	120,057
February	73	185,006
March	64	169,922
April	42	74,012
May	79	193,379
June	82	171,587
July	73	241,890
August	86	206,051
September	63	180,458
October	77	296,702
November	70	197,935
December	48	127,483
TOTAL	**832**	**2,164,482**

Table 9c. Purchase Order Transactions – 2024

The following table provides a monthly summary of the aggregate spend and volume of purchase order transactions made from January to April 2024.

Time Period	Number of Purchase Order Transactions	Total Spend $
2024		
January	51	102,727
February	44	78,927
March	54	113,856
April	66	123,399
TOTAL	**215**	**418,909**

Table 9d. Total Purchase Order Transactions – 2022-24

The following table provides a yearly summary of the aggregate spend and volume of purchase order transactions from March 2022 to April 2024.

Time Period	Number of Purchase Order Transactions	Total Spend $
2022	601	1,308,820
2023	832	2,164,482
2024	215	418,909
TOTAL	**1,648**	**3,892,211**

Table 10. Analysis of Purchase Card Transactions in relation to industry benchmarks

We used the Australian Taxation Office (ATO)'s cost-benefit calculations based on Deloitte Access Economics (DAE) estimates. According to ATO, the average processing costs for different kinds of invoices are as follows:

Invoice Type	Processing Cost per Unit $
Paper Invoice	30.87
PDF Invoice	27.67
eInvoice	9.18

Most of the cost for PDF and paper invoices is attributable to the manual work required to enter the invoice data into your systems and process it for approval and payment, including dealing with exceptions and fixing errors.

Table 10a. Projected Processing Costs if Purchase Card Transactions were completed through the Purchase Order Process

The following table provides a high-level calculation of the projected processing costs if Purchase Card transactions have gone through the purchase order process instead.

Time Period	Number of Purchase Card transactions	Processing costs if all transactions have a paper invoice and processed as a purchase order	Processing costs if all transactions have a PDF invoice and processed as a purchase order	Processing costs if all transactions have an eInvoice and processed as a purchase order
2022	1,108	10,171	30,658	34,204
2023	1,241	11,392	34,338	38,310
2024	362	3,323	10,017	11,175
TOTAL	**2,711**	**24,887**	**75,013**	**83,689**

Appendix 5 - Basis and use of report

Our Internal Audit reports (the reports) are prepared on the basis of the limitations set out below:

We are engaged by Pyrenees Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee.

The reports are prepared in accordance with the objectives and approach agreed in the engagement documents and subject to the following limitations:

Because of the inherent limitations in any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures are not designed to detect all weaknesses in control procedures as they are not performed continuously throughout a specific period and any tests performed will be on a sample basis.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily comprehensive statements of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity or procedure, nor can we be a substitute for management's responsibility to maintain adequate internal controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our reports to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.

The reports are prepared for distribution to Pyrenees Shire Council for the purposes of review by the Audit and Risk Committee and management. The reports are not to be used by any other party for any purpose nor should any other party seek to rely on the opinion, advices, or any information contained within the reports. In this regard, we recommend that parties seek their own independent advice.

AFS & Associates Pty Ltd disclaims all liability to any other party other than the client for which the reports are prepared in respect of or any consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in the reports. Any party, other than the client for which they are prepared, who chooses to rely in any way on the contents of the reports, does so at their own risk.

The information in the reports and in any related oral presentation made by AFS & Associates Pty Ltd is confidential between AFS & Associates Pty Ltd and the client for which it was prepared and should not be disclosed, used or duplicated in whole or in part for any purpose except with the prior written consent of AFS & Associates Pty Ltd. An Electronic copy or print of this Document is an UNCONTROLLED COPY.

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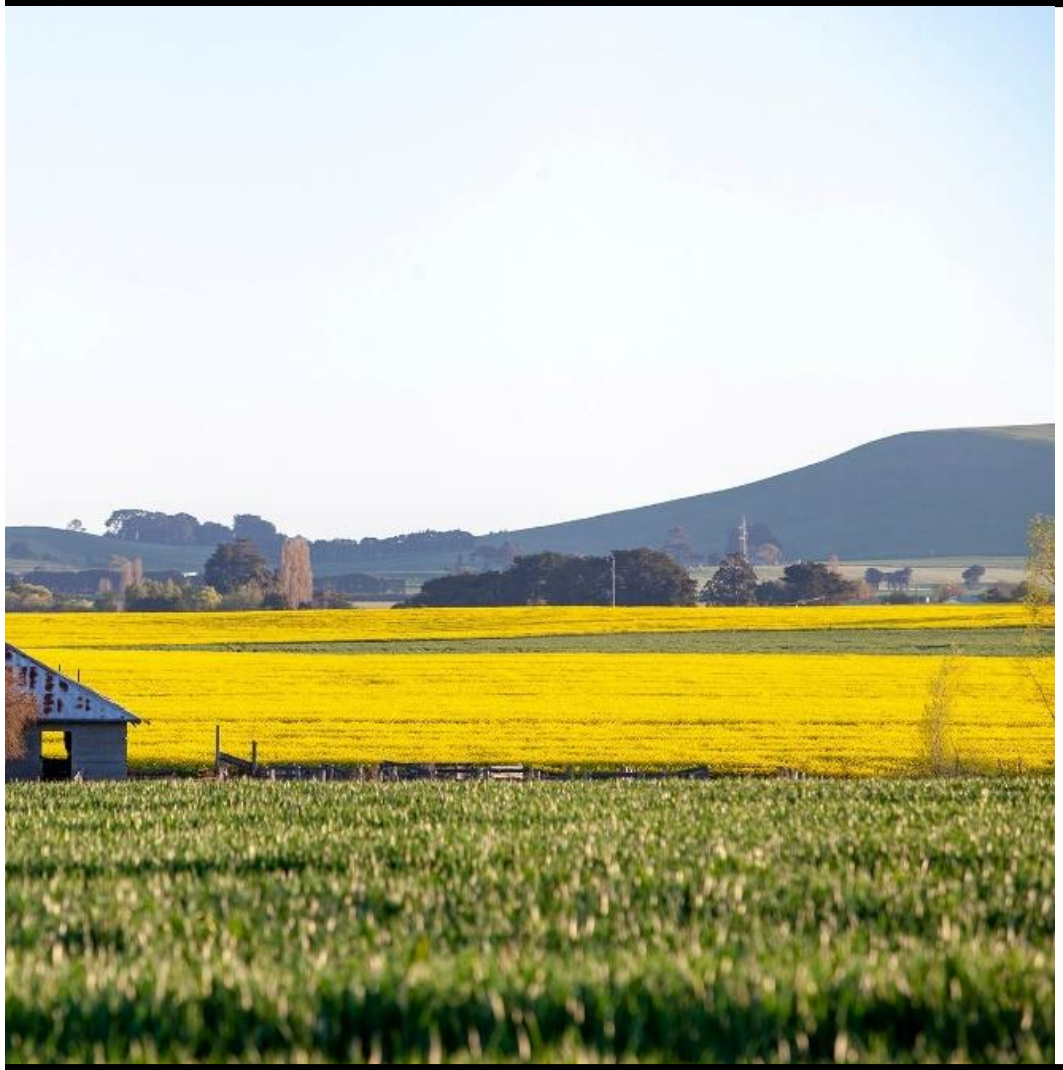
We acknowledge the Dja Dja Wurrung People, the Traditional Owners of the land we are working on today. We pay our respects to leaders and Elders past, present and emerging.

Business Advisory

Audit & Assurance

Taxation & Compliance

Share Registry



Partners in success
Chartered Accountants

Internal Audit Report

2024-03 Human Resources

July 2024

Confidential

Prepared for:
Pyrenees Shire Council

Pyrenees Shire Council

Prepared by:
Bradley Ead
AFS & Associates Pty Ltd

Table of contents

Executive summary

Background

Pyrenees Shire Council (PSC) employs approximately 100 staff with 19 new staff being employed between 1 July 2023 to 30 June 2024. Human Resources (HR) is actively supervised by the Manager People and Culture with administration support and oversight from the CEO.

The HR function is supported by the document management software RecFind, and a suite of policies and procedures.

A review of recruitment procedures was undertaken to ensure alignment with the following:

- The *Local Government Act 2020 Section 48 (2)* which sets out the specific requirements and obligations for recruitment procedures:

  'A Chief Executive Officer must adopt and maintain a recruitment policy that:

  (a) ensures that recruitment decisions are based on merit; and
  (b) supports transparency in recruitment processes and the public advertising of positions; and
  (c) has regard to the gender equity, diversity and inclusiveness measures specified in the workforce plan.'

- Independent Broad-based Anti-Corruption Commission 2018 report on corruption and misconduct risks associated with employment practices.

What you asked us for

Refer to **Appendix 2** for the objective, detailed scope and associated internal audit procedures of the internal audit.

What we did

- Testing of controls including:
  - on-screen demonstration of RecFind
  - review of key policies
  - sampling of new and exited employees
  - sampling of performance appraisals.

What we found

Major findings	Moderate findings	Minor findings	Opportunities	Areas of strength
0	0	3	0	7

PSC has a sound HR Framework that aligns to the *Local Government Act 2020 Section 48 (2).*

The relevant policies and procedures that address the key HR functions including, but not limited to:

- Recruitment and Selection Policy
- Staff Annual Review Procedure
- Training and Development Procedure
- Training Plan 2022-2025.

We confirmed actions have been taken to address each of the recommendations made in the 2018-07 HR Management report. All eight findings raised in our 2018 report have been addressed. See **Appendix 1** for further detail.

However, our testing of recruitment of three employees from 1 July 2023 to 30 June 2024 found:

- one out of the three appointed candidates did not have a documented shortlist matrix (ranking applicants on how they meet the selection criteria for the purposes of proceeding to an interview)
- one of the three employees were employed prior to receiving a Police Check (it is noted that it was only one day late)
- one of the three Appointment Recommendation forms revealed an unsuccessful candidate scored higher than the preferred candidate with comments of an unsatisfactory reference check. Upon reviewing the reference check there was nothing to indicate that the potential candidate would be unsuitable.

Further testing of five employees that resigned from 1 July 2023 to 30 June 2024 confirmed:

- five out five employees did not fill out an Exit Interview Questionnaire – whilst not mandatory it may indicate opportunity to heighten the likelihood of receiving valuable feedback
- five out of five employees were emailed a request email to return Council assets (laptops, keys etc) prior to their departure, with no follow up to ensure assets were returned.

Areas of strength

1

2018-07 HR Management past issues
A number of recommendations made in our 2018 review of HR Internal Audit have been addressed. The report raised eight findings of which we were able to evidence all as being addressed.

