

2021/22

SOUTHERN
GRAMPIANS
SHIRE COUNCIL

ANNUAL REPORT



Southern Grampians
SHIRE COUNCIL





ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Southern Grampians Shire Council acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Gunditjmara, Tjap Wurrung and Bunganditj people, the traditional custodians of the lands where we live and work. We pay our respects to ancestors and Elders, past, present and emerging. Southern Grampians Shire Council is committed to honouring Australian Aboriginal and Torres Strait Islander people's unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.





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ABOUT THIS REPORT

Southern Grampians Shire Council is pleased to present the 2021/22 Annual Report to our community. This report provides a comprehensive account of Council's achievements for the past year, together with challenges and aspirations for the future.

It details our performance against our commitments as set out in the Council Plan 2021-25 and provides an analysis of our financial performance. This report also demonstrates the breadth of our operations and the diversity of services delivered on a daily basis to the Southern Grampians community.

We hope you enjoy reading about the journey of Southern Grampians Shire across 2021/22.

WHERE TO GET A COPY

To obtain a hardcopy of the Annual Report, please contact Council's Brown Street Customer Service Centre on the details below.

The content of the Annual Report is reviewed each year and your feedback is invited and can be completed via email to council@sthgrampians.vic.gov.au or by a letter addressed to:

Chief Executive Officer
Southern Grampians Shire Council
Locked Bag 685, Hamilton VIC 3300

COUNCIL OFFICES

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Hamilton VIC 3000






SHIRE PROFILE

SOUTHERN GRAMPIANS

Southern Grampians Shire was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton.

With a landscape dominated by the spectacular Grampians mountain range, ancient volcanoes, tranquil rivers and waterfalls, and undulating pastoral land dotted with majestic red gums, the Southern Grampians spans the heart of Victoria's renowned 'Western District'. The Shire is located 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

With a population of approximately 16,500, Southern Grampians covers an area of 6,652 square kilometres. Hamilton is the main retail and service centre supported by the smaller townships of Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst and Tarrington.



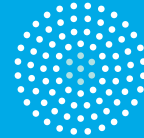
Agriculture, with its associated industries, is the largest employment sector with this intensive agricultural production contributing significantly to the Victorian and Australian economies. Processing, manufacturing, research and development, engineering, retail, tourism, aged and health care services and education are also important employment sectors across the Shire.

The Southern Grampians Shire has a strong sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire municipality and Council will continue to encourage and acknowledge the community interest in the development of our Shire.

OUR SHIRE



Estimated resident population – **16,588**



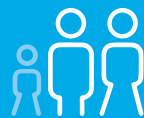
Population density per person per square km – **2.48**



Land area – **6,652km²**



Unemployment rate – **3.8%**



Average household **2.2 people**



Average weekly household income **\$1,261**



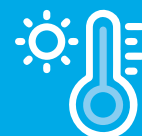
Rateable properties **11,172**



Average annual rainfall (Hamilton) **616.8mm**



Average min temperature (Hamilton) **7.7°C**



Average max temperature (Hamilton) **19.2°C**

(Sources: 2021 census, Bureau of Meteorology, Small Area Labour Markets publication.)

OUR COUNCIL



Vision

That Southern Grampians Shire will be recognised as a well-connected, dynamic regional centre, supporting a vibrant, healthy and inclusive community.

Values

Innovative

We will be open to new ideas, will welcome creativity and embrace change.

Respectful

We will be caring, accept differences and value diversity.

Collaborative

Together we will work smarter to achieve agreed common goals.

Trusting

We will be open, honest and brave.

Empowering

We will delegate opportunities, and develop and inspire success.

OUR SERVICES



FOR EVERY \$100 of RATES, this is where it goes:

- + Planning and Environment - **\$0.63**
- + Community Services and Development - **\$7.96**
- + Capital Works - **\$37.76**
- + Waste Services - **\$5.03**
- + Governance and Corporate Services - **\$6.29**
- + Business Enterprises - **\$2.33**
- + Leisure Services - **\$8.39**
- + Economic Development and Tourism - **\$1.15**
- + Regulatory Services - **\$3.65**
- + Infrastructure and Emergency Management - **\$22.31**
- + Cultural Services - **\$4.50**

Council is responsible for delivering more than 70 services to the Southern Grampians community. This includes everything from family and children's services, recreation management, community facilities, waste management, roads management and community buildings; to business development, planning for appropriate asset management, major infrastructure projects and ensuring accountability for Council's budget.

As well as implementing various Commonwealth and State Government programs, Council also provides a range of discretionary services in response to local community needs.

In order to best use limited resources to provide effective local government and services for the community, Council undertakes extensive strategic planning across all areas of service delivery. The result is a multitude of plans and strategies, usually prepared in consultation with the community.

Some are required by legislation or a funding agreement, others are initiatives of Council. These might have quite different purposes or subjects, for example, focusing on a population group such as cultural diversity, positive ageing or youth plan, or focusing on specific services such as leisure, recreation or economic development.

This broad range of community services and infrastructure for residents, supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan, Annual Budget, Long-Term Financial Plan and the Asset Plan which is reported upon in this document.

A snapshot of the services provided by Council and their costs are shown above.



MAYOR'S REPORT

Once again, as a community we have faced the difficulties and complexities of the COVID pandemic, but we continue to innovate and find new ways to stay connected and keep one another safe. The 2021/22 financial year has thrown more challenges our way as we learn to live COVID "normal", and also to regain confidence that we will, in the not-so-distant future, tell stories about what it was like to live through a once-in-a-lifetime pandemic.

The past 12 months has provided us with an important opportunity to reflect and celebrate the many achievements we, as a community and as a Council, have attained. I am particularly proud of the development of a number of key strategic plans that not only provide the ground work but will over the course of the next few years really translate into tangible outcomes for our community. This has included the finalisation of the Council Plan 2021 – 2025, SG2041 Community Vision Framework,

the Community Public Health and Wellbeing Plan 2021 – 2025, Greater Hamilton Volcanic Trails Masterplan, Long-Term Financial Plan and Asset Plan. Council also commenced community consultation on the Lakes Edge Masterplan, the Arts and Culture Strategy, Hamilton Moves Transport Project, Small Towns Strategy and Rural Land Use Strategy. We have worked closely with our community to ensure that all of our plans and strategies have been shaped for, and by, our residents. These documents provide Council with vital direction and focus for the future sustainability of our region and long-term targets.

I am proud of the work all staff have undertaken facing challenging obstacles and working in a hybrid virtual environment. Council completed a number of key larger scale projects including the Pedrina Park Inclusive Sports Hub, made substantial improvements to the welfare of animals housed at the Hamilton Pound, and launched the sale for industrial land at the Hamilton Business Park. For the very first time our local Gunditjmara elder, Johnny Lovett, gave a welcome to country in the Hamilton Art Gallery, and our community continues to become more inclusive with the launch of the Southern Grampians YUMCHA



group to support our LGBTQIA+ residents. We were privileged to host the renowned artist Patricia Piccinini's Skywhales in Dunkeld; and worked with Rotary and schools across the region for Clean Up Australia Day. We also hosted the hugely anticipated DigiHub and Greater Hamilton Esports Cup and extended the CCTV rollout to improve safety for all residents. A huge amount of work has gone into these projects, so I congratulate the staff for their enthusiasm and professionalism in undertaking these for our community.

We welcomed 12 new citizens in citizenship ceremonies from countries including United States, Philippines, Germany, United Kingdom, Myanmar, India, Thailand and Czechoslovakia. We were also privileged to award 14 residents with Australia Day awards for outstanding achievements within Southern Grampians Community to those who exemplify what it means to actively contribute to those within our region.

Council welcomed Tony Doyle as the newly appointed CEO. Seeing Tony transition from interim to a long-term position has really highlighted his dedication to the Southern Grampians region. Our Executive Team and Councillors are committed to our advocacy on vital projects outlined in our Community Investment Plan. This advocacy plan clearly states our expectation of the State and Federal Governments to see our fair share of funding for

critical community infrastructure and services. We must see an improvement in our public transport connections, and funding for digital connectivity and Digital Hub. We will continue to push for equitable funding opportunities for residents that benefit the Southern Grampians for years to come.

I would like to thank our Councillors, CEO, and staff who have worked together with a shared commitment to navigate the ongoing pandemic challenges and to serve the Southern Grampians community.

Finally, thank you to our community for supporting our local businesses and importantly for supporting one another. As we face adversity, our region will continue to build and remain strong for future generations of Southern Grampians residents.



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Mayor

CEO'S REPORT

I started with the Southern Grampians in an interim capacity and instantly found enduring connections with the beautiful landscape and resilient people that make it such a welcoming place to be for the long-term. I have been privileged to be provided with a five year contract to lead the Southern Grampians Shire Council organisation, which I see as a real vote of confidence in the shared ability we have across all directorates to best serve our community.

This year, no doubt, has thrown us numerous challenges from workforce and supply shortage issues, lockdowns, financial pressures, and everything that comes with it. But with those trials has come immense opportunity to review our processes to encourage best practice and strive for efficiencies where attainable.

An important piece of work I'm incredibly proud of is our Community Investment Plan, which outlines the key advocacy priorities we, as a Council, push for at State and Federal funding level for the ongoing sustainability and also future liveability of our region. Projects outlined include improving public transport connections, the revitalisation of Hamilton CBD, closing the gap for missing footpaths and trails, West Grampians Water Pipeline, Penshurst Sewer Project, Hamilton Botanic Gardens Play Space, new Hamilton Gallery, Hamilton Digital Hub, and Hamilton Hospital and Police Station redevelopments. This document and the efforts of Councillors, Executive and staff, has highlighted the need for continued hard work and collaboration between Council and Governments to help overcome significant gaps in service that ultimately create disadvantage in our communities. The desired outcomes for this work are not achieved overnight, so I am looking forward to progressing these visions over the coming years for the people of the Southern Grampians.

The past 12 months continued to be a time of innovation and navigation around pandemic challenges. We were lucky enough at the start of 2022 to return some of our face-to-face engagement opportunities, including our successful Community Listening Posts. With the schedule for all townships continuing into the next financial year, we have been thrilled to be able to get back out to our community members to have a chat about township ideas and issues. We also continued some of the pandemic-introduced engagement methods including the livestreaming of Council meetings and inclusion of online engagement and mapping tools via the Council website. I know continued effective communication and engagement with our oldest to our youngest residents is an invaluable resource that will ensure our Council remains in touch with community sentiment now and into the future. I believe this is reflected in the numerous Council plans, strategies and visions developed from those contributions and feedback.

The 2021/22 Budget saw significant investment of \$22 million directed into roads, bridges, footpaths and associated infrastructure including the Hamilton Business Park, Cox Street redevelopment project, and Pedrina Park upgrades. This was the first budget for the current Council and provided tangible targets and direction for immediate works, with the Long-Term Financial Plan outlining scope for future expenditure to support the longevity of the organisation.

Finally, I would like to acknowledge the outstanding efforts and commitment from our staff, our Councillors and community. Together, we have been able to deliver some great outcomes so I thank all Councillors for their commitment and for their community leadership. It is a pleasure to present the 2021/22 Annual Report and to share with you some of the outstanding achievements from the past 12 months. I encourage you to read through the document, take stock of the highlights and completed projects, and join us in reflecting on what has been another hugely productive year.



A stylized, handwritten signature in black ink, appearing to read 'Tony Doyle'.

Tony Doyle
CEO

FAST FACTS



84,555 – Visits to shire aquatic facilities



156 – Number of animals reclaimed or rehomed



1,691 – Active library borrowers



21,394 – Items in the library collection



170 – Planning applications received



996 – Animal management requests received by local laws



70 – Number of services provided to our community



183 – Number of infants enrolled in Maternal Child Health service



6,344 – Kerbside Garbage collection bins



158,739 – Square metres of sealed local roads reconstructed



299,233 – Square metres of sealed local roads resealed



5,055 – hours worked by MCH Nurses



3,982 – Tonnes of recyclables and green organics collected from Kerbside bins



1,025,557 – sheep and lambs sold at Hamilton Regional Livestock Exchange



19,449 – cattle sold at Hamilton Regional Livestock Exchange



YEAR AT A GLANCE

Southern Grampians Shire Council's performance reporting is based on five Strategic Objectives that are outlined in the Southern Grampians Shire Council Plan 2021-2025. Each Strategic Objective has a set of strategies that we want to achieve and outlines how we will achieve them, which guides our actions during the year.

These highlights contain a snapshot of our performance for the year for each Strategic Objective with more detailed information from pages 47 to 74. The Southern Grampians Shire Council Plan 2021-2025 is available from our website www.sthgrampians.vic.gov.au

Strategic Objective One:

SUPPORT OUR COMMUNITY

An empowered community that is healthy, inclusive and connected.

Highlights

- + Improved safety across Southern Grampians with installation of 10 new CCTV cameras in phase two of the Smart Community Framework and Roadmap as part of a joint project with Victoria Police.
- + Welcomed 12 new citizens in citizenship ceremonies from countries including United States, Philippines, Germany, United Kingdom, Myanmar, India, Thailand and Czechoslovakia.
- + Awarded 14 recipients with Australia Day awards for outstanding achievements within Southern Grampians community.
- + Provided alternative youth opportunities; hosted the inaugural Southern Grampians AEL Esports cup and the rescheduled 2021 DigiHub; the Southern Grampians Summer Days Pool Party; an IDAHOBIT Day event and launched the Southern Grampians YUMCHA group.



- + Provided Southern Grampians residents a unique exhibition through the Hamilton Gallery with renowned artist Patricia Piccinini's Skywhales launched from the Grampians National Park in Dunkeld.
- + Offered sold out School Holiday programs across multiple Council services including the Greater Hamilton Library, Hamilton Gallery, and Hamilton Performing Arts Centre.
- + Supported Southern Grampians volunteers with an online campaign to highlight their work via National Volunteer Week.
- + Provided support to Southern Grampians families via Maternal Child Health services, providing advice and care to 183 infants born in 2021/22.
- + Recommended Southern Grampians Shire Council Community Listening Posts for face-to-face township meetings reaching Dunkeld and Glenthompson in the 2021/22 financial year with remaining townships scheduled during the second part of 2022.
- + Hosted the 2022 New Residents Function with over 80 people attending the event to reconnect and meet new faces.
- + Celebrated National Reconciliation Week with a special performance at the Hamilton Performing Arts Centre by musician Kutcher Edwards.
- + Delivered approximately \$195,000 in funding to community groups through our Greater Grants program contributing to community projects.

Strategic Objective Two:

GROW OUR REGIONAL ECONOMY

A growing and diverse local and regional economy that supports our local businesses.

Highlights

- + Continued the Proudly Shop Local Campaign offering community members the chance to win \$500 vouchers supported by Hamilton Regional Business Association (HRBA). Over 1,000 entries were collected for the mid-year 2022 campaign.
- + Continued the Greater Hamilton Click for Christmas shop local and win campaign with prizes of \$2,000 and \$5,000 awarded to shoppers to spend locally.
- + Launched the sale of the Hamilton Business Park for prospective investors to secure opportunities in the Southern Grampians.
- + Offered 36 online, four face-to-face business workshops, and two Visit Small Business Bus opportunities to help local businesses adapt throughout the pandemic.
- + Hosted the 11th Annual Greater Hamilton Events Forum with over 80 participants in attendance via the "Regional Recovery Fund" to offer a total of \$35,000 in grants to community event organisers.
- + Installed temporary parklets as funded by the State Government's Outdoor Dining and Activation Program and Federal Government.

YEAR AT A GLANCE CONT.

- + Installed accessibility friendly tables and chairs, wireless chargers and year-round umbrellas with lighting to achieve outdoor spaces from the State Government Outdoor Activation Fund.
 - + Finalised and adopted the Greater Hamilton Volcanic Trail Masterplan.
 - + Reached 42,000 visitors via the Visit Greater Hamilton website.
 - + Commenced work on the Dunkeld Visitor Hub with construction of pedestrian refuge and upgraded public lighting.
 - + Completed detailed design for the Penshurst Volcanoes Discovery Centre upgrade.
 - + Completed the Pedrina Park Inclusive Sports Hub Pavilion using \$500,000 funding from Sports and Recreation Victoria's Local Sports Infrastructure Fund and an approximately \$900,000 contribution from Council.
 - + Commenced the redevelopment of the Pedrina Park Netball Courts thanks to \$1,746,721 in funding from the Federal Government Local Roads and Community Infrastructure.
 - + Completed the refurbishment of the Lake Hamilton toilet and shower facilities, ensuring disability compliance.
 - + Progressed the designs for the development of the Melville Oval sports precinct.
 - + Installed the Hamilton Regional Livestock Exchange (HRLX) underpass under Portland Road.
 - + Installed the roof over the exercise yard at the Hamilton Pound.
 - + Upgraded the Coleraine Turnbull Street Hockey and Tennis complex lighting including six new poles to meet regional club level standards. Project was largely funded from the 2016 flood insurance.
 - + Replaced culvert at Jackson's Road, Yulecart.
- Strategic Objective Three:**
- MAINTAIN AND RENEW OUR INFRASTRUCTURE**
- Provide access to a high-quality built environment and infrastructure that meets community needs.
- Highlights**
- + Completed the Capital Works program for roads on time and on budget.
 - + Commenced the CBD Revitalisation Stage One – Cox Street Redevelopment project.



Strategic Objective Four:

PROTECT OUR NATURAL ENVIRONMENT

Act as community leaders to promote and enhance a clean, green and sustainable environment.

Highlights

- + Adopted the design for the intergenerational Children's Garden and Community Precinct Hamilton Botanic Gardens.
- + Completed significant maintenance, revegetation and weed control across the Grange Burn, and other locations around the Southern Grampians including removal of weedy trees along Terrill Drive, Hamilton.
- + Supported Glenelg Hopkins Catchment Management Authority with the installation of Platycam which is the only known camera capturing platypus in the wild.
- + Removed pine trees at the Wannan Reserve and held community working events to support the ongoing removal of hedge wattle and burgan with the Country Fire Authority (CFA).
- + Progressed advocacy work for the Penshurst Wastewater solution project.
- + Worked with Rotary Club of Hamilton and schools to undertake significant rubbish collection as part of Clean Up Australia Day around Southern Grampians.



Strategic Objective Five:

PROVIDE STRONG GOVERNANCE AND LEADERSHIP

Strong Leadership, good governance and effective service delivery.

Highlights

- + Continued to livestream Council meetings, to enable community participation and engagement.
- + Developed the Community Investment Plan outlining key advocacy priorities including public transport connections, Hamilton Botanic Gardens Playspace, New Hamilton Gallery, Hamilton Digital Hub, Volcanic Trails Masterplan, Penshurst Sewer project and more.
- + Purchased the former Walkers Mitre 10 building on Lonsdale Street Hamilton to secure future investment opportunities.
- + Continued key advocacy work in relation to finding solutions and addressing housing shortages for key workers.
- + Commenced development for a Rural Land Use Strategy (RLUS) for future sustainability for land use in Southern Grampians.
- + Adopted the 2021-25 Council Plan, 2021/22 Budget, 2041 SGSC Vision Framework, Community Public Health and Wellbeing Plan.



YEAR AT A GLANCE CONT.

Challenges Of The Year

- + New Gallery project.
- + Transition from Aged and Disability Services.
- + Cox Street Redevelopment Project rescope and delivery.
- + Continuation of service delivery, business and community support throughout COVID-19 lockdowns
- + Sales of the Hamilton Business Park land allotments.

Future Outlook

- + Progress the new Hamilton Art Gallery project.
- + Build effective partnerships with First Nations.
- + Deliver on the CBD revitalisation plan by commencement of the Cox Street redevelopment.
- + Deliver the Local Roads and Community Infrastructure Program.
- + Complete detailed design of Melville Oval CBD project.
- + Continue Advocacy and Partnership Priorities and implementation approach.

Economic Factors

There are a number of issues facing Council which present an ongoing challenge.

Some of the key issues include:

- + Continued impacts of COVID-19 including project and service delivery.
- + Capped rates impacting on Council's ability to fund service delivery and capital works.
- + Ensuring the network of roads, footpaths, bridges and drainage are maintained and renewed into the future and the particular challenge associated with the large number of kilometres of local roads, and age of bridge structures to maintain.
- + The need for significant investment in ageing aquatic infrastructure to meet the expectations of the community, with many outdoor pools built more than 50 years ago.
- + The ability to attract and retain staff with the skills and qualifications required to service our communities.
- + Projects delayed due to increased lead time for trades, supply issues and increased costs.

FINANCIAL SUMMARY



FINANCIAL RESULTS AT A GLANCE

- + Operating Expenditure - **\$46.913 million**
- + Capital Works Program Delivered - **\$15.118 million**
- + Rates and Charges - **\$22.085 million**
- + Operating surplus - **\$2.006 million**
- + Net Funds Available - **\$13.451 million**
- + Working Capital - **\$2.53 of current assets for every \$1.00 of current liabilities**
- + Debt decrease of **\$0.530 from \$2.914 million to \$2.384 million**

INTRODUCTION

The Council Plan 2021-25 outlines how Council's key objectives will be resourced.

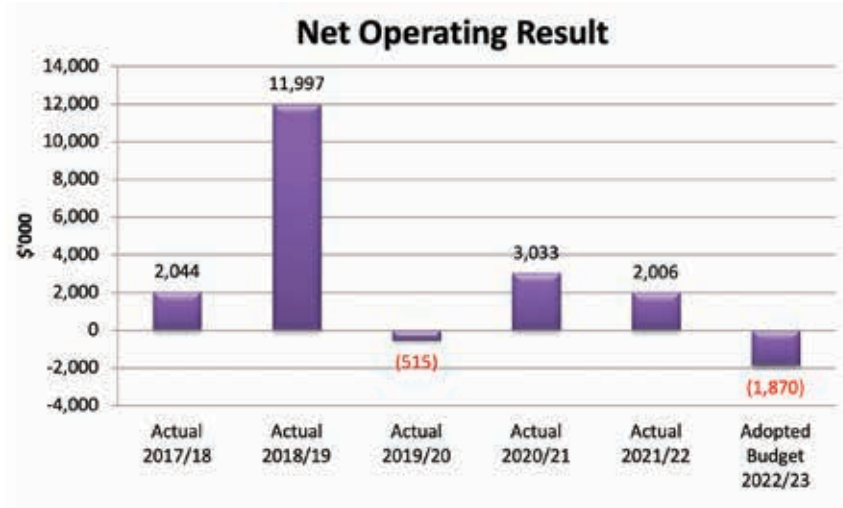
The key objectives of this Plan are:

- + Maintain the existing range and level of service provision and improve the understanding of the range and levels of service provided.
- + Maintain a viable cash position, ensuring Council remains financially sustainable in the long-term.
- + Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income within the 10 year timeframe of the long term financial plan.
- + Maintain debt at a low to moderate level to allow capacity to fund future infrastructure.
- + Continue to pursue grant funding for strategic projects from the State and Federal government.
- + Provide for rate increases that work towards reaching a funding level for renewal demand being invested at 100 percent.



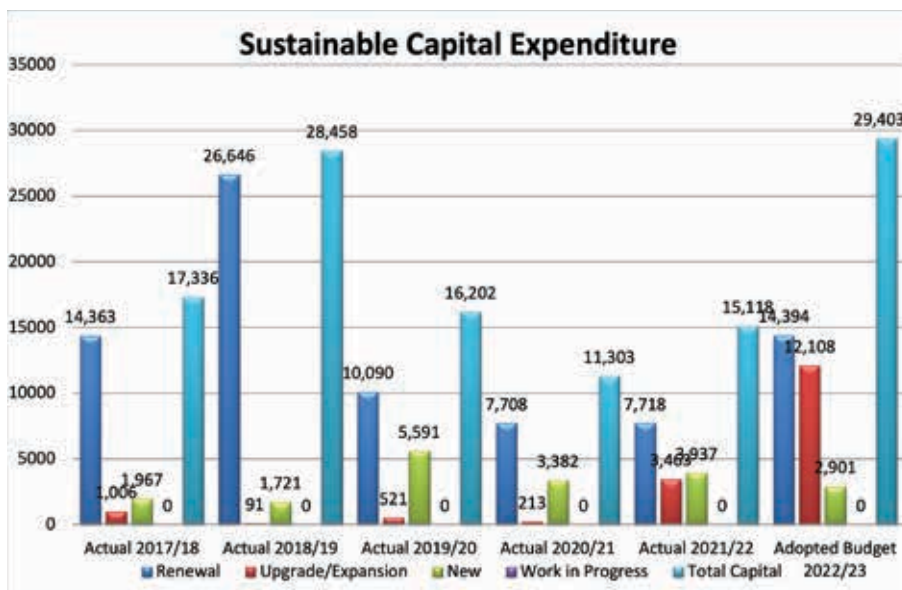
NET OPERATING RESULT

The operating surplus in 2021/22 was \$2.006 million compared to a budgeted deficit of \$2.234 million. This result is mainly due to increased grant revenue of \$5.584m (\$6.32m of Financial Assistance Grants paid in late 2021/22 for the 2022/23 financial year). These pre-paid grant amounts will impact the adopted budget and continual monitoring and forecasting will be required to maintain Council in a break-even (or modest surplus) situation into the future.



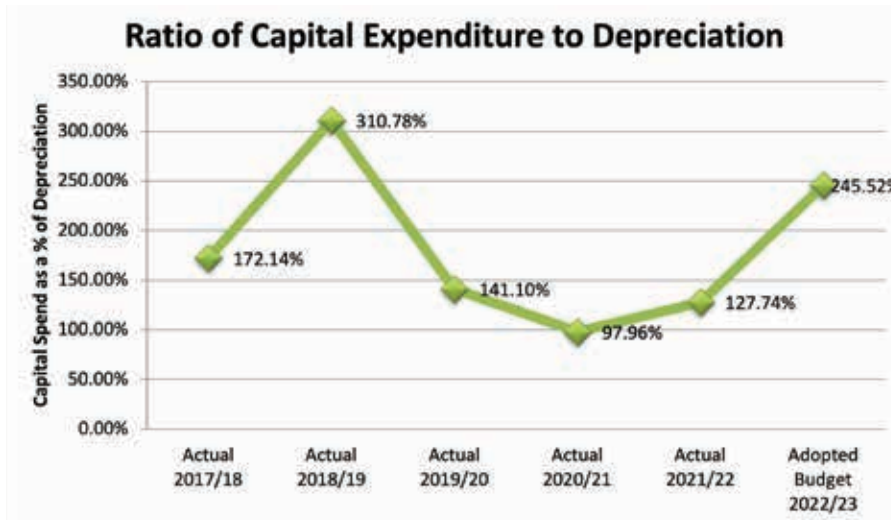
SUSTAINABLE CAPITAL EXPENDITURE

Council continues to invest in renewing and revitalising its assets. Council spent \$15.118 million on capital works in 2021/22 with an average spend in excess of \$17 million for the past 5 years. Of this amount Council spent almost 50 percent of capital expenditure on the renewal of assets with the remaining capital funds being expended on the upgrade/ expansion of existing assets or new assets.



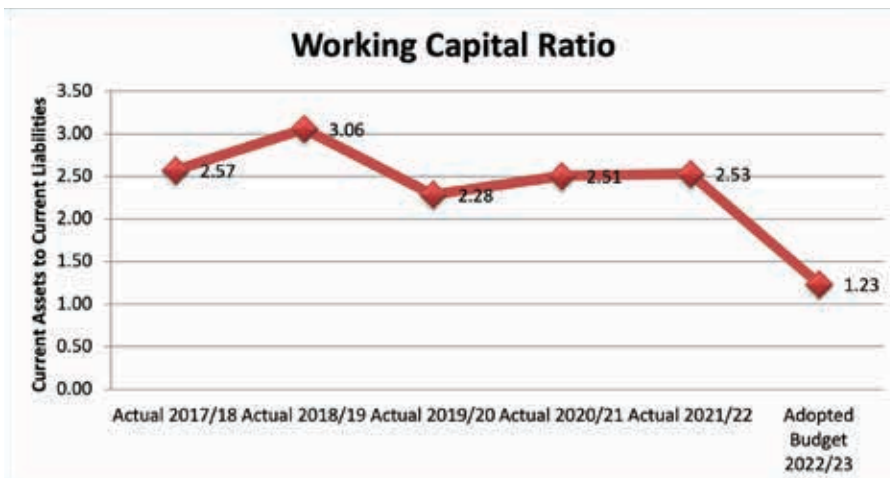
RATIO OF CAPITAL EXPENDITURE TO DEPRECIATION

A ratio of capital expenditure to depreciation of greater than one hundred percent indicates that Council is spending more on replacing assets than it is consuming them during the period. Council achieved a ratio of 127 percent for 2021/22. However, it should be noted some of the works completed are for new assets which will increase the level of depreciation into the future. Council also carried out a revaluation and condition assessment of a significant proportion of its asset base which will result in changes to depreciation in the coming years.



WORKING CAPITAL

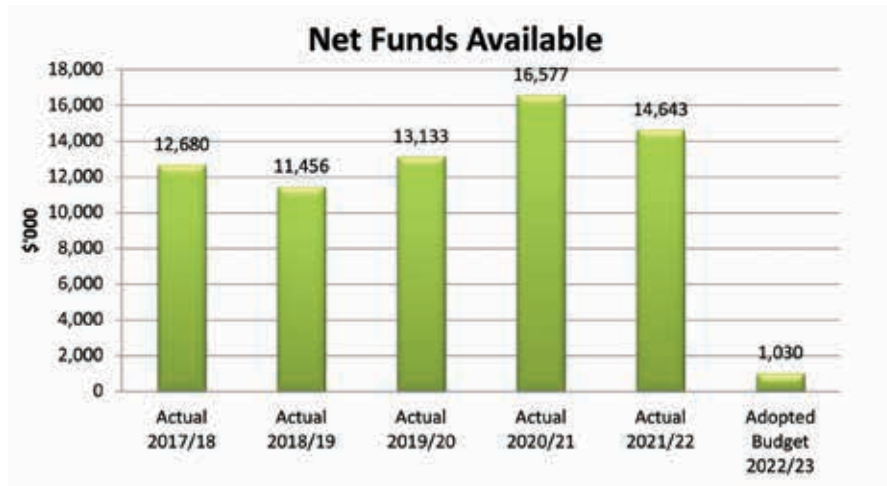
This graph indicates Council's ability to meet its short-term commitments with its short-term assets. Council ended the year with a ratio of 2.53:1 which means for every \$1 of short-term liability, Council has \$2.53 of current assets. Future working capital ratios are predicted to enable Council to meet its commitments as they fall due.



NET FUNDS AVAILABLE

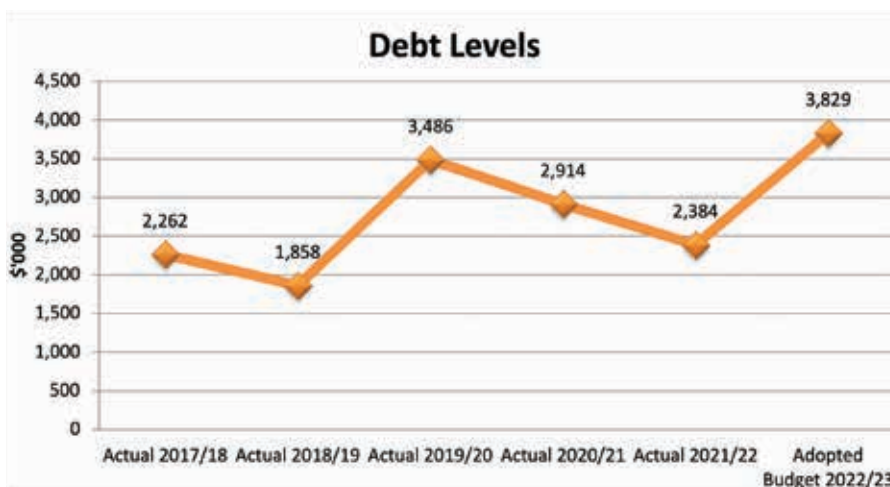
Net Funds Available is the remaining cash after all current liabilities and restricted cash holdings have been met. Restricted cash includes specific purpose reserves, trust and deposit accounts.

Council's will draw down on cash reserves for 2022/23.



DEBT LEVELS

Council has decreased debt by \$0.530 million in 2021/22. Council has a policy to only borrow for intergenerational assets, where business case analysis deems this to be the most prudent financial choice for funding the asset. Council's long-term financial plan includes assumptions about future borrowings including a further loan of \$2 million in the 2022/23 financial year.

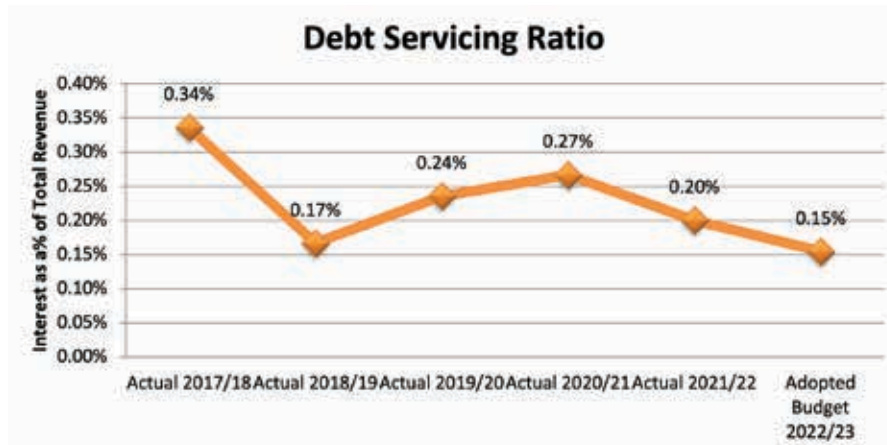


DEBT SERVICING LEVELS

For the past five years Council has maintained a debt servicing ratio of less than one percent. This means that less than one percent of total revenue is used for interest payments relating to the consumption of debt.

Council's Debt Commitment Ratio – which is total debt servicing and debt redemption as a percentage of annual rate revenue is 2.84 percent (1.28 percent of total revenue) for 2021/22.

These ratios indicate Council is in a sound financial position to borrow further funds.



MAJOR CAPITAL WORKS



The capital works program forms a significant proportion of Council's budget. In 2021/22, \$22 million was allocated to capital works projects across the Shire. The aim of the capital works program is to provide targeted expenditure on projects to maintain or improve Council's infrastructure, assets and services.

Major Capital Projects delivered in 2021/22 include:

Pedrina Park Inclusive Sports Hub

The Pedrina Park Inclusive Sports Hub (PPISH) was completed in the 2021/22 financial year with the multi-use, female friendly sporting facility offering residents state-of-the-art amenities including:

- + Change rooms
- + Public toilets
- + Storage
- + Meeting spaces
- + Social and spectator viewing areas
- + Commercial kitchen
- + First aid facilities

PPISH was identified as a major priority in Council's Recreation and Leisure Strategic Plan and the Pedrina Park Masterplan. Council worked closely with user groups of Pedrina Park to create an inclusive sports hub to cater to all levels of ability, mobility and gender.

Flexible change rooms have offered unisex spaces for inclusive health and wellbeing opportunities, as well as the chance to increase female participation in sport.

PPISH supports a variety of sports including Netball, Hockey, Soccer, Cricket and Football, enabling the facility to be used by a diverse mix of community members. The building also has the capacity to accommodate community and social activities including functions, meetings, and events.

The Pedrina Park precinct has undergone significant transformation over the past two years through the delivery of the Masterplan. In addition to the new PPISH, the automatic irrigation systems were installed in 2020/21 and the Netball court redevelopment including lights and fencing will be finalised late in 2022.

Council committed approximately \$1 million to the project which was supported by \$500,000 from the Sports and Recreation Victoria's Local Sports Infrastructure Fund.

HRLX underpass project

The Hamilton Regional Livestock Exchange (HRLX) stock underpass project commenced in May 2022 with the installation of a concrete culvert under Portland Road. The underpass allows overflow stock to be moved under the road during peak sale periods.

Works for the project included the installation of the large scale culvert, tree removal, road reinstatement, and drainage. Further improvements for the project including water tank, fencing and the installation of solar lighting are set to be completed in the next financial year. Council committed approximately \$350,000 to the project.





This work adds to the significant progress and improvements made to HRLX over the past few years to ensure the facility is an industry leader within South West Victoria.

The impact of these important works won't be felt until the 2022/23 financial year and the next peak selling season but will go a long way to improve overall safety for road users as well as livestock efficiencies in the near future.

Hamilton pound upgrades

The Hamilton Pound underwent a steady transformation over the 2021/22 financial year with a number of measures completed to improve the overall safety and wellbeing of animals housed there.

A new roof was installed over the exercise yards constructed using 100% recycled plastic panels. The new roof provides much needed shade from direct sunlight, improving conditions significantly for animals.

The installation of five reverse cycle air conditioners/heaters has improved temperature control and greatly increased animal comfort levels. Funding was also allocated to purchase water tanks to contribute to future sustainability and provide a steady water source for the facility.

Hamilton Botanic Garden children's and community precinct

Council endorsed the design for the eagerly anticipated Hamilton Botanic Garden Children's and Community Precinct in February 2022.

Council received funding from the State Government in 2019 under the 'Growing Victoria's Botanical Gardens grant program' (GVBG) to develop a design, heritage planning and scoping for the Children's Garden and Community Precinct.

The development of this space has been a high priority of Council and will rejuvenate a long unused area and build upon a cherished landmark of the region.

The project was designed with families of all ages in mind and will importantly create a space where visitors can gather, explore and enjoy different play and interactive experiences including a grassland maze, lawn area, water play, water cascade and falls. Community engagement was extensive with over 200 responses received and considered.

The design is a testament to how widely appreciated the gardens are locally and further afield. Advocacy work to secure funding support will continue well into the following financial year.

Refurbishment of public amenities at Lake Hamilton

The Lake Hamilton Amenities Block was refurbished and made Disability Discrimination Act (DDA) compliant in the 2020/21 financial year.

The amenities block was upgraded with an accessible toilet and shower, improved pathways, and accessible car parking.

This project has provided an inclusive facility for residents and visitors within the Southern Grampians.



Dunkeld Visitor Hub redevelopment

Pedestrian Refuge works were completed in Dunkeld as part of the Dunkeld Visitor Hub redevelopment project. The works form part of stage one of the Dunkeld Visitor Hub and Grampians Peaks Trailhead to create a welcoming departure and arrival location for walkers undertaking the Grampians Peaks Trail from Dunkeld. Lighting was also upgraded to Regional Roads Victoria requirements.

The pedestrian refuge has improved overall safety for visitors, drivers and residents located in Dunkeld.

The project has been funded with support from Regional Development Victoria and the Australian Government's Local Roads and Community Infrastructure Program.

Major road projects

Around 3,564km of roads are situated within Southern Grampians Shire and it is a huge challenge each year to maintain, repair and restore them. Council place a high priority on road maintenance and each year allocates millions of dollars to road management.

This year Council's works team completed:

- + Road Rehabilitation Projects – **20.48kms \$3.856 million;**
- + Urban and Rural Road Sealing Projects – **84.91kms \$2.656 million;**
- + Sealing Road Rehabilitation Projects – **20.48kms** (included in the rehab costs);
- + Gravel Road Re-sheets – **3.6kms \$152,000;**
- + New kerb and channel - **\$225,000**
- + Jacksons Road Major Culvert Replacement - **\$156,000;**
- + Footpath upgrades (both capital and maintenance) **\$410,000;**
- + HRLX Underpass - **\$335,000;**
- + Total spend - **\$7.79 million**



MAJOR FUNDING ANNOUNCEMENTS



Over the course of 2021/22, Council advocated to the State and Federal Government for funding to support a number of key projects across the Southern Grampians region.

Council was able to secure almost \$550,000 in funding to upgrade climate control and lighting within the Hamilton Gallery thanks to the State Government's Creative Victoria Regional Collections Access Program Grant. The upgrades, which are portable, will allow the Gallery to attain international standards with the future ability to host exhibitions from galleries including the National Gallery of Victoria and will critically help to preserve the Gallery collection.

With over 9,000 collection objects, the funding contributes to the preservation of those items and will provide future opportunities to take part in prominent travelling exhibitions and attain international industry standards. This is just step one of a much bigger journey planned for the Gallery.

Council received \$250,000 from the Local Councils Outdoor Eating and Entertainment Package from the State Government Jobs, Precincts and

Regions to support local businesses and outdoor activation initiatives. This funding went towards the installation of café parklets in Gray Street Hamilton, and the redevelopment of the Greater Hamilton Library forecourt, providing an all abilities space for residents and visitors to gather with weather protection. \$300,000 was also allocated under the outdoor activation program to deliver a number of different projects in Hamilton, Penshurst, Balmoral, Dunkeld, Branxholme and Coleraine with projects to be implemented in the 2022/23 financial year.

Council also secured the following funding for the below listed projects:

- + \$375,000 for the Agrilinks Program at Victoria Point Road, Dunkeld, for vital road reconstruction works.
- + \$500,000 via Sustainability Victoria for the Hamilton Waste Separation Shed to improve management, collection and separation of green and cardboard waste at the Hamilton Transfer Station.

Council also allocated \$3,970,508 received from the Local Roads and Community Infrastructure Program Round 3 Phase 1 to the Melville Oval Redevelopment Project.



MAJOR ACHIEVEMENTS

Adoption of the Volcanic Trails Masterplan

Council adopted the Greater Hamilton Volcanic Trail Masterplan which will provide future strategic direction for Council's vision on the development of the local volcanic region.

The Plan was informed by community and stakeholder feedback to build tourism opportunities and cultural and environmental values, to boost user experience of the natural sites while preserving the indigenous heritage in a sustainable, respectful and inclusive way. The plan includes upgrades of existing walking trails, the development of new campsites and picnic grounds and signage to tell the story of the landscape.





Cooper Scaife Architects and LookEar interpretive design were engaged in July 2020 to undertake the master planning process in consultation with Council and other user groups. The masterplan incorporates feedback from prior community consultation and has been prepared with cultural advice from Traditional Owners.

The Trail, which consists of seven sites across the Southern Grampians includes Wannan Falls, Nigretta Falls, Byaduk Caves, Harman's Valley Lookout, Wallacedale Tumuli, Mt Napier and Mt Rouse, is recognised for its global significance and is geologically important for its relatively recent volcanic activity. The volcanic sites sit between two visitor attractions of the Great Ocean Road and Grampians National Park.

Identified as one of Council's key advocacy priorities in the Community Investment Plan, Council will continue to look at funding opportunities to implement the masterplan and work closely with agencies and stakeholders to deliver this vision.

Design and funding for the Melville Oval Sports Precinct

Council resolved to allocate \$3,970,508 received from the second round of the Local Roads and Community Infrastructure Program (LRCIP) funding to the Melville Oval Redevelopment project and also progressed the development of detailed designs which will be completed in 2022.

The project, which forms part of the Hamilton CBD Activation Masterplan, will see the refurbishment of the Grandstand, new male and female change facilities, netball court relocation, and social function space to the northern end of the facility. The redevelopment will also address accessible

spectator shelter, seating and pathways, multi-purpose plaza/car parking space, and create a new, all abilities playground within the precinct.

Once achieved, this facility upgrade will promote both recreation and economic stimulus within the region.

Community Investment Plan

The past 12 months has seen a continued effort to advocate for State and Federal government funding opportunities to ensure our community is best supported with high level services and opportunities to meet the expectations of the region.

As part of that high level advocacy work, Council developed a new Community Investment Plan that outlines key priorities for the growth and future of the Southern Grampians. The CEO and Councillors met with numerous State Government members over the past six months to focus on those identified projects.

Gaps in services, specifically related to transport, continues to create disadvantage within the region. Council has worked, and will continue to do so with local organisations to achieve equitable access to health care, transport links, education, and employment to not only prevent social marginalisation but to ensure that the Southern Grampians remains a strong regional centre within Western Victoria.

The Plan strives to highlight the needs for equitable distribution of funding into projects within regional Victoria that can support local enterprise and services in their continued recovery post pandemic; and to support future growth and long-term sustainability of Southern Grampians communities.



Council will continue to advocate for future funding opportunities for a Digital Hub, improvements for healthcare services for a WDHS Hospital upgrade, increase tourism through the Volcanic Trails Masterplan, improve sustainability through the Peshurst Sewer Project, revitalise of the Hamilton CBD, as well as further and much needed support for local roads and infrastructure.

The available housing market has also been under significant pressure with the migration of new residents, so key worker housing as part of the Lakes Edge precinct is a very real issue that funding and resourcing support could help mitigate.

Council will continue this important advocacy work and discuss at a State and Federal level to improve services and accessibility for the region. Residents are encouraged to read through the Community Investment Plan which is available via the Council website.

Hamilton Performing Arts Centre 2022 season

COVID Lockdowns and restrictions impacted heavily on our local arts and live performance industry. The Hamilton Performing Arts Centre (HPAC) launched a huge season at the beginning of 2022 which saw 36 shows, eight workshops, and was booked as a venue for over 50 meetings and functions for the 2021/22 financial year.