Refer to **Appendix 1** for details of the review.

2

HR Policy Framework
We compared PSC's HR Framework against industry guidance and the *Local Government Act 2020 Section 48 (2)* and found them to be current and the content fit for purpose. Policies covered:

- a transparent recruitment process
- declaring and managing conflict of interest in recruitment
- recruitment based on merit
- gender equity and diversity
- professional external advertising of vacant positions where recruitment is for six months or longer
- CEO approval for all recruitment for all permanent and temporary positions
- record keeping of recruitment documents
- pre-screening and shortlisting
- reference checks for external and internal applicants.

Through sample testing, we identified this control is not consistently applied in practice (refer to **Finding 1**).

3

Monitoring of probation period
There is a Probation Employee Performance Evaluation form that provides clarity over:

- when probationary employees should be evaluated
- recommendation of completion of probation with permanent status or dismissal
- record keeping process.

Reminder emails from RecFind HR software to the HR Manager can be set to ensure performance evaluations can occur in a timely manner and paperwork is followed up and recorded appropriately.

4

Understanding workforce needs

There is a Strategic Workforce Profile (Workforce Plan) from November 2023 in place. This Plan addresses and provides clarity over:

- the current and future workforce state
- action items for the workforce and addressing capability
- positions that are vacant and those at most risk of being unable to be filled
- reporting to management.

Informal succession planning initiatives are being undertaken that include:

- promoting officers to take advantage of acting in other roles
- offering trainee officers to upskill into roles
- actively recruiting interns.

PSC has identified annual staff turnover to be maintained below 15%. PSC reported a staff turnover of 15.9% during the financial year 22/23. This had decreased from 31% in financial year 21/22 during COVID-19. Annual staff turnover data for 2023/24 was not available at the time of the audit.

A Yearly Plan has been established which promotes the following initiatives supporting retention:

- implementing the actions of the Workforce Plan
- promoting officers to take advantage of acting in other roles
- offering trainee officers to upskill into roles actively recruiting interns.

5

Training

An approach to delivering and monitoring training has been implemented. We identified:

- a Training and Development Procedure
- workforce planning
- the Corporate Training Plan 2022-2025 detailing what training would be conducted and when
- mandatory induction training
- attendance lists maintained for training
- performance appraisals conducted and training needs recorded (noting they were delayed slightly due to the floods).

6

Recruitment and on-boarding

Management utilise the following tools to support the recruitment and on-boarding process:

- Shortlisting form
- Appointment Recommendation form
- Referee Checklist form
- New Employee Checklist listing policies to be read and understood
- Induction Procedure
- position descriptions
- RecFind document management system for recording all recruitment documentation.

The Recruitment and Selection Policy has been established to guide recruitments. We confirmed the Policy aligned to the minimum requirements of the *Local Government Act 2020*.

7

Monitoring of critical licences, credentials and qualifications

A process has been established to manage critical licences, credentials, and qualifications as part of recruitment.

As part of recruitment and on-boarding, the Manager People and Culture reviews the role and position description to determine which credentials, qualifications, or critical licenses are required for the role. This is recorded within the personnel file.

The following roles are required to provide evidence of qualifications:

- nurses and health care workers
- professionals (e.g. engineers, ICT and cybersecurity, and accountants)
- roles which are high risk in terms of safety and security.

PSC monitor the renewal of critical licenses and credentials within RecFind. RecFind has the ability to set reminder dates and generate an email reminder to the manager to follow up when a license or check is due for renewal.

Detailed findings

Minor	1. Recruitment practices	
	Observation PSC's recruitment and selection processes are not always occurring in line with policy and procedure. Sample testing of three new recruitments conducted between 1 July 2023 and 30 June 2024 identified: ▪ One of the three appointed candidates did not have a documented shortlist matrix (ranking applicants on how they meet the selection criteria for the purposes of proceeding to an interview). ▪ One of the three Appointment Recommendation forms revealed an unsuccessful candidate scored higher than the preferred candidate with comments of an unsatisfactory reference check. Upon reviewing the reference check there was nothing to indicate that the potential candidate would be unsuitable. ▪ One of three were employed prior to the police check being received (it is noted that it was only one day late). ▪ One of the three appointed candidates did not have evidence supporting two reference checks. Refer **Appendix 4, Table 1** for detailed results of testing. The *Local Government Act 2020* Recruitment Policy Guide: Department of Jobs, Precincts and Regions, mandates a minimum of two referee checks to be performed. For internal candidates or former employees, there may still be benefit to performing these checks to provide additional information for decision making for the selection panel. In addition, the Recruitment and Selection Policy does not clarify: ▪ the number of referee checks to be completed for each preferred candidate ▪ the appointment process for former employees or internal candidates, including completing referee checks ▪ not appointing a Councillor as a member of staff who was in office within the last two years[1].	**Risk** There is a risk of hiring individuals who are unsuitable or who are a poor fit for the organisation or role where recruitment checks are not completed. This can result in: ▪ a decrease in the quality of work ▪ workplace disharmony ▪ reputational damage ▪ compromised workplace safety. **Root cause** The CEO is responsible for initial approval to recruit. However, there is no requirement for executive directors to have oversight or approval over the outcome of recruitment activities. As a result, there is a gap in accountability for hiring manager to provide completed documentation to support decision making and approval.

[1] *Local Government Act 2020 (Vic) – Section 48*

Recommendation			
1.1 Review Recruitment and Selection Policy to include: ▪ number of referee checks to be completed for each preferred candidate, including internal candidates ▪ the appointment process for former employees and internal candidates.	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. **Responsible officer:** Manager People & Culture/Director Corporate & Community Services **Action date:** March 2025
1.2 We recommend the approval work flow for recruitments is reviewed to ensure oversight by the relevant Executive Director. This may include consideration of: ▪ requiring CEO approval only for the initial approval to recruit ▪ requiring an Executive Director sign off on the recommendation to recruit a candidate, including review of supporting evidence, referee checks completed and interview scoring ▪ the Instrument of Delegations should be updated based on any changes.	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. **Responsible officer:** Director Corporate & Community Services **Action date:** March 2025

Detailed findings (continued)

Minor	2. Exit procedures	
	Observation There are opportunities to strengthen exit process to support more effective off-boarding. Sample testing of five employees that resigned from 1 July 2023 to 30 June 2024 identified: ▪ Five out of the five employees were offered an Exit Interview Questionnaire, however did not complete one. We note numerous exiting officers preferred to email senior management with feedback after their resignation, rather than fill out an exit questionnaire. ▪ Five out of five employees were emailed with a request to return Council items (laptops, uniforms, keys) but PSC lacked a formal checklist to confirm items were returned. The Exit Interview Questionnaire has been developed to capture feedback from staff on exit. It includes qualitative rating between strongly agree to strongly disagree, and short form answers. The questionnaire covers: ▪ expectations and reasons for exit ▪ supervision and support ▪ reward and recognition ▪ training and development ▪ health and safety ▪ team culture ▪ general feedback. Refer to **Appendix 4, Table 3** for results of testing. The exit process is not formalised within Council's existing HR Policy Framework. Through discussions, we identified the exit and termination process does not include: ▪ a formal process for immediate dismissal of an employee including: > removal of IT access > return of Council assets (fob, laptop, keys) ▪ a checklist/process for return of assets from an employee who has recently resigned.	**Risk** There is a risk exit processes are not occurring consistently to ensure Council assets are returned, and system and building accesses are revoked in a timely manner. There is a risk of loss of council assets through failing to secure their return. Failure to retrieve keys or remove system access may increase opportunity for theft or pose a security threat. There may be valuable feedback missed if exit interviews are not optimised. **Root cause** No established exit procedure and no exit checklist. Exit processes are decentralised and rely on the exiting staff members' direct manager and the Manager People and Culture to drive processes. The Exit Interview Questionnaire is a manual form and relies on staff members completing the form prior to exit. There has been no consideration of alternative methods of gathering exit feedback to increase the likelihood of obtaining this.

Recommendation			
2.1 Document the employee exit/termination process. This should include establishing: ▪ a policy to formalise the termination process: > general staff off-boarding processes > for immediate dismissal ▪ exit checklist to ensure: > removal of IT access > return of Council assets (fob, laptop, keys) ▪ other exit processes such as offering a formal exit interview ▪ sign off on completed actions by relevant parties (e.g. IT staff, HR staff).	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. **Responsible officer:** Manager People & Culture/Director Corporate & Community Services **Action date:** March 2025
2.2 Allocate responsibility for oversight of the employee exit process.	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. **Responsible officer:** Manager People & Culture/Director Corporate & Community Services **Action date:** March 2025
2.3 Explore alternative options to gather feedback as part of exit processes, in addition to the current formal exit questionnaire. This may include: ▪ conducting surveys online ▪ asking for informal feedback ▪ scheduling a formal exit interview with People and Culture.	☒ Agree	☐ Disagree	**Management comment:** Management Agrees. **Responsible officer:** Manager People & Culture/Director Corporate & Community Services **Action date:** March 2025

Detailed findings (continued)

Minor	3. Documenting approvals		
Observation There may be an opportunity to improve the approval process as part of on-boarding and recruitment through implementing electronic forms and signing processes. Sample testing identified forms may not be signed as part of the approval process. Reliance is placed on gaining approval via email where it is not practical to physically sign a hard copy document. We found: ▪ Two out of the three Recruitment forms were not signed by the CEO (email approval was given). ▪ Two out of three Recruitment Appointment Recommendation forms were not signed by the CEO (email approval was given). ▪ Two of the three employees confirmed employment agreement via email. The agreement was: > not signed by an officer at PSC > not signed by the new employee at PSC.			**Risk** Failure to sign Recruitment forms can expose PSC to potential risks such as delayed onboarding, policy breaches, offer withdrawal, and potential legal and compliance issues. Emails have an increased risk of being exploited, as they are vulnerable forging/altering. **Root cause** The recruitment approval process is highly manual, resulting in email chains being used to gain approval.
Recommendation			
3.1 We recommend investigating and implementing an electronic recruitment approval form, such as DocuSign, to streamline and manage the signing of recruitment forms by both officers and new employees.	☒ Agree	☐ Disagree	**Management comment:** Management agrees. **Responsible officer:** Manager People & Culture/Director Corporate & Community Services **Action date:** June 2025

Appendix 1 – Previous Internal Audit Report 2018-07 HR Management

The table below outlines the current status and actions taken against previous internal audit report findings.

2018 Finding	Risk Rating	2018 Recommendation	Finding actioned	Current Status
1. Human Resource and Workforce Strategy not devised PSC does not have a formal HR (workforce) strategy in place which formalises how PSC plans to manage the workforce to specifically deliver Council's Strategy. An effective workforce strategy provides a roadmap for how the organisation will leverage its human capital to strategically position itself to enable full delivery of its plans, strategies and core objectives whilst minimising costs associated with its workforce. It includes determining the ways to acquire, develop and retain talent, key initiatives, and guidelines for governance, compliance and risk mitigation.	**Moderate**	We recommend that PSC develop and implement a Human Resource and Workforce Strategy. The workforce strategy should also then guide the plans and processes implemented for HR across PSC.	✓	We reviewed the Workforce Plan 2019-2021 as part of our 2020-01 Past Issues Review, February 2020. We confirmed the Workforce Plan included elements of a Workforce Strategy, including the aims and challenges identified in other strategic plans impacting service delivery and resourcing. **Item complete.**
2. No formalised workforce planning PSC has not performed a workforce analysis or documented a workforce plan. Workforce planning is the formal process of: 1. identifying gaps between current and future human capital requirements 2. assessing current and future skills required to maintain PSC' expected level of operations and service 3. analysing the gap between the supply and demand of the workforce 4. analysing demographical data and includes succession planning to deal with any potential future risks.	**Minor**	To ensure PSC has an adequate supply of people with the skills, knowledge and experience required to achieve its strategic objectives efficiently and effectively, both in the short and long term we recommend a formal assessment of current and future human capital requirements is conducted and a Workforce Plan implemented.	✓	We reviewed the Workforce Plan 2019-2021 as part of our 2020-01 Past Issues Review, February 2020. We confirmed the Workforce Plan identifies current and future workforce requirements including which positions are most at risk of being unable to be filled. This Plan addresses and provides clarity over: ▪ the current and future workforce state ▪ action items for the workforce and addressing capability ▪ positions that are vacant and those at most risk of being unable to be filled ▪ reporting to management. **Item complete.**

2018 Finding	Risk Rating	2018 Recommendation	Finding actioned	Current Status
3. No formalised succession planning No formally documented succession planning has occurred within PSC. Succession risk management focuses on critical roles. A critical role is a role crucial to the achievement of organisational outcomes or operations. A vacancy in a critical role would have a significant tangible impact on the ability of PSC to service the community, meet stakeholder expectations or achieve strategic goals. The first step to reducing key person dependency risk is identifying the critical roles within the organisation so sufficient succession planning can occur.	**Minor**	We recommend PSC give consideration to identify all critical roles and implementing succession planning for all critical roles and roles with a high likelihood of turnover within the organisation. This process should be formally documented. Succession planning information and outputs should also then be used to inform or to be performed in conjunction with the workforce planning activities.	✓	We reviewed the Workforce Plan 2019-2021 as part of our 2020-01 Past Issues Review, February 2020. This included identification of critical roles and formal succession plans for priority roles based on level of criticality to the organisation for the top 11 positions. **Item complete.**
4. HR policies overdue for review PSC has not performed review of four policies and procedures per the scheduled review dates. We reviewed 24 of the key HR policies and procedures noting: ▪ Protected Disclosure Procedure is in place however it was scheduled for review in February 2018 which has not yet been performed. ▪ Two additional policies were overdue for review by four months and one policy by over two years ▪ 13 of the policies/procedures have a scheduled review period greater than three years.	**Minor**	To ensure content within policies and procedures is up to date and maintains relevance to the organisation's positions and processes, all policies and procedures should be reviewed at least once every one to three years. There may be an opportunity to apply a risk based approach to evaluate how often each document should be reviewed.	✓	We reviewed the suite of HR policies as part of our 2020-01 Past Issues Review, February 2020. We confirmed policy reviews were up to date. **Item complete.**

2018 Finding	Risk Rating	2018 Recommendation	Finding actioned	Current Status
5. Lack of recruitment forms retained on file We reviewed a sample of six employees recruited between 1 January 2017 and 10 October 2018 (time of the audit visit) to test the application of controls. We tested that each had completed a Policy / Procedure Acknowledgement Form and a signed copy has been retained on file. We noted one instance where this form was not retained on file, as such we were unable to confirm if the form had been completed.	**Minor**	To ensure newly recruited staff have read and understood key PSC policies and procedures we recommend that all signed employee Policy/procedure acknowledgement forms are completed and retained. Each employee file will be independently reviewed post recruitment to check that all records and documentation has been filed appropriately.	✓	We reviewed a sample of recently completed Recruitment forms as part of our 2019-03 Past Issues Review, July 2019. **Item complete.**
6. Lack of evidence of review of approval of employee performance appraisals We reviewed a sample of five employees to ensure an annual performance appraisal had occurred for the 2017/18 period, noting: ▪ one annual review form had not been signed or dated by the reviewer ▪ one annual review form had not be signed by the employee.	**Minor**	We recommend all employee performance appraisal forms are completed, signed and dated in order to ensure completeness.	✓	We reviewed a sample of employee performance appraisals as part of 2023-02 Past Issues Review, May 2023. As part of the current internal audit, we reviewed a sample of five employees and confirmed annual performance appraisals had been completed prior to 30 June 2024. **Item complete.**
7. Lack of employee exit checklist An employee exit checklist is not in place to assist with ensuring that all employee departure procedures have been completed. When an employee resigns, they are sent an Acknowledgement of Resignation letter from PSC and are requested to return any council property to the People and Culture Coordinator. However, there is not currently a checklist completed to monitor and ensure that all employee exit processes are completed and all PSC property has been returned.	**Minor**	We recommend that an exit checklist is created to ensure PSC's employee exit processes are completed as expected and that assets are protected and security of premises and IT is maintained in the case of staff leaving.	×	An exit checklist is yet to be created to assist in employee off-boarding processes. Refer to **Finding 2** **Item in-complete.**

2018 Finding	Risk Rating	2018 Recommendation	Finding actioned	Current Status
8. No employee exit interviews We identified that formal exit interviews are not being offered or performed consistently. We noted resignation procedures are outlined within the Staff Handbook and includes that *"you will be required to complete an exit interview questionnaire",* however this process is not applied and questionnaires or interviews are not provided to or offered to all employees leaving the organisation. '	**Minor**	We recommend that the exit process includes formally offering every employee an opportunity for an exit interview. Develop a formal exit interview process supported by a documented procedure and template, the requirement for an exit interview offer should also be included as part of the exit checklist, per finding 7. Information received from these interviews should be communicated back to the relevant supervisor or committee.	✓	We performed sample testing of five recent employee departures and confirmed in all instances the employee was offered a formal exit interview. We note employees may prefer to provide feedback informally rather than completing the Exit Questionnaire. Refer **Finding 2**. **Item complete.**
9. Manual and inaccurate Training Register The PSC training register is manually maintained within an excel spreadsheet. The People and Culture Coordinator maintains the register based on knowledge of training and qualifications held by employees and planned to be attended. We were advised that there is a lack of accuracy and currency of the training and qualification information being maintained within the spreadsheet. The spreadsheet is not updated or monitored frequently.	**Minor**	We recommend that PSC investigate the viability of investing in the training module within the Payroll system. Where not possible due to resources or where there are delays, we recommend that PSC implements manual review, monitoring and update processes to ensure that the training register is current and accurately reflecting the organisations current skills/completed training and training requirements/plans.	✓	We reviewed the Training Register as part of our 2023-02 Past Issues Review, May 2023. **Item complete.**

Appendix 2 – Objective, Scope and Approach

Objective

The objective is to review recruitment procedures for fairness and effectiveness.

Scope and Approach

The table below presents the scope of the Internal Audit and the detailed internal audit procedures undertaken to perform the Internal Audit.

Ref.	Scope Area	Ref.	Internal Audit Procedures
A	Review of the recruitment policies meet the minimum requirements of the *Local Government Act 2020* s.48(2)	**A1**	Meet with key personnel to discuss recruitment policies and practices.
		A2	Review of polices and processes in place to support recruitment processes and decisions including: ▪ Recruitment Policy ▪ workforce planning ▪ conflicts of interest ▪ delegations of authority for: > creation of new positions > decisions to recruit > approval of successful candidates. ▪ appointment of former employees.
B	Assess recruitment practices including: ▪ recruitment policies and procedures for completeness vs. industry guidance including incorporation of values of merit, transparency, fairness, equity, gender equity, anti-discrimination and integrity ▪ approval authorisations for existing and new positions ▪ advertising requirements and application ▪ screening and short-listing ▪ qualification, reference and integrity checking of candidates ▪ declaring conflicts of interest for recruitment panellists ▪ decisions to use professional recruitment firms and appointment procedures ▪ documenting outcomes for evidencing completeness and transparency in process and decision making.	**B1**	Meet with key personnel to discuss recruitment policies and practices.
		B2	Review of polices and processes in place to support recruitment processes and decisions against: ▪ *Local Government Act 2020* Recruitment Policy Guide, Department of Jobs, Precincts and Regions.
		B3	Review of polices and processes in place to support recruitment processes and decisions including: ▪ Recruitment Policy ▪ workforce planning ▪ conflicts of interest ▪ delegations of authority for: > creation of new positions > decisions to recruit > approval of successful candidates. ▪ records management.

Ref.	Scope Area	Ref.	Internal Audit Procedures
C	Review of integrity (police, WWC) checking of appointments and promotions (requiring checks) to mitigate potential crime, fraud and corruption risks.	**C1**	Meet with key personnel and review policies and procedures to determine employee screening practices.
		C2	Examine the documentation supporting the appointment of three employees commencing between 1 July 2023 and 30 June 2024 to confirm: ▪ compliance with the recruitment Policy ▪ integrity and screening checks were undertaken prior to the to the employee commencement.
D	Consider the outcomes and recommendations of IBAC's corruption and misconduct risks associated with employment practices in the Victorian public sector.	**D1**	Meet with key personnel to discuss any work done by PSC to assess and address the findings of IBACs 2018 review Corruption and misconduct risks associated with employment practices in the Victorian Public Sector.
		D2	Report on any gaps PSC's in recruitment practices against those practices recommended in the 2018 IBAC report.

Ref.	Scope Area	Ref.	Internal Audit Procedures
E	Review employee performance appraisal and management processes.	**E1**	Meet with key personnel to discuss and understand PSCs employee performance appraisal and management processes including: ▪ policies and procedures ▪ systems used ▪ monitoring of completion of performance appraisals ▪ management training around conducting appraisals ▪ link between performance appraisal outcomes and training and development programs.
		E2	Review policies and procedures supporting the employee performance appraisal and management processes.
		E3	Review policies and procedures supporting the employee probation period processes at PSC.
		E4	For a sample of five current employees, confirm performance appraisals have been undertaken in accordance with the Performance Management Policy.