The 2022 season brochure Greater artwork was designed by local artists and was launched at a COVID safe 1980's-themed event, where 150 attendees enjoyed live music in the forecourt.

Some of the season's highlights included the 'Halloween Hunt' held outside, to give the regions young people an opportunity to create augmented reality creatures in technology-meets-nature workshops and scavenger hunt in the Hamilton Botanic Gardens. Triple J favourites, The Rubens and the magic of Cosentino, ABBA tribute Bjorn Again and the music of the travelling Wilburys, brought large crowds into HPAC.

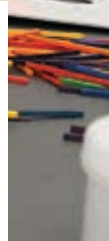
Melbourne International Comedy Festival took live shows directly to Dunkeld and surrounding community. A performance for NAIDOC week by proud Mutti Mutti Songman, Kutcha Edwards brought something truly special to the region.

HPAC also supported a number of local community groups and businesses with their events including the Hamilton Eisteddfod and Hamilton Dance Company.

Progression of New Hamilton Gallery project

Council resolved to explore a CBD location for the new Hamilton Gallery (NHG) and contracted architects to develop a detailed concept design and relevant cost estimates.

The overall aim of the assessment has been to provide Council with comparative data and documentation regarding the NHG project for the purpose of informed decision making and discussion about the location of the future NHG. This work will significantly contribute to the planning and future direction of the project.





MAJOR CHANGES

A major change to services provided by Council came in November 2021 when Council announced the in-principal decision to transition from aged and disability services in favour of a Commonwealth appointed provider.

Significant reforms introduced in the aged and disability services industry subsequently made it difficult for Council to meet new requirements without change and passing on increased cost to clients. Financial constraints, competition policy, and other structural challenges also contributed to the decision to withdraw from service delivery which was confirmed at the March 2022 ordinary Council meeting.

As part of the due diligence process, Council undertook a confidential Expression of Interest (EOI) process to seek potential values-aligned successors and the Commonwealth Government appointed Western District Health Service (WDHS) in June 2022 as the new provider in the Southern Grampians. Subsequently, Council announced to cease the delivery of funded and brokerage aged and disability services at 30 September 2022.

Council worked closely with 39 impacted employees and delivered support and high level care to clients during this time.

Council's withdrawal from the service paves the way for a future advocacy position for equitable health and wellbeing for all Southern Grampians residents.



MAJOR IMPACTS

The following events had a significant impact on Council throughout 2021/22:

COVID-19 pandemic

The pandemic continued to have a major impact throughout the 2021/22 financial year, where Council was once again challenged to deliver face-to-face services, find solutions to staff shortages whilst sustaining essential services for the community. Council, community members and local businesses also had to navigate through vaccination status restrictions for patrons at Council's facilities as well as COVID vaccination requirements for staff.

Council continued to:

- + Digitise forms and offered unique online engagement opportunities to residents.
- + Provided support for the most vulnerable within the community with the Greater Hamilton Library delivering books and library resources directly to residents' doors and offered community members a successful order and collection service.
- + Continued and maintained essential Community Support Services to the oldest residents within Southern Grampians via

home care support and meals on wheels, and continued to care for new mothers, families and children via Council's maternal health services.

- + Delivered morale boosting events and continued with business as usual as much as possible post-lockdowns and offered diverse performances and shows when able to do so.

Council also worked hard to assist the local business sector and boost retail economy within the region during this challenging time. Council, continued to provide support to Southern Grampians businesses by encouraging residents to shop local through the hugely popular Ignite the Spirit of Christmas campaign and Mid Year Spend campaign.

Council continued to build upon the unique Hamilton Christmas Tree experience by constructing a Santa Sleigh which was housed in the forecourt of the Hamilton Performing Arts Centre which brought a real life Santa to greet residents to boost community morale.

Council remains committed to delivering essential and every day services and will continue to support local businesses and the community to navigate through COVID-19 and find a new normal.



COMMUNITY GRANTS

Southern Grampians Shire Council has contributed to community infrastructure, events and other initiatives in this financial year through its Greater Grants program.

The Greater Grants program was established to deliver Council grants that are responsive to the needs and opportunities of the community, inclusive and equitable to all, facilitating the flexible delivery of key strategies identified within the Council Plan 2021-2025 across the social, economic and environmental spectrum.

This program consolidates Council's extensive range of grant opportunities into one program to enable better integration and coordination of grant administration and improved marketing of those grant opportunities. The Greater Grants program contains two rounds per year and applications are assessed using predetermined evaluation criteria by the Greater Grants Team.

In the 2021/22 financial year, Council awarded approximately \$195,000 to community groups, events and individuals through our Greater Grants program.

Some of the community initiatives supported via the Greater Grants program in the financial year were:

- + Wannon-Nigretta Community Group - Wannon History Display Cabinet
- + Western District Health Service - Hamilton Fun Run
- + Hamilton Rams 3x3 Basketball Club Incorporated - Stadium Seating and Game Lights
- + Cricket Victoria - U16 Male Youth Premier League Carnival
- + Standing Tall Hamilton Inc - Program signage
- + Sterling Place, Dunkeld Community Centre - Sterling Place Eco Printer
- + Hamilton Kangaroos Football Netball Club - New Scoreboard
- + Cavendish Men's Shed - Promotional Trailer
- + Byaduk Recreation Reserve Committee of Management - Weed Control
- + Balmoral Golf Club - Clubroom Upgrade



- + Cavendish Recreation Reserve Inc - Multi-purpose Events Space & Storage Facility
- + Dunkeld Progress Association Inc - Website Production
- + Cavendish Townscape Association Inc - Cavendish Red Gum Country Town Signage
- + Tarrington Cricket Club - Net Upgrade
- + Byaduk Cricket Club - Mower Purchase
- + The Scout Association of Australia, Victoria Branch, Hamilton Scouts - New Signage
- + Hamilton Golf Club - Carpark line marking
- + Hamilton Croquet Club Inc - Replacement Machinery Shed and Asbestos Removal
- + Lions Club of Hamilton Inc - Fridge Replacement
- + South West Hive - Signage and Engagement
- + Byaduk Spring Show Inc - Byaduk Spring Show
- + Tarrington Progress Association - Playground Safety Fence
- + Glenthompson Hall - Supper Room Upgrade
- + Parklands Golf Club - Victorian Championships & signs
- + Balmoral Mechanics Institute - Upgrade Table and Chairs in Hall
- + Branxholme Progress Association - Heritage Signs
- + Hamilton Speedway Drivers - Canteen Extension
- + Anglican Parish Coleraine - Chimney restoration
- + Lions Club of Peshurst - Mobile Skin Check Van
- + St Marys Primary School - Christmas Expo
- + Hamilton Eisteddfod - Arts Alive in Greater Hamilton
- + Glenthompson District Community Association - Glenthompson Art Show
- + Grace Fellowship - No Cost Café Revamp
- + Hamilton Miniature Railway Group - Railway Track Replacement
- + Dunkeld Arboretum - Signage
- + Hamilton History Centre - Scanner
- + Coleraine District Development Association - Heritage Signs
- + Pigeon Ponds Recreation Reserve - White goods upgrade

OUR COUNCIL



Roles and responsibilities of Council

Southern Grampians Shire Council is elected to provide leadership for the good governance of the municipal district and the local community.

The role of a Council includes:

- + Acting as a representative government by taking into account the diverse needs of the local community in decision making;
- + Providing leadership by establishing strategic objectives and monitoring their achievement;
- + Advocating the interests of the local community to other communities and governments;
- + Acting as a responsible partner in government by taking into account the needs of other communities; and
- + Fostering community cohesion and encouraging active participation in civic life.

The functions of a Council include:

- + Advocating and promoting proposals which are in the best interests of the local community;
- + Planning for and providing services and facilities for the local community;
- + Providing and maintaining community infrastructure in the municipal district;

- + Raising revenue to enable the Council to perform its functions;
- + Making and enforcing local laws;
- + Exercising, performing and discharging the duties, functions and powers of Councils under this Act and other Acts; and
- + Any other function relating to the peace, order and good government of the municipal district.

Council is committed to good governance and that commitment is evidenced by its inclusion in our Council Plan as one of five key fundamental objectives.

In November 2020, seven Councillors of the Southern Grampians Shire Council were elected for a four-year term.

Southern Grampians Shire Council includes four Councillors who were re-elected – Cr Mary-Ann Brown, Cr Albert Calvano, Cr Greg McAdam and Cr Katrina Rainsford – and three new Councillors, Cr Bruach Colliton (previously served from 2008-2016), Cr Helen Henry and Cr David Robertson.

The seven Councillors have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

COUNCILLOR PROFILES



Cr Bruach Colliton
Mayor

bcolliton@sthgrampians.vic.gov.au
0437 806 927

The Mayor is elected annually at a special meeting where Councillor Bruach Colliton was re-elected as Mayor in November 2021. Councillor David Robertson was re-elected as Deputy Mayor in November 2021.



Cr David Robertson
Deputy Mayor

drobotson@sthgrampians.vic.gov.au
0437 846 623



Cr Mary-Ann Brown

mabrown@sthgrampians.vic.gov.au
0429 638 245



Cr Helen Henry

hhenry@sthgrampians.vic.gov.au
0437 802 893



Cr Greg McAdam

GMcAdam@sthgrampians.vic.gov.au
0428 953 349



Cr Albert Calvano

acalvano@sthgrampians.vic.gov.au
0429 861 229



Cr Katrina Rainsford

krainsford@sthgrampians.vic.gov.au
0429 140 216

REPRESENTATION

Councillors represent the interests of our communities through direct contact with residents, representation on local interest groups and involvement with other agencies.

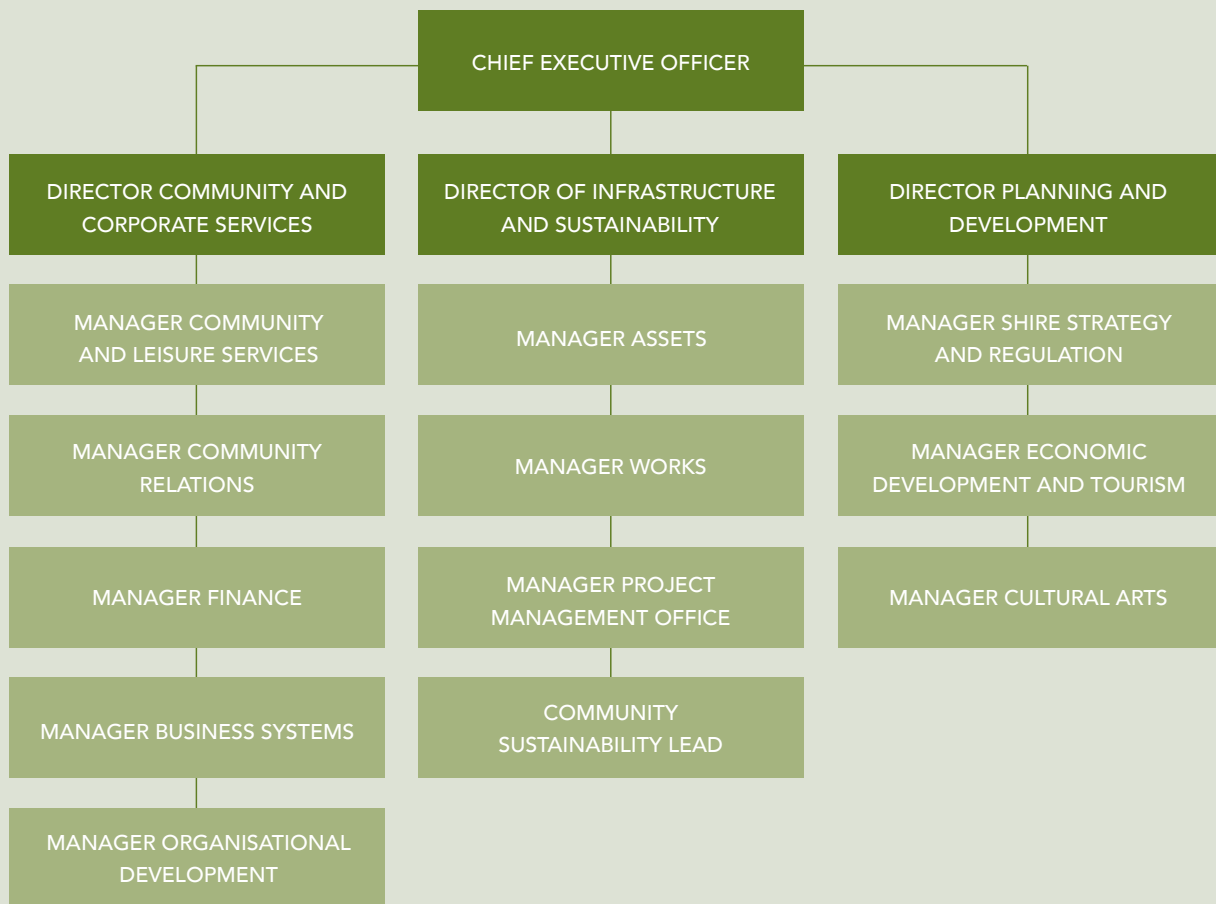
Each year Council appoints representation to a range of other bodies. Appointments were made at the Statutory Meeting of Council held on 3 November 2021 and are detailed in the table below.



Committees Required by Legislation		
Audit and Risk Committee	Cr Robertson	Cr Henry
Municipal Emergency Management Planning Committee (MEMPC)	Cr McAdam	
Delegated Committees		
Planning Committee	Cr Brown	Cr McAdam
Advisory Committees Established by Council		
Hamilton Regional Livestock Exchange Advisory Committee	Cr McAdam	Cr Brown
Hamilton Showgrounds Advisory Committee	Cr Rainsford	Cr Robertson
CEO Employment and Remuneration Committee	Cr Colliton (Mayor) Cr Robertson (Deputy Mayor)	Cr Brown
Committees Established by Other Bodies		
MAV Delegate	Cr Colliton (Mayor)	Proxy: Cr Calvano
Great South Coast Group	Cr Colliton (Mayor)	
Rural Councils Victoria	Cr Brown	
Barwon South West Waste & Resource Recovery Group	Cr Henry	
Green Triangle Action Group	Cr Rainsford	
Rail Freight Alliance	Cr Rainsford	



OUR ORGANISATION



OUR ORGANISATION



Executive Leadership Team

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO is responsible for the day-to-day management of Council operations in accordance with the strategic directions of the Council Plan. Three Directors and the CEO form the Executive Leadership Team (ELT). The ELT leads the organisation and meets weekly to oversee and manage Council operations.

Tony Doyle was appointed as Interim CEO in September 2021 and was awarded a five year contract as Chief Executive Officer in December 2021.



Tony Doyle
Chief Executive Officer

Position: Responsible for Executive and Councillors Support, Civic Functions and Governance.

Experience: Tony joined the Southern Grampians Shire Council as interim Chief Executive Officer (CEO) in September 2021 before being appointed as new CEO in December 2021. Prior to joining the Southern Grampians, Tony was CEO at Knox City Council in Melbourne's outer east, which followed his appointment as CEO at Hindmarsh Shire Council in Victoria's north-west.

Before joining local government, Tony had an extensive career in Banking and Finance, working in Australia and overseas. Tony is passionate about community engagement and empowerment and holds a Bachelor Economics (Accounting) and an MBA.

In June 2022, Evelyn Arnold Director Community and Corporate Services resigned after five years at Southern Grampians Shire Council. Belinda Johnson Manager Finance commenced as Acting Director following her departure.

In early 2022, Council commenced a restructure of the Infrastructure Directorate to include and importantly resource the organisation in response to community focus on sustainability. This restructure was completed prior to the end of the 2021/22 financial year.



Marg Scanlon
Director Infrastructure and Sustainability

Position: Responsible for management of Infrastructure, Engineering, Hamilton Airport, Hamilton Regional Livestock Exchange, Works, Fleet, Assets and Property.

Experience: Marg commenced with Southern Grampians Shire Council as Director Infrastructure in May 2021 and brings extensive experience across Strategic Projects and Infrastructure, Capital Works, Assets, Sports and Recreation.

During her 11 years at Hobsons Bay City Council, Marg represented Council on state infrastructure projects such as the West Gate Tunnel and Level Crossing Removals, including the development of major facilities and a diverse range of projects. Prior to Hobsons Bay, Marg worked in similar roles with Colac Otway Shire and Sports and Recreation Victoria giving her a unique and broad understanding of strategic projects and infrastructure.

Marg also has a strong customer first focus and actively promotes effective and productive working relationships at all levels.



Evelyn Arnold
Director Community and Corporate Services

Position: Responsible for Community and Leisure Services, Aged and Disability, Children's Services, Maternal Child Health, Library, HILAC, Organisational Development, Community Relations; Finance and Business Systems.

Experience: Evelyn has had a career in the corporate world for over 15 years in New Zealand. This was followed by a move in October 2008 to Ravensthorpe in Western Australia where Evelyn took on the role of Executive Manager of Corporate and Community Services. After three years in this role, Evelyn was appointed as Deputy Chief Executive Officer at the Shire of Brookton.



Andrew Goodsell
Director Planning and Development

Position: Responsible for management of Statutory and Strategic Planning, Building, Emergency Management, Heritage issues, Regulatory services, Local Laws, Environmental Health and Natural Asset Management, Economic Development, Tourism, Events and Visitor Services, Hamilton Art Gallery and Performing Arts Centre.

Experience: Andrew has 28 years professional experience in planning and development on a wide range of projects across State Government (Tasmania, NSW), private consultancy (Tasmania, Victoria) and local government (Tasmania and Victoria). Prior to working at Southern Grampians Andrew headed the strategic planning team at Moorabool Shire charged with growth area and infrastructure planning.

The Senior Leadership Team (SLT) includes the Executive Leadership Team and all senior managers. Members of the SLT bring together an extensive knowledge base, specialised expertise and professional skills to deliver Council services, programs and activities that support the strategic directions set by the Council.

OUR PEOPLE

In 2021/22 Southern Grampians Shire Council employed 471 people across the year, which is the equivalent to 235.7 Equivalent Full Time (EFT). During the year Council had a staff turnover rate of approximately 17.6 per cent which equates to 83 employees.

A summary of the number of Council staff by organisational structure, employment type and gender is outlined in the table below:



Employment type	CEO & Council	Community & Corporate Services	Planning & Development	Infrastructure & Sustainability	Total
Permanent FT	4	43	33	93	173
Permanent PT		75	17	14	106
Temporary		9	6	6	21
Casual		126	33	12	171
Total	4	253	89	125	471

Legend: FT – Full time and PT – Part time

Employment Classification	Male	Female	Total
Band 1	12	28	40
Band 2	7	30	37
Band 3	109	92	201
Band 4	22	39	61
Band 5	20	28	48
Band 6	18	13	31
Band 7	8	12	20
Band 8	2	0	2
Band not applicable	15	16	31
Total	213	258	471

**Please note – data for self-gender identification is not available at this time.

OUR ORGANISATION

Equity and Diversity

Southern Grampians Shire Council recognises the value of a diverse and skilled workforce. Respecting the individual and unique attributes of our workforce creates an environment where everyone is able to achieve their potential. Council's core values also support this commitment. As an Equal Opportunity Employer, we ensure the fair and equal treatment of those who either are employed, or who are seeking employment with Council. Council is committed to the principles of equal opportunity and anti-discrimination. The equal opportunity policy and practices provide a framework to ensure fair and equitable treatment for all.

Human Resources

In line with the Local Government and Gender Equality Act requirements, our Workforce Plan was reviewed in 2021. Implementation of the initiatives in the Workforce Plan continues with a focus on securing the future needs of the workforce and the organisation.

Many key operational policies and documents were reviewed as part of the Local Government Act 2020 implementation including the Staff Code of Conduct and Recruitment Policy.

The Human Resources (HR) Team formed part of the Gender Equality Action Plan working group and developed a draft plan for consultation with the wider workforce. Information and feedback sessions were held which yielded valuable insights and shaped the actions within the Gender Equality Action Plan. The HR Team conducted a workforce audit and submitted the data to the Gender Equality Commission.

Enterprise Agreement negotiations commenced in the second half 2021, and Council continues to proactively work with staff and union representatives to finalise the Southern Grampians Shire Council Enterprise Agreement number 10, 2022.

Proactive management of annual leave accruals under the Enterprise Agreement provisions has also been a continuing focus for the HR Team.

COVID-19 continued to play a role in the way we worked throughout 2021/22. The HR Team was continually working to ensure organisational compliance with the State Government Health Directives and Pandemic Orders.

Occupational Health and Safety

Council continues to maintain an Occupational Health and Safety Management System aligned to AS 45001:2018. A critical component of our OHS management system is the Elumina online incident reporting and management system, enabling proactive hazard reporting and reactive incident reporting. Elumina facilitates regular OHS reporting including electronic monthly reports to Council Executive and quarterly reporting to Councils Audit and Risk committee.

Total incident reports and total injuries for the year decreased from previous years while motor vehicle and workers compensation claims increased in frequency. Hazard reporting has fallen significantly and hazard investigations and implementation of corrective actions is disappointingly low. Councils Lost time injury frequency rate was 28.86 for the year, almost three times the industry benchmark of 10.3.

Emergence from COVID-19 restrictions has enabled us to better achieve our programmed workplace inspections and facility evacuation drills. Regular OHS communications via weekly toolbox topic circulation, fortnightly safety articles in our newsletter and targeted Safety Alerts are considered critical OHS communication elements.

Induction and re-induction of employees sees room for improvement and is to be examined as part of our broader employee onboarding and offboarding systems review. Volunteer management continued to be of concern from an OHS perspective.

Learning and Development

COVID-19 continued to impact our ability to conduct face-to-face training, however online learning continued for all staff. This included the completion of the Child Safe Standards compliance for all staff.

The new year saw a change with our Learning Management System with us now using Scout's Learning Management System. This has streamlined our onboarding and learning needs for the organisation.

With the introduction of new standards for Child Safe Standards we will be introducing a new online module for staff to complete.

Risk

The 2021/22 financial year saw a continued focus on policy and procedure review and development. After a hiatus from Business Continuity Plan testing, due to COVID-19 and remote working, testing has recommenced to assist in the continuity of council core business.



Governance

A focus for the Governance Team over the past 12 months has been the finalisation of the implementation of the *Local Government Act 2020* and the continued implementation of the *Gender Equality Act 2020*. The changes to the *Local Government Act 2020* are extensive, the repeal of the *Local Government Act 1989* means Councils are no longer operating under prescriptive legislation, with the new Act enabling Local Government to become more contemporary in its approach to process.