Ref.	Scope Area	Ref.	Internal Audit Procedures
F	Review staff development processes including assessing the existence of a training and skills management program, matrix and ensuring budget is made to allow for this.	**F1**	Meet with key personnel to discuss and understand staff development processes including: ▪ Training and skills development needs identification ▪ Links to Workforce Strategy ▪ Links to annual budgeting process ▪ Management of critical licences, credential renewals ▪ Oversight of training plan delivery and employee attendance.
		F2	Review of Training Policy.
G	Review employee exit procedures and controls including return of PSC assets, removal of IT and site access.	**G1**	Meet with key personnel to discuss and understand PSCs employee exit procures including: ▪ controls over return of PSC assets ▪ removal of IT and site access ▪ exit interviews. This will include controls over ensuring return of PSC assets and removal of IT and site access in situations of immediate dismissals.
		G2	Examine completed Employee Exit Checklists for a sample of five employees who left PSC between 1 July 2023 and 30 June 2024.
H	Review management's progress to address the risks raised by Internal Audit in 2018-07 HR Management Report.	**H1**	Meet with key personnel to discuss actions taken in response to the nine recommendations made by us in our 2018 review 2018-07 HR Management, October 2018 (refer **Appendix 2**).

Appendix 3 – Risk Methodology Statement

Risk rating	Definition of audit risk ratings
	Major risk exposure Major likelihood and/or consequence. Requires immediate attention, suggest within two months.
	Moderate risk exposure Moderate likelihood and/or consequence. Requires attention within six months.
	Minor risk exposure Low likelihood and/or consequence. Requires attention within 12 months.
	Opportunity An opportunity to gain an efficiency or saving exists.
	Area of strong control and risk mitigation identified We are comfortable that the control /s identified are mitigating the associated risk.

Our ratings are designed for simple communication of our understanding of the matter and potential impact on your organisation.

We consider your risk management framework in allocating a rating.

Appendix 4 - Results of testing

Table 1 - New Employees starting from 1 July 2023 to 30 June 2024

Employee	Date started	Recruitment form	Shortlisting	Appointment recommendation	Reference checks (min 2 required)	Police check	Signed Employment Agreement
Sample 1	10 July 2023	Email approval by CEO - form not signed.	Six applicants with three interviewed. shortlisting against KSC completed.	Email approval by CEO - form not signed.	One check only for each successful and other candidate who scored higher and wasn't successful in role.	11 July 2023	30 June 2023
Sample 2	19 Feb 2023	Form signed by CEO.	Four applicants with three interviewed. No KSC.	Email approval by CEO - form not signed.	Two checks completed.	14 Jan 2024	14 Feb 2024
Sample 3	17 Oct 2023	Email approval by CEO - form not signed.	Nine applicants with two interviewed. Shortlisting against KSC by two only.	Email approval by CEO - form not signed.	Two checks completed.	19 Sept 2023	27 Sept 2023

Table 2 - Employees confirming performance appraisals conducted

Employee	Date performance appraisal completed	Performance appraisal documentation on RecFind
Sample 1	17 June 2024	✓
Sample 2	28 June 2024	✓
Sample 3	26 June 2024	✓
Sample 4	27 June 2024	✓
Sample 5	19 June 2024	✓

Table 3 - Employees who resigned from 1 July 2023 to 30 June 2024

Employee	Date Resigned	Checking for return of equipment	Exit interview conducted	Resignation letter received
Sample 1	5 March 2024	Emailed form to Supervisor to collect equipment	×	✓
Sample 2	31 Aug 2023	Emailed form to Supervisor to collect equipment	×	✓
Sample 3	5 Feb 2024	Emailed form to Supervisor to collect equipment	×	✓
Sample 4	8 Dec 2023	Emailed form to Supervisor to collect equipment	×	✓
Sample 5	5 June 2024	Emailed form to Supervisor to collect equipment	×	N/A temporary position term ended

Appendix 5 - Basis and use of report

Our Internal Audit reports (the reports) are prepared on the basis of the limitations set out below:

We are engaged by Pyrenees Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee.

The reports are prepared in accordance with the objectives and approach agreed in the engagement documents and subject to the following limitations:

Because of the inherent limitations in any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures are not designed to detect all weaknesses in control procedures as they are not performed continuously throughout a specific period and any tests performed will be on a sample basis.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily comprehensive statements of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity or procedure, nor can we be a substitute for management's responsibility to maintain adequate internal controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our reports to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.

The reports are prepared for distribution to Pyrenees Shire Council for the purposes of review by the Audit and Risk Committee and management. The reports are not to be used by any other party for any purpose nor should any other party seek to rely on the opinion, advices, or any information contained within the reports. In this regard, we recommend that parties seek their own independent advice.

AFS & Associates Pty Ltd disclaims all liability to any other party other than the client for which the reports are prepared in respect of or any consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in the reports. Any party, other than the client for which they are prepared, who chooses to rely in any way on the contents of the reports, does so at their own risk.

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Business Advisory

Audit & Assurance

Taxation & Compliance

Share Registry

Minutes

M013

Audit & Risk Committee Meeting

Tuesday 24 September 2024

3:00 pm
Virtual

5 Lawrence Street, Beaufort VIC 3373 T 1300 797 363 E pyrenees@pyrenees.vic.gov.au pyrenees.vic.gov.au

Members:	**Mr Rod Poxon (Chair)** **Mr Brian Keane** **Mr Kelvin Tori** **Cr Damian Ferrari** **Cr Ron Eason**
Officers:	**Mr Jim Nolan – Chief Executive Officer** **Mr Douglas Gowans – Director Assets and Development Services** **Ms Kathy Bramwell – Director Corporate and Community Services** **Mr Glenn Kallio – Manager Finance** **Mr Dean Miller – Manager Governance and Performance** **Ms Emma Poyser – Executive Assistant to the Directors**
Guests:	**Mr Brad Ead – AFS & Associates** **Ms Kate Scarce – AFS & Associates** **Mr Ryan Schischka – Johnsons MME**

TABLE OF CONTENTS

1. ACKNOWLEDGEMENT OF COUNTRY

The Chair acknowledged the people past and present of the Wadawurrung, Dja Dja Wurrung, Eastern Maar and Wotjobaluk tribes, whose land forms the Pyrenees Shire.

We pay our respect to the customs, traditions and stewardship of the land by the elders and people of these tribes, on whose land we meet today.

2. APOLOGIES

Kathy Bramwell

3. CONFLICT OF INTEREST DECLARATIONS

There were no conflicts of interest declared.

4. CONFIRMATION OF THE PREVIOUS MINUTES

Attachments:

1. 2024.06.18 - MINUTES - Audit & Risk Committee Meeting - 18 June 2024 [**4.1.1** - 35 pages]

Cr Ron Eason / Kelvin Tori

That the Minutes of the Audit and Risk Committee meeting held 18 June 2024, as tabled, be accepted as accurate and complete.

CARRIED

5. ACTIONS ARISING FROM PREVIOUS MINUTES

MEETING DATE	ACTION	STATUS	
M008 May 2023	Review Instruments of Delegation and Governance Manuals for Community Asset Committees.	A working group led by Dean Miller (Manager Governance and Performance) has been established to review the Instruments of Delegation. Action completion delayed due to emergency response. Update required for expected completion date.	In progress
M009 September 2023	Consider inclusion of business continuity/disaster recovery in internal audit program.	Our plans need to be updated as part of a project between Dean Miller (Manager Governance & Performance) and Scott Wright (Manager Information Management), which ideally will be completed prior to the audit program finalisation – will look at inclusion in 2025.	In progress
M012 June 2024	**General Business** Insurance renewal; segregate non-Council owned or managed assets from other Council owned assets and provide detail of the associated premium.		In progress

6. REPORTS

6.1. CEO REPORT

Author: Jim Nolan, Chief Executive Officer

Below are several matters for information / consideration by the A&RC.

Council elections

Nominations for candidates closed on 17 September resulting in 12 candidates nominating for 5 positions with each ward being contested.

The implementation of Council Election Period Policy includes limitations on council communications, marketing, community engagement, provision of information and other matters to support fair elections.

Natural disasters

The approval of claims for reimbursement of costs associated with the flood and fire events remain tedious and reported elsewhere this agenda.

We're continuing to work within the DRFA guidelines and advocating for some flexibility in the provision of evidence to support claims, however agencies remain committed to work within the guidelines as they exist. We were encouraged recently with a claim of $500,000 that was approved 100%, affirming the level of evidence that supported the claim; hoping this will become a trend for other claims in the system.

In respect of the hazardous tree removal on fire affected roads we are continuing to engage with the party that has sought an enforcement order at VCAT. We expect to negotiate an outcome on the matter without the need for a full hearing.

Reputation

Council's reputation has been impacted in recent months due to:

- The impact on some by the hazardous tree removal and the reporting on the matter.
- Misreporting of council position regarding library servicing resulting in a community petition
- A bridge construction project which required some abutment rework
- A dispute over expectations impacting the relationship with chair of the Beaufort Business Association, B4B

We continue to develop strategy to manage reputation impact on a case-by-case basis.

Psychological safety

Psychological safety has been an emerging issue for all employers. We recently undertook training of our staff group on the matter and have established a small internal working team to look at measures to ensure our workplace is safe. We're looking to develop a framework including routinely measuring aspects that contribute to psychological safety.

Housing

The Victorian government introduced housing targets for LGAs including a moderate target of 1200 new homes for Pyrenees by 2051. Council has invested in securing land for residential development, and we are hopeful of securing grants to assist in building the infrastructure and in for key worker accommodation.

Attachments:
Nil

COMMENTS:

[redacted]

Housing

- The moderate target of 1200 new homes meet the status quo.

Psychological Safety

- Further discussion on the number of elements of a psychologically safe workplace including the ability for staff to speak up when the need to. Challenging conversations have been had, part of addressing these issues is to investigate and educate for awareness of employee expectations and appropriate behaviours. Training to address this and framework development are in progress, ensuring reported issues are addressed, ensuring concerns and views were heard.

Reputation

- Relationship continuing and Beaufort Business Association, B4B.
- B4B meet monthly, generally a Council officer attends these meetings.
- Noted that there are differing expectations of service levels which can create a rift.
- The relationship is considered an important one and it is important to resolve our differences.

Brian Keane / Kelvin Tori

That the Audit and Risk Committee receives the CEO's report.

CARRIED

6.2. 2023/24 FINANCIAL REPORT

Author: Glenn Kallio, Manager Finance

This report presents the June 30, 2024, quarterly financial report. The financial results for the 2023/24 financial year are within the parameters of Councils long term financial plan. Whilst the results are within the parameters, there are several significant issues impacting the 2023/24 financial performance and affecting comparisons of financial results to previous years. The major issues are:

1. Recently, Councils received the Financial Assistance Grants for the following financial year in June of the current year. The 2024/25 grants were not received in June 2024 but in July 2024. Though the delay in the timing for the receipt of the grants did not impact this year's results compared to the budget they did have a significant impact on the financial results from a comparison point.

   In the 2022/23 financial year, the 2023/24 grants were received in June 2023, thus overstating the operating surplus for the financial year, whereas the operating surplus for 2022/24 was not impacted by the delay in receiving the grants. Had the recent practice of receiving the grants continued the operating surplus of Council would have been approximately $2.9 million with a cash balance of $16.1 million.

2. Council faces significant financial risk if the recovery effort for the recent fire and flood events is not managed well and requires ongoing support from the Commonwealth and State Governments. Council is submitting claims through the DRFA process for cost recovery however Council will not be reimbursed for the full cost spent. Council staff continue to advocate to state and federal government for ongoing funding to support community recovery activities, infrastructure repairs and recovery staff.

   The following table sets out the summary of Council expenditure as at June 30 2024 for the October 2022 flood event and the February 2024 fire event and lists initial funding provided in advance.

Pyrenees Shire Council Recovery Costs
As at 30 June 2024

Cost to Council	2022/23	2023/24	Total
Flood Event	$1,410,334	$3,427,611	**$4,837,945**
Fire Event	$0	$2,073,737	**$2,073,737**
Reimbursements	-$1,297,783	-$3,356,089	**-$4,653,873**
Cost To Council	**$112,551**	**$2,145,258**	**$2,257,809**

Though Council has received funding up front, the level of expenditure Council has incurred, this has resulted in Council having to cashflow $2.258 million as at June 30 2024, this being a significant level of funds for a municipality of this size, currently 25% of the total cash and investments held as at 30 June 2024. Whilst Council is submitting claims for

funding, until such time as those claims exceed the level of funds initially provided to Council there will be no further improvement in the cashflow position.

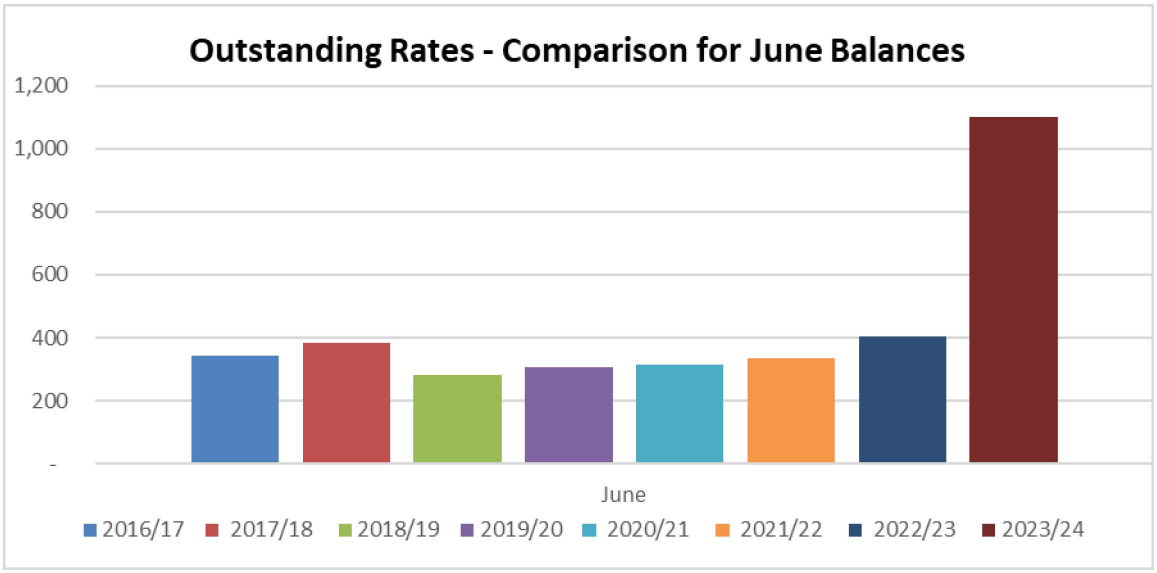
To date the claims submitted is tabled below:

Pyrenees Shire Council Claims As at 30 June 2024			
Cost to Council			
	Submitted	**Approved**	**% Approved**
Flood Claims Approved	$541,355	316,270	**58%**
Flood claims Submitted not yet Approved	$3,364,507	-	
	$3,905,862	**$316,270**	

To date $3.9 million of claims have been submitted with $0.3 million being approved. Of those claims approved, only 58% of the initial claim submitted was successful. It is expected that a greater percentage of future claims will be successful, as some of Councils expenditures when the events initially occurred cannot be claimed under the guidelines.

Should all the current claims be successful Council will still not have reached the level of the initial funding provided by government, hence the financial strain on Council will continue.

3. Earlier in the year, it was signaled that there were constraints on debt collection due to new guidelines issued by the state government. Net rate debt as at June 30 2024, outstanding rates had risen to $1.1 million. The graph below illustrates this position in comparison to previous years:



The process of sending out a reminder notice prior to February 15 maintained collection rates up to March, the inability to utilize debt collection processes has restricted Council's ability to adequately collect the remaining funds. The earlier introduction of a third party

to contact ratepayers from March onwards may improve the collection rate however the inability to commence legal action will result in higher levels of rates outstanding.

4. The delivery of Councils capital works program has proven to be difficult over the last couple of years due to the fire and flood events. Council has set a capital program whereby existing resources of Council are fully utilized to deliver the program,. When additional demands for those resources, (fire and flood) it is not possible to deliver all of Councils program whilst dealing with the demand of those events. There has also been a necessity to be aware of the demand on Councils cashflow and ensuring that appropriate levels of cash is maintained to ensure financial sustainability.

   In delivering the infrastructure program a main objective was to ensure all government funding, especially the Roads to Recovery program was fully expended. Council did deliver the full program which was critical since 2023/24 was the final year of the current program, had any funds not been spent they would not have been able to be rolled over to the next year.

5. From a total of 115 staff 4 people had leave in excess of 8 weeks. The maximum leave outstanding was 8.4 weeks and that staff member is currently on leave which will reduce their outstanding leave.

Attachments:

1. Finance Report [**6.2.1** - 32 pages]

COMMENTS:

- Further to the report and considering the major issues we are facing we have performed quite well financially.
- Updated outstanding rates figure for August is on target.
- The constraints on rate collection are an unsustainable situation and many other Shires are in the same position with very little notice taken on push backs on the guidelines.
- Property sales and debt collection administration processes are possible solutions.
- Reconciliation of figures in Capital Works program
- Going forward there is less financial risk regarding the works as Council will use already approved claim funds.
- The risk to date has been when unapproved claim works need to be funded out of the usual capital works program, which effects this budget resource, but works are required due to reputational risk.
- Unpaid rates, legal elements of unpaid rates and necessary works completed and funded out of capital works budges which are then only 90% claim approved all come back to Council.
- Parliamentary enquiry - current submission relates to local government sustainability issues around non-indexation of operating grants, natural disasters and hardship division in relation to rates. Report tabled and will provide government response.
- Some development in the last couple of weeks regarding grants and some positives, the table represents the figure to June.

- The Governance & Performance Report within this agenda show 20 total claims for completed works, two of these have been approved in full and a number of others in part. Of these about 9 have been assessed as ok, one was rejected and 3 commenced. Some movement in claims processing bit of a way to go to start the work, next step is to obtain quotes then another step of approval but there is some traction.
- Commend Council, to achieve capital works program over $3M more than was originally budgeted in spite of everything going on.

Cr Ron Eason / Kelvin Tori

That the Audit and Risk Committee notes the information present in the financial report for the period ending 30 June 2024.

CARRIED

6.3. EXTERNAL AUDIT - END OF FINANCIAL YEAR 2024

Presenter: Ryan Schischka – Johnsons MME

Council's VAGO-appointed External Auditor will lead a discussion on the end of financial year Audit Findings relating to the Pyrenees Shire Council Financial Statements and Performance Statement, and against the attached Closing Report and Final Audit Management Letter for the year ended 30 June 2024.

Attachments:
1. Audit Closing Report 2023-24 [**6.3.1** - 24 pages]
2. Final Audit Management Letter 2023-24 [**6.3.2** - 18 pages]

COMMENTS:

- Last year was challenging in terms of expectations, these were worked through to make sure of a cleaner process.
- Overcome a quite bumpy experience since last year process worked well this year training on processes to resolve some of these issues and resolve issues at the time rather than at the time of the audit clean process pleasing to see the improvements.
- Thank you to Kathy & Glenn for the clean result.
- Clarity provided around the 'Prior period issues resolved during the period'- Expenses control weaknesses and Monthly finance process, as not accepted by management as per interim letter due to the small size of the Finance team.
- Any issues or outstanding matters will not affect our ability to present figure to Parliament.
- Closing report positive.

Further follow up on outstanding items;
ACTION: Bendigo Bank incomplete bank confirmation request.
ACTION: Recontact Solicitors for response to representation letters.
ACTION: Pg 85 - reference to Audit & Risk Committee key role, recommend this goes onto the work program for 2025.

Brian Keane / Kelvin Tori

That the Audit and Risk Committee notes the information provided by Council's External Auditor and any discussions that may have taken place.

CARRIED

6.4. ADOPTION OF 2023 24 FINANCIAL STATEMENT AND PERFORMANCE STATEMENT

Author: Glenn Kallio, Manager Finance

This report presents the 2023/24 Financial Statement and 2023/24 Performance Statement for the committee to review and recommend to Council to adopt "in principle" the statements and to nominate Councillor Damian Ferrari and Councillor Ron Eason to sign the audited statements.

The 2023/24 Financial Statements have been prepared in accordance with the requirements of the Local Government Act 2020, Local Government (Planning and Reporting) Regulations 2020 and Australian Accounting Standards.

In preparation of the 2023/24 Financial Statements, the following items to be noted:

- Operating deficit $3.571 million
- Cash and investments $9.202 million
- Working Capital 193%
- Council assets valuations were not indexed in2023/24 as it was considered the index rates were not significant.