The *Gender Equality Act 2020* commenced on 31 March 2021 and commits Council to take positive actions towards achieving workplace gender equality and considering and promoting gender equality in our policies, programs and services. Gender Impact Assessment training was organised for key parties within the organisation to gain an understanding of the requirements and considerations that form part of the assessments for community projects and policies.

Staff Consultative Committee

The Staff Consultative Committee continues to be focused on policy reviews and updates. In 2021, the committee was involved in the review of the Gender Equality Action Plan and provided valuable feedback on initiatives.

The committee plays a large role in Enterprise Agreement negotiations and is an important conduit for staff and the executive team.



EMPLOYEE RECOGNITION:

Skilled, motivated and dedicated staff are critical to Council's success. As part of Council's ongoing Service Recognition program, the commitment and service to the Southern Grampians Shire of the following employees was recognised in 2021/22:

5 years

Evelyn Arnold
 Julia Baty
 Rick Eldridge
 Danielle Hobbs
 Peter Holmes
 Terri Horsten
 Leesa Iredell
 Donna McEwen
 Casey Pye
 Melanie Russell
 Angela Spillman
 Debra Tuffnell
 Lindi Vaughan
 Kara Winderlich

10 years

Carolyn Byrne
 Lisa Grayland
 Amy Knight
 Jennifer Maggs
 David Martin
 Tracey Moore
 Kelly Pitt-Lancaster
 Noelene Vickery

20 years

Brendan Casey
 Ron Hill
 Simone McVicker
 Jean Oliver
 Roger Rook
 Linda Waldron

OUR PERFORMANCE

Council Plan

This section describes how the Annual Report links to the achievement of the Council Plan within an overall planning and reporting framework.

This framework guides the Council in identifying community needs and aspirations over the long-term, medium-term (Council Plan) and short-term (Annual Budget) and then holding itself accountable (Annual Report).

Planning and accountability framework

The Council Plan is a rolling four year plan that outlines Council's strategic objectives. The Annual Budget takes into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan.

Strategic objectives

Council delivers services and initiatives under 70 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2021-2025.

The following are the five strategic objectives as detailed in the Council Plan:

1. Support Our Community

An empowered community that is healthy, inclusive and connected.

2. Grow our Regional Economy

A growing and diverse local and regional economy that supports our local businesses.

3. Maintain and Renew our Infrastructure

Provide access to a high-quality built environment and infrastructure that meets community needs.

4. Protect our Natural Environment

Act as community leaders to promote and enhance a clean, green and sustainable environment.

5. Provide Strong Governance and Leadership

Strong leadership, good governance and effective service delivery.

Performance

Council's performance for the 2021/22 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-2025 Council Plan.

Performance has been measured as follows:

- + Results achieved in relation to strategic indicators in the Council Plan;
- + Progress in relation to the major initiatives identified in the budget;
- + Services funded in the budget and the persons or sections of the community who are provided those services; and
- + Results against the prescribed service performance indicators and measures.

STRATEGIC OBJECTIVES



STRATEGIC OBJECTIVE NO.1

SUPPORT OUR COMMUNITY

An empowered community that is healthy, inclusive and connected.



STRATEGIC OBJECTIVE ONE:

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Increased participation in community life through community programs	Ongoing	<p>Council continued to engage and collaborate with community members via both digital and face-to-face opportunities.</p> <p>Residents contributed to Council Plans and Strategies via the <i>Have Your Say</i> Council webpage, the development of online engagement mapping tools, and Community Listening Posts.</p> <p>Council continued to support community groups and individuals through the Greater Grants Program with 77 applications submitted in the financial year and \$195,000 allocated to those grants.</p>
Deliver the Community Public Health and Wellbeing Plan 2021 - 2025	Plan Completed / Delivery Ongoing	<p>Council adopted the Community Public Health and Wellbeing Plan 2021 – 2025 in October 2021. Work will continue with relevant organisations to implement outcomes defined in the Plan to achieve better health and wellbeing results for community members.</p> <p>A number of recreation projects were completed to contribute to the improvement of health and wellbeing outcomes including the Pedrina Park Inclusive Sports Hub and netball courts, new health and fitness equipment at HILAC, installation of lights at the Coleraine Turnbull Street Courts, Lake Hamilton Amenities upgrade and the renewal of Brumley Playground.</p>
Continue delivery of Council's Digital Strategy	Complete	<p>Council implemented the second phase of the CCTV camera roll out in partnership with Victoria Police with an additional 10 cameras installed in Hamilton, Penshurst, Cavendish, Glenthompson, Branxholme, Byaduk and Balmoral.</p> <p>Council hosted the rescheduled DigiHub event that showcased digital innovations in the community and continued to offer unique digital experiences to younger residents via tech based programs as part of the Greater Hamilton Library and hosted the first Greater Hamilton Esports AEL Cup.</p> <p>Council partnered with Northern Grampians and Borough of Queenscliffe to standardise systems and processes specifically Records Management.</p> <p>Cyber Security continued to be a focus in improving business continuity of service delivery and data protection.</p> <p>Completed work with Glenelg Hopkins CMA to deliver PlatyCam - a live-stream of platypus in the wild at the Grangeburn.</p> <p>Lead project on behalf of Great South Coast group in relation to the Regional Digital Strategy from Warrnambool, Moyne and Corangamite and commenced assistance to Glenelg in implementing a number of IoT (sensor) pilots.</p>

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 budget:

MAJOR INITIATIVES	PROGRESS
<p>Implement and comply with legislated and policy requirements of Gender Equality Act and Regulations internally for Council and external for the community.</p>	<p>Complete Council conducted extensive consultation to develop a Gender Equality Action Plan. The Plan provides an understanding of the principles of gender equality, required changes, and sets the steps to implement actions for meaningful change within this space.</p> <p>Council completed a Gender Equality audit of the organisation and submitted data to the Commission for Gender Equality in the Public Sector. Additionally, key Council staff participated in training to gain an understanding of Gender Impact Assessments in line with the Gender Equality Act requirements.</p>
<p>Progress the New Hamilton Gallery project, including fundraising, supporting business case documentation, advocacy and fundraising.</p>	<p>Ongoing Council resolved in October 2021 to explore a CBD location for the New Hamilton Gallery (NHG) and subsequently contracted architects to develop a detailed concept design with relevant cost estimates.</p> <p>A report due in October 2022 seeks to resolve an agreed location and scope for detailed design.</p>
<p>Build effective partnerships with First Nations – via Reconciliation Action Plan or partnership agreement.</p>	<p>Ongoing Council worked with First Nations people across the Southern Grampians regularly during the financial year. Council acknowledged National Sorry Day and National Reconciliation Week with a special performance by Mutti Mutti, Yorta Yorta and Nari Nari man, Kutcha Edwards at the Hamilton Performing Arts Centre. Representatives also participated in Council’s Harmony Day event held at the Hamilton Cinema.</p> <p>Council continues to work towards developing and delivering a Reconciliation Action Plan and building effective partnerships with First Nations people in the Southern Grampians community.</p>
<p>As part of the Arts and Culture Strategy implementation, undertake short and medium-term priorities to both attract and invest in the regions creative communities and industries across all areas, including cultural and artistic pursuits.</p>	<p>Ongoing Council initiated community consultation in May 2022 to develop a new Arts and Culture Strategy. Development of the strategy remains ongoing with the strategy scheduled to go to Council in late 2022 for public comment.</p>

The following statement provides information in relation to the services funded in the 2021/22 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
Aged and Disability Services Coordination	This service provides a range of Home and Community Care services for the aged and disabled including assessment, personal care, domestic assistance and respite care and coordinates delivered meals, community transport and property maintenance.	2,450 (2,099) 351	2,581 (2,448) 133
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	101 (53) 48	103 (60) 43
Community Services Management	This service provides management support to coordinate whole of organisation approach to service delivery across community and leisure portfolio, particularly in relation to delivering the Municipal Health and Wellbeing Plan.	513 (0) 513	687 (0) 687
Community Planning Engagement and Support	This service coordinates Council's approach to community planning and citizen engagement, including skill development and capacity building for Councillors and community.	506 (60) 446	419 (111) 308
Children's Services	This service provides quality education and care services ie. Family Day Care and promotes the early years sector.	637 (537) 100	745 (481) 264
Recreation Development and Support	This service is responsible for the management and planning of recreational opportunities in conjunction with the community, using community development processes.	489 (40) 449	444 (90) 354
Sports Reserves	This service directly manages or provides operational assistance for 16 recreational reserves across the Shire to support both active and passive participation in sports and recreation.	744 (36) 708	862 (34) 828
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	267 (3) 264	229 (1) 228
Aquatic Facilities	This service provides a geographic spread of aquatic facilities that deliver recreation, health, wellbeing, education, social and tourism/ economic opportunities to our communities.	569 (21) 548	605 (31) 574
Hamilton Indoor Leisure & Aquatic Centre	This service provides accessible leisure and aquatic experiences that facilitates and promotes wellbeing outcomes.	2,828 (1,295) 1,533	2,322 (868) 1,454

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
Art Gallery	This service supports tourism promotion and community engagement with the arts, and acts as custodian of one of the most valuable collections in regional Australia.	860 (168) 692	1,187 (347) 840
Performing Arts Centre	This service provides promotion and support of performing arts, encouraging both appreciation and participation. Also offers a conference and event venue for both the business and community sectors.	1007 (271) 736	910 (276) 634
Library	This service aims to be an effective and dynamic library service inspiring and connecting our community by providing diverse, accessible and creative collections, programs, spaces and experiences.	711 (219) 492	810 (219) 591
Cinema	This service provides the community with a high quality cinema experience.	324 (275) 49	301 (139) 162
Civic & Community Arts	This service aims to increase visibility and activity of arts and culture in the community through a range of community programs or projects.	238 (0) 238	150 (0) 150
Parks and Urban Spaces	This service provides and maintains appropriate parks and urban space areas across the Shire to support inclusive recreation activities for the whole community.	744 (2) 742	807 (1) 806
Local Laws Operations	This service implements and enforces the Community Local Law No.1 (2015), provides parking control, coordinates domestic animal management including the operation of Council owned pound facility, and supports the provision of law and order in the community.	622 (387) 235	657 (353) 304
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	414 (392) 22	430 (452) (22)
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	233 (60) 173	353 (153) 200
Botanic Gardens	This service maintains the historically significant Botanic Gardens in Hamilton (& Penshurst) and provides responsible management of flora, open spaces and built facilities on the grounds.	358 (1) 357	405 (1) 403

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
LIBRARY						
Utilisation <i>Physical library collection usage</i> [Number of physical library collection item loans / Number of physical library collection items]	4.33	4.33	3.05	2.68	3.17	Increased borrowing of physical library collection as a result of library operations returning to normal, post-pandemic. Previous 2 years of borrowing affected by pandemic enforced service closures.
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	71.88	66.27%	62.83%	61.33%	64.10%	No material variations
Service cost <i>Cost of library service</i> [Direct cost of the library service / Population]	\$33.45	\$32.52	\$35.17	\$33.99	\$36.06	No material variations
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	14.28%	14.96%	13.15%	11.92%	10.85%	No material variations

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
AQUATIC FACILITIES						
Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	1	1	1	1	1	No material variations
Service cost <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	N/A	N/A	\$11.65	\$18.26	\$16.01	Greater attendance at main aquatic facility provides reduced cost per visit
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.77	9.33	7.56	4.43	5.27	Reduced closures of main aquatic facility and services due to COVID allowed for greater attendance

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
ANIMAL MANAGEMENT						
Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1 day	1 day	1.47 days	1.21 days	1.06 days	Officers being more experienced and the ability to attend to matters in a more timely matter has contributed to a decrease in attendance times. Reduction in requests.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x 100 <i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected] x 100	32.81%	51.06%	50.99%	50.19%	45.25%	Increased surrenders of unsuitable animals have contributed to the decrease in reclaimed animals. The rising number can be contributed to the continued improvements to the rehoming program.
Service cost <i>Cost of animal management service per population</i> [Direct cost of the animal management service/ Population]	New in 2020	New in 2020	\$7.73	\$9.93	\$12.07	The increased figures can be attributed to the rising number of animal complaints, surrenders and adoptions.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions] x 100	New in 2020	New in 2020	0%	0%	0%	Although Council received reports of dog attacks throughout the year, after full investigations, few were deemed serious and none were required to be prosecuted.

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
MATERNAL AND CHILD HEALTH (MCH)						
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	101.79%	101.26%	100.60%	100.55%	No material variations
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$68.80	\$77.06	\$90.48	\$78.33	\$73.70	We have now employed 2 additional part time nurses
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.61%	77.96%	76.99%	73.73%	81.09%	Increase in birth notifications
<i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	65.71%	62.69%	63.89%	74.68%	85.00%	More families are identifying as aboriginal and the effects of Covid and isolation raised more concern in parents to monitor their children
<i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week Key Age and Stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	93.71%	99.40%	90.66%	Reporting from CDIS



GROW OUR REGIONAL ECONOMY

A growing and diverse local and regional economy that supports our local businesses.

STRATEGIC OBJECTIVE TWO:

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Implement the Volcanic Trails Masterplan	Ongoing	<p>The Masterplan was completed and adopted at the March 2022 Council Meeting.</p> <p>A submission was made to the Victorian Government's – "Enabling Tourism Fund" to seek funding to support the next stage of detailed design, permits, and approvals which was unsuccessful.</p> <p>Council will continue to seek funding opportunities as appropriate.</p>
Partner with Hamilton Regional Business Association	Ongoing	<p>Council and HRBA partnered to offer the Christmas and mid-year shop local campaigns offering vouchers to be spent at local businesses.</p> <p>This partnership also involved the activation of the CBD for Christmas with entertainment from Buskers and appearances of Santa.</p> <p>Other activities included workshops, monthly networking opportunities and sponsorship of the 2022 Business Awards.</p>
Complete the Rural Land Use Strategy (RLUS)	Ongoing	<p>RLUS was publicly exhibited for 60 days in October – November 2021. Five face-to-face community briefings were held at Peshurst, Dunkeld, Cavendish, Coleraine and Balmoral as well as a virtual briefing in December 2021.</p> <p>Council received formal submissions from the public in February 2022 which informed the second stage of the Strategy.</p> <p>The development of RLUS remains ongoing and is expected to be completed in the 2022/23 financial year.</p>

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 budget for the year:

MAJOR INITIATIVES	PROGRESS
<p>Complete construction of the serviced industrial land in Port Fairy Road and commence a sales and marketing campaign.</p>	<p>Ongoing Council launched the sale of the Hamilton Business Park to prospective investors in January 2022 with sales marketing ongoing.</p> <p>Council proposed to award the contract for installation of electricity and NBN to finalise the development in late 2022.</p>
<p>Deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.</p>	<p>Ongoing Council completed the pedestrian refuge to improve resident and visitor safety in front of the Dunkeld Visitor Centre. Council also upgraded lighting to meet requirements.</p>
<p>Complete Greater Hamilton Volcanic Trails Masterplan and commence implementation phase.</p>	<p>The Masterplan was completed and adopted at the March 2022 Council Meeting.</p> <p>A submission was made to the Victorian Government's – "Enabling Tourism Fund" to seek funding to support the next stage of detailed design, permits, and approvals which was unsuccessful.</p> <p>Council will continue to seek funding opportunities as appropriate.</p>
<p>Commence upgrades of Penshurst Volcanoes Discovery Centre</p>	<p>Ongoing In conjunction with the Penshurst Volcanoes Discovery Centre committee, Challis Design were appointed to develop the detail designs for the expanded interpretation and visitor information outside the Centre and to design the refurbishment required for internal displays.</p> <p>The project is expected to be completed in late 2022.</p>



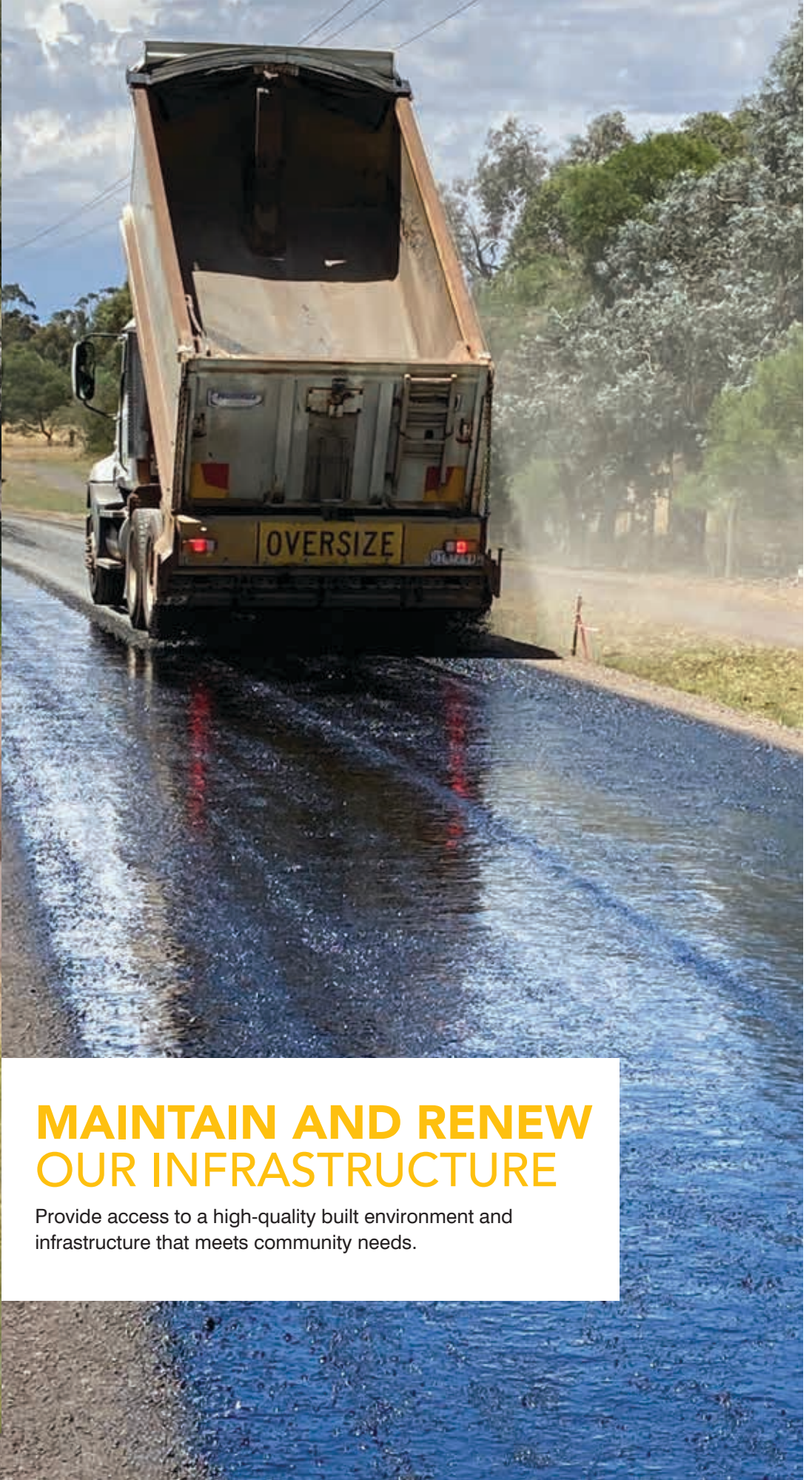
The following statement provides information in relation to the services funded in the 2021/22 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET	ACTUAL
		EXPENDITURE (REVENUE) NET COST \$000	EXPENDITURE (REVENUE) NET COST \$000
Economic Development	The economic development service seeks, in conjunction with key stakeholders, to promote an environment that is conducive to a sustainable and growing local economy.	865 (112) 753	921 (333) 588
Airport	This service is responsible for the management and operation of the Hamilton Airport.	446 (22) 424	380 (21) 359
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Livestock Exchange.	1,308 (1,761) (453)	1,361 (1,807) (446)
Visitor Experience and Services	This service aims to connect the visitor to the Greater Hamilton experience, encouraging them to stay longer and contribute more to the local economy.	641 (15) 626	822 (79) 743
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	143 (0) 143	141 (0) 141
Events Support	This services purpose is to increase visitation and visitor yield and increase quality visitor experiences through the support and marketing of events within the Shire.	283 (4) 279	283 (27) 256
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Penshurst.	46 (32) 14	76 (50) 26
Land Development	This service provides management of Council owned land to promote economic and industrial development and may also secure industrial land for potential development.	33 (0) 33	113 (0) 113

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations:

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
STATUTORY PLANNING*						
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	62 days	35 days	33.5 days	38 days	43 days	Increased number of planning applications received
Service standard <i>Planning applications decided within required timeframes</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	70.43%	77.30%	94.44%	93.55%	93.37%	No material variations
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service /Number of planning applications received]	\$2,026.73	\$1805.41	\$1514.34	\$482.27	\$588.37	Increase in contract planners used due to increased number of planning permits received
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0	0	0	50.00%	100.00%	Two decisions upheld at VCAT

*Statutory Planning also reported under Strategic Objective Three



MAINTAIN AND RENEW OUR INFRASTRUCTURE

Provide access to a high-quality built environment and infrastructure that meets community needs.

STRATEGIC OBJECTIVE THREE:

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT	COMMENTS
Develop and implement an Asset Management Framework and associated asset management plans	Completed	Council adopted the Asset Plan 2022 at an unscheduled meeting in June 2022. The Asset Plan forms a key component of the asset management framework which will be further developed and improved over time.
Develop and implement the Hamilton Transport Network Study	Ongoing	Community consultation for the Hamilton Moves project commenced in 2021/22 with phase 1 of community consultation highly successful. 'Hamilton Moves' outlines an integrated transport plan for a connected regional centre of Hamilton. The project will continue in 2022/23.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 budget for the year:

MAJOR INITIATIVES	PROGRESS
Deliver on the CBD revitalisation plan by completing the endorsed Cox Street redevelopment	Ongoing Council resolved in February 2021 to proceed with the re-scoped Cox Street Project for the redevelopment of the east-side of Cox Street. The project is jointly funded by Council and the State Government and has an overall budget of \$4.6 million. A tender for the works was awarded in July 2021 and remediation and utility works commenced onsite in April 2022. The Heavy Vehicle detour was also implemented with signage installed to help signpost the route for drivers. Works undertaken in the financial year included undergrounding of services including phone, power lines and NBN connectivity in preparation for civil works to be completed.
Deliver the Local Roads and Community infrastructure program	Complete Projects completed under Round Two of the program included the Pedrina Park Netball Court redevelopment.
Deliver the approved major upgrades at Pedrina Park Sporting Facility	Complete The Pedrina Park Inclusive Sports Hub (PPISH) was finalised with \$500,000 from the Sports and Recreation Victoria's Local Sports Infrastructure Fund and a \$1 million contribution from Council. Council commenced the redevelopment of the Pedrina Park Netball Courts assisted via \$1,746,721 in funding from the Federal Government Local Roads and Community Infrastructure.