The major factors impacting the operations during 2023/24 were:

- The usual receipt of the following year's financial assistance grants in June of the financial year did not occur. The funds were delayed until July 2024. This had a negative financial impact on Councils operating result and cash balance as at June 30 of $6.1 million dollars.
- The financial impact of both the recent fire and flood events has been a downward effective on both the operating result and cash balance as at 30 June 2024 of $2.149 million

A report will be tabled on the outcomes of the Annual Year End Audit by Johnsons MME representatives.

Attachments:

1. PSC Performance Statement 2023-2024 Final V 1.6 [**6.4.1** - 19 pages]
2. Pyrenees Shire Council Annual Statement 23-24 [**6.4.2** - 65 pages]

COMMENTS:

Nil

ACTION: Review of 6.1 Cashflow statement and figure as these are not exactly the same due to capital creditors impact.

Kelvin Tori / Cr Ron Eason

That the Audit and Risk Committee:

1. Recommends to Council that the financial and performance statement be signed in principle subject to any changes recommended by the auditors.
2. That Councillor Eason and Councillor Ferrari be nominated to sign the financial and performance statements.

CARRIED

6.5. COUNCIL ASSET VALUATIONS

Author: Glenn Kallio, Manager Finance

This report deals with the valuation of Councils assets for the 2023/24 financial year. The asset valuations in question relate to:

- Council land and buildings
- Council infrastructure assets

As advised at the last audit and risk committee, Council assets would be indexed utilising the following methods:

1. Infrastructure assets – indexation would be based on the Australian Bureau of Statistics, Producer Price Indexes, Australia June 2024.

   The percentage movement for the 12 month period ending June 30 2024 are:

   - Road and bridge construction (Victoria) 2.81%
   - Other heavy and civil engineering construction (Australia) 3.48%

2. Land and buildings – indexation would be based on an index value provided by the Valuer General as at June 2024.

   The percentage movement for the 12 month period ending June 30 2024 are:

   - Buildings (Rural/Regional) 5.7%
   - Land

Valuer-General Victoria vacant land indexation factors for the Financial Year 01/07/2023 - 30/06/2024

Postcode	Locality	V/L RESIDENTIA	V/L COMMERCIAL	V/L INDUSTRIAL	ENGLOBO	RURAL
3352	ADDINGTON, BLOWHARD, BONSHAW, MITCHELL PARK, BUNKERS H	1.00	1.00	1.00	1.00	1.02
3373	BEAUFORT, CHUTE, CROSS ROADS, LAKE GOLDSMITH, LAKE WON	1.00	1.00	1.00	1.00	1.00
3384	CONCONGELLA, JOEL JOEL, JOEL SOUTH, LANDSBOROUGH WEST	1.00	1.00	1.00	0.98	1.00
3467	AVOCA	1.00	1.00	1.00	0.98	1.00
3468	AMPHITHEATRE, MOUNT LONARCH	1.00	1.00	1.00	0.98	1.00
3469	ELMHURST, GLENLOFTY, GLENLOGIE, GLENPATRICK, NOWHERE (	1.00	1.00	1.00	0.98	1.00
3478	DOOBOOBETIC, YAWONG HILLS, ST ARNAUD, MOONAMBEL, PERC	1.00	1.00	1.00	0.98	1.00
3465	MOONLIGHT FLAT, GOLDEN POINT, ADELAIDE LEAD, ALMA, BOWE	1.01	1.00	1.00	0.98	1.00

As the index figures for the 2023/24 financial year were less than10%, it was considered that the movements were not significant thus it was decided that the above assets would not be indexed for the preparation of the 2023/24 financial accounts.

Attachments:
Nil

COMMENTS:
Nil

Cr Ron Eason / Kelvin Tori

That the Audit and Risk Committee:

1. **Recommends to Council that Councils infrastructure assets not be indexed for the 2023/24 financial year.**

2. **Recommends to Council that Councils land and building assets not be indexed for the 2023/24 financial year.**

CARRIED

6.6. COMPLIANCE UPDATE

Author: Kathy Bramwell, Director Corporate and Community Services

Fraud:
There have been no identified instances of fraud since the last meeting of the Audit & Risk Committee.

Public Interest disclosures:
Council has not received a public interest disclosure since the last meeting of the Audit & Risk Committee.

Non-compliances:
Council has incurred no compliance breaches since the last meeting of the Audit & Risk Committee:

Compliance against ARC Workplan:
An updated ARC Workplan for 2024 is attached for information. 2024 has proven to be a difficult year for officers to accomplish all the tasks scheduled for presentation to the Committee, due to a variety of reasons including complex staffing issues, natural disaster management, and preparation for the general election. The following items have not been achieved so far during the year:

- Items 4 and 5 relate to the annual performance assessment of the Committee. This was not completed within the normal period due to management of the February 2024 fires and their aftermath. As these assessments have not been completed prior to the caretaker (election) period in 2024, it is recommended to the Committee that approval is given for these to be cancelled for this year and to recommence the schedule in early 2025.
- Item 17(a) Quality (Policy) Report was not provided in June but is provided at this meeting.
- Item 17(b) Procurement Policy was not reviewed by the scheduled date, but a draft is provided for feedback at this meeting.
- Item 17(c) Business Continuity framework review is in progress and will be provided in November.
- Item 17(d) Fraud & corruption annual compliance status report is delayed and will be provided in November.
- Item 18 relates to the the annual review of the strategic risk register. Because of issues already discussed, the review with Councillors, normally conducted around May of each year, did not take place and this will now be done in early 2025.

CEO Credit Card expenditure:

In the reporting period, purchases were made by the Chief Executive Officer as follows:

- June 2024 - $114.49 (fuel)
- July 2024 - $1,251.03 (travel and accommodation expenses)
- August 2024 - $45.38 (stationery)

Attachments:

1. ARC Workplan 2024 Update September 2024 [**6.6.1** - 3 pages]

(4.06pm - Ryan Schischka left the meeting.)

COMMENTS:

- Pg 16: item 18; Risk Register Review, might be best suited with the induction of a new council to be involved in the review of the risk register.
- The planned New Councillor induction program will include some work around strategic risk.

Brian Keane / Kelvin Tori

That the Audit and Risk Committee:

1. Notes the information provided in the Compliance Update, and

2. Approves the cancellation of the committee performance reviews by Committee Members and the Council and that these reviews recommence in early 2025.

CARRIED

6.7. GOVERNANCE RISK & COMPLIANCE REPORT

Author: Dean Miller – Manager Governance & Performance

1. METHODOLOGY FOR FUTURE REPORTS

As an advisory Committee of the Council, one of the primary objectives of the Audit and Risk Committee is to advise the Council and its officers on various aspects of Council's functions and operations. To that end, it is imperative that officers present meaningful reports to assist the Committee and Council in decision-making.

Previous reports to the Committee have been based on irregular reporting periods depending on the date of the Committee meeting. For example, the reporting period for the June 2024 meeting was 16 March 2024 to 13 June 2024. The practice of reporting information based on reporting periods that do not align with financial reporting periods is inefficient and prone to error. Furthermore, the practice does not allow advisors and decision-makers to easily compare information over time to identify patterns and trends and to assess organizational performance.

Accordingly, effective this financial year, most reports will align with financial years and financial quarters (July to September, October to December, January to March, and April to June) with minimal exceptions. Projects that straddle financial years such as disaster recovery activities, are more suited to 'Project to Date' reporting rather than financial 'Year to Date'.

One of the downsides resulting from this change is *timeliness.* For example, some information for the first quarter of the current financial year (July to September) is not included in this report because the meeting date, 24 September, is before the end of the quarter. To address this, quarterly reports will be emailed to committee members out of session, and ideally within two weeks of the end of each quarter. Any issues or patterns arising from these reports can be discussed at the next available committee meeting.

Examples of committee reports that will now be prepared on a quarterly basis include:

- Governance reports (FOI requests, complaints, infringement appeals);
- Employee turnover;
- Risk and OHS (number and types of employee injuries, WorkSafe claims, etc.)
- Insurance (number and types of insurance claims).

In addition to these changes, future reports will be more focused on identifying and analyzing trends and patterns that will assist the Committee to advise Council and ultimately improve decision-making, rather than simply providing data for the sake of it. The Manager Governance and Performance will work with other managers to achieve this.

2. PRIVACY AND DATA SECURITY

There have been no known data breaches for the financial year to date.

3. SERVICE REVIEWS

In 2023/24 two reviews were planned:

- Revisit of former reviews of Frontline Services. This was completed with a final report provided to Council in June 2024. The outcome of this review, and subsequent staffing issues, resulted in a disaggregation of the department into two separate functions, and a removal of the separate management position. The department has been split into:

- Customer Service team, based at the Beaufort Council Offices and incorporated into the Governance and Performance Department.
- Resource Centres (Libraries and Visitor Information), based at the Beaufort and Avoca Resource Centres and incorporated into the Community Wellbeing and Partnerships Department. This increases the alignment of the libraries with the community development team.

$200,000 funding has been received from the Living Libraries Fund to complete a project to modernise and improve library facilities over the next 18 months.

- A review of Aquatic Facilities Management by the Community Development Team to focus on a long-term strategy around the needs of the community and the life cycle of existing facilities. This review is in progress and will result in a long-term aquatic facilities strategy.

The program for 2024/25 includes a review of waste management to focus on continuing delivery of the State Government's circular economy intentions, which is underway; and a review of Early Years in the context of the State Government's Early Years Reform Program, which has not yet commenced.

4. COMPLIANCE

Nothing of note to report.

5. RISK MANAGEMENT

Risk Management Committee

The next meeting of the Risk Management Committee will be held on Thursday 19th September 2024. Important topics to be discussed at this meeting will be:

- Embedding Risk Management in everyday business activities;
- Draft Psychosocial Safety Management Framework; and
- Draft Procurement Policy review.

Feedback provided by the Committee at the June 2024 meeting regarding the draft Risk Management Framework and Plan has now been incorporated into the final draft. This has been reviewed and endorsed by ELT and the Risk Management Committee. It will be presented to the Council for adoption after the election period has ended. Officers wish to thank the Audit and Risk Committee for providing this vital input and ensuring that risk management plays a pivotal part in maintaining organizational integrity.

6. INSURANCE

Claims

Pleasingly, no insurance claims have been reported for the financial year so far.

A public liability claim that was brought against Council in relation to an incident in which a tree branch fell on a lady's head at Mount Lonarch has been withdrawn by the plaintiff. A trial date was set for 29 August 2024, and the estimate for the claim was $215k plus costs. At a mediation hearing on 7 August 2024, Council and its insurers rigorously defended the claim. The claim was withdrawn shortly after.