The following statement provides information in relation to the services funded in the 2021/22 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
Community Buildings	This service supports the use of community buildings, including halls and showgrounds throughout the Shire by ensuring they are maintained adequately.	394 (17) 377	334 (16) 318
Strategic Planning	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It prepares and processes amendments to the Council Planning Scheme and carries out research on urban development issues.	825 (15) 810	836 (25) 811
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	257 (79) 178	433 (114) 319
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	724 (0) 724	1,208 (0) 1,208
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	735 (0) 735	705 (0) 705
Facilities Management and Property Services	This service ensures Council owned buildings are maintained to acceptable standards, are fit for purpose and compliant with building regulations.	475 (57) 418	219 (48) 171
Playground and Skate Parks	This service creates social spaces for younger people and their families to recreate, and includes provision of age appropriate play activities (including skate parks) and safe playground equipment across the Shire.	52 (0) 52	68 (0) 68
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	1,165 (0) 1,165	1,103 (6) 1,097
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	338 (134) 204	295 (171) 124
Plant Management and Operations	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	599 (111) 488	84 (839) (755)
Roads and Streets	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	10,522 (28) 10,494	11,937 (32) 11,905

Public Infrastructure	This service provides community and visitors with appropriate public infrastructure to meet community needs in relation to location, safety, hygiene, quality and environmental sustainability of public toilets.	475 (0) 475	677 (0) 677
Private Works	This service is provided on a case by case basis for private requests for minor works that may not be readily available to the community, for example sealing driveways.	4 (0) 4	21 (22) (1)
VicRoads Contract Management	This service ensures responsible contract management of Councils VicRoads contract.	46 (28) 18	38 (55) (17)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations:

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
ROADS						
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests /Kilometres of sealed local roads] x100	3.43%	5.66%	10.30%	2.85%	0.39%	Majority of requests were actioned in the required timeframes
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100	99.64%	98.15%	97.07%	88.17%	90.24%	No material variations
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$18.66	\$19.32	\$22.33	\$20.88	\$21.91	Increase in material price has lifted up rates for construction
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.11	\$5.00	\$3.07	\$6.04	\$6.66	Increase in material price has lifted up rates for construction
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	32	41	43	42	37	This decline in result is linked to dissatisfaction with main roads which are not a Council responsibility



PROTECT OUR NATURAL ENVIRONMENT

Act as community leaders to promote and enhance a clean, green and sustainable environment.

STRATEGIC OBJECTIVE FOUR

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT	COMMENTS
Develop and implement a Waste Management Strategy	Ongoing	Delivered and reviewed as a part of the development of the Southern Grampians Sustainability and Circular Economy Strategy.
Review, update and implement the Sustainability Strategy	Ongoing	Delivered and reviewed as a part of the development of the Southern Grampians Sustainability and Circular Economy Strategy.
Reduced Waste	Ongoing	Council commenced a review of the current kerbside waste contract which together with the development of the Sustainability and Circular Economy Strategy will identify targets and initiatives to reduce, recycle and reuse waste resources.

The following statement reviews the progress of Council in relation to initiatives identified in the 2021/22 budget for the year:

MAJOR INITIATIVES	PROGRESS
Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives	Delivered and reviewed as a part of the development of the Southern Grampians Sustainability and Circular Economy Strategy.
New Sustainability Strategy addressing renewables, climate adaptation, waste management/recycling, Integrated Water Management etc	<p>Council endorsed in December 2021;</p> <ol style="list-style-type: none"> 1. That the Southern Grampians Shire Council take the strong leadership position of recognising and urgently responding to Climate Change. 2. That the Southern Grampians Shire develop a Climate Change Urgent Action Plan in conjunction with the current review of the Sustainability Plan and further recommendations with strong targets and bold action. <p>Council commenced consideration of the development of the Southern Grampians Sustainability and Circular Economy Strategy and collaborated on the development of the Integrated Water Management Plan. This included commencing implementation for installation of a water tank at HRLX.</p>

The following statement provides information in relation to the services funded in the 2021/22 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
Landfill & Transfer Stations	This service manages the waste and recyclables collection process at the landfill.	1,664 (1,094) 570	1,608 (1,533) 75
	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire.		
Waste and Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	2,052 (110) 1,942	2045 (143) 1902
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	251 (40) 211	312 (80) 232
Stormwater/ Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	451 (0) 451	564 (0) 564
Yatchew Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	6 (5) 1	6 (5) 1
Quarry	This service is responsible for the sustainability in the supply of materials for road management and the realisation of returns from an economic asset.	4 (242) (238)	4 (301) (297)
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	222 (0) 222	171 (0) 171
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	80 (25) 55	55 (36) 19
Water	This service manages the Old Hamilton Reservoir and provides a source of non-potable water for irrigation purposes, maintaining sporting grounds and the amenity of the Hamilton Botanic Gardens.	14 (5) 9	13 (5) 8
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	319 (115) 204	306 (132) 174

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations:

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
WASTE COLLECTION						
Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	101.86	117.52	70.44	98.35	122.01	Expansion of green organic service contributed to higher levels of enquiries
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	11.18	12.51	5.85	9.58	9.42	No material variations
Service cost <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	109.47	\$115.54	\$110.28	\$118.31	\$129.96	No material variations
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$28.81	\$85.12	\$83.50	\$71.77	\$78.48	No material variations
Waste Diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	44.23%	44.16%	43.01%	62.72%	79.24%	Expansion of green organic service contributed to a higher level of diversion of waste from landfill

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
FOOD SAFETY						
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.65%	100.66%	102.61%	75.17%	100.00%	Food business were operating in 2021 to receive a food safety assessment compared to 2020 when many food businesses were closed due to Covid.
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.25	1.29	1.29	1.00	1.11	8 of the 9 food complaints responded to within 1 day . 1 food complaint responded within 2 days.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$311.54	\$407.88	\$399.46	\$436.04	\$426.06	No material variations
Health and safety <i>Critical and major non-compliance outcome 100% notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance outcome notifications about food premises] x100	85.71%	100%	93.33%	100%	92.86%	No material variations

PROVIDE STRONG GOVERNANCE AND LEADERSHIP

Strong leadership, good governance and effective service delivery.



STRATEGIC OBJECTIVE FIVE:

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT	COMMENTS
Review and update the Advocacy 2018 – 2030 priority list	Completed	<p>Council finalised the Community Investment Plan in late January/early February 2022 outlining future advocacy projects for the Southern Grampians.</p> <p>Projects included:</p> <ul style="list-style-type: none"> • Volcanic Trail Masterplan • Revitalisation of Hamilton CBD • Multiuse Trails • West Grampians Pipeline • Peshurst Sewer Project • New Hamilton Gallery • Hamilton Botanic Gardens Play space • Hamilton Digital Hub • Enhanced Regional Bus Services • Re-introduction of passenger rail to Hamilton • Maroona to Portland Rail Line • WDHS Hamilton Base Hospital Redevelopment • Hamilton and Coleraine Police Station Upgrades <p>Council advocacy in relation to these projects remains ongoing.</p>
Continue to implement improved digital solutions that focus on excellence in customer service	Ongoing	<p>Council continued to invest in digital solutions for the outdoor workforce to help improve service delivery as well as the digitalisation of a number of processes and workflow via online forms.</p>
Review and implement the Work Force Development Plan 2021 - 24	Ongoing	<p>Council consulted with staff to update the Workforce Development Plan in line with Local Government Act requirements.</p> <p>The plan contains updated actions and initiatives to secure workforce needs both currently and into the future.</p> <p>The reviewed plan was endorsed by the Staff Consultative Committee and Executive Leadership Team with the implementation of the actions being overseen by the Organisational Development Department.</p>

The following statement reviews the progress of council in relation to major initiatives identified in the 2021/22 budget:

MAJOR INITIATIVES	PROGRESS
<p>Finalise the development of the Council Plan 2021 – 2025.</p>	<p>Plan Completed / Implementation Ongoing</p> <p>The 2021 – 2025 Council Plan was adopted at the October 2021 Council Meeting.</p> <p>The plan, drafted in the 2020/21 financial year, was developed with significant input from residents across the Southern Grampians.</p> <p>The plan was directly shaped by the ideas from members of the local community and has established Council's objectives and strategies for the next four years as outlined in the 2021/22 Annual Report.</p>
<p>Develop revised Advocacy and Partnership Priorities and implementation approach generally in accord with feedback collected in recently completed community visioning.</p>	<p>Ongoing</p> <p>The past 12 months has seen a sustained effort to develop new advocacy principles and highlight the priorities of our communities and our region to the State and Federal Government.</p> <p>Council has a detailed priorities list which we will continue to lobby for, seeking our share of support from other levels of government.</p>
<p>Develop and implement the Community Infrastructure Framework to guide decisions on building asset management.</p>	<p>Vision Completed / Implementation Ongoing</p> <p>Council adopted the SG2041 Community Vision Framework setting a 20 year strategic community vision at the October 2021 Council Meeting.</p> <p>The Vision, drafted in the 2020/21 financial year, was developed with significant input from residents across the Southern Grampians.</p> <p>Council will continue to develop subsequent plans and strategies including the Small Towns Strategy and RLUS to support the delivery of the 2041 vision and outcomes.</p>

The following statement provides information in relation to the services funded in the 2021/22 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
Executive and Councillor Support	This area of governance includes the Chief Executive Officer, Executive Management Team the Mayor, Councillors and associated support.	1,972 (0) 1,972	2,047 (18) 2,029
Governance Administration	This service has the responsibility to provide the organisation with appropriate strategic advice on Governance and Property related matters, enabling the organisation to be responsive to the needs of the Council and the community.	330 (0) 330	187 (0) 187
Financial Services	This service has the responsibility to provide the organisation with appropriate strategic advice, reporting and internal control on finance related matters. Financial services also provide accounts payable, receivable and rating administration.	1,258 (141) 1,117	1,080 (121) 959
Organisational Development	The Organisational Development Unit aims to facilitate Council's organisational goals through effective workforce management and provide a mechanism for continual review and improvement.	760 (15) 745	1,492 (27) 1,465
Risk Management	This service has the responsibility to provide the organisation with appropriate advice and management of risk and OHS in relation to legal and other community requirements.	356 (0) 356	459 (119) 340
Procurement	This service has the responsibility to provide the organisation with appropriate advice, administration and policy on all procurement matters as specified in Section 186A of the Local Government Act 1989.	279 (0) 279	287 (0) 287
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	342 (0) 342	329 (0) 329
Customer Service	The Customer Service is the first point of contact for all communications with Council. This unit aims to provide accurate and a high quality of service to all customers.	379 (15) 364	362 (9) 353
Business Systems	The Business Systems unit aims to maximise the organisation's capacity to utilise all its many and diverse systems and is also responsible for the ongoing support of Councils IT requirements necessary to deliver effective services.	2,046 (16) 2,030	1,861 (141) 1,720

Corporate Buildings and Overheads	This service maintains buildings and grounds of corporate buildings, supports whole of organization administration functions and coordinates centralized purchasing of corporate consumables.	919 (4,879) (3,960)	1,058 (4,879) (3,821)
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Penshurst to support works teams to deliver capital and maintenance programs.	405 (23) 382	469 (23) 446



The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

STRATEGIC INDICATOR/ MEASURE	17/18	18/19	19/20	20/21	21/22	MATERIAL VARIATIONS
GOVERNANCE						
Transparency <i>Council resolutions at meetings closed to the public</i> [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100	0.71%	2.92%	2.63%	0.75%	4.58%	Increase in items dealing with council business where the premature release of the information would prejudice negotiations.
Consultation and Engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	54	57	59	57	50	No material variations
Attendance <i>Council attendance at council meetings</i> [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100	92.44%	95.24%	96.70%	98.81%	95.80%	No material variations
Service cost <i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$31,908.43	\$32,159.71	\$32,911.86	\$33,978.00	\$35,505.72	No material variations
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	50	49	52	54	51	No material variations

CORPORATE GOVERNANCE

Council is constituted under the *Local Government Act 2020* to provide good governance in its municipal district for the benefit and wellbeing of the municipal community. Council must in the performance of its role give effect to the overarching governance principles, including:

- + Council decisions are to be made and actions taken in accordance with the relevant law;
- + Priority to be given to achieving the best outcomes for the municipal community, including future generations;
- + The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- + The municipal community is to be engaged in strategic planning and strategic decision making;
- + Innovation and continuous improvement is to be pursued;
- + Collaboration with other Councils and Governments and statutory bodies is to be sought;
- + The ongoing financial viability of the Council is to be ensured;
- + Regional, state and national plans and policies are to be taken into account in strategic planning and decision making; and
- + The transparency of Council decisions, actions and information is to be ensured.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that council and its administration meet the community's priorities. The community has many opportunities to provide input into council's decision-making processes

including community consultation, public forums and the ability to make submissions to Council.

Council's formal decision-making processes are conducted through council meetings. Council delegates the majority of its decision-making to council staff. These delegations are exercised in accordance with adopted council policies.

Meetings of Council

Council meetings of the Southern Grampians Shire Council are generally held on the second Wednesday of each month at 5:30pm in the Council Chambers, 3 Market Place, Hamilton.

Council meetings are usually open to all who wish to attend with Councillors available to meet informally with residents between 5:00pm – 5:30pm, prior to the monthly Council Meetings.

Interested community members were given the opportunity to access the meetings online where it would be livestreamed, rather than attending the meeting in person. All opportunities for public participation, such as submitting a question to Council, making a submission or speaking to an item were still available, but done so electronically.

For the 2021/22 year Council held the following meetings:

1. 11 Council Meetings of which three were held virtually; and
2. Five unscheduled council meetings of which two were held virtually

The following table provides a summary of councillor attendance at council meetings and unscheduled council meetings for the 2021/22 financial year.

Councillor	Council Meeting	Unscheduled Council Meeting	Total
Cr Bruach Colliton (Mayor from November 2020)	11/11	5/5	16/16
Cr Mary-Ann Brown	11/11	5/5	16/16
Cr Albert Calvano	11/11	4/5	15/16
Cr Helen Henry	11/11	5/5	16/16
Cr Greg McAdam	10/11	5/5	15/16
Cr Katrina Rainsford	10/11	4/5	14/16
Cr David Robertson	11/11	4/5	15/16

Council Committees

The Act allows Councils to establish Committees.

The followings table contains a list of committees established by the Council that are in operation and the purpose for which each committee was established:

Committee	Purpose
Planning Committee	To support the efficient and effective consideration of planning permit applications and the development of effective land use strategies in support of the environment, community and economy. To provide an open forum where major planning applications can be considered and applicants and objectors have their right to be heard.
Carapook Hall	The management and operation of the Public Hall at Carapook.
Coleraine Mechanics Institute	The management and operation of the Mechanics' Institute Hall at Coleraine.
Konongwootong Hall	The management and operation of the Konongwootong Public Hall.
Nareen Hall	The management and operation of the Nareen Public Hall.
Coleraine Sporting Ground	The management and operation of the Coleraine Tennis & Netball Centre, Silvester Oval, Gage Street Reserve and Turnbull Street Reserve, all of Coleraine.
Cavendish Soldiers Memorial Hall	Managing the Cavendish Soldiers Memorial Hall.

Councillor Code of Conduct

The *Local Government Act 2020* provides that all Councils must develop and adopt a Councillor Code of Conduct ('Code') and that the Code must be reviewed and adopted within the period of four months after a general election.

The Councillor Code of Conduct was adopted at Council's meeting on 10 February 2021.

The Code:

- + Sets out the standards of conduct required and expected of elected representatives;
- + Endeavours to foster good working relations between Councillors to enable Councillors to work constructively together in the best interests of the local community; and
- + Mandates Councillor conduct designed to build public confidence in the integrity of local government.

Councillors must also adhere to prescribed standards of conduct, including:

1. Treatment of Others

- A Councillor must, in performing the role of a Councillor, treat other Councillors, members of Council staff, the municipal community and members of the public with dignity, fairness, objectivity, courtesy and respect, including by ensuring that the Councillor;
- Takes positive action to eliminate discrimination, sexual harassment and victimisation in accordance with the *Equal Opportunity Act 2010*;
- Supports the Council in fulfilling its obligation to achieve and promote gender equality;
- Does not engage in abusive, obscene or threatening behaviour in their dealings with members of the public, Council staff and Councillors; and
- In considering the diversity of interests and needs of the municipal community, treats all persons with respect and has due regard for their opinions, beliefs, rights and responsibilities.

2. Performing the role of Councillor

- A Councillor must, in performing the role of a Councillor, do everything reasonable necessary to ensure that the Councillor performs the role of a Councillor effectively and responsibly, including by ensuring that the Councillor:
 - a) Undertakes any training or professional development activities the Council decides is necessary for all Councillors to undertake in order to effectively perform the role of a Councillor;
 - b) Diligently uses Council processes to become informed about matters which are subject to Council decisions;
 - c) Is fit to conscientiously perform the role of a Councillor when acting in that capacity or purporting to act in that capacity;
 - d) Represents the interests of the municipal community in performing the role of a Councillor by considering and being responsive to the diversity of interests and needs of the municipal community.

3. Compliance with good governance measures

- A Councillor, in performing the role of a Councillor, to ensure the good governance of the Council, must diligently and properly comply with the following:
 - a) Any policy, practice or protocol developed and implemented by the Chief Executive Officer in accordance with Section 46 of the Act for managing interactions between members of Council staff and Councillors;
 - b) The Council expenses policy adopted and maintained by the Council under Section 41 of the Act;
 - c) The Governance Rules developed, adopted and kept in force by the Council under Section 60 of the Act;
 - d) Any directions of the Minister issued under Section 175 of the Act.

4. Councillor must not discredit or mislead Council or public

- In performing the role of Councillor, a Councillor must ensure that their behaviour does not bring discredit upon the Council.
- In performing the role of a Councillor, a Councillor must not deliberately mislead the Council or the public about any matter related to the performance of their public duties.

5. Standards do not limit robust political debate

- Nothing in these standards is intended to limit, restrict or detract from robust public debate in a democracy

A copy of the Councillor Code of Conduct can be obtained from Council's Brown Street Business Centre, or viewed on Council's website www.sthgrampians.vic.gov.au

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the best interest of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exist even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflicts of interest.

Councillor allowances and expenses

In accordance with Section 39 of the Act, Councillors are entitled to receive an allowance while performing their duty as a Councillor.

The Victorian Independent Tribunal sets the allowances paid to Councillors, Mayors and Deputy Mayor. Councils are divided into three categories based on the income and population of each Council. In this instance Southern Grampians Shire Council is recognised as a category 1 council.

The Victorian Independent Remuneration Tribunal revised the Mayor, Deputy Mayor and Councillors allowances. The Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022 came into effect from 18 December 2021.

Prior to 18 December 2021 the allowance amounts for category 1 were:

Mayor - \$62,884 pa
Deputy Mayor – same as Councillor allowance
Councillors - \$21,049 pa

The base allowance amounts which applies for this category from 18 December 2021 are:-

Mayor - \$74,706 pa
Deputy Mayor – \$37,080 pa
Councillors - \$24,080 pa

Councillors can individually elect to receive either the full allowance to which they are entitled, part of the allowance or no allowance at all.

The amount equivalent to the superannuation scheme guarantee under Commonwealth taxation legislation (10% for the 2021/22 period) is payable in addition to these amounts.

The table below sets out the allowances paid in accordance with the Act for the 2021/22 financial year:

Councillor	Allowance	Superannuation Equivalent	Total
Brown	\$22,817.15	\$2281.73	\$25,098.88
Calvano	\$22,817.15	\$2281.73	\$25,098.88
Colliton (Mayor from 18 November 2020)	\$69,780.23	\$6978.08	\$76,758.31
Henry	\$22,817.15	\$2281.73	\$25,098.88
McAdam	\$22,817.15	\$2281.73	\$25,098.88
Rainsford	\$22,817.15	\$2281.73	\$25,098.88
Robertson (Deputy Mayor from 18 November 2020)	\$30,559.73	\$3056.00	\$33,615.73
Total	\$214,425.71	\$21,442.73	\$235,868.44

Councillor	Travel	Mileage	Childcare	ICT	Conference/ Training	Total
Brown	0	0	0	\$1,649.62	0	\$1,649.62
Calvano	\$578.39	\$1401.12	0	-\$1,469.70	0	\$509.81
Colliton (Mayor from 18 November 2020)	\$1,632.21	0	0	\$681.19	\$227.27	\$2,540.67
Henry	0	0	0	\$388.18	\$60.00	\$448.18
McAdam	0	0	0	\$1,160.16	0	\$1,160.16
Rainsford	0	0	0	\$1,136.83	\$274.35	\$1,411.18
Robertson	\$267.27	0	0	\$717.33	0	\$984.60
Total	\$2,477.87	\$1,401.12	\$0	\$4,263.61	\$561.62	\$8,704.22

Note: The Mayor is supplied with a vehicle in order to fulfil the duties of the role.

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in Council's Annual Report. No infrastructure or development contributions were received by Council in the 2021/22 financial year

Audit And Risk Committee

The Audit and Risk Committee is a legislated Committee of Council formed in accordance with Section 53 of the *Local Government Act 2020*. The purpose of the Committee is to assist Council in the effective conduct of its responsibilities in relation to its financial and performance reporting practices. This includes monitoring compliance of Council's policies and procedure with overarching governance principles and legislative responsibilities, risk management and internal control systems.

The Audit Committee consists of three independent members, Mr Brian Densem (Chair), Mr Michael Murphy and Ms Aisling Cunningham and two Councillors, Councillor David Robertson and Councillor Helen Henry. Meetings are also attended by the Chief Executive Officer, Director Community and Corporate Services, Manager Finance, Manager Organisational Development and other staff as appropriate.

The Audit and Risk Committee charter outlines the role of the Committee, which includes the facilitation of:

- + The enhancement of the credibility and objectivity of internal and external financial reporting;
- + Effective management of financial and other risks and the protection of Council assets;
- + Compliance with laws and regulations and consideration of best practice guidelines;
- + The effectiveness of the internal audit function; and
- + The provision of an effective means of communication between the external auditor, internal audit, management and the Council.

The Audit and Risk Committee met on four occasions during 2021/22 and addressed a broad range of issues including:

- + Implementation of the *Local Government Act 2020*;
- + Annual Financial, Standard and Performance Statements;
- + Budget 2021-2022; Long-Term Financial Plan 2022-2032 and Asset Plan 2022-2032
- + Quarterly Financial Statements and Reports;
- + Business Continuity;
- + Internal Audit;
- + Risk Management Framework;
- + Fraud and Corruption Control;
- + Compliance Framework;
- + OH&S;
- + Performance Reports
- + Annual Plan;
- + Councillor Expenses; and
- + Procurement Policy.

Documents for public inspection

In accordance with *Local Government Act 2020*, Council makes a range of information available on its website www.sthgrampians.vic.gov.au

Carer's recognition act 2012

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the *Carer's Recognition Act 2012* by including information on the care relationship in Council induction and training programs for staff working in Home and Community Care and disability services.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Contracts

During the 2021/22 Financial Year Council entered into a number of contracts with a value above the Council's Procurement Policy contract value (threshold) with invitations for tender or expression of interest. They included:

- + Cox Street Redevelopment Project –
 - Civil Works,
 - Powercor Works
- + Lease of Hamilton Indoor Leisure Aquatic Centre Gymnasium Equipment
- + Road widening at Henty Highway and South Boundary Road
- + Detailed design for the Melville Oval Redevelopment Project
- + Long-Term Dry Plant Hire
- + Small Towns Strategy
- + Bridge Maintenance and Repairs
- + Light Fleet Purchases
- + Multi Year Power Supply Agreement

- + Hamilton Business Park
- + Supply and delivery of Hook Truck
- + Bulk fuel purchase

Council also entered into the following contracts above \$150,000 where Council did not enter into a competitive process due to market constraints:

- + Cox Street Redevelopment Project –
 - Telstra Works,
 - NBN Works

Food act ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any ministerial directions received during the financial year in its annual report.

No such ministerial directions were received by Council during the 2021/22 financial year.

Disability Action Plan

Council is committed to working alongside our community to create a place where people of all ages and abilities can achieve optimal health and wellbeing.

The *Disability Act 2006* requires all councils to have a Disability Action Plan as prescribed in the *Commonwealth Disability Discrimination Act 1992*.

This plan needs to focus on:

- + reducing barriers to persons with disabilities accessing goods, services and facilities
- + reducing barriers to persons with disabilities obtaining and maintaining employment
- + promoting inclusion and participation in the community of persons with disabilities
- + achieving tangible changes in attitudes and practices which discriminate against persons with disabilities.

The Disability Action Plan was embedded into the Council Plan for the first time in 2021. The approach aims to ensure that disability remains a priority across all areas of Council business

and that a disability perspective is applied in the delivery of all Council services and activities.

Domestic Animal Management Plan

In accordance with the *Domestic Animal Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four year intervals and evaluate its implementation in its Annual Report.

The Plan identifies strategies and actions to implement the vision, aims and objectives for animal management and contains recommendations for a wide range of actions to be undertaken by Council in a programmed approach. These actions will enable Council to maintain a balance between the competing interests of animal management and to accommodate new requirements. The Plan addresses topics including authorised officer training, promotion of responsible pet ownership including registration, minimisation of dog attacks, operation of the Pound facility and general service delivery throughout the municipality. The Pound is run in strict accordance with the code of practice for Pounds and Shelters.

There was a reduction in the number of animals registered in the Shire for 2021/22. As at 30 June 2021, there were 2,470 domestic animals registered with Council; 1,890 dogs and 580 cats. The 2021/22 year saw 72% of impounded dogs and 6.9% of impounded cats reclaimed by their owners and 16.8% of impounded dogs and 20.8% of impounded cats rehoused with new families. For the second year in a row, there has been an increase in reclaimed/rehomed animals which may be contributed to the ongoing and proactive improvement to Councils animal management facilities, responsible pet ownership and rehoming program. While the number of impounded animals humanely destroyed appears to be disproportionately high, this is because the majority of the cats impounded by Council are feral animals impounded through an intense trapping program in known feral population areas. This only represents the animals that were physically brought to the pound and does not include the many animals that were able to be returned to their owners before being impounded.

Freedom of information

The Freedom of Information Act 1982 (the FOI Act) gives people the right to access documents held by Victorian government agencies.

The FOI Act has four main functions:

1. To provide a general right of access to documents;
2. To enable individuals to amend incorrect documents about them held by government;
3. To provide rights appeal in relation to the previous two functions;
4. To require agencies to publish certain details about themselves and their functions.

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their Annual Report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

No valid FOI requests were received by Council during the period 1 July 2021 – 30 June 2022.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- It should be in writing;
- It should identify as clearly as possible which document is being requested;
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Applications can be emailed to Council's FOI Officer at foi@sthgrampians.vic.gov.au or mailed to Locked Bag 685, Hamilton VIC 3300.

Access charges may apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding FOI can be found at <http://www.sthgrampians.vic.gov.au/foi>

Public Interest Disclosures Act 2012

In accordance with Section 69 of the *Protected Disclosure Act 2012* a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act.

It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Public Interest Disclosures Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are available on Council's website www.sthgrampians.vic.gov.au/protecteddisclosures

During the 2021/22 financial year, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, a Council must publish a copy or summary of any Ministerial direction in its Annual Report. No such Ministerial Directions were received by Council during the 2021/22 financial year.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decisions by Council. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Governance and management checklist

Indicator	Governance And Management Items	Assessment
Community Engagement	1 Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date: 10 February 2021
Community Engagement	2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date: 10 February 2021
Planning	3 Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date: 22 June 2022
Planning	4 Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date: 22 June 2022
Planning	5 Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date: 23 June 2021
Planning	6 Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act Date of adoption: 22 June 2022
Planning	7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date: 9 October 2019
Planning	8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date: 29 March 2018
Planning	9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date: 11 July 2018
Planning	10 Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date: 15 December 2021
Planning	11 Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date: 1 September 2019
Planning	12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date: 10 September 2022

Monitoring	13	Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Current framework in operation Date: 1 February 2020
Monitoring	14	Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date: 8 July 2020
Monitoring	15	Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Internal auditor engaged Date: 3 September 2020
Monitoring	16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation Date: 25 February 2020
Reporting	17	Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Date: 11 August 2021, 10 March 2022, 11 May 2022
Reporting	18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to council in accordance with section 138(1) of the Act Date: 11 August 2021, 9 February 2022, 8 June 2022
Reporting	19	Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented for ELT Date: 2 September 2021 9 November 2021 15 February 2022 14 June 2022
Reporting	20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Performance report prepared and presented Date: 8 June 2022
Reporting	21	Annual report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 to the community containing a report of operations and audited financial performance statements)	Annual Report considered at a meeting of Council in accordance with section 134 of the 1989 Act Date: 27 October 2021
Decision-making	22	Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed in accordance with section 139 of the Act Date: 10 February 2021

Decision-making	23	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Dates of review: s5 - 14 July 2021, s6 - 9 June 2021 s7 - 22 April 2021 s12 - 13 April 2022 s13 - 20 July 2021 s14 - 17 August 2020 c5 - 12 August 2020 c7 - 9 September 2021
Decision-making	24	Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date: 13 October 2021

I certify that this information presents fairly the status of council's governance and management arrangements.



Tony Doyle
Chief Executive Officer
Date: Oct 12 2022



Cr Bruach Colliton
Mayor
Date: Oct 12 2022

FINANCIAL INFORMATION



Understanding these accounts

The Financial Statements have been prepared in accordance with the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board. The Financial Statements have been prepared on the basis of historical costs, except where specifically stated otherwise. They have also been prepared on an accruals and ongoing concern basis.

The statements are audited by the Victorian Auditor-General's agent before being approved in principle by Council's Audit & Risk Committee and Council itself. The Financial Statements are then forwarded to the Auditor-General for final approval.

For this financial year Council has received a clear audit of its Financial Statements.

The Financial Statements are comprised of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes to and forming part of the Statements. These Statements compare the previous year's results with the current year.

Financial Overview

Council's audited 2021/22 Financial Statements are included from page 89-94 of this report.

Council continues to be in a sound financial position and achieved an operating surplus of \$2.066 million.

Council has a working capital ratio of 2.53:1 this year (2020/21 2.51:1). The Working Capital

Ratio assesses Council's ability to meet current commitments and means that Council has \$2.53 of cash and current assets for every \$1.00 of current liabilities.

Unrestricted cash on hand at 30 June 2022 was \$14.643 million which includes investments of \$5.530 million for payment of long service leave entitlements, \$1.1 million for the future provision of landfill remediation, and \$2.0 million defined benefits superannuation call contingency. Restricted cash of \$1.995 million is for specific reserve funds and trust deposits.

Borrowings outstanding at 30 June 2022 totalled \$2.384 million. Trade and other payables was \$3.266 million.

Council had a net overall cash inflow for the year of \$1.647 million compared to a budgeted outflow of \$10.485 million.

Council achieved a Net Cash Flow of \$11.203 million from Operating Activities compared to a budget of \$8.772 million for the financial year.

Rating

Rates and Charges provided 45 percent of Council's total operating revenue in 2021/22.

Council's rating strategy seeks to ensure consistency and equity in the levying of rates and charges. Differential rates are levied on the capital improved valuation of all rateable land to reflect the different standard, range and access to municipal services available to residents and ratepayers in the different areas of the Shire.

The lower differential rate was fixed at 80 percent of the higher differential rate.

Looking ahead

The Council, in developing its financial strategy, has taken a long-term view to budgeting and planning. The preparation of the Long Term Financial Plan includes a number of assumptions, which are reviewed annually and updated to reflect new or revised circumstances. In preparing its long-term financial plan, a number of internal and external influences impact on the capacity of Council to fund ongoing capital needs including increasing costs associated with the maintenance and renewal of Council's ageing infrastructure assets, improvements in waste management services and facilities, improved asset management practices, demand for leisure and recreation facilities, Council services generally and plant replacement.

The Council continues to receive funding from the Federal Government for general purpose expenses (via the Victorian Grants Commission) and under the "Roads to Recovery" program for the local road network. Council has also received substantial funding for the 2021/22 financial year and following two years under the Local Roads and Community Infrastructure Program (LRCIP).

The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's corporate objectives as specified in the Council Plan.

Comprehensive Income Statement

The Comprehensive Income Statement includes all sources of income, less all operating expenses or expenses incurred in delivering Council services. This includes depreciation, or the writing down of the value of buildings, roads, footpaths, drains and all other infrastructure assets which are used to deliver Council services.

These assets are depreciated over the life of the asset as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the Statement, but are depreciated as they are used.

The Statement is prepared on an accrual basis. This means that all revenue and expenditure for the year is recognised even though the revenue may not yet be received or expenses not yet paid.

The key figure is the Surplus (Deficit) which is the equivalent to the profit or (loss) of Council for the year. Council Expenses were \$46.913 million with Revenue \$48.919 million generating a surplus of \$2.006 million.

Balance Sheet

The Balance Sheet shows what the Council owns as assets and what it owes as liabilities.

Both Assets and Liabilities are expressed as current or non-current. Current means that these are Assets or Liabilities that will be expected to be paid or could be converted into cash within the next 12 months. The bottom line of this Statement is Net Assets which is the net worth of Council built up over the years.

The Council's Balance Sheet indicates Council is in a sound position. Its Current Assets consist predominately of cash assets and are 2.53 times Current Liabilities which demonstrates that Council has sufficient funds on hand to pay liabilities as they fall due.

Statement in Changes of Equity

The Statement of Changes in Equity shows the value of changes to Total Ratepayers Equity (net assets) and how these changes arose.

Council's net worth can only change through the 'profit (loss) for the year' from operations as recorded in the Comprehensive Income Statement or an increase in the value of non-current assets resulting from a revaluation of those assets.

Councils Net Equity increased from \$400.293 million to \$444.010 million in 2020/21. This increase of \$43.717 million is the operating result plus asset revaluation increments in 2021/22.



Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year.

It differs from the Comprehensive Income Statement in that it:

- + excludes the accruals taken into account in the Comprehensive Income Statement
- + excludes non-cash expenses such as depreciation
- + includes payments or receipts in relation to capital items
- + includes any 'financing' activities such as loan proceeds and payments.

The Cash Flow from Operating Activities summarises all of the Income and Expenses in relation to Council's ongoing service delivery. A surplus ensures that Council can maintain its day-to-day operations as well as provide funds for future community investments.

The Cash Flow from Investing Activities refers to Council's Capital Works expenditure as well as any

receipts for the sale of assets.

Cash Flow from Financing Activities refers to the repayment of loans and repayments for Council's unfunded superannuation liabilities.

Statement of Capital Works

The Statement of Capital Works compares the expenditure allocated to the various categories of assets Council maintains for the purpose of delivering services. This statement compares the level of expenditure compared to the previous year.

It also provides a breakdown of the expenses into the development of new assets, renewing existing assets or upgrading and/or expanding assets.

Notes To The Accounts

Notes to the Accounts provide details of Council's accounting policies, expands on the summary figures contained in the five key financial statements and includes other information such as financial performance indicators, the cost of various functions.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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CERTIFICATION OF THE FINANCIAL STATEMENTS

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Belinda J Johnson, B Comm, CPA
Principal Accounting Officer



Date : 28 September 2022
Hamilton

In our opinion, the accompanying financial statements present fairly the financial transactions of the Southern Grampians Shire Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Cr David Robertson
Councillor



Date : 28 September 2022
Hamilton

Cr Helen Henry
Councillor



Date : 28 September 2022
Hamilton

Tony Doyle
Chief Executive Officer



Date : 28 September 2022
Hamilton

Independent Auditor's Report

To the Councillors of Southern Grampians Shire Council

Opinion	<p>I have audited the financial report of Southern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
11 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

FINANCIAL STATEMENTS

For the year ended 30 June 2022

COMPREHENSIVE INCOME STATEMENT

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	22,085	21,946
Statutory fees and fines	3.2	639	694
User fees	3.3	5,686	5,498
Grants - operating	3.4	14,279	13,268
Grants - capital	3.4	4,094	5,819
Contributions - monetary	3.5	508	165
Contributions - non monetary	3.5	214	132
Adjustment to Landfill Provision	5.5	609	1,769
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	352	75
Fair value adjustments for investment property	6.2	50	950
Other income	3.7	403	341
Total income		48,919	50,657
Expenses			
Employee costs	4.1	(20,346)	(20,931)
Materials and services	4.2	(10,843)	(10,805)
Depreciation	4.3	(11,835)	(11,538)
Bad and doubtful debts	4.4	(3)	(10)
Borrowing costs	4.5	(98)	(127)
Waste Disposal Costs	4.6	(656)	(1,331)
Other expenses	4.7	(3,132)	(2,882)
Total expenses		(46,913)	(47,624)
Surplus/(deficit) for the year		2,006	3,033
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	41,711	32,118
Items that may be reclassified to surplus or deficit in future periods			
Total other comprehensive income		41,711	32,118
Total comprehensive result		43,717	35,151

The above comprehensive income statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

For the year ended 30 June 2022

BALANCE SHEET

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	8,541	6,907
Trade and other receivables	5.1	3,422	3,245
Other financial assets	5.1	14,531	19,813
Inventories	5.2	538	556
Other assets	5.2	483	471
Total current assets		27,515	30,992
Non-current assets			
Trade and other receivables	5.1	37	40
Property, infrastructure, plant and equipment	6.2	427,222	382,815
Right-of-use assets	5.8	-	-
Investment property	6.4	3,300	3,250
Total non-current assets		430,559	386,105
Total assets		458,074	417,097
Liabilities			
Current liabilities			
Trade and other payables	5.3	3,266	2,699
Trust funds and deposits	5.3	450	372
Unearned income/revenue	5.3	1,795	3,114
Provisions	5.5	4,810	5,654
Interest-bearing liabilities	5.4	556	529
Total current liabilities		10,877	12,368
Non-current liabilities			
Provisions	5.5	1,359	2,051
Interest-bearing liabilities	5.4	1,828	2,385
Total non-current liabilities		3,187	4,436
Total liabilities		14,064	16,804
Net assets		444,010	400,293
Equity			
Accumulated surplus		148,664	146,678
Reserves	9.1	295,346	253,615
Total Equity		444,010	400,293

The above balance sheet should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

For the year ended 30 June 2022

STATEMENT OF CHANGES IN EQUITY

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		400,293	146,678	253,094	521
Surplus/(deficit) for the year		2,006	2,006	-	-
Net asset revaluation increment/(decrement)	6.1	41,711	-	41,711	-
Transfers to other reserves	9.1	-	(20)	-	20
Transfers from other reserves	9.1	-	-	-	-
		<u>444,010</u>	<u>148,664</u>	<u>294,805</u>	<u>541</u>
Balance at end of the financial year		444,010	148,664	294,805	541
2021					
		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		365,142	143,684	220,976	482
Impact of change in accounting policy -AASB 1059: Service concession arrangements: grantors	10	-	-	-	-
Adjusted opening balance		<u>365,142</u>	<u>143,684</u>	<u>220,976</u>	<u>482</u>
Surplus/(deficit) for the year		3,033	3,033	-	-
Net asset revaluation increment/(decrement)	6.1	32,118	-	32,118	-
Transfers to other reserves	9.1	-	(39)	-	39
Transfers from other reserves	9.1	-	-	-	-
		<u>400,293</u>	<u>146,678</u>	<u>253,094</u>	<u>521</u>
Balance at end of the financial year		400,293	146,678	253,094	521

The above comprehensive income statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

For the year ended 30 June 2022

STATEMENT OF CASH FLOWS

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		21,975	21,793
Statutory fees and fines		610	671
User fees		5,702	6,932
Grants - operating		14,321	13,715
Grants - capital		2,733	7,789
Contributions - monetary		509	-
Interest received		173	208
Trust funds and deposits taken		310	151
Other receipts		568	295
Net GST refund/(payment)		20	31
Employee costs		(20,981)	(20,722)
Materials and services		(11,264)	(12,195)
Trust funds and deposits repaid		(232)	(560)
Other payments		(3,251)	(2,422)
Net cash provided by/(used in) operating activities		11,193	15,686
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(15,039)	(11,303)
Proceeds from sale of property, infrastructure, plant and equipment		826	518
Payments for investments		5,282	(4,613)
Net cash provided by/(used in) investing activities		(8,931)	(15,398)
Cash flows from financing activities			
Finance costs		(98)	(127)
Redemption / (Payments for) Investments		(530)	(572)
Net cash provided by/(used in) financing activities		(628)	(699)
Net increase (decrease) in cash and cash equivalents		1,634	(411)
Cash and cash equivalents at the beginning of the financial year		6,907	7,318
Cash and cash equivalents at the end of the financial year		8,541	6,907
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

The above balance sheet should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

For the year ended 30 June 2022

STATEMENT OF CAPITAL WORKS

	Note	2022 \$'000	2021 \$'000
Property			
Land		1,314	-
Land improvements		904	512
Total land		2,218	512
Buildings		1,601	461
Total buildings		1,601	461
Total property		3,819	973
Plant and equipment			
Heritage plant and equipment		-	1,444
Plant, machinery and equipment		750	-
Library books		52	59
Art Collection		90	12
Total plant and equipment		892	1,515
Infrastructure			
Roads		5,784	4,624
Bridges		555	573
Footpaths and cycleways		160	-
Recreational, leisure and community facilities		1,559	142
Waste management		686	1,277
Parks, open space and streetscapes		1,464	123
Other infrastructure		199	2,076
Total infrastructure		10,407	8,815
Total capital works expenditure		15,118	11,303
Represented by:			
New asset expenditure		3,937	3,382
Asset renewal expenditure		7,718	7,708
Asset expansion expenditure		15	-
Asset upgrade expenditure		3,448	213
Total capital works expenditure		15,118	11,303

The above comprehensive income statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 1 OVERVIEW

Introduction

The Southern Grampians Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 111 Brown St, Hamilton.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)

- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) Impact of Covid-19

Council has considered the impact of the COVID-19 pandemic in all areas of estimates and judgements and provided specific notes where a significant impact is noted. In all other areas, the impact has been minor or negligible.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and charges	21,800	22,085	285	1%	1
Statutory fees and fines	556	639	83	15%	2
User fees	6,207	5,686	(521)	-8%	3
Grants - operating	8,695	14,279	5,584	64%	4
Grants - capital	4,162	4,094	(68)	-2%	
Contributions - monetary	-	508	508	100%	5
Contributions - non monetary	-	214	214	100%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	352	352	100%	7
Fair value adjustments for investment property	-	50	50	100%	8
Share of net profits/(losses) of associates and joint ventures	-	-	-	-	
Other income	665	1,012	347	52%	9
Total income	42,085	48,919	6,834	16%	
Expenses					
Employee costs	19,096	20,346	(1,250)	-7%	10
Materials and services	10,053	10,843	(790)	-8%	11
Depreciation	10,907	11,835	(928)	-9%	12
Bad and doubtful debts	-	3	(3)	100%	
Borrowing costs	99	98	1	1%	
Other expenses	4,164	3,788	376	9%	13
Total expenses	44,319	46,913	(2,594)	-6%	
Surplus/(deficit) for the year	(2,234)	2,006	4,240	-190%	

(i) Explanation of material variations

- 1 Rates and charges - additional rates collected due to supplementary valuations
- 2 Statutory fees and fines - higher fees election fines 16k, Statutory Planning 36k, building fees 22k, animal rego 16k
- 3 User fees - lower fees due to COVID impact of reduced events and facility usage.
- 4 Grants - operating - was higher due to prepayment of 6.3m of the 22-23 Victorian Grants Commission
- 5 Contributions - monetary - contributions to joint projects 329k, PAC creative neighbourhood contribution 150k
- 6 Contributions - non monetary - volunteer contributions 135k, donated artworks 79k.
- 7 Net gain on disposal of fleet vehicles due to higher than anticipated resale value.
- 8 Fair value adjustments for quarry on annual revaluation.
- 9 Other income volunteers 145k, traineeships 107k and insurance claims 119k.
- 10 Employee costs - Workcover Scheme Liability 800k, additional leave payments 676k.
- 11 Materials and services - Additional projects - Heavy Vehicle Bypass 500k, Outdoor Eating Funding 174k.
- 12 Depreciation - additional depreciation from revaluation of roads 350k, bridges 358k and other infrastructure 327k.
Other expenses - additional fee waivers 182k, stock write-off 98k, legal costs 70k.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	1,314	1,314	100%	1
Land improvements	1,210	904	(306)	-25%	2
Total land	1,210	2,218	1,008	83%	
Buildings	2,548	1,601	(947)	-37%	3
Total buildings	2,548	1,601	(947)	-37%	
Total property	3,758	3,819	61	2%	
Plant and equipment					
Plant, machinery and equipment	1,797	750	(1,047)	-58%	4
Fixtures, fittings and furniture	136	-	(136)	-100%	5
Artworks	-	90	90	100%	6
Library books	70	52	(18)	-26%	7
Total plant and equipment	2,003	892	(1,111)	-55%	
Infrastructure					
Roads	7,755	5,784	(1,971)	-25%	8
Bridges	800	555	(245)	-31%	9
Footpaths and cycleways	51	160	109	214%	10
Drainage	-	-	-	-	
Recreational, leisure and community facilities	4,362	1,559	(2,803)	-64%	11
Waste management	-	686	686	100%	12
Parks, open space and streetscapes	20	1,464	1,444	7220%	13
Other infrastructure	3,805	199	(3,606)	-95%	14
Total infrastructure	16,793	10,407	(6,386)	-38%	
Total capital works expenditure	22,554	15,118	(7,436)	-33%	
Represented by:					
New asset expenditure	5,697	3,937	(1,760)	-31%	
Asset renewal expenditure	16,073	7,718	(8,355)	-52%	
Asset expansion expenditure	-	15	15	-	
Asset upgrade expenditure	784	3,448	2,664	340%	
Total capital works expenditure	22,554	15,118	(7,436)	-33%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Purchase Lonsdale St land was a Council resolution post budget adoption
2	Land improvements	Delays to Hamilton Industrial Estate has pushed works into 22-23.
3	Buildings	Dunkeld visitor hub project 1 mil delayed to 22-23.
4	Plant, machinery and equipment	COVID supply chain issues with purchasing heavy plant & passenger vehicles.
5	Fixtures, fittings and furniture	Contract Software 50k & HILAC F&E projects 72k delayed to 22-23.
6	Artworks	Donated Artworks 90k were not budgeted.
7	Library books	Reduced expenditure to match interest income used to fund some purchases.
8	Roads	Road projects under budget or incomplete include Flood Works 1m, Heavy Vehicle Bypass 500k expensed, Agrilinks Road Upgrade 460k.
9	Bridges	Bridge works contract partially complete, remainder of works in 22-23.
10	Footpaths and cycleways	Dunkeld-Mount Sturgeon Loop Walk Project expenditure c/wd from 20-21.
11	Recreational, leisure and community facilities	Melville Oval project 2.3m, Soccer Drainage 450k works to start in 22-23.
12	Waste management	Grant funding received after budget adoption allowed project delivery
13	Parks, open space and streetscapes	Cox St Project budgeted in infrastructure 3.4m delivered 1.25m in streetscapes
14	Other infrastructure	Cox St Project budgeted in infrastructure 3.4m.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Supporting the Community

Service Objective: To support our community to be vibrant, growing, healthy, inclusive and connected, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Services include: Community support services, community planning and engagement, children's services, sport and recreation planning and delivery, cultural services, parks and gardens, local laws and emergency management.

Developing the regional economy and businesses

Service Objective: To develop our regional economy and businesses and achieve a strong, diversified local and regional economy.

Services include: Economic and business development, events support, tourism and visitor services, caravan parks, land development, airport and livestock exchange operations and development.

Planning for our built environment & infrastructure

Service Objective: To plan for our built environment and infrastructure that is accessible and meets the needs of the community.

Services include: Statutory & strategic planning, building services, infrastructure management (roads, bridges, footpaths etc), Facilities and Property planning, maintenance and management, plant operations and public infrastructure (eg public toilets).

Promoting our natural environment

Service Objective: To promote our natural environment and achieve a culture that sustains a clean, green and sustainable environment.

Services include: Waste and recycling collection and management, transfer station operations, environmental sustainability, fire prevention, natural asset management (nature reserves) stormwater drainage, quarry management and water source management.

Providing Governance and Leadership

Service Objective: To provide good governance and strong leadership and to achieve effective service delivery.

Services include: Executive and Councillor support, governance administration, support services such as finance, organisational development, customer services, business systems, risk management and corporate overheads such as rate revenue, General Purpose Grants and loan servicing.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Supporting the Community	(2,340)	4,097	1,757	(357)	62,268
Developing the regional economy and businesses	(4,411)	17,957	13,546	(3,184)	9,022
Planning for our built environment & infrastructure	(2,534)	5,083	2,550	(428)	342,145
Promoting our natural environment	(33,161)	4,768	(28,394)	(10,980)	4,780
Providing Governance and Leadership	(6,473)	15,008	8,535	(3,423)	39,859
	(48,919)	46,913	(2,006)	(18,372)	458,074

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Supporting the Community	(5,912)	14,415	9,705	3,578	53,816
Developing the regional economy and businesses	(3,491)	3,840	1,818	1,352	6,425
Planning for our built environment & infrastructure	(3,205)	17,288	16,574	2,289	310,310
Promoting our natural environment	(5,775)	6,969	1,899	108	7,806
Providing Governance and Leadership	(32,274)	5,112	(32,394)	11,760	38,740
	(50,657)	47,624	(3,033)	19,087	417,097

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2022
\$'000

2021
\$'000

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value means the sum which the land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation, if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require.

General rates	17,590	17,272
Municipal charge	1,973	1,922
Waste management charge	2,332	2,558
Special rates and charges	4	4
Revenue in lieu of rates	186	190
Total rates and charges	22,085	21,946

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation will be first applied in the rating year commencing 1 July 2022.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Infringements and costs	69	80
Court recoveries	1	5
Town planning fees	237	281
Land information certificates	32	40
Registrations	127	122
Permits	173	166
Total statutory fees and fines	639	694

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Livestock Exchange	1,803	1,770
Waste management services	953	998
Hamilton Indoor Leisure & Aquatic Centre	815	642
Home & Community Care Services	807	685
Property, Recreation & Infrastructure Facilities	234	217
Cinema Operations	139	77
Meals Services	254	279
Quarry Operations	251	401
Family Day Care	148	143
Parking	104	120
Performing Arts Centre	88	24
Other fees and charges	85	138
Old Hamilton Reservoir	5	4
Total user fees	5,686	5,498

User fees by timing of revenue recognition

User fees recognised over time	5,686	5,498
Total user fees	5,686	5,498

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

3.4 Funding from other levels of government

Grants were received in respect of the following :

	2022	2021
Summary of grants	\$'000	\$'000
Commonwealth funded grants	14,654	14,388
State funded grants	3,720	4,699
Total grants received	18,374	19,087

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	10,443	7,938
Family day care	351	370
General home care	1,031	1,013
Other	97	108

Recurrent - State Government

Childrens Services	542	473
Aged care	347	334
Libraries	176	168
Art Gallery	211	120
Cultural Services	165	80
Community Safety	73	73
Other	-	16

Total recurrent operating grants	13,436	10,693
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Non-recurrent - Commonwealth Government

Other	57	168
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Non-recurrent - State Government

Community Health & Wellbeing	28	1,470
Community Planning & Support	387	518
Environmental Management	106	83
Recreation	50	10
Cultural Services	34	107
Local Infrastructure	100	156
Family & Children	81	63

Total non-recurrent operating grants	843	2,575
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Total operating grants	14,279	13,268
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(b) Capital Grants

Recurrent - Commonwealth Government

Roads to recovery	2,006	1,970
Local Roads & Community Infrastructure	444	2,236
Total recurrent capital grants	2,450	4,206

Non-recurrent - Commonwealth Government

Other Infrastructure	223	155
Livestock Exchange	-	430

Non-recurrent - State Government

Buildings	50	980
Other Infrastructure	1,361	48
Flood Recovery	10	-

Total non-recurrent capital grants	1,644	1,613
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Total capital grants	4,094	5,819
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NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

(c) Unspent grants received on condition that they be spent in a specific manner	2022	2021
<i>Operating</i>	\$'000	\$'000
Balance at start of year	410	1,528
Received during the financial year and remained unspent at balance date	243	410
Received in prior years and spent during the financial year	(201)	(1,528)
Balance at year end	<u>452</u>	<u>410</u>
<i>Capital</i>		
Balance at start of year	2,632	662
Received during the financial year and remained unspent at balance date	-	2,018
Received in prior years and spent during the financial year	(1,362)	(48)
Balance at year end	<u>1,270</u>	<u>2,632</u>

(d) Recognition of grant income

Before recognising funding from government grants as revenue, the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement

Income recognised under AASB 1058 *Income of Not-for-Profit Entities*

General purpose	10,443	7,938
Specific purpose grants to acquire non-financial assets	4,094	5,819
Other specific purpose grants	3,836	5,330

Revenue recognised under AASB 15 *Revenue from Contracts with Customers*

Specific purpose grants	-	-
	<u>18,373</u>	<u>19,087</u>

3.5 Contributions

Monetary	508	165
Non-monetary	214	132
Total contributions	<u>722</u>	<u>297</u>

Contributions of non monetary assets were received in relation to the following asset classes.

Art Gallery - Gifted works of Art	79	43
Meals on Wheels Service - Value of volunteer labour donated to Council	72	50
Visitor Information Centres - Value of volunteer labour donated to Council	63	39
Total non-monetary contributions	<u>214</u>	<u>132</u>

Monetary and non monetary contributions are recognised as revenue at their fair value when Council obtains control over the contributed asset.

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	826	518
Written down value of assets disposed	(474)	(443)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>352</u>	<u>75</u>

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest	173	208
User Reimbursements	29	-
Donations	3	-
Insurance Reimbursements	118	100
Vicroads	55	-
Other	25	33
Total other income	<u>403</u>	<u>341</u>

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
Note 4 The cost of delivering services		
4.1 (a) Employee costs		
Wages and salaries	14,925	16,041
Leave - Annual, Long Service & Sick	1,835	2,129
WorkCover	1,192	526
Superannuation	1,963	1,797
Travelling	160	132
Conference & Training	165	195
Fringe benefits tax	101	106
Corporate Image	5	5
Total employee costs	20,346	20,931
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	51	45
	51	45
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,301	1,023
Employer contributions - other funds	611	724
	1,912	1,747
Refer to note 9.3 for further information relating to Council's superannuation obligations		
4.2 Materials and services		
Contract payments	5,268	5,285
General maintenance	2,392	2,316
Consultants	728	738
Utilities	864	814
Insurance	671	658
Information technology	485	457
Building maintenance	272	371
Office administration	163	156
Total materials and services	10,843	10,805
Expenses are recognised as they are incurred and reported in the financial year to which they relate.		
4.3 Depreciation		
Property	1,211	1,209
Plant and equipment	1,178	1,274
Infrastructure	9,446	9,055
Total depreciation	11,835	11,538
Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.4 Bad and doubtful debts		
Caravan parks	-	6
Domestic Care Services	3	3
Other debtors	-	1
Total bad and doubtful debts	3	10
Movement in provisions for doubtful debts		
Balance at the beginning of the year	15	5
New provisions recognised during the year	3	10
Amounts already provided for and written off as uncollectible	(5)	-
Amounts provided for but recovered during the year	(1)	-
Balance at end of year	12	15
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

4.5 Borrowing costs	2022 \$'000	2021 \$'000
Interest - Borrowings	98	127
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	98	127

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Waste Disposal Costs	2022 \$'000	2021 \$'000
Waste Disposal Costs	656	1,331
Total Waste Disposal Costs	656	1,331

4.7 Other expenses	2022 \$'000	2021 \$'000
Advertising	308	223
Auditors' remuneration - Internal Audit	50	42
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	32	44
Community Grants	405	424
Councillors' allowances	214	189
Discount on Rates	185	175
Food and Catering	108	65
Legal Expenses	113	75
Phone, Internet & Other Communication Charges	211	263
Software Licences	346	342
Stock Adjustments/Write Offs	108	168
Subscriptions, Memberships & Licences	184	93
Value of Volunteer service	135	89
Others	753	690
Total other expenses	3,132	2,882

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	4	4
Cash at bank	8,537	6,903
Total cash and cash equivalents	8,541	6,907

(b) Other financial assets

Term deposits - current	14,531	19,813
Total other financial assets	14,531	19,813
Total financial assets	23,072	26,720

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3)	450	373
Total restricted funds	450	373
Total unrestricted cash and cash equivalents	8,091	6,534

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- cash held for specific Reserves & Trust Funds	896	1,017
- cash held for Sir Irving Benson Bequest	659	657
- cash held for unspent grants	1,723	3,042
- cash held for unexpected capital works	1,270	970
Total funds subject to intended allocations	4,538	5,686

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 5 Our financial position	2022	2021
(c) Trade and other receivables	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	2,336	2,134
Net GST receivable	174	194
Infringement debtors	75	49
Provision for doubtful debts - other debtors	(12)	(15)
Special rate assessment	-	-
<i>Non statutory receivables</i>		
Loans and advances to community organisations	-	-
Other debtors	849	883
Provision for doubtful debts - other debtors	-	-
Total current trade and other receivables	<u>3,422</u>	<u>3,245</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	37	40
<i>Non statutory receivables</i>		
Loans and advances to community organisations	-	-
Total non-current trade and other receivables	<u>37</u>	<u>40</u>
Total trade and other receivables	<u>3,459</u>	<u>3,285</u>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	694	452
Past due by up to 30 days	42	360
Past due between 31 and 60 days	12	28
Past due between 61 and 90 days	10	2
Past due by more than 90 days	91	41
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
Total trade and other receivables	<u>849</u>	<u>883</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$12k (2021: \$15k) were impaired. The amount of the provision raised against these debtors was \$3k (2021: \$10k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	2	7
Past due between 181 and 365 days	1	2
Past due by more than 1 year	9	6
Total trade & other receivables	<u>12</u>	<u>15</u>

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

5.2 Non-financial assets	2022	2021
(a) Inventories	\$'000	\$'000
Inventories held for distribution	403	421
Land held for inventory	135	135
Total inventories	538	556

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	460	466
Accrued income	23	5
Other	-	-
Total other assets	483	471

5.3 Payables, trust funds and deposits and unearned income/revenue	2022	2021
(a) Trade and other payables	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	1,391	1,321
Rate Revenue received in Advance	495	441
Employee Costs	935	643
Fire Services Levy	269	232
Accrued expenses	252	62
<i>Statutory payables</i>		
Net GST payable	(76)	-
Total trade and other payables	3,266	2,699

(b) Trust funds and deposits

Refundable deposits	268	21
Fire services levy	-	-
Retention amounts	182	351
Total trust funds and deposits	450	372

(c) Unearned income/revenue

Grants received in advance - operating	452	410
Grants received in advance - capital	1,270	2,632
Other	73	72
Total unearned income/revenue	1,795	3,114

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

5.4 Interest-bearing liabilities	2022	2021
	\$'000	\$'000
Current		
Bank overdraft	-	-
Borrowings - secured	556	529
	<u>556</u>	<u>529</u>
Non-current		
Borrowings - secured	1,828	2,385
	<u>1,828</u>	<u>2,385</u>
Total	<u>2,384</u>	<u>2,914</u>

Borrowings are secured by Council rates

(a) The maturity profile for Council's borrowings is:

Not later than one year	556	529
Later than one year and not later than five years	1,190	1,540
Later than five years	638	845
	<u>2,384</u>	<u>2,914</u>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2022			
Balance at beginning of the financial year	5,996	1,709	7,705
Additional provisions	1,611	-	1,611
Amounts used	(1,722)	(145)	(1,867)
Adjustment to provision	(157)	-	(157)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(659)	(464)	(1,123)
Balance at the end of the financial year	<u>5,069</u>	<u>1,100</u>	<u>6,169</u>
2021			
Balance at beginning of the financial year	5,860	4,746	10,626
Additional provisions	-	-	-
Amounts used	(1,504)	(1,170)	(2,674)
Adjustment to provision	2,029	(1,769)	260
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(409)	(98)	(507)
Balance at the end of the financial year	<u>5,996</u>	<u>1,709</u>	<u>7,705</u>

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	1,211	1,033
Long service leave	263	125
Time in Lieu	136	153
	<u>1,610</u>	<u>1,311</u>
Current provisions expected to be wholly settled after 12		
Annual leave	753	1,091
Long service leave	2,267	2,976
	<u>3,020</u>	<u>4,067</u>
Total current employee provisions	<u>4,630</u>	<u>5,378</u>
Non-current		
Long service leave	439	618
Annual leave	-	-
Total non-current employee provisions	<u>439</u>	<u>618</u>
Aggregate carrying amount of employee provisions:		
Current	4,630	5,378
Non-current	439	618
Total aggregate carrying amount of employee provisions	<u>5,069</u>	<u>5,996</u>

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:	2022	2021
- discount rate	2.427%	0.150%
- index rate	2.500%	2.950%

	2022	2021
	\$'000	\$'000
(b) Landfill restoration		
Current	180	276
Non-current	920	1,433
	<u>1,100</u>	<u>1,709</u>

Council is obligated to restore Hamilton and Coleraine landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:	2022	2021
- discount rate	3.610%	0.180%
- index rate	2.000%	2.000%

	2022	2021
(c) Total Provisions		
Current	4,810	5,654
Non-current	1,359	2,051
	<u>6,169</u>	<u>7,705</u>

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 20 June 2022.

Bank overdraft	1,000	1,000
Credit card facilities	250	250
Treasury Corporation of Victoria facilities	-	-
Other facilities	2,384	2,914
Total facilities	3,634	4,164
Used facilities	(2,450)	(2,914)
Unused facilities	1,184	1,250

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Operating					
Corporate Administration	261	67	-	-	328
Recreation	47	46	128	-	221
Meals for delivery	62	-	-	-	62
Waste Management	1,793	-	-	-	1,793
Recreation	-	-	-	-	-
Total	2,163	113	128	-	2,404
Capital					
Infrastructure	3,769	-	-	-	3,769
Plant	344	-	-	-	344
Drainage	-	-	-	-	-
Total	4,113	-	-	-	4,113
	6,276	113	128	-	6,517
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Operating					
Corporate Administration	195	165	-	-	360
Infrastructure	23	-	-	-	23
Meals for delivery	284	-	-	-	284
Waste Management	1,386	-	-	-	1,386
Planning & Development	25	-	-	-	25
Total	1,913	165	-	-	2,078
Capital					
Infrastructure	1,027	-	-	-	1,027
Recreation	550	-	-	-	550
Waste Management	303	-	-	-	303
Total	1,880	-	-	-	1,880

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2021 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2022 \$'000
Property	57,530	3,763	-	41,711	(1,273)	-	-	2,846	104,997
Plant and equipment	25,781	813	79	-	(1,175)	(203)	(87)	(175)	25,033
Infrastructure	292,441	8,622	-	-	(9,387)	(270)	-	(2,671)	288,735
Work in progress	6,663	1,621	-	-	-	-	(27)	-	8,457
	382,815	15,039	79	41,711	(11,835)	(473)	(114)	-	427,222

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	3,763	1,285	-	(272)	4,776
Plant and equipment	-	-	-	-	-
Infrastructure	2,900	2,014	(27)	(1,206)	3,681
Total	6,663	3,299	(27)	(1,478)	8,457

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total Buildings	Work in Progress	Total Property
At fair value 1 July 2021	13,260	179	563	14,022	-	75,561	-	-	-	75,561	3,763	93,346
Accumulated depreciation at 1 July 2021	-	-	(150)	(150)	-	(31,503)	-	-	-	(31,503)	-	(31,553)
	13,260	179	433	13,872	-	44,058	-	-	-	44,058	3,763	61,693
Movements in fair value												
Additions	1,311	-	-	1,311	-	2,471	-	-	-	2,471	1,285	5,067
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	42,498	42,498	-	-	-	-	-	-	-	42,498
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	225	225	-	2,744	-	-	-	2,744	(272)	2,697
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	1,311	-	42,723	44,034	-	5,215	-	-	-	5,215	1,013	50,262
Movements in accumulated depreciation												
Depreciation and amortisation	-	-	(11)	(11)	-	(1,262)	-	-	-	(1,262)	-	(1,273)
Accumulated depreciation of disposals	-	-	(787)	(787)	-	-	-	-	-	-	-	(787)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	(122)	-	-	-	(122)	-	(122)
Transfers	-	-	(786)	(786)	-	(1,364)	-	-	-	(1,364)	-	(2,162)
	14,571	179	43,306	58,056	-	80,776	-	-	-	80,776	4,776	143,608
Accumulated depreciation at 30 June 2022	-	-	(948)	(948)	-	(32,887)	-	-	-	(32,887)	-	(33,835)
Carrying amount	14,571	179	42,358	57,108	-	47,889	-	-	-	47,889	4,776	109,773

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

(b) Plant and Equipment

	Heritage plant and machinery equipment \$'000	Plant and machinery equipment \$'000	Fixtures and fittings and furniture \$'000	Art Collection \$'000	Computers and telecommms \$'000	Library books \$'000	Total plant and equipment \$'000
At fair value 1 July 2021	-	16,349	4,003	17,167	-	465	37,984
Accumulated depreciation at 1 July 2021	-	(9,198)	(3,005)	-	-	-	(12,203)
	-	7,151	998	17,167	-	465	25,781
Movements in fair value							
Additions	-	750	-	90	-	52	892
Contributions	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposal	-	(1,992)	-	-	-	-	(1,992)
Write-off	-	-	-	-	-	(87)	(87)
Transfers	-	-	(1,931)	-	1,683	-	(248)
Impairment losses recognised in operating result	-	-	-	-	-	-	-
	-	(1,242)	(1,931)	90	1,683	(35)	(1,435)
	-	-	-	-	-	-	-
Movements in accumulated depreciation							
Depreciation and amortisation	-	(1,025)	(27)	-	(123)	-	(1,175)
Accumulated depreciation of disposals	-	1,789	-	-	-	-	1,789
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	1,195	-	(1,122)	-	73
	-	764	1,168	-	(1,245)	-	687
	-	-	-	-	-	-	-
At fair value 30 June 2022	-	15,107	2,072	17,257	1,683	430	36,549
Accumulated depreciation at 30 June 2022	-	(8,434)	(1,837)	-	(1,245)	-	(11,516)
Carrying amount	-	6,673	235	17,257	438	430	25,033

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

(c) Infrastructure

	Reads	Bridges	Footpaths and cyceways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	331,844	82,587	18,585	23,635	-	-	-	4,813	845	44,223	2,900	509,532
Accumulated depreciation at 1 July 2021	(133,789)	(34,051)	(6,146)	(13,154)	-	-	-	(2,459)	(163)	(24,419)	-	(214,191)
	198,145	48,536	12,439	10,481	-	-	-	2,354	682	19,804	2,900	295,341
Movements in fair value												
Additions	5,424	540	361	-	1,567	445	86	-	-	169	2,014	10,636
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	(636)	-	-	-	-	-	-	-	-	-	(636)
Write-off	-	-	-	-	-	-	-	-	-	-	-	(27)
Transfers	(574)	-	(18)	(102)	17,300	3,765	3,397	1,424	-	(28,411)	(1,206)	(4,425)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	4,850	(96)	373	(102)	18,867	4,210	3,483	1,424	-	(28,242)	781	5,548
Movements in accumulated depreciation												
Depreciation and amortisation	(6,866)	(834)	(331)	(235)	(401)	(131)	(84)	(180)	(38)	(287)	-	(9,387)
Accumulated depreciation of disposals	-	366	-	-	-	-	-	-	-	-	-	366
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	14	22	(11,933)	(1,302)	(1,851)	(488)	-	16,116	-	548
	(6,866)	(468)	(317)	(213)	(12,334)	(1,433)	(1,965)	(668)	(38)	15,829	-	(8,473)
At fair value 30 June 2022	336,794	82,491	18,658	23,533	18,867	4,210	3,483	6,237	845	15,881	3,681	515,080
Accumulated depreciation at 30 June 2022	(140,665)	(34,519)	(6,463)	(13,367)	(12,334)	(1,433)	(1,965)	(3,127)	(201)	(8,690)	-	(222,664)
Carrying amount	196,129	47,972	12,195	10,166	6,533	2,777	1,518	3,110	644	7,391	3,681	292,416

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
Land improvements	100 years	10
Buildings		
Buildings	25-110 years	10
Plant and Equipment		
Plant, machinery and equipment	3-15 years	3
Fixtures, fittings & furniture	3-15 years	3
Computers & telecommunications	3-5 years	3
Infrastructure		
Roads - pavements & substructures - Urban	115 years	10
Roads - pavements & substructures - All Others	60 years	10
Seals - All Others	43 years	10
Seals - Asphalt	28 years	10
Road kerb, channel and minor culverts	97-100 years	10
Bridges - deck	100 years	10
Bridges - substructure	100 years	10
Footpaths and cycleways	10-70 years	10
Drainage	100 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 25 to 110 year period.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuers, Opteon Property Group as at 1 January 2021. Valuation of buildings was undertaken by APV Valuers and Asset Management as at 1 January 2019. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

A valuation of land improvements was undertaken by qualified independent valuers GHD as at 28 June 2022. The valuation of land improvements is at replacement cost.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets. The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	179	-	1-Jan-21
Specialised land	-	-	14,571	1-Jan-21
Land Improvements	-	-	42,358	1-Jul-21
Buildings	-	-	47,889	1-Jan-19
Total	-	179	104,818	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Rohit Srivastava, Manager of Assets (Bachelor of Engineering, Post Graduate Diploma in Environment Engineering, Master of Engineering), with condition assessment conducted by independent expert Peter Moloney from Peter Moloney Asset Management

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	196,129	30-Sep-19
Bridges	-	-	47,972	1-Jan-21
Footpaths and cycleways	-	-	12,495	30-Sep-19
Drainage	-	-	10,166	1-Jan-21
Recreational, leisure and community facilities	-	-	6,533	1-Jan-21
Waste Management	-	-	2,777	1-Jan-21
Parks open space and streetscapes	-	-	1,518	1-Jan-21
Aerodromes	-	-	3,110	1-Jan-21
Off street car parks	-	-	644	1-Jan-21
Other infrastructure	-	-	7,391	1-Jan-21
Total	-	-	288,735	

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values. The market value of land varies significantly depending on the location of the land and the current market conditions. Council does not recognise any Land under roads at this point in time.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2022 \$'000	2021 \$'000
Reconciliation of specialised land		
Land under roads	-	-
Parks and reserves	-	-
Community Services	745	731
Corporate & Governance	3,344	1,948
Infrastructure	4,191	4,225
Recreation & Open Space	6,471	6,357
Total specialised land	14,751	13,261

	2022 \$'000	2021 \$'000
6.2 Investment property		
Balance at beginning of financial year	3,250	2,300
Additions	-	-
Disposals	-	-
Fair value adjustments	50	950
Balance at end of financial year	3,300	3,250

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Les Speed AAPI CPV 62337 of Preston Rowe Paterson who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property as at 30 June 2022.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Southern Grampians Shire Council

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Southern Grampians Shire Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.

Details of KMP at any time during the year are:

Councillors

Councillor B Colliton - Mayor
Councillor D Robertson - Deputy Mayor
Councillor MA Brown
Councillor A Calvano
Councillor H Henry
Councillor G McAdam
Councillor K Rainsford

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer - Michael Tudball to 23/8/2021
Chief Executive Officer - Tony Doyle from 24/08/2021
Director - Community & Corporate Services - Evelyn M Arnold to 20/6/2022
Director - Community & Corporate Services - Belinda Johnson from 21/6/2022
Director - Planning & Development - Andrew Goodsell
Director - Shire Infrastructure - Marg Scanlon

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2022	2021
	\$	\$
Short-term benefits	1,078	1,096
Long-term benefits	8	17
Post employment benefits	85	79
Termination benefits	46	33
Total	1,217	1,225

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2022	2021
	No.	No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	5	8
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	2	-
\$140,000 - \$149,999	-	1
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	1
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	1	-
\$280,000 - \$289,999	-	1
Total	13	16

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2022 No.	2021 No.
\$151,000 - \$159,999	4	4
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	-	-
	6	4
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	961	624

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

	2022 \$'000	2021 \$'000
Dunkeld Community Centre Committee Inc (May-Ann Brown is Chairperson of DCCC)	3	
SA & AJ McAdam T/A Tree Fella from Mooralla (Gregory McAdam's son & daughter-in-law)	144	

Nothing to Disclose

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Nothing to Disclose Nothing to Disclose

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Nothing to Disclose Nothing to Disclose

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Nothing to Disclose Nothing to Disclose

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Note Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follow:

	2022	2021
	\$'000	\$'000
Not Later than one year	573	464
Later than one year and not later than five years	540	1,101
Later than five years	109	121
	<u>1,222</u>	<u>1,686</u>

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Insurance claims

At balance date, there were no major insurance claims that could have a material impact on future operations.

Legal matters

Council to include details of any major legal matters that could have a material impact on future operations.

Building cladding

Council should disclose any potential contingencies that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

Flood & Storm Events

Over the past 5 years, Council has been subject to a number of storm events which have impacted the condition of various assets. Individual events are claimed either through insurances or through the Emergency Management Victoria claims processes. Significant assets which are impaired will be adjusted, otherwise rectification works will occur through capital works programs or maintenance expenditure.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such a liability will continue whether or not the participant remains a participant in future insurance years.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

MAV Workcare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV. In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority. Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme participation agreement stated that each participant would remain liable to make further contributions to the Scheme in respect of any insurance year, and such liability would continue whether or not the participant remained a participant in future insurance years. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the the MAV WorkCare Scheme. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six-year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Authority.

Mount Napier Quarry

Council has identified a potential liability for the remediation of the Mount Napier Quarry. Whilst these works have been accommodated in the lease document, there is always a residual risk of non-compliance.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 2.36%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 4 to 10 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2022			
Property			
Land and land improvements	5,174	41,710	46,884
Plant & Equipment	474	-	474
Buildings	28,539	-	28,539
	34,187	41,710	75,897
Infrastructure			
Roads	150,779	-	150,779
Bridges	43,433	-	43,433
Footpaths and cycleways	10,944	-	10,944
Drainage	10,512	-	10,512
Other infrastructure	3,240	-	3,240
	218,908	-	218,908
Total asset revaluation reserves	253,095	41,710	294,805
2021			
Property			
Land and land improvements	3,546	1,628	5,174
Plant & Equipment	474	-	474
Buildings	28,539	-	28,539
	32,559	1,628	34,187
Infrastructure			
Roads	150,782	(3)	150,779
Bridges	22,186	21,247	43,433
Footpaths and cycleways	10,944	-	10,944
Drainage	4,189	6,323	10,512
Other infrastructure	316	2,924	3,240
	188,417	30,491	218,908
Total asset revaluation reserves	220,976	32,119	253,095

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2022				
Subdividers Contributions	326	20	-	346
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Total Other reserves	521	20	-	541
2021				
Subdividers Contributions	287	39	-	326
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Total Other reserves	482	39	-	521

Subdividers Contributions are in lieu of provision of recreational land within a subdivision. These funds are used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in Subdivision Act 1988 and Planning and Environment Act 1987.

The Parking Development Reserve is in lieu of provision of off-site parking as part of a development. These funds are used for the purchase and development of public access parking in the general area.

The Drainage Headworks Reserve is in lieu of meeting the cost to develop, upgrade and/or renew drainage infrastructure downstream of any subdivision development. A charge is levied on subdivision developers.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	2,006	3,033
Depreciation/amortisation	11,835	11,538
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(352)	(75)
Asset write-offs	114	1,639
Fair value adjustments for investment property	(50)	(950)
Contributions - Non-monetary assets	(79)	(43)
Other	96	125
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(174)	1,209
(Increase)/decrease in prepayments	6	(94)
Increase/(decrease) in accrued income	(18)	5
Increase/(decrease) in trade and other payables	647	(274)
(Decrease)/increase in unearned income /revenue	(1,319)	2,417
(Increase)/decrease in inventories	18	78
(Decrease)/increase in provisions	(1,537)	(2,922)
(insert other relevant items)	-	-
Net cash provided by/(used in) operating activities	11,193	15,686

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of [Employer name] in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa

Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter

Price inflation (CPI) 3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2022

The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2021 (Interim) \$m	2020 (Triennial) \$m
- A VBI Surplus	214.7	100.0
- A total service liability surplus	270.3	200.0
- A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$'000	2021 \$'000
Vision super	Defined benefits	10.0% (2021:9.5%)	51	45
Vision super	Accumulation	10.0% (2021:9.5%)	1,301	1,023
All other schemes	Accumulation	10.0% (2021:9.5%)	611	724

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 (2020/21 \$0).

There were nil contributions outstanding and \$0 loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$54k.

10 Change in accounting policy

There have been no changes in accounting policy.



PERFORMANCE STATEMENT

For the year ended 30 June 2022

DESCRIPTION OF MUNICIPALITY

Southern Grampians Shire Council was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton. We are located in the centre of the Western District of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

Hamilton is the regional retail and service centre for the entire south west of Victoria. It is supported by a delightful mix of smaller townships offering different regional lifestyle choices. The nine smaller towns in the Shire are Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington.

The region is home to a dynamic portfolio of businesses thriving in local, national and international markets. A rich agricultural heritage, fertile landscape, comprehensive infrastructure and advanced utilities shape its prosperous and sustainable economic profile, and pave the way for future development, investment and employment growth.

The Southern Grampian Shire's 16,000-strong population enjoys superior leisure and medical facilities, prestigious schools and tertiary institutions. A sophisticated arts culture and a thriving retail and hospitality sector inject vibrancy, while breathtaking landscapes add to the strong sense of place.

SUSTAINABLE CAPACITY INDICATORS

PERFORMANCE STATEMENT

For the year ended 30 June 2022

Indicator/Measure	Results			Material Variations & Comments
	2019	2020	2021	
Population				
C1 Expenses per head of municipal population (Total expenses/Municipal population)	\$3,554.94	\$2,984.78	\$2,947.13	\$2,923.47
C2 Infrastructure per head of municipal population (Value of Infrastructure/Municipal population)	\$18,674.62	\$21,178.39	\$22,905.36	\$23,064.37
C3 Population density per length of road (Municipal population/Kilometres of local roads)	5.77	6.00	5.86	5.83
Own Source Revenue				
C4 Own source revenue per head of municipal population (Own source revenue/Municipal population)	\$2,594.79	\$1,829.32	\$1,933.68	\$1,858.54
Recurrent Grants				
C5 Recurrent grants per head of municipal population (Recurrent Grants/Municipal population)	\$745.03	\$767.95	\$784.86	\$989.97 Grants commission for 2022-23 received in June 2022 contributed to a higher level of recurrent grants.
Disadvantage				
C6 Relative Socio-Economic Disadvantage (Index of Relative Socio-Economic Disadvantage by decile)	5.00	5.00	5.00	5.00
Workforce Turnover				
C7 Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) X 100	12.62%	16.10%	19.21%	15.66% The workforce turnover returned to usual levels following covid impacts in the prior year.

Definitions

"Adjusted underlying revenue" means total income other than:
a - non-recurrent grants used to fund capital expenditure; and
b - non-monetary asset contributions; and
c - contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
"Infrastructure" means non-current property, plant and equipment excluding land
"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
"population" means the resident population estimated by Council
"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
"relative socio-economic disadvantage" - in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.95.001) of SEIFA
"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website
"unrestricted cash" means all cash and cash equivalents other than restricted cash.

PERFORMANCE STATEMENT

For the year ended 30 June 2022

SERVICE PERFORMANCE INDICATORS

Indicator/Measure	Results				Material Variations & Comments
	2019	2020	2021	2022	
Aquatic Facilities - Utilisation					
AF6 Utilisation of aquatic facilities (Number of visits to aquatic facilities/Municipal population)	9.33	7.56	4.43	5.27	Increased opening of main aquatic facility and services subsequent to COVID restrictions.
Animal Management - Health and Safety					
AM4 Animal management prosecutions (Number of successful animal prosecutions)	New in 2020	0	0	0	Although Council received reports of dog attacks throughout the year, after full investigations, few were deemed serious and none were required to be prosecuted.
Food Safety - Health and Safety					
FS4 Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x100	100.00%	93.33%	100.00%	92.86%	
Governance - Satisfaction					
G5 Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	49	52	54	51	
Libraries - Participation					
LB4 Active Library Members (Number of active library members/Municipal population) X 100	14.96%	13.15%	11.92%	10.85%	
Maternal & Child Health (MCH) - Participation					
MC4 Participation in MCH Service (Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service) X 100	77.96%	76.99%	73.09%	81.09%	Increase in birth notifications

SUSTAINABLE CAPACITY INDICATORS

PERFORMANCE STATEMENT

For the year ended 30 June 2022

Indicator/Measure	Results				Material Variations & Comments
	2019	2020	2021	2022	
<p>MC5 Participation in MCH Service by Aboriginal children (Number of aboriginal children who attend the MCH service at least once (in the year) / Number of aboriginal children enrolled in the MCH service) X 100</p>	62.69%	63.89%	74.68%	85.00%	More families are identifying as aboriginal and the effects of Covid and isolation raised more concern in parents to monitor their children
Roads - Satisfaction					
<p>R5 Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)</p>	41	43	42	37	The decline in this result is linked to dissatisfaction with main roads which are not a council responsibility.
Statutory Planning - Decision making					
<p>SP4 Council planning decisions upheld at VCAT (Number of VCAT decision that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) X 100</p>	0.00%	0.00%	20.00%	100.00%	2 decisions upheld at VCAT
Waste Collection - Waste Diversion					
<p>WC5 Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) X 100</p>	44.16%	43.01%	62.72%	79.24%	Expansion of green organics service contributed to a higher level of diversion of waste from landfill.
Definitions					
<p>"Aboriginal child" means a child who is an Aboriginal person "Aboriginal child" means a child who is an Aboriginal person "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006 "active library member" means a member of a library who has borrowed a book from the library "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health "food premises" has the same meaning as in the Food Act 1984 "local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004 "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age "population" means the resident population estimated by council "target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.</p>					

PERFORMANCE STATEMENT

For the year ended 30 June 2022

FINANCIAL PERFORMANCE INDICATORS

Indicator/Measure	Results			Forecast			Material Variations & Comments		
	2019	2020	2021	2022	2023	2024		2025	2026
Efficiency									
<i>Expenditure Level</i>									
E2 Expenses per property assessment (Total expenses / Number of property assessments)	\$6,440.18	\$4,368.64	\$4,322.64	\$4,188.66	\$4,342.29	\$4,357.43	\$4,383.50	\$4,423.81	The 2018/19 financial year included significant expenditure relating to natural disasters. Forecasts are based on a reduced level of expenses and only modest increases in property numbers.
Revenue Level									
E4 Average rate per property assessment (General rates and Municipal charges / Number of property assessments)	New in 2020	\$1,707.00	\$1,744.82	\$1,746.70	\$1,779.22	\$1,810.35	\$1,842.05	\$1,874.31	
Liquidity									
<i>Working Capital</i>									
L1 Current assets compared to current liabilities (Current Assets / Current Liabilities) X 100	305.73%	228.50%	250.58%	252.96%	123.32%	90.89%	75.92%	86.62%	Council continues to hold cash investments and grants received for specific capital projects not yet completed. Future budgets aim to consume cash and increase borrowings which significantly impacts on this indicator.
<i>Unrestricted Cash</i>									
L2 Unrestricted cash compared to current liabilities (Unrestricted cash / Current Liabilities) X 100	8.91%	4.38%	23.75%	74.39%	40.64%	20.11%	14.88%	31.36%	Council held considerable amounts of unrestricted cash at 30 June 2022 for capital projects which will be consumed over the coming years.
Obligations									
<i>Loans and Borrowings</i>									
O2 Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) X 100	9.20%	16.61%	13.28%	10.80%	17.23%	23.36%	19.74%	25.49%	Councils financial plan includes increased structured borrowings to support capital works.
O3 Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) X 100	2.68%	2.31%	3.19%	2.84%	2.85%	3.17%	4.02%	3.14%	Councils financial plan includes increased structured borrowings to support capital works.
<i>Indebtedness</i>									
O4 Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) X 100	15.39%	19.81%	14.22%	10.69%	17.58%	23.08%	20.74%	24.36%	This indicator continues to grow as Council increases its borrowing program, however the ability to increase own source revenue is difficult.

FINANCIAL PERFORMANCE INDICATORS CONT'D

PERFORMANCE STATEMENT

For the year ended 30 June 2022

Indicator/Measure	Results					Forecast					Material Variations & Comments	
	2019	2020	2021	2022	2023	2024	2025	2026				
Asset Renewal and Upgrade												
O1 Asset Renewal and Upgrade compared to depreciation <i>(Asset renewal and asset upgrade expense / Asset Depreciation) X 100</i>	New in 2020	92.24%	68.65%	94.35%	221.29%	120.27%	74.96%	73.52%	Council is committed to a number of large projects which are essentially new and upgraded assets, once completed the financial plan resumes a higher level of spending on renewal rather than upgrade and new.			
Operating Position												
Adjusted underlying result												
OP1 Adjusted underlying surplus (or deficit) <i>(Adjusted underlying surplus (deficit) / Adjusted underlying revenue) X 100</i>		-28.48%	-7.09%	2.31%	-0.07%	-15.16%	-12.23%	-10.60%	-9.81% Council acknowledges the deteriorating underlying result and is committed to improving this outcome in future budgets and the long term financial plan.			
Stability												
Rates concentration												
S1 Rates compared to adjusted underlying revenue <i>(Rate Revenue / Adjusted underlying revenue) X 100</i>		36.64%	46.78%	45.08%	47.10%	52.81%	52.02%	52.07%	Council is heavily reliant on rate revenue with limited ability to identify new sources of revenue.			
Rates effort												
S2 Rates compared to property values <i>(Rate Revenue / Capital improved value of all rateable properties in the municipality) X 100</i>		0.56%	0.50%	0.46%	0.40%	0.30%	0.30%	0.30%	0.30% This indicator continues to erode as property values increase at a much higher percentage than rates are increasing in the capped environment.			

Definitions

- "Adjusted underlying revenue" means total income other than—
 - non-recurrent grants used to fund capital expenditure; and
 - non-monetary asset contributions; and
- "contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)" means adjusted underlying revenue less total expenditure on capital expenditure from sources other than those referred to in paragraphs (a) and (b);
- "current assets" has the same meaning as in the AAS;
- "current liabilities" has the same meaning as in the AAS;
- "non-current asset" means all assets other than current assets;
- "non-current liability" means all liabilities other than current liabilities;
- "non-current grant" means a grant that is not expected to be received again during the period covered by a council's Strategic Resource Plan;
- "non-current liability" means a liability that is not expected to be repaid during the period covered by a council's Strategic Resource Plan;
- "population" means the resident population estimated by council;
- "rate revenue" means revenue from general rates, municipal charges, service rates and service charges;
- "recurrent grant" means a grant other than a non-recurrent grant;
- "residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties;
- "restricted cash" means cash that is not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year;
- "unrestricted cash" means all cash and cash equivalents other than restricted cash.

PERFORMANCE STATEMENT

For the year ended 30 June 2022

RETIRED PERFORMANCE INDICATORS

Indicator/Measure	2019	2020	2021	2022	Material Variations & Comments
Animal Management					
Health and Safety					
ANM4 Animal Management prosecutions (Number of successful animal management prosecutions)	1	N/A	N/A	N/A	This measure was replaced by AM7 from 1 July 2019
Efficiency					
Revenue Level					
E1 Average residential rate per residential property assessment (Residential rate revenue/Number of residential property assessments)	\$1,451.29	N/A	N/A	N/A	This measure was replaced by E4 from 1 July 2019
Obligations					
Asset Renewal					
O1 Asset renewal compared to depreciation (Asset renewal expense/Asset depreciation) x 100	291.75%	N/A	N/A	N/A	This measure was replaced by O5 from 1 July 2019

PERFORMANCE STATEMENT

For the year ended 30 June 2022

Other Information

1. Basis of Preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's 4 year budget. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its Budget on 23 June 2021. The Budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Budget can be obtained by contacting council.

2. Exceptional Circumstances - COVID-19

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the following areas (but not limited to) for the financial years ended 30 June 2020 and 2021. It should be noted that some impacts are quite minor. Where the impact has been significant, specific notes have been added.

CERTIFICATION OF THE PERFORMANCE STATEMENT

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.



Belinda J Johnson, B. Comm., CPA
Principal Accounting Officer
Dated: 28/9/2022.

In our opinion, the accompanying performance statement of Southern Grampians Shire Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.



Cr David Robertson
Councillor
Dated: 28/9/22



Cr Helen Henry
Councillor
Dated: 28/9/22



Mr Tony Doyle
Chief Executive Officer
Dated: 29/9/22

Independent Auditor's Report

To the Councillors of Southern Grampians Shire Council

Opinion	<p>I have audited the accompanying performance statement of Southern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2022 • sustainability capacity indicators for the year ended 30 June 2022 • service performance indicators for the year ended 30 June 2022 • financial performance indicators for the year ended 30 June 2022 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Southern Grampians Shire Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

AUDITOR-GENERAL'S REPORT

**Auditor's
responsibilities
for the audit of
the performance
statement**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
11 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

2021/22

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