Council continues to defend another public liability claim in which a lady tripped on a spoon drain outside the Avoca Hotel. This claim is more complex and the plaintiff is seeking $2 million. Our insurer's estimate is $818k plus costs. Due to the complexity of the claim, it is difficult to assess

Council's likelihood of success. Mediation was not successful, and the trial date is scheduled for 26 November 2024.

Insurance Renewal 2024-25

The following commentary is extracted from a report that went to Council in July 2024. Due to timing constraints, Council was unable to approve the annual renewal program prior to the deadline, and Council ratified the $614k insurance program at the July 2024 Council meeting.

As part of good governance and mitigation of risk, Council annually purchases and maintains insurance as part of sharing risk for various lines including public liability, professional indemnity, property, crime, cyber security, travel, and motor vehicles.

In line with previous years, Council has maintained its relationships with the Municipal Association of Victoria (MAV) for liability and professional indemnity coverage through the Liability Mutual Scheme, and its risk advisor, JLT Public Sector.

The annual insurance program was successfully procured for another year, commencing 1 July 2024, at a total increase of 18.7% for the total program.

The largest percentage increase was for property protection, significantly impacted by the widespread flood event in October/November 2022.

Total insurance costs were almost 2.5% of Council's 2024/25 budgeted revenue, which is a high percentage for a financially constrained council like ours. Potential strategies to minimise future premiums and reduce this percentage will be discussed and reported back to the Council in late 2024.

The insurance lines held by Council for 2024/25 include:

• **Property** – renewal made with the JMAPP Discretionary Trust Program.

Council renewed its membership with the JMAPP Discretionary Trust program for 2024/25. This arrangement is not insurance but is authorised and classified by ASIC (Australian Securities and Investments Commission) as a managed investment scheme and mutual risk product.

The structure of JMAP is designed to reduce the reliance on the traditional insurance market using the managed Aggregate.

This program covers property located in Australia that is the responsibility of its members including Council's catalogue of artworks.

• **Public Liability and Professional Liability** – renewal made with the MAV's Liability Mutual.

Council renewed its membership with the MAV's Liability Mutual Insurance (LMI) Scheme. This scheme covers liability for personal injury and property loss arising through Council's actions or absence of action, plus professional indemnity against decisions made by Council officers.

• **Motor Vehicle Policy** – renewal made with Vero Insurance.

This policy provides fully comprehensive coverage for all registered motor vehicles, including heavy fleet vehicles, owned and operated by the Council.

• **Personal Accident Policy** – renewal made via Victor Underwriting with Chubb Insurance.

This policy provides coverage for Councillors, officers and volunteers working or engaged on behalf of the Council where that work is officially organised by and under the control of Council, except where such expenses are covered by Medicare.

Corporate Travel Policy – renewal made via Victor Underwriting with Chubb Insurance.

This policy provides coverage in respect of Council business provided such travel involves a destination 50km or more from the covered person's home or normal place of business.

• **Community Liability Pack Policy** – renewal made with QBE Insurance.

This policy provides coverage for:

a. Uninsured casual, ad-hoc and regular hirers of Council-owned or Controlled Facilities for activities conducted at and from the hired facility, provided hire occurs no more than 52 times per annum (per hirer).

b. Uninsured Council–run or Council–approved events or programs include performers, stallholders, artists, buskers, street stallholders, artists occupying studios, tutors, instructors and similar. Coverage includes the various activities of the insured whilst participating in an event or program organised by Council or an event or program organised by others where Council requires coverage.

c. Uninsured permit holders (liability coverage) including:

- Local trader permit holders for the placement of advertising boards and other merchandise on footpaths or areas deemed to be Council property under a permit issued by Council.
- Community garden permit holders – residents setting up and maintaining gardens on Council property including nature strips or planter boxes, under a permit issued by Council.

• **Cyber Liability Policy** – renewal made with a panel of insurers, led by Chubb Insurance.

Cyber-security is one of the highest rated risk concerns in 2024 and has potential impacts on other key risks including financial sustainability, business interruption, and statutory / regulatory requirements.

The cyber insurance market has seen the greatest volatility over the past few years and in the last 12 months the market has changed with new entrants and refined risk selection from insurers, including the introduction of co-insurance clauses for ransomware, shared computer system limitations, widespread events definitions along with premium and deductible increases.

• **Councillors' and Officers' Liability Policy** – renewal made with AXA XL.

This policy provides coverage for claims brought against Council or insured persons (Councillors and Council Officers). Changes in legislation reducing the coverage permissible for Councillors under investigation for misconduct may have contributed to premium easing for this policy.

7. HEALTH, SAFETY AND WELLBEING (HSW)

Councils newly elected HSW Committee met for the first time on 18 July 2024. Elected health and safety representatives have completed the required training to fulfil their role effectively. The HSW Committee has a new Charter and is comprised of a majority of employee representatives.

Injuries/Claims

The next quarterly report to the Audit and Risk Committee will include information about employee injuries and WorkSafe claims. For the financial year to date, a small number of injuries have occurred, but nothing of concern.

[redacted]

WorkSafe's agent for Pyrenees Shire Council, Gallagher Bassett, advises on its website that the average mental stress claim in Australia is $342k. Council is protected from further WorkSafe premium increases because we are already on the maximum rate, however these claims mean that we will continue to pay high premiums for a number of years to come.

[redacted]

Psychosocial risk is a growing area of concern for all employers, not just local government. Most Australian States have introduced legislative amendments governing this area of workers' compensation. Victoria is yet to undertake this reform however, it is clear that WorkSafe is already operating as if the reforms are in place.

A future report to the Committee will include information about Council's WorkSafe performance compared to previous years and industry averages.

Training

Scheduled Manual Handling training for all outdoor staff was completed on 11 September 2024.

8. EMERGENCY MANAGEMENT PLANNING

The *Emergency Management Act 2013* requires councils to appoint a Municipal Emergency Management Officer (MEMO). The key responsibilities of the MEMO are:

- Liaise with agencies in relation to emergency management activities for the municipal district, and
- Assist in the coordination of the emergency management activities for the Council.

At its meeting in August 2024, the Council appointed the Manager Governance and Performance as the MEMO. The role was previously held on a temporary basis by Council's Director Corporate and Community Services and is supported by two Deputy MEMOs.

Council's Municipal Emergency Management Planning Committee (MEMPC) recently concluded a review of the Pyrenees Shire Municipal Emergency Plan (MEMP) and supporting Pyrenees Shire Emergency Animal Welfare Sub-Plan. As part of this review, the MEMPC conducted self-assessment of the plans and submitted the final plans for evaluation and endorsement by the Grampians Regional Emergency Management Planning Committee. Endorsement has now been received and the MEMP has been published on Council's website.

9. EMERGENCY RECOVERY AND RESILIENCE

Council staff continue to support individuals, communities, businesses, primary producers following emergency events that have occurred over the last few years such as the 2019 Lexton Ben Major fire, October/November 2022 floods, and the February 2024 Bayindeen fire.

The following recovery activities, related to the recovery environments, may be of interest to the Audit and Risk Committee:

Social Recovery

- Residents / landowners impacted, in any way, are being supported and in some instances, case managed through outreach services in partnership with other recovery agencies. Insurance negotiations appear to be an impediment to timely recovery for some.
- Disaster Relief Australia (DRA) provided welcomed support in cleanup activities.
- Council is supporting community-led initiatives such as art classes to support healing, working dog session, farmer health checks, and support for 6 young farmers to undertake the Lifetime Ewe Management Course.
- Ballarat Community Health and Grampians Community Health now have staff engaged in the Community Resilience and Recovery Program. Council's Recovery Team are working closely with BCH/GCH staff to coordinate recovery activities.
- Health and wellbeing sessions with David Younger (disaster expert and clinical psychologist) were held in August for council staff to attend.
- Planning is underway to establish a community recovery network to coordinate community-led recovery. However, we have some very tired communities at present so network will be held off for the time being. Work is being done through the Community Development team to established strong partnerships with community groups to streamline support for future emergency events.
- The Stockyard Hill Wind Farm Fire Recovery Grants for residents to replace damaged water infrastructure, workshop tools & equipment and fencing have been very successful with $50,000 allocated to the grants. Council is working with Stockyard Hill Wind Farm to see if another amount of funding could be allocated.
- A network with community service groups such as Rotary, Apex has been established to coordinate direct assistance for residents.
- Resilience initiatives in partnership with Ballarat Community Health and the Pyrenees Community Centre are underway.

Built Recovery

- Fencing reinstatement lead by BlazeAid and LandMate is advancing well and welcomed support.
- Council's Bushfire Recovery Planning Program has been established to help local landowners through the planning process to rebuild after the fire.
- Council has received just over $2.8m in advance for $11.9m worth of **flood-**related expenses. To date we have spent approx. $4.3m on emergency/immediate reconstruction (CAT B) works and relief/recovery (CAT A&B) costs (no pre-approval required from the State Government). Nineteen claims under these categories have been submitted and seven have been approved so far. Claim reimbursements are offset against the advancement until the advancement is expended. Then Council will receive payments.

- Works to repair the remaining infrastructure has to be undertaken under the certified estimate category which requires pre-approval from the State Government. On the ground work has stopped since December 2023 until the approval is given for the remaining twenty packages of work. Approval has recently been given for four of those packages equating to $1.8m. Council has until June 2026 to complete works.
- Council has submitted a claim under the certified estimate category to repair the guardrail and signage that was damaged by the fire. This cost is just over $250k.
- Council has received a welcomed $330k for 'betterment' so that some infrastructure can be rebuilt in a better condition following the floods that makes the asset more resilient to future disasters. It appears that Council has to contribute 5% of the betterment cost for each package of work that has betterment associated with it.

Natural Recovery

- The removal of hazardous roadside trees following the fire has been the biggest expense and area of focus / attention for officers in the months following the fires. The focus is to make roads safe for public access.
- Approximately 45km of roadsides managed by PSC have been impacted. A methodology for assessing and removing hazardous trees was developed and implemented based on advice from qualified arborists. The first stage works is approximately 75% complete at a cost of approximately $2M.
- There continues to be significant community / resident concern with the extent of tree removal which has required a lot of resource and effort in communication, engagement, and media. Adjustments to the program have been made, where appropriate.
- A legal challenge through VCAT has commenced instigated by a couple of residents. It has been necessary to engage legal support to assist in negotiating an outcome / agreement on remaining works.
- Council has received an advance of $1m for **fire-**related costs. To date we have spent just over $2m mainly on arborists for the tree works. Reimbursement of some of these costs are eligible under the DRFA and other funds such as the Council Support Fund though the CSF hasn't been announced for fire-related expenses yet. So far nine claims have been submitted for DRFA approval under CAT A&B (relief/recovery), CAT B (emergency) works and one under the certified estimate category for fire related expenses. Claims are starting to be assessed with one claim approved so far.
- Regular meetings with DEECA have commenced to coordinate recovery efforts on private and public land.

Economic Recovery

- Recovery staff have been supporting businesses to apply for recovery grants, promotion and education and skills training.
- A marketing campaign to bring visitors to the municipality is underway.
- Ongoing support, in partnership with recovery organisations, is provided to primary producers with grants, fencing, stockfeed, education on farming business etc.
- We are continuing to work closely with the DTP assessors and within the DRFA funding guidelines to the ensure as much as possible can be reimbursed for emergency related expenses. This includes submitting a large amount of evidence such as photos, maintenance reports etc. There are activities that are not claimable, and representations have been made to the Premier and through various agencies for further gap funding support. Some of the gaps can be funded under the

Council Support Fund but even with the gap funding, there will likely be ineligible activities such as costs associated with legal advice for the hazardous tree works.

- Not all elements in the claims will be approved for payment and Council is expected to share some of the costs. At this stage we don't know what the actual total approved amount will be until the State has completed the claim assessments. What we do know is that Council will be out of pocket for expenses related to these emergencies.

Council Support Fund

Council received $500k from the Council Support Fund shortly after the 2022 floods. Expenditure that isn't claimable under the DRFA may be claimed under the CFSF. This funding stream hasn't been announced for fire related expenses yet and the value of the support is unknown.

Other Funding

Council has received funding for recovery staff and also recovery initiatives following the floods, though these funding sources won't be topped up after the fires. We have engaged project managers to complete the flood and fire repairs and these costs are covered by DRFA.

Summary

Widespread damage has occurred to public and private assets and the environment. Substantial personal hardship is being suffered by individuals, community groups, farmers and businesses as a result of the consecutive, concurrent and compounding emergency events over the last 12 years (floods 2011, 2016, 2022, fires in 2019 and 2024, COVID 2020-2023). Council faces significant financial risk if the recovery effort is not managed well and without ongoing support from the Commonwealth and State. Staff are working tirelessly to support the community in its recovery (in partnership with other recovery organisations), continuing to advocate for ongoing funding, and preparing as best we can for the next event(s). Feedback received from community are that they are very appreciative of the support that is being provided but there is still a lot of work to do to ensure the community and Council recovers well.

10. QUALITY FRAMEWORK – POLICIES AND PROCEDURES

Please refer to Attachment 6.9.1

Attachments:

1. Policy and Procedure Review Report [**6.7.1** - 6 pages]

COMMENTS:

- Thank you for the comprehensive insurance information.
- Total insurance cost of $614K from prev year with 19.7% increase.
- Public liability excess increased.
- Defending a number of claims currently.
- The premium increase is partially due to insured value review of council assets.
- There are a cluster of insured buildings that are not council buildings and responsibility for these are in discussion for the last year or two.

Cr Ron Eason / Brian Keane

That the Audit and Risk Committee note the information contained in this report.

CARRIED

6.8. INTERNAL AUDIT

Presenter: Brad Ead / Kate Scarce – Internal Auditor, AFS & Associates

The Council's Internal Audit Provider will lead a discussion on completed internal audit reviews and other matters of interest.

INTERNAL AUDIT REVIEW – Purchasing Cards 2024
An internal audit of Council's Purchasing Cards processes and controls was conducted in May 2024. The review found five areas of strength and three risk areas assessed as minor and for which corrective recommendations were made.

INTERNAL AUDIT REVIEW – Human Resources 2024
An internal audit of Council's human resources functions associated with recruitment procedures and related matters was conducted in July 2024. The review found seven areas of strength and three risk areas assessed as minor and for which corrective recommendations were made.

INTERNAL AUDIT PROGRAM PROGRESS UPDATE
The Strategic Internal Audit Program status update is provided for Committee information.

RECENT REPORTS AND PUBLICATIONS OF INTEREST TO COUNCILS
An update of recent reports and publications of interest to local government is provided for Committee information.

Items of specific interest will be brought to the attention of Committee Members at the meeting.

Attachments:
1. 2024-02 Purchasing Cards FINAL [**6.8.1** - 27 pages]
2. 2024-03 Human Resources FINAL [**6.8.2** - 21 pages]
3. Status Update 24.09.24 [**6.8.3** - 2 pages]
4. Industry Update 24.09.24 [**6.8.4** - 6 pages]

(4.14pm - Kelvin Tori left the meeting.)

COMMENTS:
<u>Purchasing Cards</u>
- Quite comforted by the report, the outcome was positive.
- Thorough report and analysis of the transactions was appreciated.
- Thank you for the stats really useful information for management.

<u>HR Risk Management</u>
- The outcome of the audit is very positive and particularly pleasing to see most if not all of the recommendations were tested with positive outcomes.
- Exit interviews, there is opportunity to be more insistent and it may be as simple as providing other avenues for exiting employees to provide feedback.
- The psychological safety framework involves more frequent monitoring and capturing data on a regular basis rather than annually or at exit. Providing more opportunity to intervene,

rather than when the time has passed by the time exit is happening, proposing this framework for frequency of feedback.

Internal Audit Progress Update

- Next batch of work in March.
- Proposed scopes for next Audit & Risk Committee meeting with third year added to 2027.
- Natural disaster costs incurred article re; financial sustainability of council, committee acknowledge that councils on the whole are good at managing money.
- No current policy around AI and the use of ChatGPT and alike but open to doing that. At this stage we are keeping an eye out on where AI is being used and the savings and efficiencies that are gained.
- Cyber security training across the organisation has provided a knowledge base.

Cr Damian Ferrari / Brian Keane

That the Audit and Risk Committee receives the attached reports and notes the information and associated discussion as presented.

CARRIED

6.9. PROCUREMENT POLICY

Author: Kathy Bramwell, Director Corporate and Community Services

A major review of Council's Procurement Policy was conducted in September, with improvements based on the MAV *Best Practice Procurement Guidelines for Local Government 2024.*

The draft revision was put forward to key staff and members of the Risk Management Committee for discussion and feedback, including key staff responsible for procurement within the organisation.

The attached draft policy is the version circulated for feedback, including questions which may stimulate discussion also with members of the Audit & Risk Committee, before finalising with feedback towards the end of September. The final draft policy will be ready for approval by the Council in November, following the general election.

Changes made to the policy include:

- Section 1.2 New section inserted providing an overview of the Procurement Cycle
- Section 4.1 A review of the principles was conducted, strengthening the principles but no fundamental change in content or intent
- Section 4.1(f) Request for feedback on potential change in local benefit criteria weighting from 10% to more.
- Section 5.0 No change was made to procurement thresholds
- Section 5.3 Proposed change in aggregate spend control monitoring from 1 year to 3 year period
- Section 5.4 Strengthened content on contract variations
- Section 5.5 Input an explanation of the insurance application
- Section 5.9 New section input on use of procurement agents
- Section 6.0 Strengthened parts within the Ethics and Probity section
- 8.6 New section inserted on contracts aggregation benefits and length of contracts
- 9.0 New section inserted on breaches
- 12.0 Updated definitions / glossary

This policy is supported by the following documents:

- Procurement via Tender Procedure
- Procurement via Purchase Order Procedure
- Preferred Supplier Listing Procedure
- Guidelines – The Procurement Cycle
- Fraud & Corruption Framework
- Acceptance of Gifts Policy
- Conflicts of Interest Procedure
- Project Management Framework
- Project Risk Management Guidelines
- Risk Management Framework

More detailed guidance documents around contract and project management are under development but will also support this policy in the near future.

Attachments:

1. Procurement Policy 2024 DRAFT [**6.9.1** - 32 pages]

COMMENTS:

- The increase in local content weighting is supported.
- 6.16.2 internal controls wording of 'should' suggests this is optional, amend to 'must' for clarity not required as the policy aligns with the financial delegation controls.
- Probity advisor appointment for complex procurement is there to ensure a level of confidence to a funding body that the process has been used to secure the best value outcome in high value or complex procurement.

Brian Keane / Cr Damian Ferrari

That the Audit and Risk Committee note the revised draft procurement policy 2024 and provide feedback where considered appropriate.

CARRIED

6.10. ANNUAL REPORT 2024

Author: Kathy Bramwell, Director Corporate and Community Services

Section 100 of the Local Government Act 2020 requires the Council to receive an annual report each year, presented by the Mayor.

In 2024, as the timing for presentation of the Annual Report is within the local government general election caretaker period, a no-frills pdf version of the annual report has been developed for presentation by the Mayor within the prescribed period. Care has been taken not to include any material within this version that could be considered electioneering on behalf of existing Councillors. A copy of this is provided to the Audit & Risk Committee through this report.

The Annual Report 2024 will be presented on behalf of the Mayor at a Special Meeting of Council scheduled for 6.00 pm on Tuesday 24 September 2024.

A full version of the Annual Report 2024 will be developed and published after the election. When available, a copy of this will be sent to members of the Committee.

The initial pdf version of the Annual Report 2024 contains all mandatory components of an annual report, including financial and performance statements, and fulfils the Council's statutory obligations in this regard.

Attachments:
1. PSC Annual Report election period V 1 [**6.10.1** - 111 pages]

COMMENTS:
- Due to the election period this is slightly different version with the purpose to meeting statutory reporting responsibilities with a view to completing a version celebrating achievements in a subsequent report.

Cr Ron Eason / Brian Keane

That the Audit and Risk Committee accepts the pdf version of the Pyrenees Shire Council Annual Report 2024.

CARRIED

7. GENERAL BUSINESS

Nil

8. OPPORTUNITY FOR CLOSED DISCUSSION

Author: Rod Poxon - Chairperson

The Chairperson asks all members of the Audit & Risk Committee if they would like to discuss any matter in closed session with internal or external auditors.

The Chairperson asks internal and external audit representatives present if they would like to discuss any matter in closed session with Audit & Risk Committee members.

Attachments:
Nil

Brian Keane / Cr Ron Eason

That the invitation is declined.

CARRIED

9. CLOSE OF MEETING

Next meeting of the Audit and Risk Committee will be held at 3.00pm on Wednesday 27 November 2024 (M014).

Audit & Risk Committee Meeting 24 September 2024 - M013 closed at 4:47 pm.

Reviewed and signed by the Chairperson:

_____

Mr Rod Poxon, Chairperson
Date: