

2020/21

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 and present. 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 2020/21 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 2017-21 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 2020/21.

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 this 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:

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

COUNCIL OFFICES

Brown Street Business Centre
111 Brown Street, Hamilton
Phone: (03) 5573 0444

Market Place Office
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Postal address: Locked Bag 685,
Hamilton VIC 3000



SOUTHERN GRAMPIANS

Southern Grampians Shire is a vibrant and connected community.

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.

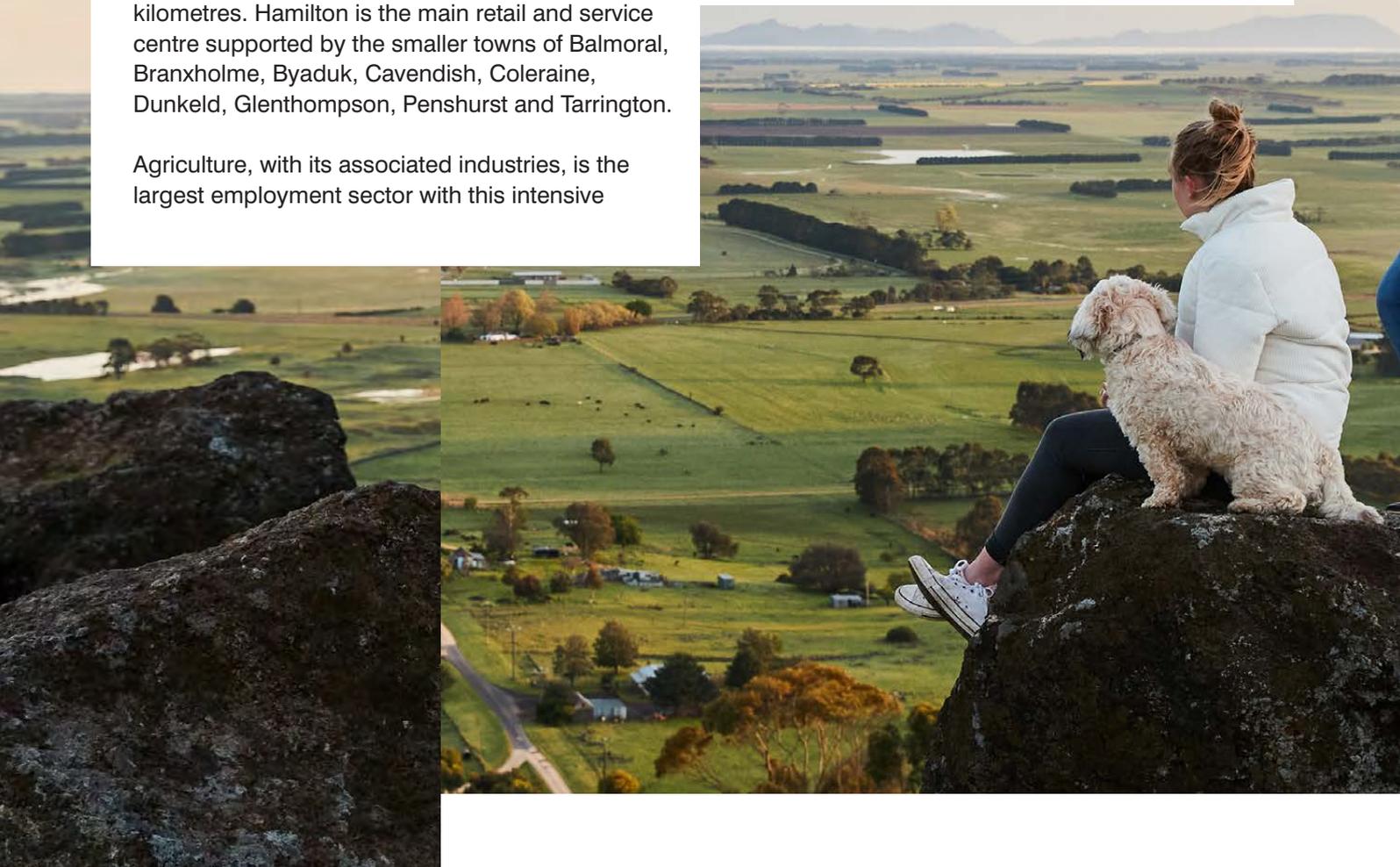
With a population of almost 16,000, Southern Grampians covers an area of 6,655 square kilometres. Hamilton is the main retail and service centre supported by the smaller towns of Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington.

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.

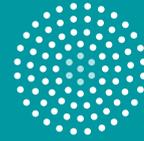
The Southern Grampians Shire has a strong sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire municipality and Council will continue to encourage and acknowledge the community interest in the development of our Shire.



OUR SHIRE



Estimated resident population – **15,944**



Population density per person per hectare – **0.02**



Land area – **6,652km²**



Unemployment rate – **4.4%**



Average household **2.3 people**



Average weekly household income **\$1,043**



Rateable properties **11,104**



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



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



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

(Source: 2016 census, Bureau of Meteorology)

OUR SHIRE

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

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 building; to business development, planning for appropriate development 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, the Annual Budget, the Strategic Resource Plan and reported upon in this document.

A snapshot of the services provided by Council and their costs are shown below:



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

- + Planning and Environment - **\$0.71**
- + Community Services and Development - **\$8.76**
- + Capital Works - **\$33.97**
- + Waste Services - **\$5.60**
- + Governance and Corporate Services - **\$5.83**
- + Business Enterprises - **\$2.65**
- + Leisure Services - **\$9.43**
- + Economic Development and Tourism - **\$1.23**
- + Regulatory Services - **\$3.56**
- + Infrastructure and Emergency Management - **\$23.26**
- + Cultural Services - **\$5.00**

MAYOR'S REPORT



This has been a challenging year. It will go down in history as one of the toughest economic and mental battles for many and will prove to be a true test for us all as time goes on. But this crisis is not wasted. It has created a time to reflect, a time to pause and consider what is really important. Family, community, health, each other.

It has created an opportunity to consider doing things in new ways, in ways we would have never done before. Good always comes from crisis and I can already see much good in front of us.

This pandemic, although extremely difficult to bear, will pass. In the near future we will look back on this time and be thankful for the choices we all made to protect our communities and reflect on what it will have taught us. We can celebrate the heroic efforts of our community and be thankful for the safe place we live.

In addition to COVID, we experienced significant flooding thanks to a storm in early January which meant relocating a large number of staff from our Brown St office due to water inundation.

I am proud of the Southern Grampians Shire Council and the way the staff have responded to the crisis by continuing to provide the essential services our community relies on, and to a high

standard, especially in times like these. Further, we celebrate the achievements of all our community members who have served in various ways throughout the last 12 months and risen above and beyond to make our community so strong.

COVID restrictions have been a blessing on one hand, with many Victorians forced to travel locally. The tide is turning with regional Victoria and Southern Grampians leading the way for lifestyle choice from our metro counterparts. Opportunity abounds for tree changes and entrepreneurs here. Land and property prices have risen substantially and we've seen many new residents welcomed and new enterprises begin in the last 12 months.

Council election year took place in October 2020 with a new Council formed and a mandate to write a new Council plan. We launched an extensive community engagement program visiting all of our small townships, hosting an online feedback forum, live question and answers session on social media and visits with local schools and other important stakeholder groups. Our challenge for 2021-22 will be to adopt and begin delivering on the plan and for our community.

Council embraced virtual meetings throughout the year and also livestreamed all of our ordinary meetings through our facebook page. This provided an opportunity to reach more residents than we normally would and allowed people to watch with the meeting in their own time, well after the meeting had ended.



We reaped the benefits of strong advocacy and planning with a number of significant State and Federal funding announcements for major projects. Melville Oval, Pedrina Park and Penshurst's Volcano Discovery Centre saw significant investment and we look forward to delivering those key projects this financial year, along with the long-awaited Cox Street Redevelopment.

We continue to lead the way with digital innovation and technology, hosting over 250 delegates from across the State at the second Digital Innovation and Smart Agriculture Festival in May. We also Improved safety across Southern Grampians with the installation of 14 new CCTV cameras as part of the Smart Community Framework and Roadmap, in partnership with Victoria Police.

Over the course of the year we welcomed 18 new citizens in citizenship ceremonies from countries including Sri Lanka, South Korea, South Africa, Philippines, Vietnam, Netherlands, UK, Zimbabwe, Canada and Thailand.

At the end of the 2020-21 year, Michael Tudball announced his resignation as CEO after five years of service. Michael has brought a renewed, positive professional culture to Southern Grampians and we thank him for the contribution he has made to our organisation and our community. Tony Doyle has been appointed as our Interim CEO while we conduct a nationwide search for our next CEO to lead us into the next era for Southern Grampians.

I would like to thank our team of Councillors, our CEO, Executive and every staff member, who have worked together in their commitment to serving the people of Southern Grampians, throughout the pandemic and so many days of chaos and lockdowns.

And finally, thank you to our communities for looking out for each other, supporting local businesses and each other and getting through this pandemic together. I very much look forward to next year and hopefully some semblance of a new normal!



A handwritten signature in black ink, appearing to read 'Colliton'.

Cr Bruach Colliton
Mayor

CEO'S REPORT

It is with great pleasure that we put before the community the Southern Grampians Shire Council year in review through the 2020/21 Annual Report and a small reflection on the past five and a half years of my tenure as Chief Executive Officer.

In October 2020, Council Elections were held with a changeover of three Councillors. We were fortunate to welcome Helen Henry and David Robertson to Council. Returning from a four-year break Councillor Bruach Colliton (subsequently elected Mayor for 2020/21) and returning Councillors Mary-Ann Brown, Albert Calvano, Greg McAdam and Katrina Rainsford. I would also take this opportunity to acknowledge the significant contribution of former Councillors Cathy Armstrong, Colin Dunkley and Deputy Mayor and then Mayor Chris Sharples in their four year terms.

The organisation, led by the elected Councillors, has undertaken significant community engagement in the development of the 2021-25 Council Plan, Annual Budget, Major Projects and Capital Works leveraging from our very active and informed communities. This strategic direction is on track for adoption in October 2021 and pleasingly has been able to deliver over 70 community services alongside a significant capital and major works program during the past year.

I thank the community and the organisation for the magnificent response over the past 18 months, including all the 2020-21 year with various stages of restrictions and lockdowns due to the COVID-19 worldwide pandemic. This saw Council go virtual, amend and alter service times, types and delivery whilst maintaining our commitment to our communities.

In an ongoing tight fiscal environment, the financial accounts reflect the strong position Council is in for the 2020/21 year. Council will continue to honour our commitments to our communities and to ourselves whilst being financially responsible. We will also continue to seek our fair share of Federal and State Government support into our communities.

With the growth occurring locally and regionally and the strong economy Council has positioned itself to leverage from this with both affordable and accessible housing options. This work will come to fruition in the very near future.

Internally, improving our customer service has been a major focus of the past years and it is extremely pleasing therefore, for myself and the organisation, to reflect on the 2020/21 Community Satisfaction Survey results that saw significant increases in the community rating of our Customer Service and other key service areas, continuing an upward trend in these areas. It was also very pleasing to see the communities strong support of our COVID19 response.

In closing, I acknowledge the outstanding efforts and commitment from our staff, our elected Councillors and the community, where in partnership, we have been able to deliver great outcomes. I am confident Council will continue to do so. I thank all Councillors for their commitment and leadership of Council and within the community. I have thoroughly enjoyed my time at Southern Grampians Shire Council and wish the community, the Council and this wonderful organisation all the very best for the future.



A handwritten signature in black ink, which appears to read 'Michael Tudball'. The signature is fluid and cursive, written on a white background.

Michael Tudball AFSM FAICD ACEcD
Chief Executive Officer

FAST FACTS



71,486 – Visits to shire aquatic facilities



2,724 – Number of registered animals



1,675 – Active library borrowers



22,326 – Items in the library collection



164 – Planning applications received



6,445 – Kerbside Garbage collection bins



70 – Number of services provided to our community



169 – Number of infants enrolled in Maternal Child Health service



19,648 – cattle sold at Hamilton Regional Livestock Exchange



115,760 – Square metres of sealed local roads reconstructed



85,695 – Square metres of sealed local roads resealed



1,159 – Animal management requests received by local laws rangers



3,777.34 – Tonnes of garbage, recyclables and green organics collected from Kerbside bins



1,065,331 – sheep and lambs sold at Hamilton Regional Livestock Exchange



4,201.5 – Number of hours worked annually by Maternal Child Health Nurses

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 2017-2021. Each Strategic Objective has a set of strategies that we want to achieve and 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 43 to 71. The Southern Grampians Shire Council Plan 2017-2021 is available from our website www.sthgrampians.vic.gov.au



Strategic Objective One:

SUPPORT OUR COMMUNITY

A vibrant, growing community that is healthy, inclusive and connected

Highlights

- + Improved safety across Southern Grampians with installation of 14 new CCTV cameras in phase one of the Smart Community Framework and Roadmap as part of a joint project with Victoria Police.
- + Welcomed 18 new citizens in citizenship ceremonies from countries including Sri Lanka, South Korea, South Africa, Philippines, Vietnam, Netherlands, UK, Zimbabwe, Canada and Thailand.
- + Awarded 11 recipients with Australia Day awards for outstanding achievements within Southern Grampians Community.
- + Installed a sound and light show Christmas tree as part of our Ignite the Spirit of Christmas retail campaign which was built with support of Working for Victoria staff and the Hamilton PAC.
- + Developed a Community Engagement Policy to help guide and outline how Council engages with the Southern Grampians community.
- + Provided alternative youth programs for the community via the Greater Hamilton Library Rocket League Gaming Tournament, attracting over 300 visitors and 24 competitors.
- + Commenced Pedrina Park Netball Court Project
- + Delivered \$185,000 in funding to community groups through our Greater Grants program contributing to community projects.
- + Provided Southern Grampians residents unique opportunities to attend performances and exhibitions around the region including the Hamilton Botanic Gardens and Balmoral Mechanics Hall during planned Gallery and PAC closure.
- + Commissioned \$7,000 mural artwork in the Library and Gallery forecourt for local artists.
- + Officially opened the Flight Aviary at the Hamilton Botanic Gardens after \$200,000 was donated to the project by the Geoff and Helen Handbury Foundation.



Strategic Objective Two:

DEVELOP OUR REGIONAL ECONOMY AND BUSINESS

A strong, diversified local and regional economy

Highlights

- + Hosted the second Digital Innovation and Smart Agriculture (DISA21) Festival. Approximately 250 tickets sold, 14 Councils represented across Victoria and South Australia, and 26 exhibitor booths.
- + Completed design stage and commenced works on the Dunkeld Visitor Hub and Grampians Peaks Trailhead funded by Regional Development Victoria and the Australian Government's Local Roads and Community Infrastructure Program.
- + Conducted Community and Stakeholder engagement to guide the Volcanic Trail Masterplan – a document which seeks to increase the visitor economy through improving supportive infrastructure and resources for the region's volcanic assets.
- + Developed the Proudly Shop Local Campaign to support local business recovery through the COVID-19 pandemic, offering community members the chance to win one of four \$500 vouchers supported by the Bendigo Bank and HRBA.
- + Developed the Greater Hamilton Click for Christmas shop local and win campaign to support local businesses through the pandemic with prizes of \$2,000 and \$5,000 awarded to shoppers to spend locally.
- + Continued with the development of the Hamilton-Port Fairy Road Industrial Estate.
- + Offered 72 online and five face-to-face business workshops to help local businesses adapt throughout the pandemic.
- + Developed a successful submission with Dunkeld community to reaching the finals of the Top Small Tourism Town Award.
- + Developed and delivered Inspired by Locals campaign with over 20,000 website visits and over 63,000 video impressions to promote travel within the region post lockdown



YEAR AT A GLANCE CONT.

Strategic Objective Three:

PLAN FOR OUR BUILT ENVIRONMENT AND INFRASTRUCTURE

Provide access to infrastructure that meets community needs

Highlights

- + Completed the Capital Works program for roads on time and on budget.
- + Completed Stage Three of the Livestock Exchange roof over the Cattle Yards.
- + Completed the King Street Roundabout construction, significantly improving safety for residents and motorists with the assistance of \$260,000 received from the Federal Government's Blackspot program.
- + Planted 478 new trees along Coleraine Road as part of the second stage of the Town Entrance Beautification Project.
- + Implemented the Rural Property Identification Program, installing over 3,000 signs at rural addresses across the shire.
- + Received Council endorsement to progress with the CBD Revitalisation Stage One – Cox Street Redevelopment with a reduced scope – to complete the works on the East side only
- + Completed the Pedrina Park Irrigation Project, upgrading to an automatic watering system as identified in the Pedrina Park Masterplan.
- + Awarded the tender for the Inclusive Sports Hub Pavilion at Pedrina Park after receiving \$500,000 funding from Sports and Recreation Victoria's Local Sports Infrastructure Fund with project progressing well.
- + Implemented the refurbishment project of Brumley Park to replace old park equipment, install new seating, and beautify the existing site with the assistance of the Rotary Club of Hamilton North.
- + Completed the refurbishment of the Lake Hamilton Amenities Block in the female and male toilets and showers to provide Lake users a modern and hygienic facility. Work also commenced on the new DDA compliance toilet.
- + Completed the restoration of the Thomson Fountain in the Hamilton Botanic Gardens as part of the Hamilton Botanic Gardens Master Plan.
- + Replaced the roof of the Hamilton PAC after a 2019 assessment found it to be in poor condition and had leakage issues.
- + Completed important footpath maintenance within the Hamilton Botanic Gardens.



Strategic Objective Four:

PROMOTE OUR NATURAL ENVIRONMENT

Promote a culture that supports a clean, green and sustainable environment

Highlights

- + Completed significant maintenance, revegetation and weed control across the Wannon Reserve, Nigretta Reserve, Hamilton Coleraine Rail Trail, the Grange Burn, Victoria Park, Mount Rouse, Storm Water Wetlands, and other locations across the Southern Grampians with support of the Working for Victoria Initiative.
- + Worked in collaboration with the CFA, Safer Together and local community to identify fire risk reduction areas and strategies for the Wannon nature reserve.
- + Council resolved to consider the inclusion of electric vehicle charging infrastructure in any new developments in the Shire, and investigate the phase-in of electric vehicles into Council's passenger fleet.
- + Adoption of Amendment C54sgra, Hamilton Flood Investigation to the Southern Grampians Planning Scheme.
- + Development of an Integrated Water Management Plan for the Southern Grampians Shire with Wannon Water.

Strategic Objective Five:

PROVIDE GOVERNANCE AND LEADERSHIP

Strong Leadership, good governance and effective service delivery

Highlights

- + Employed 40 staff for Working for Victoria initiative to assist with COVID-19 recovery.
- + Held live question and answer sessions for community members to allow for engagement on Budget, Council Plan, and Community Vision Framework Project (SG2041).
- + Livestreamed Council meetings, to enable community participation and engagement throughout the pandemic.
- + Provided community opportunity to engage with Council via in person meetings hosted in Wannon and Mirranatwa.
- + Achieved increases in the community rating of our Consultation and Engagement and response to COVID-19 pandemic.
- + Continued advocacy for Council's priority projects including investment into key infrastructure including Hamilton and Coleraine CBDs and recreation facilities, including Melville Oval and Pedrina Park.
- + Successfully secured over \$4million in funding for the Melville Oval Redevelopment from the Federal Government.



YEAR AT A GLANCE CONT.

CHALLENGES OF THE YEAR

- + New Gallery project
- + Construction of the King Street roundabout
- + Cox Street project rescope and delivery
- + Continuation of service delivery, business and community support throughout COVID-19 lockdowns
- + Water inundation event in January 2021 and subsequent damage repair and office relocation.

FUTURE OUTLOOK

- + Progress the new Hamilton Art Gallery project
- + Build effective partnerships with First Nations
- + Complete construction of the serviced industrial land in Port Fairy Road and commence the sales and marketing campaign
- + Deliver Stage One of the Dunkeld Visitor Hub including Grampians Peak Trail Head
- + Complete Greater Hamilton Volcanic Trails Masterplan and commence implementation phase
- + Deliver on the CBD revitalisation plan by completing the endorsed Cox Street redevelopment
- + Deliver the Local Roads and Community Infrastructure Program
- + Deliver the approved major upgrades at Pedrina Park Sporting Facility
- + Complete detailed design and commence construction of Melville Oval Stage Two CBD project

- + Deliver the Waste & Resource Recovery Strategy
- + New Sustainability Strategy
- + Finalise the development of the Council Plan 2021-2025
- + Develop revised 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 that 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
- + Significant changes in the recycling sector across Australia where considerable high levels of uncertainty continues
- + The need for significant investment in our 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.

FINANCIAL SUMMARY



FINANCIAL RESULTS AT A GLANCE

- + Operating Expenditure - \$47.624 million
- + Capital Works Program Delivered - \$11.303 million
- + Rates and Charges - \$21.946 million
- + Operating surplus - \$3.033 million
- + Net Funds Available - \$16.577 million
- + Working Capital - \$2.51 of current assets for every \$1.00 of current liabilities
- + Debt decrease of \$0.572 from \$3.486 million to \$2.914 million

INTRODUCTION

Council had a Strategic Resource Plan which outlined how the objectives of the Council Plan 2017-2021 would be resourced.

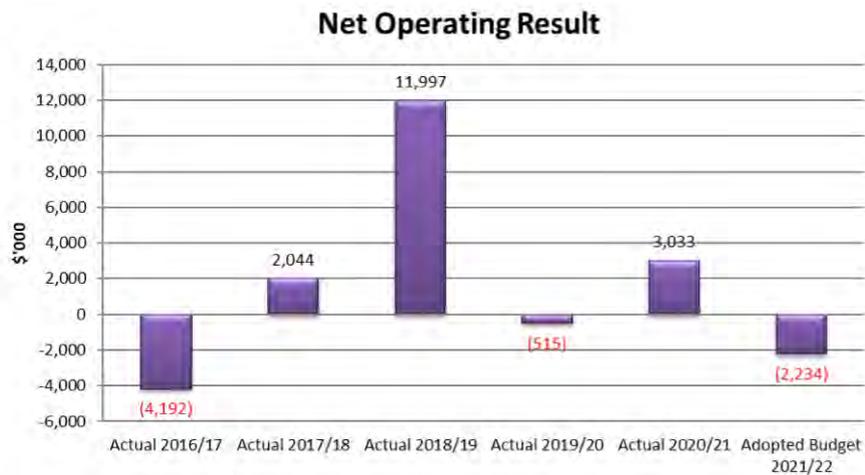
The key objectives of this Plan are:

- + 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 recurrent grant funding for strategic capital funds 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.



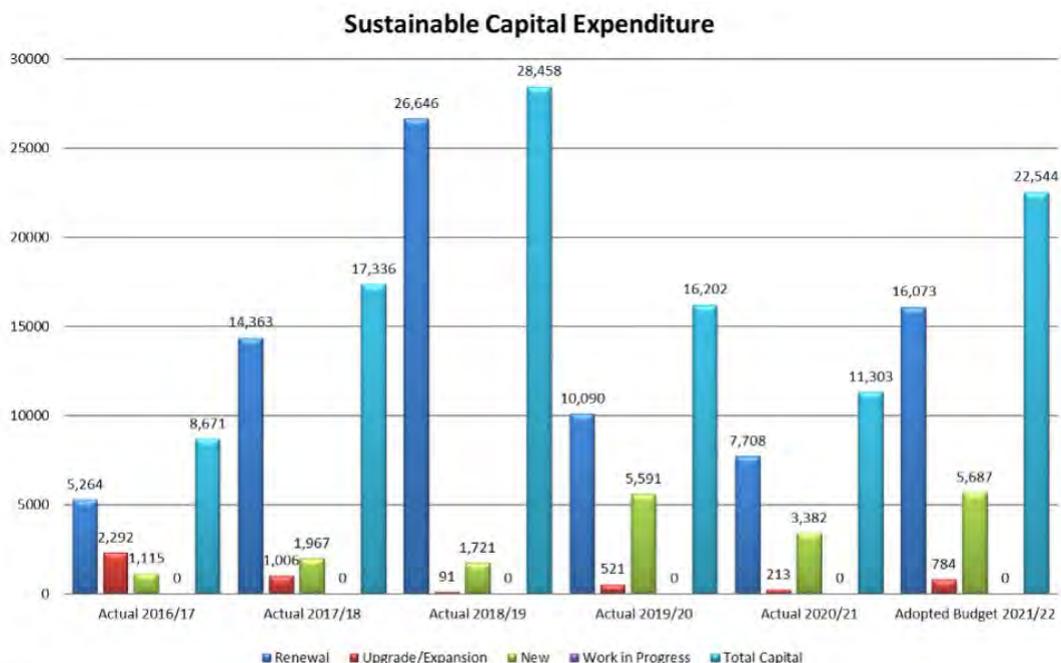
NET OPERATING RESULT

The operating surplus in 2020/21 was \$3.033 million compared to a budgeted deficit of \$6.460 million. This result is mainly due to increased grant revenue of \$6.438m (\$4 million of Financial Assistance Grants paid in late 2020/21 for the 2021/22 financial year coupled with grants pre-paid for capital projects, and increase in the value of an investment property of \$950k and the reduction of landfill provisions of \$1.769 million. 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.



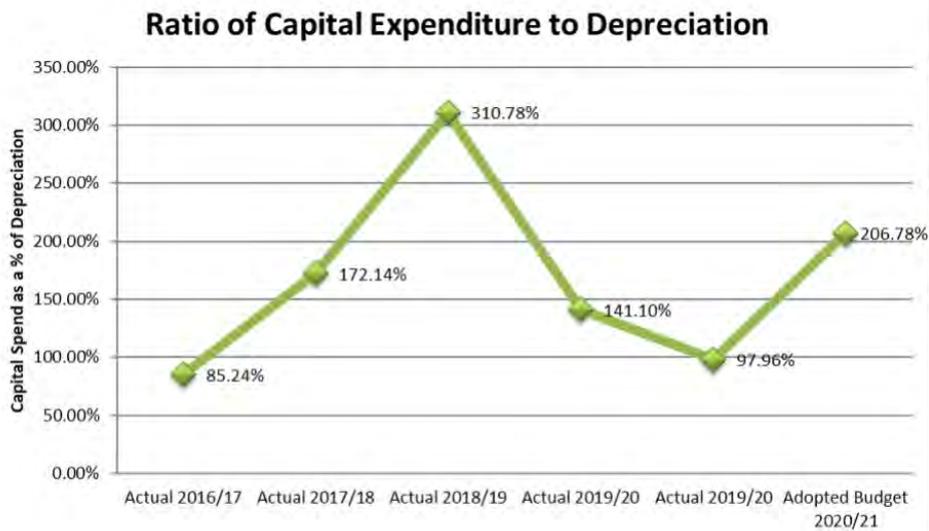
SUSTAINABLE CAPITAL EXPENDITURE

Council continues to invest in renewing and revitalising its assets. Council spent \$11.303 million on Capital works in 2020/21 with an average spend in excess of \$16 million for the past five years. Of this amount Council spent almost 70 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.



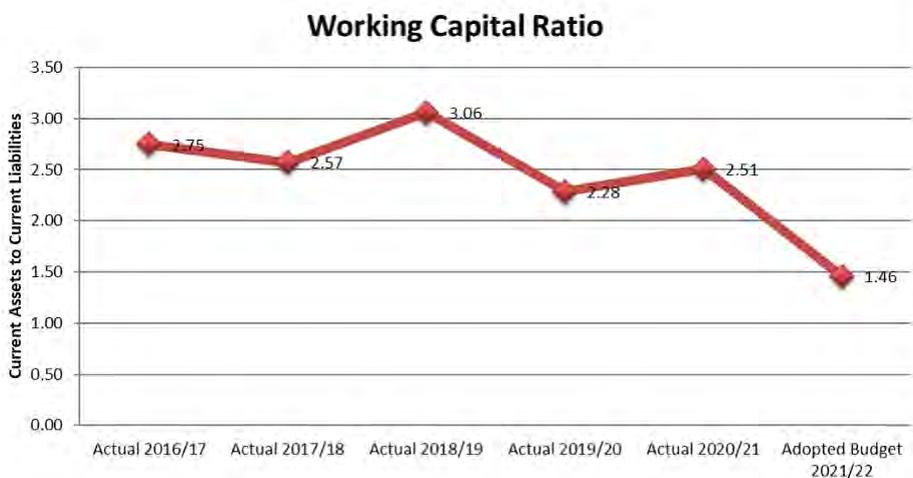
RATIO OF CAPITAL EXPENDITURE TO DEPRECIATION

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 during the period. Council achieved 98 percent for 2020/21. 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

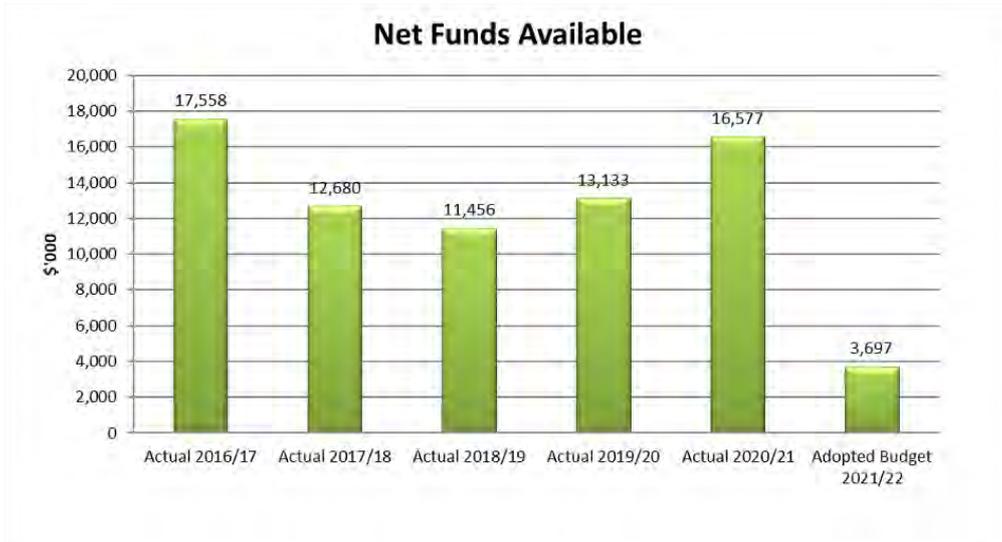
This graph indicates Council's ability to meet its short term commitments with its short-term assets. Council ended the year with a ratio of 2.51:1 which means for every \$1 of short-term liability, Council has \$2.51 of current asset. Future working ratios are predicted to enable Council to meet its commitments as they fall due.



NET FUNDS AVAILABLE

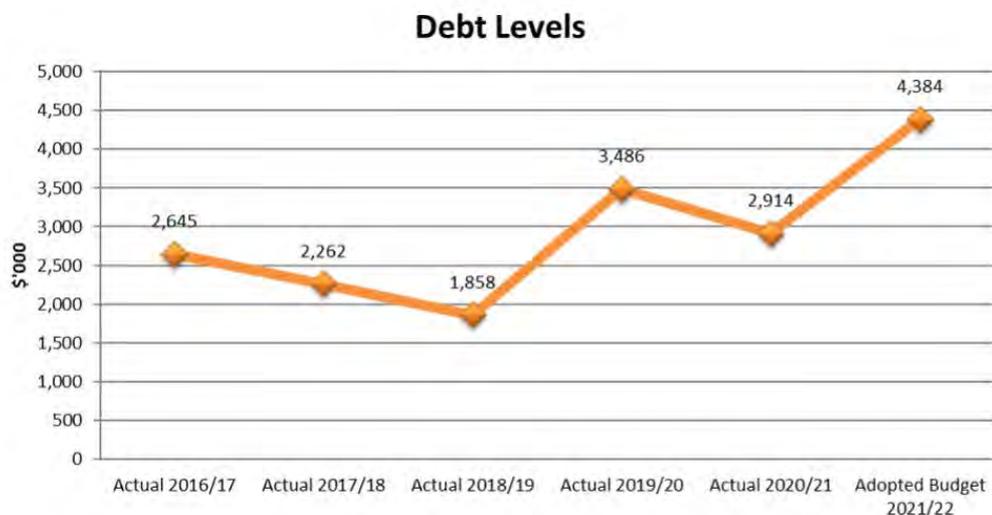
Net Funds available is the remaining cash after all current liabilities and restricted cash holdings have been met. Restricted cash includes specific purpose reserves, trust and deposit accounts.

Council will draw down on cash reserves for 2021/22.



DEBT LEVELS

Council has decreased debt by \$0.572 million in 2020/21. 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 \$2m in the 2021/22 financial year.

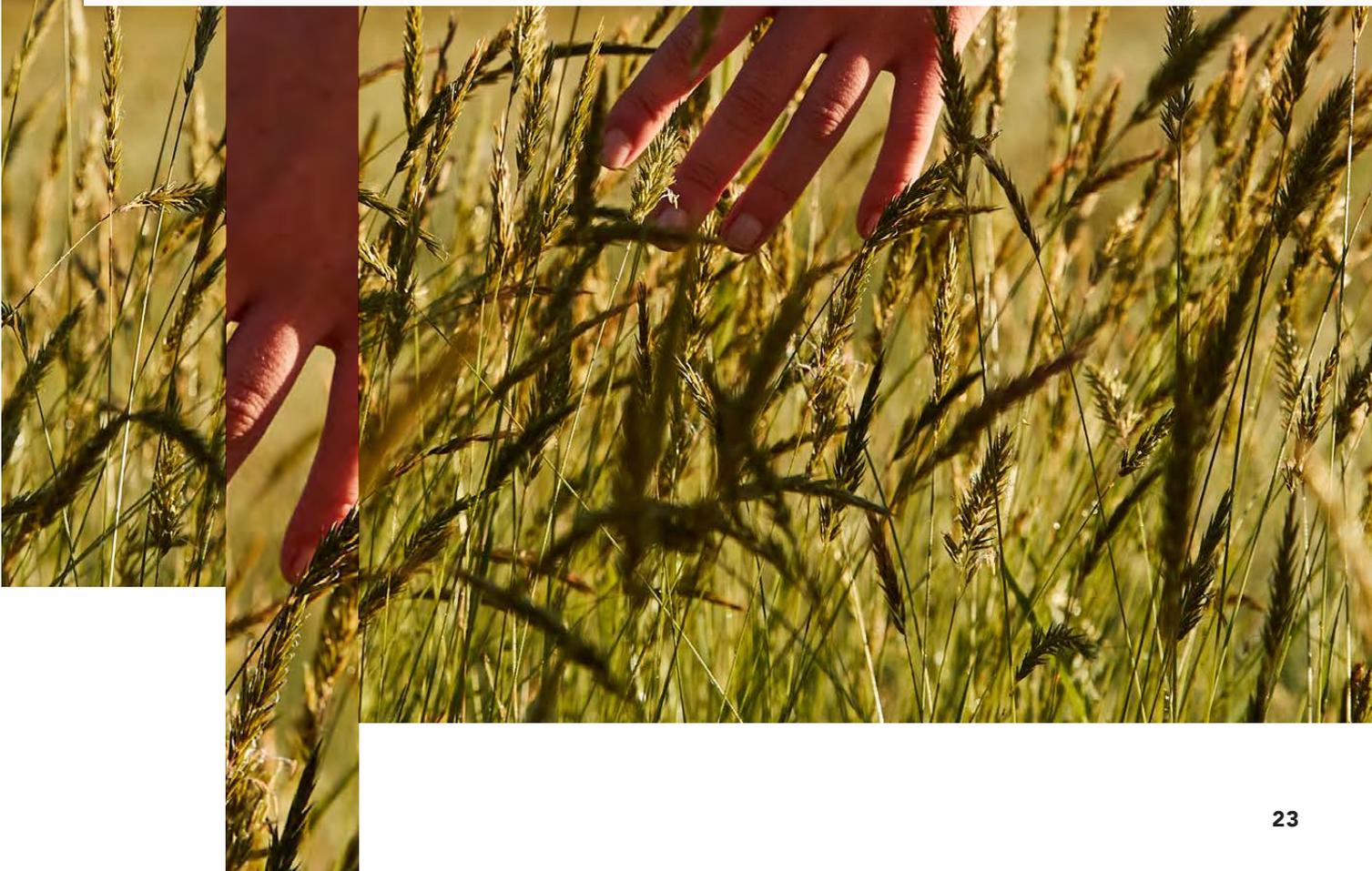
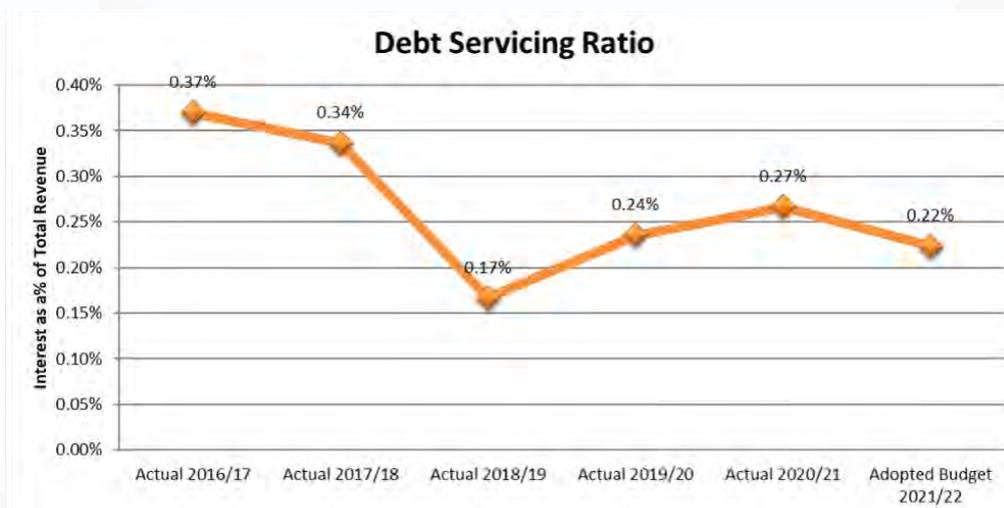


DEBT SERVICING LEVELS

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 3.19 percent (1.47 percent of total revenue) for 2020/21.

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 2020/21, \$14.9 million was allocated to capital works projects across the Shire. The aim of the capital program is to provide targeted expenditure on projects to maintain or improve Council's infrastructure, assets and services.

Major Capital Projects delivered in 2020/21 include:

PAC ROOF RESTORATION

The PAC building at Hamilton was built in 1910. A condition assessment of building completed in early 2019 highlighted the fact that while the main building is structurally sound and serviceable for use, the roof has some leakage issues.

Replacement of the roof was required to maintain the structural integrity of the building.

A tender for the project was advertised in October 2020 and was awarded in December to BDH Construction Pty. Ltd for the value of \$210,100.00 (incl. GST).

Works, which included removal of existing roof sheeting, minor demolition, removal of down pipes and resheeting of the roof, commenced in February 2020. The project was completed and handed back to Council at the end of May 2021.

KING STREET ROUNDABOUT

Works on the King Street Roundabout were completed during the 2020/21 financial year after

the area was identified as high risk for vehicle incidents. The upgrade project was funded by a \$260,000 grant received from the Federal Government's Blackspot Program, announced by Dan Tehan MP in July 2019. The Black Spot Program targets road locations where crashes are occurring, reducing the risk of incidents through funding safety measures such as traffic signals and roundabouts.

Council had previously identified and acknowledged the need for safety and access improvements for the King Street intersection due to the area being a high traffic zone. While the project initially commenced in March 2020, the impact of COVID-19 meant that contractors had to suspend works and demobilise the site. Works were able to recommence in August and the project was completed in October 2020.

Works included the construction of the roundabout, kerb and channel works, the relocation of services underground, new signage and line marking. Significant traffic management was required as part of the project including a realignment of incoming and outgoing traffic at Hamilton Indoor Leisure and Aquatic Centre. This important project will have considerable impact on improving the safety of all motorists and pedestrians in the area and will allow the opportunity to improve the parking and safety of pedestrians around HILAC and the Hamilton Showgrounds.

PEDRINA PARK IRRIGATION

The new irrigation system at Pedrina Park was completed in early 2021 with the installation of a fully automated sprinkler system. Improved



irrigation works were identified as a major priority during the Recreation and Leisure Strategy Plan development in 2019. The tender for the project was awarded to Ted Finchett Pty Ltd for the GST inclusive price of \$236, 442 and included installation of an automatic irrigation system to Ovals 1 and 2, and additional watering points to Oval 3.

The upgrade of the irrigation system helped to significantly improve oval surfaces, to provide a more sustainable watering solution, ensure better ground management, and also reduce staff and volunteer workload. The important irrigation works were among the first to be delivered from the Pedrina Park Masterplan and have contributed to providing a first class multi-use sporting and community facility in Hamilton for residents to enjoy.

HAMILTON GALLERY LIFT

The need for a new lift for Hamilton Gallery was identified some time ago to enable access for patrons of all abilities. This new lift would not only service the Gallery, but the entire upstairs of the Brown Street complex. This area was only being serviced by the ageing Cinema lift, which was unreliable and reaching end of life. The new lift becomes the primary accessibility point for the complex.

The project tender was advertised on 31 July 2020 and Council awarded the contract at the October 2020 meeting to the Ultrabuild Construction Group Pty Ltd for the value of \$208,000 (incl. GST).

The project was funded under the Federal Government Local Roads and Community Infrastructure Program. While there were expected delays in the manufacture and delivery of the lift arriving from Europe, these were accounted

for in the schedule of works and construction commenced onsite in February 2021.

The installation of the lift was complete in July 2021 and the remainder of the electrical and building works at the site are expected to be finalised in September 2021.

HRLX CATTLE YARD ROOF

The long awaited Hamilton Regional Livestock Exchange (HRLX) Cattle Yard Roof was completed during the 2020/21 financial year with funding support of \$715,000 received from the Federal Government's Building Better Regions Fund, and Council contributing the additional cost. The development was a major capital works project for the Southern Grampians Shire Council totalling \$1.3 million.

The project comprised of the demolition of existing infrastructure including the small roof covered walkways, timber fence, lighting and sprinkler system; construction of roof over the cattle pens and replacement of timber fence with steel frames; realignment of fencing and walkways; and installation of all electrical, communication and security services. The Canteen upgrade was also completed during the year providing an improved facility for all users. Large electronic signage was also installed at the entrance.

These important works have contributed significantly to the useability of HRLX providing animals with weather protection, ultimately permitting the yards to be used all year round. This project has assisted to position HRLX as a premier, first-class facility not only within the Western District but across Victoria for now and many years to come.



DUNKELD VISITOR HUB

Council progressed the Dunkeld Visitor Hub and Grampians Peaks Trailhead project with detailed design completed for Stages One and Two in 2020/21. The project has been funded with support from Regional Development Victoria and the Federal Government's Local Roads and Community Infrastructure Program.

Stage One includes the development of infrastructure of decking and shelter (The Dunkeld Visitor Hub); interpretative and wayfinding signage; expansion of parking availability; development of connecting trails and development of a safe pedestrian crossing point between the Dunkeld Visitor Centre and Memorial Park.

Stage two includes landscaping works and footpath upgrades at the Memorial Park, with the aim to create a consistent experience for visitors as they explore the Grampians Peak Trail. The two spaces will be linked by the introduction of a pedestrian crossing point on Parker Street, allowing for a safer visitor experience.

Tenders were advertised for Stage One and Two in 2021 however no successful tenderer was found. Council will continue to pursue options to complete the project.

The Wills Street carpark project was completed with formalised carparks constructed along the Memorial Park side of Wills Street. These multipurpose carparks will service the visitor and community providing added spaces close to the tennis courts, bowling club, swimming pool and overflow parking for visitors. Footpath, kerb and channel were also completed.

The project will have a significant impact on the Dunkeld and Southern Grampians region by improving visitor experience for users of the Grampians Peaks Trail, enhanced safety with the installation of a pedestrian crossing point, additional parking, and an area for the local community to hold pop-up events.

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 – **10.54kms;**
- + Urban and Rural Road Sealing Projects – **81.10kms;**
- + Gravel Road Re-sheets – **21.37kms;**
- + Total spend - **\$4.85 million**



MAJOR ACHIEVEMENTS



COMMUNITY ENGAGEMENT – COUNCIL PLAN AND SG2041

Council undertook an extensive program of Community engagement and consultation throughout 2020/21 with the development of a new Council Plan, a new Health and Wellbeing Plan and for the first time, a 20 year community vision framework. All of this engagement was in addition to the regular program of engagement - on the Annual Budget, township engagement sessions and online consultation on significant Council Masterplans including the Domestic Animal Management Plan and the Volcanic Trail Masterplan.

The Council Plan 2021-25 came together with significant input by the newly-elected Council. The process started internally in late October 2020 with a number of stakeholder workshops and was followed throughout February and March 2021 with intensive and extensive community input. More than 20 face-to-face sessions were held across the Shire in townships, with stakeholder groups, in schools and with staff, attracting over 600 participants. Two virtual session hosted by the Mayor and CEO were also well subscribed, with 2000 views recorded. In excess of 300 hard copy and virtual postcards were received from across the Shire – the first time Council has ever provided an online engagement option for the Council Plan development. In total, almost 1,500 ideas were put forward from our community members.

The themes that emerged from this input highlighted the importance of Digital connectivity,

Education pathways, Footpaths and Road Maintenance, Tourism and Promotion, Inclusive and connected community, Housing, Support for Community events and family activities, Transport, Volunteer support, Walking and Cycling Trails, Waste Management and Youth.

The program of engagement for the Community Vision Framework 2041 (since renamed SG2041) ran from October 2019-March 2021 and was designed to attract input from a random and representative sample of the community and key stakeholders with an interest in the development of the community vision. The comprehensive program of engagement included stakeholder workshops, online surveys, intercept surveying, stakeholder interviews and online interactive workshops to test themes, build awareness and elicit valuable input. The activities were supported by content on Council's website, and social media to generate participation and awareness. More than 488 people provided their feedback throughout the development of SG2041.

The feedback from these session provided valuable data on Culture and Tourism, Transport and Connectivity, Youth pathways, Education and the Arts, Liveability, Ageing and Sustainability.

This program of engagement was even more significant given the challenges presented by COVID-19 restrictions. Virtual Q and A sessions, online workshops and digital forms became the norm and both staff and the community rose to the challenge and managed to deliver a very successful outcome.



FUNDING FOR MAJOR PROJECTS

The past 12-24 months has seen a sustained effort in advocacy to State and Federal Government to highlight the priorities of Council and the Southern Grampians region. Council's detailed priorities list has helped to garner support from other levels of government throughout the 2020/21 year.

In July, Council received \$500,000 to help fund the Pedrina Park Inclusive Sporting Hub from the Victorian Government's 2020-21 Local Sports Infrastructure Fund. These funds were matched by a contribution of \$825,200 from Council to enable the construction of a modular sports pavilion, catering for Netball, Hockey, Soccer, Cricket and AFL. The pavilion development is a key recommendation within the Pedrina Park Masterplan, designed to improve accessibility and amenity for all sports, abilities and genders. A tender for the project was let in December 2021 and work on the pavilion has been ongoing offsite. Installation is expected to begin onsite in September 2021.

In November 2020, Dan Tehan announced the Federal Government would contribute a further \$1.2 million to the Melville Oval redevelopment. The redevelopment of Melville Oval is part of Council's \$40 million, Hamilton CBD Activation Masterplan. Significant strategic planning and community consultation for the Melville Oval project has been achieved over the past 12 months though the completion of the Masterplan, endorsed by Council in May 2020.

The project will see the refurbishment of the Grandstand and deliver new male and female change facilities, relocate the netball courts, and provide a 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. The \$1.2 million in funding, together with the \$2.84 million received late last year from the Federal Government will greatly assist Council in making our vision for the Melville Oval Precinct a reality. Detailed design for this project was completed in July 2021.

The Local Roads and Community Infrastructure (LCRI) Program was created by the Federal Government in May 2020 to support Councils in delivering priority infrastructure projects, create jobs and bolster the local economy through the COVID-19 pandemic.

Round one saw Council receive \$1.9 million. The projects elected to be funded and delivered using this allocation were:

- + Hamilton Gateway Landscaping Project
- + Lake Hamilton Development (Toilets and Playgrounds)
- + Rural Road Numbering Program
- + Upgrade common street lights with VicRoads to LED
- + Dunkeld Visitor Hub
- + HRLX Underpass; and
- + Hamilton Gallery Lift

A further \$1.746 million in funding was announced in early 2021, of which Council elected to allocate \$1.6 million to the Pedrina Park Netball Court Redevelopment Project and the remaining \$147,000 towards the Lake Hamilton Amenities block and Playground Refurbishment.



DISA FESTIVAL

The second Digital Innovation and Smart Agriculture (DISA) Festival was held in Hamilton in May to assist the region to grow capacity in the digital economy and smart agricultural sector.

This year, 245 people from across Victoria and South Australia were involved across two days in digital transformation and smart agriculture learning and knowledge sharing. The first day saw the delegates split into two groups. The Smart Agriculture cohort were led through a number of 20 minute Smart Ag workshops and demonstrations at the Hamilton showgrounds. Workshops covered Precision Land Management and Planning Technology; Stock Handling, Monitoring and Management Technology; and IoT Infrastructure Monitoring, Farm safety and Security.

A walking tour outlining Hamilton's current digital connectivity and future potential formed part of the Smart Community stream, along with a forum examining the benefits and challenges experienced by various Victorian councils when

it comes to the application of IoT technology in their regions. Day two was a great success with key note presentations in both the Smart Community and Smart Agriculture streams before the group split for dedicated afternoon sessions. Across the two days of the event, 245 tickets were sold with 14 Council's represented from two States and 26 Exhibitors from a range of industries.

While COVID restrictions forced the DIGI-Hub, aimed at increasing digital skills and offering insights into career pathways in digital creative industries for primary and secondary school students, to be postponed, the Festival the was still a resounding success and cemented Councils' position as a leader in the Smart community space.

MAJOR IMPACTS



COVID-19 PANDEMIC

Throughout the 2020/21 financial year, Council continued to be challenged by the COVID-19 pandemic where the ability to deliver face-to-face services was interrupted by restrictions and lockdowns. During these difficult times, Council strived to not only to be a leader in the delivery of reliable information for the community, but also continued to reimagine and implement ways to provide much needed community services.

These included:

- + The continued digitisation of forms to provide residents an online and COVID safe experience for services such as ordering new kerbside bins, paying bills including animal registrations and to providing vital feedback on key documents.
- + 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.
- + Catered to the Shires youngest patrons via the much loved Greater Hamilton Library Storytime experience which was offered virtually to provide literacy support to children across Southern Grampians.
- + Kept residents fit and healthy through HILACs' online workout sessions.
- + 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.
- + Employed approximately 40 additional staff via the Working for Victoria program to support those within the community who had their employment impacted by the pandemic who were able to complete some key maintenance projects across the Shire.
- + Provided support to those who were experiencing financial hardship due to the pandemic with the implementation of a Hardship Assistance Policy.
- + Delivered morale boosting events and continued with business as usual as much as possible during times out of lockdown including holding the annual Australia Day Awards 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.

The Economic Development and Tourism Team with the support of Council, provided significant assistance and support to Southern Grampians businesses to adapt to the COVID environment. This included providing access a variety of online workshops to assist business owners to get their



business online, and also delivered upskilling opportunities via sessions on social media. Council also developed a Business Greater Hamilton Facebook page and electronic direct email to help keep Southern Grampians businesses as informed as possible.

In partnership with HRBA and Bendigo Bank, Council were also able to promote local shopping experiences to help the local business economy recover with shoppers having the opportunity to win one of four \$500 vouchers just by purchasing from any participating Hamilton Business. Council participated in an Ignite the Spirit of Christmas campaign, where one lucky shopper won an incredible \$5,000 Greater Hamilton dollars to spend across Southern Grampians Shire businesses just by shopping locally. Council also took a different approach for the annual Hamilton Christmas Tree last year which delivered a unique sound and light experience across the festive period to help boost morale and community spirit which was heavily impacted by the ongoing pandemic. Council remains committed to delivering essential and every day services to the community, and will continue to support local businesses and residents to navigate through the pandemic and support life after COVID-19.

FLOODING EVENT - JANUARY 2021

In early January 2021, a significant rain and storm event occurred which caused significant damage to a number of Council buildings. The most significantly impacted was Council's Brown Street complex, which saw structural damage to

the roof, the entire top floor of the offices inundated with water and the bottom floor sustain substantial damage.

Water damage was also identified in a number of other Council sites including HILAC, the Library, the Finance Building, the PAC and the Hamilton Depot. Over the weeks that followed, all sites were assessed to ascertain the extent of the damage and for insurance purposes, and all contaminated materials were removed by contractors.

With a large number of staff already set up to work from home due to the pandemic, most were able to get back to work quickly. The Customer Service Team were established to operate from the Market Place office which happened with minimal disruption to staff or community.

A lease agreement was signed for a temporary office at 48 Thompson Street (old SGAE building) to house the 16 staff displaced due to the damage upstairs at Brown Street and those staff moved in during February. With carpets and ceilings replaced, walls repainted and new carpet installed, teams from downstairs Brown Street, including Customer Service, were able to move back into the building in March.

Works to repair the roof of the Brown Street complex, which included replacing three older sections of roof and redesigning and replacing the box gutter and downpipe, were finalised in late August 2021. Reinstatement of the interior of the upstairs offices is expected to be completed by October 2021.

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 2017-2021 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 2020/21 financial year, Council awarded approximately \$185,000 to community groups, events and individuals through our Greater Grants program. Due to the impact of COVID restrictions on a number of grant opportunities, particularly in the events and tourism stream, \$30,000 of the available funds was allocated to Quick Wins which provided each Southern Grampians township \$3,000 to spend on smaller priority projects born from community engagement for the new Council Plan 2021-2025. Quick Wins provided Southern Grampians communities with funds to complete some smaller scale projects and build local capacity.





Wannon Bridge 1917

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

- + Glenthompson District Community Association - Glenthompson Art Show
- + Winda-Mara Aboriginal Corporation - Laneway Art
- + Tarrington Progress Association - Tarrington Heritage Trail Signage
- + Cavendish Townscape Association Inc - Community Notice Board
- + Coleraine Racing Club - Grandstand Restoration
- + Branxholme Progress Association - Branxholme Town Signage Project
- + Grangeburn Bowling Club Inc - Clubhouse Roof Replacement
- + Dunkeld Museum Inc - Dunkeld Museum LED lighting Upgrade
- + Hamilton Old Time Dance
- + Club Inc - Equipment Purchase
- + Peshurst Football Netball Club Inc - Clubroom Floor Upgrade
- + Greater Hamilton Archery Inc. - Lighting Upgrade
- + Peshurst Progress Association Inc - Bringing at little Joy at Christmas Project
- + Hamilton Running Club - CPR Training
- + Lions Club Balmoral - Balmoral Easter Market
- + WDHS Drive In - Drive In Movie Event
- + Cricket Victoria - Cricket Victoria Under 19 Carnival
- + Baimbridge College - Go Bandicoots – Production
- + Wannon Nigretta Group - Wannon History Signage
- + Glenthompson Rec Reserve - BBQ Shed Upgrade
- + Victoria Lagoon Rec Reserve (Mooralla) - Security Equipment Upgrade
- + Hamilton Croquet Club - Boundary Fence Replacement
- + Dunkeld Arboretum - Run-off mitigation works - Dunkeld Arboretum
- + Coleraine Golf Club - Replacement Clubhouse Roof
- + Hamilton Scout Group - Equipment Purchase - Ride-On Mower
- + Branxholme Wallacedale FNC - Digital Scoreboard
- + Peshurst Hall - Windows 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, the seven Councillors of the Southern Grampians Shire Council were elected for a four year term.

The new 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.

Southern Grampians Shire Council acknowledges the three outgoing Councillors who served the community for the first half of the 2020/21 year: Cr Chris Sharples, first elected 2016; Cr Armstrong, first elected 2004 and Cr Colin Dunkley, first elected 2016.

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

The Mayor is elected annually at a special meeting. Councillor Bruach Colliton was elected as Mayor in November 2020. Councillor David Robertson was elected as Deputy Mayor in November 2020.





COUNCILLOR PROFILES



Cr Bruach Colliton
Mayor

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0437 806 927



Cr David Robertson
Deputy Mayor

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Cr Mary-Ann Brown

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Cr Helen Henry

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Cr Greg McAdam

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Cr Albert Calvano

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Cr Katrina Rainsford

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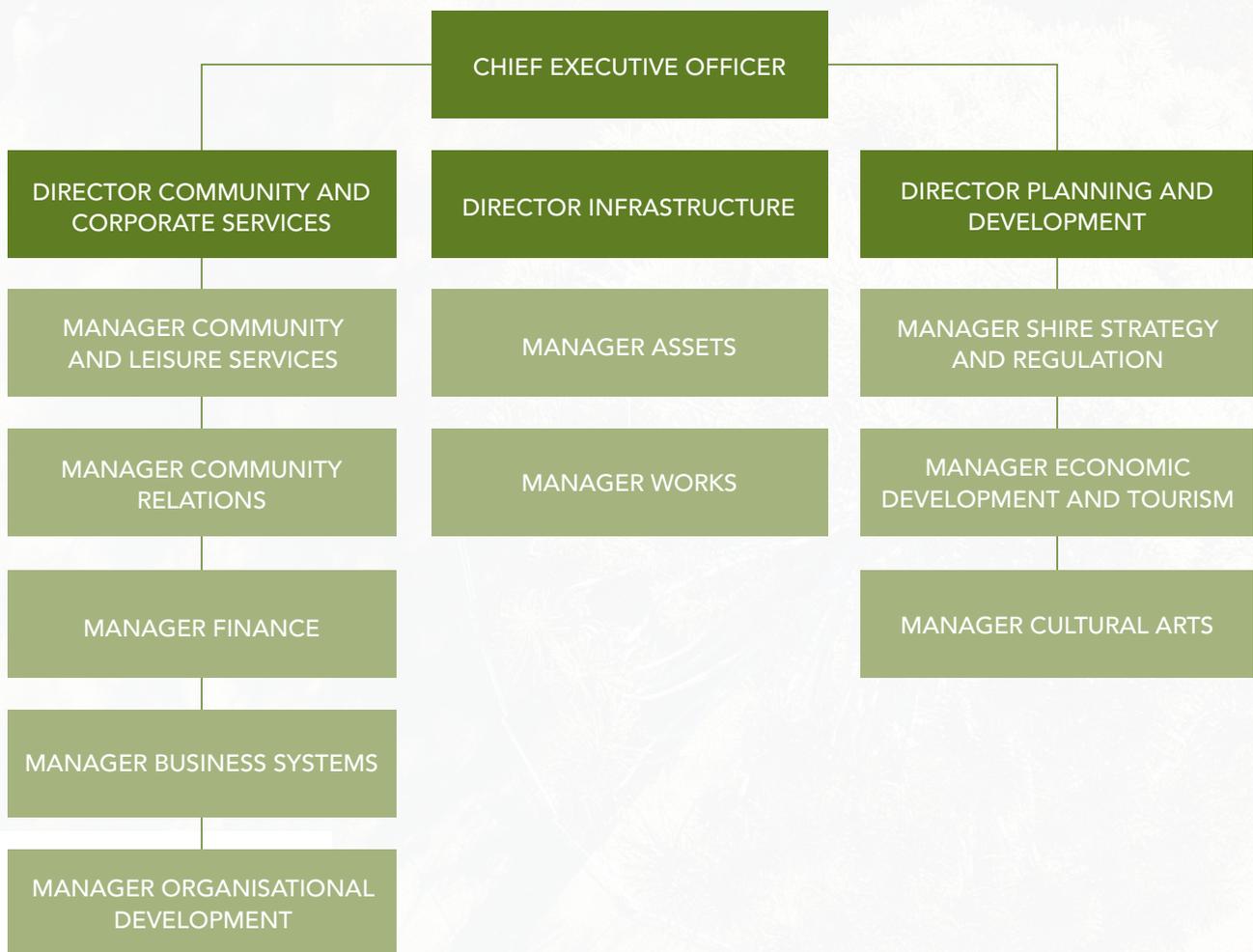
REPRESENTATION

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 18 November 2020 and are detailed in the table below.

COMMITTEES REQUIRED BY LEGISLATION	
Audit and Risk Committee	Cr Brown Cr Robertson (Deputy Mayor)
Municipal Emergency Management Planning Committee (MEMPC)	Cr McAdam
DELEGATED COMMITTEE	
Planning Committee	Cr McAdam Cr Henry
ADVISORY COMMITTEES ESTABLISHED BY COUNCIL	
Hamilton Regional Livestock Exchange Advisory Committee	Cr McAdam (Chair) Cr Brown
CEO Employment and Remuneration Committee	Cr Colliton (Mayor) Cr Robertson (Deputy Mayor) Cr Rainsford Cr Henry
COMMITTEES ESTABLISHED BY OTHER BODIES	
MAV Delegate	Cr Colliton (Mayor) Cr Rainsford (proxy)
Great South Coast Group	Cr Colliton (Mayor)
Rural Councils Victoria	Cr Rainsford
Barwon South West Waste and Resource Recovery Group	Cr Henry
Green Triangle Action Group	Cr Calvano Cr Rainsford (proxy)
Rail Freight Alliance	Cr Calvano Cr Rainsford (proxy)

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. The ELT also provides Council with information and advice that supports strategic and effective decision making. The ELT is supported by a team of departmental managers.

In May 2021, Marg Scanlon commenced as Director Infrastructure, replacing David Moloney who resigned after five years at Southern Grampians Shire.



Michael Tudball
Chief Executive Officer

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

Experience: Michael joined the Southern Grampians Shire in March 2016 from the City of Melton where he headed up Economic Development and Advocacy. He has a strong history in population growth and urban development with previous roles in State Government as Director School and Community Partnerships and Director of the Caroline Springs Partnerships.

Michael also has a solid background in business having run his own management consultancy firm for almost ten years. He has held a number of Governance roles including Government and Statutory Authority Boards, Not-For-Profit and Local Government, as a Councillor and Mayor.

Michael is a fellow with the Australian Institute of Company Directors and in 2011 was awarded an Australian Fire Service Medal in the Queen's Birthday Honours for his contribution to Australian Fire Services.



Marg Scanlon
Director Infrastructure

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 Shire 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, Emergency Management, 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 2020/21 Southern Grampians Shire Council employed 494 people across the year, which is the equivalent to 245.5 Equivalent Full Time (EFT). 40 staff were employed on six month contracts through the Working for Victoria Program, funded by the State Government. During the year Council had a staff turnover rate of approximately 16.8 percent 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	TOTAL
Permanent FT	2	45	34	93	174
Permanent PT		82	16	13	111
Temporary		13	14	29	56
Casual		100	38	15	153
Total	2	240	102	150	494

Legend: FT – Full time and PT – Part time

Employment Classification	Male	Female	Total
Band 1	12	28	40
Band 2	14	39	53
Band 3	126	82	208
Band 4	19	35	54
Band 5	21	29	50
Band 6	20	10	30
Band 7	12	8	20
Band 8	3	1	4
Band not applicable	19	16	35
Total	246	248	494

OUR ORGANISATION

Equity and Diversity

Southern Grampians Shire Council recognises the value of a diverse and skilled workforce. Council recognises and values diversity by respecting individual's unique attributes and creating an environment where everyone is able to achieve their potential. Council's core values support this commitment. Equal opportunity is about the fair and equal treatment of those who either are, or who are seeking employment with Council, regardless of differences. As an equal opportunity employer, Council is committed to the principles of equal opportunity and anti-discrimination. The equal opportunity policy and practices provide a framework to ensure staff are not disadvantaged but receive fair and equitable treatment.

Human Resources

The implementation of our workforce development plan continues. In line with the requirements of the Gender Equality Act, a review and update of this document will be carried out in the upcoming 12 months.

Review, planning, negotiation and implementation of the Enterprise Agreement due for renewal in May 2022 will also be undertaken during 2021/2022. Proactive management of annual leave accruals under the Enterprise Agreement provisions has also been a continuing focus for the HR team.

The COVID-19 pandemic created significant change across the organisation and this impacted on the HR unit. The introduction of the State Government Working for Victoria program resulted in the HR unit supporting the program through the largest single recruitment program implemented at Council.

Some of the major activities for the year include:

- + Recruitment of new staff under the Working for Victoria program;
- + Streamlining the staff induction process and on boarding/off boarding program;
- + Ongoing development and promotion of our traineeship and apprenticeship program;
- + Ongoing review and updates of our policies and

procedures; and

- + Implementation of our new recruitment / onboarding program.

Occupational Health and Safety

We continue to build a supportive and robust safety culture with the ongoing support and commitment of our executive, the occupational health and safety committee, individual workgroup health and safety representatives. We maintain a five year OHS strategic plan supported by annual strategy directions from the Strategic OHS Committee.

A quarterly OHS reporting regime is being maintained facilitated by the enhanced reporting capabilities from Elumina. This reporting regime fosters increased levels of scrutiny allowing comprehensive analysis of our OHS culture and drives proactive health, safety and welfare initiatives across the organisation.

Southern Grampians Shire Council participated in an OHS maturity assessment project undertaken by David Caple and Associates Pty Ltd between February and April 2021. The general findings from our data indicated that:

- + Our overall level of safety maturity was 89% compared with the survey average of 59%. This was one of the highest scores in the survey results.
- + The maturity scores for Management Commitment (90%) and OHS Systems scores (94%) were also amongst the highest scores in the survey results.
- + In relation to our review of the 29 NAT criteria, our score of self-assessed compliance was 88% compared with the survey average of 77%. Again, this was one of the highest scores. The NAT compliance score of 100% for Accountability and Safety Culture is commendable.

We are no longer part of an OHS self-insurance scheme, the MAV WorkCare scheme being refused licence continuation by WorkSafe Victoria effective 30 June 2021. We are now insured with Gallagher Bassett Services.



Achievements from the last 12 months include: -

- + Decrease in both the number and the cost of workers compensation claims resulting in a significant reduction in Workers Compensation Premium for 2020/21;
- + Continuing support for various departments to develop and implement safe work procedures;
- + Further development and upgrade of the online induction platform to now include employees, contractors, Livestock Agents, and volunteers; and
- + Continuing high levels of hazard identification across the organisation.

Learning and Development

COVID-19 and restrictions continue to see a decline in face-to-face training again this year. Approximately 30 training events have been held over the past 12 months including online and some face-to-face. A key focus for learning development has been to ensure team members completed mandated training and upskilling particularly in the areas of licensing and certifications. Current circumstances provide the opportunity for L&D to continue to review and upgrade our online learning offerings.

A large body of work was undertaken midyear to increase our internal Traineeship program. 2021 saw the introduction of 14 new trainees which was an increase from six traineeships in 2020. This is a key strategic initiative in our Workforce Development Plan.

Staff performance reviews have been restructured to allow for a much smoother online process that has the capability to audit completed versus not completed. The future of technology and using an online LMS system in professional development and compliance training is a value add for our staffs' development.

Risk

The 2020/2021 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.

Highlights of the year included the purchase of CAMMS Risk software and the data migration of the Strategic Risk Register. Training and full implementation of the CAMMS Risk software to be completed in the 2021/22 year period.

Governance

A focus for the Governance team over the past 12 months has been the continued implementation of key pieces of legislation, including the *Local Government Act 2020* and 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. The Governance team has also coordinated the development of the new Council Plan 2021-2025 which involved extensive community engagement, as well as consultation with internal and external stakeholders. The new Council Plan 2021-2025 will inform the strategic direction for Council over the next four years.

Staff Consultative Committee

The Staff Consultative Committee continues to be focused on policy reviews and updates.





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 2020/21:

5 years:

- Eda Williamson
- Jason Cay
- Krista McFarlane
- Lara Fitzpatrick
- Emily Langley
- Russell Bennett
- Jake Burger
- Stephen Hadden
- Quentin Overton
- Michael Murphy
- Danny Ross
- Ricky Hamilton

10 years:

- Kylee Jones
- Deirdre Quinsey
- Melissa White
- Heather Muskee
- Kylie McIntyre
- Bevan McIntosh
- John Hadden
- Lee Hatherell
- Trevor Wilson
- Brett Holmes

20 years

- Anne Steele
- Michael Killen
- John Pierce
- Geoff Rowbottom
- Jason Overton
- Brendan Casey

30 years

- Raelene Roberts
- Peter Kilpatrick

40 years

- Margaret Nichol

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, including Strategic Resource Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

PLANNING AND ACCOUNTABILITY FRAMEWORK

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking 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 2017-2021.

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

- 1. Support Our Community**
A vibrant, growing community that is healthy, inclusive and connected
- 2. Develop our Regional Economy and Business**
A strong, diversified local and regional economy
- 3. Plan for our Built Environment and Infrastructure**
Provide access to infrastructure that meets community needs
- 4. Promote our Natural Environment**
Promote a culture that supports a clean, green and sustainable environment
- 5. Provide Leadership and Good Governance**
Strong leadership, good governance and effective service delivery

PERFORMANCE

Council's performance for the 2020/21 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017-2021 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 OBJECTIVE NO.1

**SUPPORT OUR
COMMUNITY**
A vibrant, growing 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 the Community Grants Program		The grants program had fewer applications this financial year as events were largely unable to go ahead due to COVID restrictions.
2018/19	77 applications	
2019/20	91 applications	
2020/21	74 applications	
Community satisfaction Community Satisfaction Survey rating out of 100 on interaction and responsiveness in dealing with the public:		<p>Making community decisions has increased by two points in 2021 to 54.</p> <p>Community Consultation and Engagement has decreased by two points in 2021, however we remain three points above the large rural shire average and one point above the state average.</p> <p>Overall direction is two points up from 2020 and equal to the large-rural shire average.</p>
• Community Consultation and Engagement	57	
• Making Community Decisions	52	
• Overall performance of Council	52	
• Overall direction of Council	51	
Council engagement sessions delivered annually in all towns	Complete	<p>Council continued the listening post style engagement session in outer townships where it was possible during COVID restrictions. A number of virtual session were also held.</p> <p>Council Plan engagement sessions happened throughout February and March in all townships across the Shire.</p>

The following statement reviews the progress of council in relation to major initiatives identified in the 2020/21 budget:

MAJOR INITIATIVES	PROGRESS
<p>Implement the short and medium priorities in response to the adopted the Recreation and Leisure Strategy and relevant Master Plans.</p>	<p>Ongoing</p> <p>Council completed the irrigation works at Pedrina Park, the redevelopment of the Brumley Park Playground and stage one of the Lake Hamilton Aquatic facilities amenities block refurbishment.</p> <p>Tenders were awarded for the Pedrina Park Inclusive Sporting Hub and Netball Court Redevelopment and both projects commenced in the financial year.</p>
<p>Progress the new Hamilton Gallery project, including fundraising, detailed designs and establishment of skills-based Board.</p>	<p>Ongoing</p> <p>In August 2020, Council endorsed the Project Brief to seek a comparative assessment of a CBD location for the New Hamilton Gallery. In February 2021, Council resolved to rescind the decision made in 2018 to only consider a Lake site for the New Gallery. The Hamilton Gallery Board was established and an MOU signed.</p>
<p>Undertake community visioning to support SGSC Community Vision 2041 Project</p>	<p>Ongoing</p> <p>Council undertook extensive community and stakeholder engagement throughout 2020/21 to create the Community Vision 2041 project. The draft document will go through a further period of exhibition to the public, before being adopted by Council in October 2021.</p>
<p>As part of the Digital Strategy implementation, continue digital innovation capacity building program and implement Smart Community Initiatives</p>	<p>Ongoing</p> <p>Installed 14 new CCTV cameras in phase one of the Smart Community Framework and Roadmap as part of a joint project with Victoria Police.</p> <p>Council helped build digital capacity in the community through hosting the second Digital Innovation and Smart Agriculture (DISA21) Festival. Approximately 250 tickets were sold, with 14 Councils represented across Victoria and South Australia.</p>

The following statement provides information in relation to the services funded in the 2020/21 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, property maintenance and senior citizens programs.	2,411 <u>(1,968)</u> 443	2,504 <u>1,616</u> 888
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	121 <u>(50)</u> 71	102 <u>50</u> 52
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.	537 <u>0</u> 537	596 <u>77</u> 520
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.	487 <u>(63)</u> 424	417 <u>80</u> 337
Rural Access	This service aims to build inclusive communities by mobilising, strengthening and providing support to communities.	0 <u>(0)</u> 0	0 <u>(0)</u> 0
Children's Services	This service provides quality education and care services ie. Family Day Care and promotes the early years sector.	673 <u>(549)</u> 124	651 <u>500</u> 151
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.	418 <u>(0)</u> 418	643 <u>55</u> 589
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.	662 <u>(33)</u> 629	796 <u>35</u> 761
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	282 <u>(3)</u> 279	285 <u>7</u> 278

SERVICE	DESCRIPTION	BUDGET Expenditure (REVENUE) NET COST \$000	ACTUAL Expenditure (REVENUE) NET COST \$000
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.	626 <u>(2)</u> 624	554 <u>20</u> 533
Hamilton Indoor Leisure & Aquatic Centre	This service provides accessible leisure and aquatic experiences that facilitates and promotes wellbeing outcomes.	2,973 <u>(1,243)</u> 1,730	2,244 <u>696</u> 1,548
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.	832 <u>(132)</u> 700	1,216 <u>294</u> 922
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.	856 <u>(271)</u> 585	742 <u>104</u> 638
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.	715 <u>(206)</u> 509	744 <u>189</u> 555
Cinema	This service provides the community with a high quality cinema experience.	358 <u>(275)</u> 83	211 <u>77</u> 134
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.	76 <u>0</u> 76	79 <u>82</u> (3)
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.	675 <u>(3)</u> 672	756 <u>0</u> 756
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.	586 <u>(378)</u> 208	613 <u>318</u> 295
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	398 <u>(336)</u> 62	387 <u>398</u> (11)

SERVICE	DESCRIPTION	BUDGET Expenditure (REVENUE) NET COST \$000	ACTUAL Expenditure (REVENUE) NET COST \$000
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	419 (60) 359	412 (111) 300
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.	285 0 285	463 1 462

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	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	Reduced borrowing as a result of ongoing service closures due to State Government COVID restrictions plus storm damage to building.
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	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	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%	No material variations

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	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	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	Increase in cost of aquatic facilities is due to reduced usage of facility but operating costs have remained the same.
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.77	9.33	7.56	4.43	Decline in usage is attributed to COVID-19 lockdowns and restrictions.

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	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	Officer response times have improved due to responsiveness to animal management 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%	No material variations
	New in 2020	New in 2020	8.70%	10.11%	This can be attributed to the improved rehoming program eg. Online advertising.

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	MATERIAL VARIATIONS
ANIMAL MANAGEMENT cont.					
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	Increase in cost of service is attributed to an increase in the amount of animals that are being impounded, rehomed and general call outs in relation to animal management.
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	There were no Animal management prosecutions in 2020/2021

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	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%	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	A reduction in the cost can be attributed to no attendance at conferences as a contributing factor.
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%	No material variations

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	MATERIAL VARIATIONS
<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	65.71%	62.69%	63.89%	74.68%	This increase may be due to the fact that the question about identifying as Aboriginal or Torres Strait Islander has been asked more often and clients are more willing to identify.
<p><i>Participation in 4-week Key Age and Stage visit</i></p> <p>[Number of 4-week Key Age and Stage visits / Number of birth notifications received] x100</p>	New in 2020	New in 2020	93.71%	99.40%	No material variations





DEVELOP OUR BUSINESS AND REGIONAL ECONOMY

A strong, diversified local and regional economy

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
Local Government Performance Reporting Indicators in relation to Statutory Planning	<ul style="list-style-type: none"> 38 days to decide application 93.55% of applications decided within statutory timeframes 	A decrease in planning staff has meant an increase in time-frame to decide applications.
Wi Fi Hot Spots established and analytics monitored	<p>14,460 unique sessions</p> <p>842,100 total sessions</p> <p>15,880 GB downloaded</p>	<p>Usage data is monitored and stored locally.</p> <p>Data downloads were steady across the year but unique visits increased significantly across the latter part of 2020 which could be visitor traffic or simply more activity in townships following lockdowns.</p>
An increase in business investment	Ongoing	<p>Council has undertaken the development of a new investment attraction strategy to guide efforts over the next few years and in particular, helping support the region through the COVID pandemic.</p> <p>The completion of the Hamilton Industrial Land development on Port Fairy Rd will support further business development in the region.</p>

The following statement reviews the progress of council in relation to major initiatives identified in the 2020/21 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</p> <p>Work on the Hamilton Industrial Land project has taken longer than anticipated.</p> <p>Water Supply, wastewater, stormwater and gas installation have all been completed. Internal road works have also been complete and the project to widen Hamilton-Port Fairy Road is expected to be finalised in October 2021. Electrical and Landscaping works will see the entire precinct finalised in early 2022.</p> <p>Planning is currently underway for the launch and the sales campaign.</p>
<p>Plan and deliver Stage One of the Dunkeld Visitor Hub including Grampians Peak Trail Head.</p>	<p>Ongoing</p> <p>Council received \$500,000 funding to commence Stage One of the Dunkeld Visitor Hub and Grampians Peak Trailhead Project in 2020/21.</p> <p>Detailed design of Precinct A (raised platform and roof) and Precinct B (Dunkeld Memorial Park) has been completed. The footpath at Wills St and Sterling St (along Memorial Park) and the improvements to the bus drop off area opposite the Visitor Information Centre on Sterling St has also been completed this year. Council has been out to tender three times without success and are now approaching contractors to complete the project.</p>
<p>Implement a promotion campaign highlighting the Greater Hamilton region</p>	<p>Complete</p> <p>Developed and delivered Inspired by Locals campaign with over 20,000 website visits and over 63,000 video impressions to promote travel within the region post lockdown.</p> <p>A television advertising and digital branding campaign to highlight the economic, social and liveable attributes of the region was conducted throughout the year. These had very positive feedback particularly from the viewing windows of South East South Australia, Mildura, Bendigo and Albury.</p>
<p>Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy</p>	<p>Complete</p> <p>Several actions were undertaken to implement the investment attraction program. In addition to the advertising campaign mentioned above, memberships of peak industry bodies and participation in their trade and industry events where possible, has assisted to develop leads in the horticultural and franchising sectors. The Digital Innovation and Smart Agricultural Festival held in Hamilton in May has assisted the region to grow capacity in the digital economy and smart agricultural sector.</p>

The following statement provides information in relation to the services funded in the 2020/21 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
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.	745 (101) 644	962 123 839
Airport	This service is responsible for the management and operation of the Hamilton Airport.	370 (19) 351	424 22 403
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Livestock Exchange.	1,518 (1,554) (36)	1,272 1,773 (501)
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.	664 (15) 649	726 48 678
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	136 0 136	136 0 136
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.	269 (4) 265	216 0 216
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Penshurst.	43 (17) 26	79 56 23
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.	34 0 34	25 0 25

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	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	Time frame increased due to decrease in planning staff
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%	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	Increased planning applications
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%	There were five applications and one was subsequently withdrawn. Of the remaining four, two applications are awaiting a VCAT hearing, one was upheld and one was set aside.

*Statutory Planning also reported under Strategic Objective Three



PLAN FOR OUR BUILT ENVIRONMENT

Provide access to infrastructure that meets
community needs

STRATEGIC OBJECTIVE NO.3

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
Quarterly reports to Council on the progress of the Capital Works Program	Complete	Quarterly reports delivered to Council meetings in addition to monthly briefings.
Community Satisfaction Survey results in relation to the condition of Sealed Local Roads	42/100	This measure has remained steady for several years. Council rates significantly lower than the State-wide average in the area of Sealed Local Roads.

The following statement reviews the progress of council in relation to major initiatives identified in the 2020/21 budget for the year:

MAJOR INITIATIVES	PROGRESS
Deliver on the CBD revitalisation plan by completing the Cox Street redevelopment	<p>Ongoing</p> <p>In February 2021, Council resolved to proceed with a rescoped Cox Street Project, which will see the redevelopment of the east-side only, after all avenues for further funding support for the full project were unsuccessful</p> <p>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 construction works are due to commence onsite in January 2022.</p>
Deliver the Local Roads and Community infrastructure program	<p>Ongoing</p> <p>A number of projects funded in Round One of the Federal Government's LRCIP (\$1.9million) have been completed or have commenced in 2020/21.</p> <p>These projects are: Rural Road Numbering, Dunkeld Visitor Hub, Gallery Lift Installation, HRLX Underpass, Hamilton Gateway Town Entrances.</p> <p>Projects being completed under Round Two (\$1.746 million) are the Pedrina Park Netball Court redevelopment (\$1.6 million) and the Lake Hamilton Amenities block and Playground refurbishment (\$147,000).</p>
Design and implement in stages the Hamilton Structure Plan town entrances project	<p>Ongoing</p> <p>The Ballarat Road town entrance landscaping works were completed in 2020.</p> <p>The Coleraine Road town entrance works were completed in 2021. These works involved the planting out of the median strips and nature strips right along Coleraine Road (including Pope St) with a variety of Crepe Myrtles, Japanese Maples, Apple Gums, Red-flowering Gums and Pin Oaks. The major roundabout at Mt Baimbridge road was also planted out with small Australian natives. This project was funded through the Federal Government's Local Roads and Community Infrastructure Program.</p>

The following statement provides information in relation to the services funded in the 2020/21 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.	313 <u>0</u> 313	339 <u>10</u> 329
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.	562 <u>(30)</u> 532	730 <u>16</u> 713
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	223 <u>(76)</u> 147	298 <u>132</u> 166
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	819 <u>0</u> 819	1,003 <u>0</u> 1,003
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	800 <u>0</u> 800	647 <u>0</u> 647
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.	500 <u>(65)</u> 435	215 <u>59</u> 156
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.	47 <u>0</u> 47	43 <u>0</u> 43
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	2,178 <u>0</u> 2,178	2,424 <u>16</u> 2,408
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	564 <u>(134)</u> 430	326 <u>206</u> 120
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.	(41) <u>(75)</u> (116)	(627) <u>193</u> (820)

SERVICE	DESCRIPTION	BUDGET Expenditure (REVENUE) NET COST \$000	ACTUAL Expenditure (REVENUE) NET COST \$000
Roads and Streets	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	10,909 <u>8</u> 10,901	11,254 <u>(48)</u> 11,206
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.	504 <u>0</u> 504	560 <u>0</u> 560
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 <u>0</u> 4	30 <u>33</u> (3)
VicRoads Contract Management	This service ensures responsible contract management of Councils VicRoads contract.	17 <u>(13)</u> 4	45 <u>0</u> 45



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	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	The Customer Requests in the system related to sealed roads have decreased in this financial year 2020-2021
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%	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	No material variations
<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	This is due to the increased unit rate cost of resealing job and the cost of resealing is in accordance to Council's Unit rate justification document.
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	No material variations



PROMOTE OUR NATURAL ENVIRONMENT

Promote a culture that supports 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
Increased diversion of waste from landfills	62.72%	Kerbside collection waste diverted from landfill increased by 45.85%. This can be attributed to the Compulsory FOGO collection. FOGO tonnage therefore increased from 618.7t to 2235.08t. Recycling tonnage also increased by 25%.
Reduction in Council's carbon and ecological footprint	N/A	Council introduced compulsory FOGO collection in 2020/21. While the positive impacts are difficult to measure immediately, over time, the diversion of this waste from landfill will significantly reduce emissions.
Local Government Performance Reporting Indicators in relation to waste		The increase from in missed bins can be attributed to new (unfamiliar) drivers.
Kerbside collection bins missed	9.58	
Cost of kerbside garbage bin collection	\$118.31	The reduction in the recycling service cost is due an audit of tenements.
Cost of kerbside recyclables collection	\$71.77	

The following statement reviews the progress of council in relation to initiatives identified in the 2020/21 budget for the year:

MAJOR INITIATIVES	PROGRESS
Deliver the Waste and Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives.	<p>Ongoing</p> <p>Council installed 153 kW of new solar generation at it's facilities:</p> <ul style="list-style-type: none"> • HILAC 30 kW • Market Place 30 kW • PAC 30 kW • Animal Pound 6.4 kW • Coleraine Depot 4.32 kW • HRLX 52.8 kW



The following statement provides information in relation to the services funded in the 2020/21 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. This service manages the waste and recyclables collection process at the designated transfer stations within the Shire.	2,211 <u>(1,358)</u> 853	3,013 <u>4,019</u> (1,006)
Waste and Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,779 <u>(109)</u> 1,670	1,871 <u>140</u> 1,713
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	283 <u>(65)</u> 218	227 <u>73</u> 155
Stormwater/ Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	692 <u>0</u> 692	763 <u>0</u> 763
Yatchew Drain- age Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	6 <u>(6)</u> 0	6 <u>5</u> 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 <u>(183)</u> (179)	106 <u>2,701</u> (2,595)
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	136 <u>0</u> 136	142 <u>41</u> 101
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	67 <u>0</u> 67	60 <u>72</u> (11)
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 <u>0</u> 14	472 <u>4</u> 468
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	290 <u>(125)</u> 165	307 <u>0</u> 307

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	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	Increase in Customer Requests due to new (unfamiliar) drivers
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	Increase in Customer Requests due to new (unfamiliar) drivers
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	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	Reduced due to bin audit (no. of tenements reduced)
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%	FOGO tonnage increased from 618.7t to 2235.08t (260%) due to service becoming compulsory. Recycling tonnage also increased by 25%

STRATEGIC INDICATOR/MEASURE	17/18	18/19	19/20	20/21	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%	Many food premises temporarily and permanently closed due to impact of COVID-19
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	Experienced reduced number of food premises related complaints
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	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%	No material variations

PROVIDE GOVERNANCE AND LEADERSHIP

Strong leadership, good governance and effective service delivery



STRATEGIC OBJECTIVE NO.5

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
Quarterly reports to Council on progress of the Council's Annual Plan, Capital Works Program and Financial Statements	Complete	Quarterly reports were presented to Council on the Annual Plan, Financial Statements and Capital Works Programs.
Community Satisfaction Survey results in relation to:		Perceptions of Council's overall performance are at their highest level since 2014, maintaining the upward trend seen over the last four years. Council's customer service index of 71 represents an improvement on last year's result. Customer service rates in line with State wide and Large Rural group averages.
- Overall performance of Council	57	
- Overall direction of Council	51	
- Customer Service	71	
Reduction in the total number of Occupational Health and Safety incidents.		The decrease in total hazard and incident reports is driven by increased participation in proactive OHS measures such a workplace hazard identification and rectification.
Incidents 2019/20	711	
Incidents 2020/21	675	

The following statement reviews the progress of council in relation to major initiatives identified in the 2020/21 budget:

MAJOR INITIATIVES	PROGRESS
Implement year four of the Council Plan 2017 – 21	<p>Ongoing</p> <p>The Implementation of the Council Plan is delivered and measured through the Annual Action Plan. A final report was completed and reported to Council. Of 59 actions, 29 actions (49%) have been completed. 38 (64%) are on track with at least 90% of target achieved. 12 (20%) require monitoring, with between 70 and 90% of the target achieved and 9 (15%) are off track with less than 70% of the target achieved.</p>
Continue advocacy on key Council priorities covering Regional (Great South Coast), State and Federal Governments	<p>Ongoing</p> <p>The past 12 months has seen a sustained effort in our advocacy to State and Federal government to highlight the priorities of our communities and our region. Council has a detailed priorities list which we will continue to lobby for, seeking our share of support from other levels of government.</p>
Invest in the appropriate systems, processes and training to support an environment which delivers a seamless and responsive customer experience.	<p>Ongoing</p> <p>Enhancements to the CRM system have been made during shutdown and online solutions including digital forms and online payments have been developed to enhance customer experience.</p> <p>Training opportunities for frontline staff have been provided throughout the year.</p>

<p>Delivery of the Working for Victoria Program</p>	<p>Complete</p> <p>The introduction of the State Governments Working for Victoria program resulted in the largest single recruitment program implemented at Council. 40 Staff were recruited, deployed, inducted and trained across Council. Roles filled by these staff included cleaning and sanitation of buildings and public spaces, waste and environmental management, parks and gardens, general outdoor maintenance, Community recovery and general infrastructure.</p> <p>A number of these staff have now found fulltime employment within Council.</p>
<p>Provide financial assistance for those experiencing hardship (in line with Council Policy) due to the COVID-19 Pandemic</p>	<p>Complete</p> <p>Council adopted the Hardship Assistance COVID-19 Support Policy on 8 July 2020 to provide specific support to ratepayers, debtors and several groups of Council customers with hardship assistance and/or support during and post the 2019-2021 COVID-19 Pandemic.</p> <p>This one-off policy was funded through the 2020/21 Budget process and allocated the full amount of the rate increase to the fund - \$328,000.</p> <p>\$142,764 was used throughout the 12 month period to support community through a range of assistance methods including permit reimbursement, rate relief, economic assistance for landlords and support for existing customers in arrears.</p> <p>Council will determine how to allocate the remaining funds set aside during the 2021/22 year.</p>



The following statement provides information in relation to the services funded in the 2020/21 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
Executive and Councillor Support	This area of governance includes the Chief Executive Officer, Executive Management Team the Mayor, Councillors and associated support.	2,100 (18) 2,082	2,065 <u>10</u> 2,056
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.	268 <u>0</u> 268	267 <u>0</u> 267
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.	1,527 (431) 1096	899 <u>153</u> 746
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.	764 <u>0</u> 764	731 <u>0</u> 731
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.	344 <u>0</u> 344	442 <u>106</u> 336
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.	201 <u>0</u> 201	242 <u>0</u> 242
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	315 <u>0</u> 315	307 <u>0</u> 307
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.	345 (3) 342	369 <u>23</u> 346
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.	1,871 (1) 1,870	1,659 <u>243</u> 1,416
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.	925 (4,879) (3,954)	(3872) <u>(0)</u> (3872)
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Peshurst to support works teams to deliver capital and maintenance programs.	376 (22) 354	443 <u>1,107</u> (664)
Corporate Funding Programs	Delivery of the Working for Victoria program and project management of the Local Roads and Community Infrastructure Program	2,664 (1,564) 1,100	2,712 <u>0</u> 2,712

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	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%	There were less confidential items, therefore less meetings closed to the public in 2020-2021. This is attributed to an ongoing commitment to transparency as part of the decision-making process.
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	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%	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	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	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 2nd Wednesday of each month at 5:30pm in the Council Chambers, 3 Market Place, Hamilton.

Council also hosted two meetings in towns other than Hamilton during 2020/21:

- + Mirrinatwa on 10 March 2021
- + Wannon on 14 April 2021

These Meeting days also included Council Briefing Sessions and a Community Engagement Session in the evenings. Hosting Meetings in other locations provides a great opportunity for more community members to attend Council Meetings and be more involved with democracy in their communities.

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

Due to COVID-19 and for the safety of the community, the Councillors and the staff and to ensure social distancing, all interested community members were encouraged 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 are still available, but done so electronically.

For the 2020/21 year Council held the following meetings:

1. 10 Council Meetings of which five were held virtually; and
2. Two unscheduled council meetings of which one was held virtually

The following table provides a summary of councillor attendance at council meetings and unscheduled council meetings for the 2020/21 financial year.

Councillor	Council Meeting	Unscheduled Council Meeting	Total
Cr Bruach Colliton (Mayor from November 2020)	6/6	2/2	8/8
Cr Mary-Ann Brown	10/10	2/2	12/12
Cr Albert Calvano	10/10	2/2	12/12
Cr Helen Henry	6/6	2/2	8/8
Cr Greg McAdam	10/10	2/2	12/12
Cr Katrina Rainsford	10/10	2/2	12/12
Cr David Robertson	6/6	2/2	8/8
Cr Chris Sharples	4/4	-	4/4
Cr Cathy Armstrong	3/4	-	3/4
Cr Colin Dunkley	4/4	-	4/4

*A General Election was held on 24 October 2020 which included three incoming Councillors and three outgoing Councillors.

Council Committees

The Act allows Councils to establish Committees.

The following 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.
Konongwotong Hall	The management and operation of the Konongwotong 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, 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 4 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:
 - e) 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;
 - f) The Council expenses policy adopted and maintained by the Council under section 41 of the Act;
 - g) The Governance Rules developed, adopted and kept in force by the Council under section 60 of the Act;
 - h) 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 exists 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 Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. 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 one council.

The allowance range limits which apply for this category are:-

Mayor - up to \$62,848 pa

Councillors - \$8,833 to \$21,049 pa

The amount equivalent to the superannuation scheme guarantee under Commonwealth taxation legislation (currently 9.5%) is payable in addition to these amounts.

The table below sets out the allowances paid in accordance with the Act for the 2020/21 financial year:

Councillor	Allowance	Superannuation Equivalent	Total
Sharples (Mayor until 24 October 2020)#	\$15,721.02	\$1,493.52	\$17,214.54
Dunkley#	\$5,262.27	\$499.92	\$5,762.19
Brown	\$21,049.08	\$1,999.68	\$23,048.76
Armstrong#	\$5,262.27	\$499.92	\$5,762.19
Calvano	\$21,049.08	\$1,999.68	\$23,048.76
McAdam	\$21,049.08	\$1,999.68	\$23,048.76
Rainsford	\$21,049.08	\$1,999.68	\$23,048.76
Colliton* (Mayor from 18 November 2020)	\$47,163.06	\$4,480.56	\$51,643.62
Henry*	\$15,786.81	\$1,499.76	\$17,286.57
Robertson*	\$15,786.81	\$1,499.76	\$17,286.57
Total	\$189,178.56	\$17,972.16	\$207,150.72

*Incoming Councillor # Outgoing Councillor

Councillor	Travel	Mileage	Childcare	ICT	Conference/ Training	Total
Sharples (Mayor until 24 October 2020)#	0	0	0	\$182.35	0	\$182.35
Armstrong#	0	0	0	\$356.97	0	\$356.97
Brown	\$683.44	0	0	\$1,509.99	0	\$2,193.43
Calvano	\$68.06	\$348.84	0	\$3,826.79	\$225.00	\$4,468.69
Dunkley#	0	0	0	\$144.10	0	\$144.10
McAdam	0	0	0	\$976.49	\$190.00	\$1,166.49
Rainsford	\$530.90	\$1,106.64	0	\$1,068.62	0	\$2,706.16
Colliton* (Mayor from 18 November 2020)	\$787.26	0	0	\$340.34	\$864.80	\$1,992.40
Henry*	0	0	0	\$273.32	\$92.73	\$366.05
Robertson*	0	0	0	\$301.48	\$192.00	\$493.48
Total	\$2,069.66	\$1,455.48	\$0	\$8,980.45	\$1,564.53	\$14,070.12

*Incoming Councillor # Outgoing Councillor

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

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.

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 Mary-Ann Brown. 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 2020/2021 and addressed a broad range of issues including:

- + Implementation of the Local Government Act 2020;
- + Annual Financial, Standards and Performance Statements;
- + Budget 2020-2021;
- + Financial Statements and Reports;
- + Business Continuity;
- + Internal Audit;
- + Risk Management Framework;
- + Fraud and Corruption Control;
- + Compliance Framework;
- + OH&S;
- + Performance Statements;
- + 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 year Council did not enter into any contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

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 2020/21 financial year.

COMMUNITY INCLUSION PLAN 2017-2021

Southern Grampians Shire Council is committed to equitable access and inclusion to our services, programs, premises and employment. We believe that all residents have the right to participate in community life without barriers and creating a sense of community and inclusion will make Southern Grampians a better place for all. The overarching aim of the plan is that people with disability are able to access our services and facilities and can participate fully in community life.

In accordance with section 38 of the Disability Act 2006, as Council has prepared a Community Inclusion Disability Action Plan and it must report on the implementation of the Plan in its Annual Report.

Council has implemented the following actions in 2020/21:

- + Ensured that communication and community engagement used inclusive practices and processes.
- + Developed a Corporate style guide to assist council staff to use Universal access when developing council publications and promotional material.
- + Developed and endorsed a Deliberative Community Engagement Policy that ensures Deliberative Community engagement is inclusive.
- + For the first time, developed and embedded a new Disability Action Plan into the Southern Grampians Shire Council Plan 2021/25. 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.

- + Advocated and supported sporting clubs to continually improve 'inclusive recreation' participation practices.
- + Ensured Councils Community Grants Program - Greater Grants, reflected access and inclusion principles.
- + Provided advice and advocated for access improvements to local infrastructure, businesses and organisations and provided professional advice where required.
- + Advocated for any future planning and development of infrastructure to include access and inclusion principles including Universal access.
- + Provided support, advice and increased staff knowledge on community Inclusion;
- + Supported the growth and development of opportunities of employment and volunteering for people with disabilities;
- + Provided support and guidance to individuals with disability to participate in the L2P program;
- + Supported and partnered with service providers, state and Federal governments to improve opportunities for inclusion for people with a disability and their families in Southern Grampians Shire;
- + Partnered with agencies to deliver key components of the Passport 2 Employment Mentoring Program (P2E), Young Leaders Program, Community 4 Youth Board (C4YB) and Live4Life Youth Mental Health Program; and
- + Provided sites within the Shire to recharge mobility scooters through Council's Scooter Recharge Program: Plug in and Power Up.

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 2020/21. As at 30 June 2021 there were 2,724 domestic animals registered with Council; 2,106 dogs and 618 cats. The 2020/21 year saw 71% of impounded dogs and 9.7% of impounded cats reclaimed by their owners and 10% of impounded dogs and 12% 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 and 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*.

In the period 1 July 2020 – 30 June 2021, Council received a total of three valid FOI requests. These were all granted full or partial access. There were no outstanding requests as at 30 June 2021.

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 email 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 *Public Interest 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 2020/21 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 2020/21 financial year.

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 2020/21 financial year.

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)	No Plan The Financial Plan is required to be adopted by 31 October 2021 and is being developed.
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: July 2021
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: 23 June 2020
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: 11 December 2019

INDICATOR	GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
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: 2 February 2018
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 August 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: 9 September 2020, 10 February 2020, 12 May 2021, 11 August 2021
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: 12 February 2020, 13 May 2020
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: 18 February 2020 1 September 2020 14 December 2020 17 May 2021
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 reports prepared and presented Date: 12 May 2021 and 11 August 2021

INDICATOR	GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
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: 14 October 2020
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 - 1 April 2020, 10 June 2021, 14 July 2021, s6 - 12 August 2020, 9 December 2020, 9 June 2021 s7 - 29 June 2020, 15 July 2020, 23 July 2020, 22 April 2021 s12 - 29 April 2020, 14 April 2021 s13 - 7 April 2020 s14 - 17 August 2020 c5 - 12 August 2020 c7 - 10 September 2020
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: 12 August 2020

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



Tony Doyle

Interim Chief Executive Officer

Dated: 23 September 2021



Cr Bruach Colliton

Mayor

Dated: 23 September 2021

FINANCIAL INFORMATION

UNDERSTANDING THESE ACCOUNTS

The Financial Statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and 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 2020/21 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 \$3.033 million.

Council has a working capital ratio of 2.51:1 this year (2019/20 2.28:1). The Working Capital

Ratio assesses Council's ability to meet current commitments and means that Council has \$2.51 of cash and current assets for every \$1.00 of current liabilities.

Unrestricted cash on hand at 30 June 2021 was \$16.577 million which includes investments of \$3.000 million for payment of long service leave entitlements, \$4.0 million for the future provision of landfill remediation, and \$2.0 million defined benefits superannuation call contingency. Restricted cash of \$2.047 million is for specific reserve funds and trust deposits.

Borrowings outstanding at 30 June 2021 totalled \$2.914 million. Trade and other payables was \$2.699 million.

Council had a net overall cash outflow for the year of \$0.411 million compared to a budgeted outflow of \$7.324 million.

Council achieved a Net Cash Flow of \$15.686 million from Operating Activities compared to a budget of \$5.806 million for the financial year.

RATING

Rates and Charges provided 43 percent of Council's total operating revenue in 2020/21.

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 2020/21 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 \$47.624 million with Revenue \$50.657 million generating a surplus of \$3.033 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 2.51 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.

Council's Net Equity increased from \$365.142 million to \$400.293 million in 2020/21. This increase of \$35.151 million is the operating result plus asset revaluation increments in 2020/21.

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 2021

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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 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Belinda J Johnson, B Comm. CPA

Principal Accounting Officer

Date : 23 September 2021

Hamilton

In our opinion the accompanying financial statements present fairly the financial transactions of Southern Grampians Shire Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances 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 2014* to certify the financial statements in their final form.



Cr David Robertson

Councillor

Date : 23 September 2021

Hamilton



Cr Mary-Ann Brown

Councillor

Date : 23 September 2021

Hamilton



Mr Tony Doyle

Interim Chief Executive Officer

Date : 23 September 2021

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 2021• 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 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</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 and the <i>Local Government Act 1989</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
28 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

COMPREHENSIVE INCOME STATEMENT

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	21,946	20,990
Statutory fees and fines	3.2	694	558
User fees	3.3	5,498	5,491
Grants - operating	3.4	13,268	13,437
Grants - capital	3.4	5,819	4,231
Contributions - monetary	3.5	165	155
Contributions - non monetary	3.5	132	265
Adjustment to Landfill Provision	5.5	1,769	802
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	75	(704)
Fair value adjustments for investment property	6.3	950	-
Other income	3.7	341	1,611
Total income		50,657	46,836
Expenses			
Employee costs	4.1	(20,931)	(19,257)
Materials and services	4.2	(10,805)	(11,528)
Depreciation	4.3	(11,538)	(11,483)
Bad and doubtful debts	4.4	(10)	(20)
Borrowing costs	4.5	(127)	(112)
Waste Disposal Costs	4.6	(1,331)	(1,521)
Other expenses	4.7	(2,882)	(3,430)
Total expenses		(47,624)	(47,351)
Surplus/(deficit) for the year		3,033	(515)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	32,118	34,893
Total comprehensive result		35,151	34,378

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

BALANCE SHEET

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	6,907	7,318
Trade and other receivables	5.1	3,245	4,432
Other financial assets	5.1	19,813	15,200
Inventories	5.2	556	634
Non-current assets classified as held for sale	6.1	-	185
Other assets	5.2	471	382
Total current assets		30,992	28,151
Non-current assets			
Trade and other receivables	5.1	40	62
Property, infrastructure, plant and equipment	6.2	382,815	352,784
Investment property	6.4	3,250	2,300
Total non-current assets		386,105	355,146
Total assets		417,097	383,297
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,699	2,565
Trust funds and deposits	5.3	372	781
Unearned Income	5.3	3,114	697
Provisions	5.5	5,654	7,704
Interest-bearing liabilities	5.4	529	573
Total current liabilities		12,368	12,320
Non-current liabilities			
Provisions	5.5	2,051	2,922
Interest-bearing liabilities	5.4	2,385	2,913
Total non-current liabilities		4,436	5,835
Total liabilities		16,804	18,155
Net assets		400,293	365,142
Equity			
Accumulated surplus		146,678	143,684
Reserves	9.1	253,615	221,458
Total Equity		400,293	365,142

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CHANGES IN EQUITY

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		365,142	143,684	220,976	482
Surplus/(deficit) for the year		2,994	2,994		
Net asset revaluation increment/(decrement)	6.2	32,118		32,118	
Transfers to other reserves	9.1	39			39
Transfers from other reserves	9.1	-			
Balance at end of the financial year		400,293	146,678	253,094	521
2020					
Balance at beginning of the financial year		331,426	144,481	186,083	862
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	(662)	(662)	-	-
Adjusted Opening balance		330,764	143,819	186,083	862
Surplus/(deficit) for the year		(515)	(515)	-	-
Net asset revaluation increment/(decrement)	6.2	34,893	-	34,893	-
Transfers to other reserves	9.1	-	(70)	-	70
Transfers from other reserves	9.1	-	450	-	(450)
Balance at end of the financial year		365,142	143,684	220,976	482

The above statement of changes in equity should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CASH FLOWS

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		21,793	20,763
Statutory fees and fines		671	572
User fees		6,932	5,770
Grants - operating		13,715	16,971
Grants - capital		7,789	4,231
Interest received		208	426
Trust funds and deposits taken		151	335
Other receipts		295	805
Net GST refund/(payment)		31	225
Employee costs		(20,722)	(18,798)
Materials and services		(12,195)	(11,717)
Trust funds and deposits repaid		(560)	(193)
Other payments		(2,422)	(4,793)
Net cash provided by/(used in) operating activities		15,686	14,597
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(11,303)	(16,202)
Proceeds from sale of property, infrastructure, plant and equipment		518	483
Payments for investments		(4,613)	(4,634)
Net cash provided by/(used in) investing activities		(15,398)	(20,353)
Cash flows from financing activities			
Finance costs		(127)	(112)
Proceeds from borrowings		-	2,000
Repayment of borrowings		(572)	(372)
Net cash provided by/(used in) financing activities		(699)	1,516
Net increase (decrease) in cash and cash equivalents		(411)	(4,240)
Cash and cash equivalents at the beginning of the financial year		7,318	11,558
Cash and cash equivalents at the end of the financial year		6,907	7,318
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

The above statement of cash flows should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CAPITAL WORKS

	Note	2021 \$'000	2020 \$'000
Property			
Land			
Land improvements		512	2,525
Total land		512	2,525
Buildings		461	1,990
Building improvements		-	220
Total buildings		461	2,210
Total property		973	4,735
Plant and equipment			
Heritage plant and equipment			-
Plant, machinery and equipment		1,444	1,767
Fixtures, fittings and furniture		-	75
Computers and telecommunications		-	83
Library books		59	72
Art Collection		12	5
Total plant and equipment		1,515	2,002
Infrastructure			
Roads		4,624	5,888
Bridges		573	1,505
Footpaths and cycleways		-	250
Recreational, leisure and community facilities		142	576
Waste management		1,277	162
Parks, open space and streetscapes		123	272
Aerodromes		-	27
Off street car parks		-	1
Other infrastructure		2,076	784
Total infrastructure		8,815	9,465
Total capital works expenditure		11,303	16,202
Represented by:			
New asset expenditure		3,382	5,591
Asset renewal expenditure		7,708	10,090
Asset expansion expenditure			19
Asset upgrade expenditure		213	502
Total capital works expenditure		11,303	16,202

The above statement of capital works should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS'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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- 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)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

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 2021

Note 1 Performance against budget

The performance against budget note compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and \$100k 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Income					
Rates and charges *	21,869	21,946	77	0.35%	
Statutory fees and fines	534	694	160	29.96%	1
User fees	6,032	5,498	(534)	-8.85%	
Grants - operating	7,979	13,268	5,289	66.29%	2
Grants - capital	4,670	5,819	1,149	24.60%	3
Contributions - monetary*	97	165	68	70.10%	
Contributions - non monetary	-	132	132	100.00%	4
Net gain on disposal of property, infrastructure, plant & equipment	-	75	75	100.00%	
Adjustment to Landfill Provision	-	1,769	1,769	100.00%	5
Fair value adjustments for investment property	-	950	950	100.00%	6
Other income*	354	341	(13)	-3.67%	
Total income	41,535	50,657	9,122	21.96%	
Expenses					
Employee costs*	18,980	20,931	1,951	10.28%	7
Materials and services*	12,977	10,805	(2,172)	-16.74%	8
Depreciation	12,140	11,538	(602)	-4.96%	
Waste Disposal Costs*	1,548	1,331	(217)	100.00%	9
Bad and doubtful debts	-	10	10	100.00%	
Borrowing costs	126	127	1	0.79%	
Other expenses*	2,224	2,882	658	29.59%	10
Total expenses	47,995	47,624	(371)	-0.77%	
Surplus/(deficit) for the year	(6,460)	3,033	9,493		

* Budgets have been restated to align to financial statements categories

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Income - Statutory Fees & Fines	Actual revenue exceeded budget in the following areas: Lodgement fees \$80k, Infringement fines & penalties \$48k & Animal registrations \$22k.
2	Grants - Operating	Of the \$5,289 additional revenue, \$4,317 was the prepayment of Financial Assistance Grants, other notable additional grants were Outdoor Eating & Entertainment \$294k, Great South Coast Regional Digital Project \$140k, Rural ICT Infrastructure \$100k, Art Gallery Regional Digitisation \$100k and DHHS Community Activation \$80k. The Working for Victoria grant was \$220k less than budgeted. There were a number of other lesser grant adjustments throughout the year.
3	Grants - Capital	Additional capital grants were received for works at the livestock exchange \$430k, leisure facilities, \$478k, infrastructure \$154k. Funding was budgeted but not received for the Loop Walk Project of \$200k. The Local Roads and Community Infrastructure Program also paid \$250k more than anticipated.
4	Contributions - Non-Monetary	This includes gifted works of art - \$43k and the value of volunteer services \$89k.
5	Adjustment to Landfill Provision	Council reassessed the long term liability of its obligations. After adjusting for works completed and works remaining and applying a net present value on the amount, the result was a net reduction in liability of \$1.769m.
6	Fair value adjustments for investment property	Council owns a quarry which has been revalued during the year, taking into consideration the lease agreement and future revenue expectations.
7	Employee Costs	The amount of wages for outdoor staff spent on operational works compared to capital works is always difficult to estimate and there will be variances from projected to actual. Council employed in excess of 50 peoples under the working for Victoria Program and their wages were distributed to numerous services throughout the organisation, such as Infrastructure services \$498k and parks & reserves \$218k. The amount of leave consumed/taken and accrued also varies from year to year. This year employee overheads were \$600k more than budgeted - much of this was extra PPE and overheads related to the WFV program. Variances in salaries and other wages are attributable to the following areas: Economic Development & Tourism \$70k, Community relations \$65k, regulatory compliance \$63k and emergency management \$60k. This has been partially offset by reductions in cultural services \$194k, WFV \$65k and leisure & recreation services \$55.
8	Materials & Services	Several Council services have operated on a reduced scale i.e. the need for materials has been less such as Cinema \$85k, Infrastructure \$168k, Emergency management \$200k, Community relations \$126k. When budgeting for Working for Victoria, an estimate for materials was \$188k more than required. There have also been savings across utilities due to budgeting, closures or staff working from home with \$85k less in water services and \$76k less in power services
9	Waste Disposal Costs	Waste disposal costs have previously been included in "other expenses" however, due to this significant amount, they are now shown separately.
10	Other Expenses	Additional expenditure relates to stock adjustments \$162k, Contributions to other bodies \$244k and fee waivers of \$99k and a number of other minor amounts

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Ref
Property					
Land improvements	-	512	512	100.00%	1
Total land	-	512	512	100.00%	
Buildings	1,082	461	(621)	-57.39%	2
Building improvements	50	-	(50)	100.00%	2
Total buildings	1,132	461	(671)	-59.28%	
Total property	1,132	973	(159)	-14.05%	
Plant and equipment					
Plant, machinery and equipment	2,635	1,444	(1,191)	-45.20%	3
Art Collection	15	12	(3)	-20.00%	
Library books	70	59	(11)	-15.71%	
Total plant and equipment	2,720	1,515	(1,205)	-44.30%	
Infrastructure					
Roads	4,810	4,624	(186)	-3.87%	
Bridges	773	573	(200)	-25.87%	4
Footpaths and cycleways	445	-	(445)	-100.00%	5
Recreational, leisure and community facilities	544	142	(402)	-73.90%	6
Waste management	2,843	1,277	(1,566)	-55.08%	7
Parks, open space and streetscapes	1,000	123	(877)	-87.70%	8
Other infrastructure	645	2,076	1,431	221.86%	9
Total infrastructure	11,060	8,815	(2,245)	-20.30%	
Total capital works expenditure	14,912	11,303	(3,609)	-24.20%	
Represented by:					
New asset expenditure	3,911	3,382	(529)	-13.53%	
Asset renewal expenditure	10,736	7,708	(3,028)	-28.20%	
Asset expansion expenditure	-	-	-	0.00%	
Asset upgrade expenditure	265	213	(52)	-19.62%	
Total capital works expenditure	14,912	11,303	(3,609)	-24.20%	

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land Improvements	The development of the industrial land has been delayed with the project continuing into the 2021/22 financial year. It was not budgeted in the 2020/21 year.
2	Buildings & Building Improvements	The following projects were either under spent or delayed during the year, Roofing Works at Hamilton PAC \$196k, Lift in Brown St/Art Gallery Complex \$285k, Ansett Museum \$35k and exercise yards at the animal pound \$12k. Pedrina Park facility of \$100k was budgeted here but actual expenditure was allocated to other infrastructure.
3	Plant, Machinery & Equipment	Plant and machinery expenditure has been significantly underspent, mainly due to inability to have the items delivered. These unspent funds are already committed and will carry forward into the 2021/22 financial year.
4	Bridges	Major culverts on Giant Rock Road \$30k and Satimer Road \$88k were not carried out. The Branxholme pedestrian bridge was removed from the program \$63k.
5	Footpaths & Cycleways	The Dunkeld Mount Sturgeon Loop Walk Project (\$325k) was delayed. The majority of footpath funding was reallocated from capital renewal to defect repair. As these defects were below the \$10k capital recognition threshold, the majority of footpaths works was recognised under operating expenditure as repairs and maintenance.
6	Recreational, leisure and community facilities	Rollout of some works relating to the Recreation & Leisure Strategy were delayed or deferred. Delayed works included expenses relating to Category C insurance works which were \$165k less than budgeted, Lake Hamilton \$100k Ansett Museum was \$35k less.
7	Waste management	The Stage 5 & 6 Capping of the Hamilton Landfills and general remediation works was budgeted at \$1.343m and is almost completed however costs varied significantly from Budget with approximately \$354k difference. Coleraine Landfill remediation was also budgeted at \$700k with only \$252k being spent. Waste options implementation project was budgeted at \$700k with only \$19k spent in 2020/21.
8	Parks, open space and streetscapes	Dunkeld Visitor Hub budgeted for \$750k, however actual expenditure has been allocated to other asset classes.
9	Other infrastructure	Additional works were carried out such as Kings Street roundabout \$270k and HRLX works \$290k. The Pedrina Park project is also included here at \$709k.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 2 Analysis of Council results by program

Council delivers its functions and activities grouped under the following themes.

- * Supporting the Community
- * Developing the regional economy and businesses
- * Planning for our built environment & infrastructure
- * Promoting our natural environment
- * Providing Governance and Leadership

2 (a) Results by Program

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

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.

Note: Council provides further details of each service in its report of operations.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Supporting the Community	(6,235)	14,140	7,905	(3,306)	52,849
Planning and Development	(2,781)	4,475	1,694	(947)	5,715
Planning for our built environment & infrastructure	(5,371)	17,015	11,644	(3,700)	280,618
Promoting our natural environment	(2,289)	6,462	4,173	(676)	6,191
Providing Governance and Leadership	(30,864)	5,963	(24,901)	(9,040)	37,924
	(47,540)	48,055	515	(17,669)	383,297

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 3	Funding for the delivery of our services	2021	2020
3.1	Rates and charges	\$'000	\$'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.

The valuation base used to calculate general rates for 2020/21 was \$5,519 million (2019/20 \$4,182 million).

General rates	17,272	16,894
Municipal charge	1,922	1,883
Waste management charge	2,558	2,027
Special rates and charges	4	4
Revenue in lieu of rates	190	182
Total rates and charges	21,946	20,990

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

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

3.2 Statutory fees and fines

Town planning fees	281	188
Permits	166	186
Registrations	122	114
Infringements and costs	80	39
Land information certificates	40	25
Court recoveries	5	6
Total statutory fees and fines	694	558

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	1,770	1,615
Waste management services	998	1,213
Hamilton Indoor Leisure & Aquatic Centre	642	822
Home & Community Care Services	685	534
Property, Recreation & Infrastructure Facilities	217	187
Cinema Operations	77	228
Meals Services	279	223
Quarry Operations	401	209
Family Day Care	143	136
Parking	120	131
Performing Arts Centre	24	95
Other fees and charges	138	95
Old Hamilton Reservoir	4	3
Total user fees	5,498	5,491

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 2021

	2021 \$'000	2020 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	14,388	12,188
State funded grants	4,699	5,480
Total grants received	<u>19,087</u>	<u>17,668</u>
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	7,938	7,725
Family day care	370	372
General home care	1,013	998
Other	108	100
<i>Recurrent - State Government</i>		
Childrens Services	473	434
Aged care	334	335
Libraries	168	165
Art Gallery	120	110
Cultural Services	80	80
Community safety	73	60
Other	16	-
Total recurrent operating grants	<u>10,693</u>	<u>10,379</u>
<i>Non-recurrent - Commonwealth Government</i>		
Buildings		
Local Infrastructure	-	260
Other	168	-
<i>Non-recurrent - State Government</i>		
Community Health & Wellbeing	1,470	1,349
Community Planning & Support	518	45
Environmental Management	83	302
Recreation	10	211
Cultural Services	107	7
Local Infrastructure	156	707
Other	-	54
Family and children	63	123
Total non-recurrent operating grants	<u>2,575</u>	<u>3,058</u>
Total operating grants	<u>13,268</u>	<u>13,437</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,970	1,985
Local Roads & Community Infrastructure	2,236	-
Total recurrent capital grants	4,206	1,985
<i>Non-recurrent - Commonwealth Government</i>		
Other Infrastructure	155	263
Livestock Exchange	430	484
<i>Non-recurrent - State Government</i>		
Buildings	980	-
Other Infrastructure	48	1,499
Total non-recurrent capital grants	1,613	2,246
Total capital grants	5,819	4,231

(c) Unspent grants received on condition that they be spent in a specific manner

<i>Operating</i>		
Balance at start of year	1,528	200
Received during the financial year and remained unspent at balance date	410	1,528
Received in prior years and spent during the financial year	(1,528)	(200)
Balance at year end	410	1,528
<i>Capital</i>		
Balance at start of year	662	1,161
Received during the financial year and remained unspent at balance date	2,018	-
Received in prior years and spent during the financial year	(48)	(499)
Balance at year end	2,632	662

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

Monetary	165	155
Non-monetary	132	265
Total contributions	297	420

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

Art Gallery - Gifted works of Art	43	108
Meals on Wheels Service - Value of volunteer labour donated to Council	50	48
Visitor Information Centres - Value of volunteer labour donated to Council	39	109
Total non-monetary contributions	132	265

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

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

Proceeds of sale	518	483
Written down value of assets disposed	(443)	(1,187)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	75	(704)

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
3.7 Other income		
Interest	208	425
Found Assets	-	380
User Reimbursements	-	342
Donations	-	202
Insurance Reimbursements	100	30
Vicroads	-	28
Other	33	204
Total other income	341	1,611

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.

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	16,041	14,242
Leave- Annual, Long Service & Sick	2,129	2,414
WorkCover	526	524
Superannuation	1,797	1,634
Travelling	132	167
Conferences & Training	195	171
Fringe benefits tax	106	100
Corporate Image	5	5
Total employee costs	20,931	19,257

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	45	62
	45	62
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,023	1,053
Employer contributions - other funds	724	519
	1,747	1,572
Employer contributions payable at reporting date.		117

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments	5,285	5,755
General maintenance	2,316	1,962
Consultants	738	1,273
Utilities	814	856
Insurance	668	601
Information technology	457	499
Building maintenance	371	411
Office administration	156	171
Total materials and services	10,805	11,528

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
4.3 Depreciation		
Property	1,209	1,196
Plant and equipment	1,274	1,733
Infrastructure	9,055	8,554
Total depreciation	<u>11,538</u>	<u>11,483</u>

Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges.

4.4 Bad and doubtful debts		
Caravan parks	6	-
Domestic Care Services	3	-
Fire Prevention	-	12
Infrastructure & Private Works	-	4
Other debtors	1	4
Total bad and doubtful debts	<u>10</u>	<u>20</u>

Movement in provisions for doubtful debts

Balance at the beginning of the year	5	106
New provisions recognised during the year	10	3
Amounts already provided for and written off as uncollectible	-	(98)
Amounts provided for but recovered during the year	-	(6)
Balance at end of year	<u>15</u>	<u>5</u>

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 - See Note 5.1

4.5 Borrowing costs		
Interest - Borrowings	127	112
Total borrowing costs	<u>127</u>	<u>112</u>

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		
Waste Disposal Costs	1,331	1,521
Total Waste Disposal Costs	<u>1,331</u>	<u>1,521</u>

During the year, Council changed its practice of waste disposal from on-site to off-site

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
4.7 Other expenses		
Advertising	223	296
Auditors' remuneration - Internal	42	39
Auditors' remuneration - VAGO - audit of Statutory documents	44	43
Community Grants	424	492
Councillors' allowances	189	188
Discount on Rates	175	162
Food and Catering	65	107
Legal Expenses	75	92
Phone, Internet & Other Communication Charges	263	242
Software Licences	342	273
Stock Adjustments/Write Offs	168	146
Subscriptions, Memberships & Licences	93	120
Value of Volunteer service	89	157
Others	690	1,073
Total other expenses	<u>2,882</u>	<u>3,430</u>
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	4	4
Cash at bank	6,903	7,314
Total cash and cash equivalents	<u>6,907</u>	<u>7,318</u>
(b) Other financial assets		
Term deposits - current	19,813	15,200
Total other financial assets	<u>19,813</u>	<u>15,200</u>
Total financial assets	<u>26,720</u>	<u>22,518</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These		
- Trust funds and deposits (Note 5.3)	373	781
Total restricted funds	<u>373</u>	<u>781</u>
Total unrestricted cash and cash equivalents	<u>6,534</u>	<u>6,537</u>
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	1,017	1,263
Cash held for Sir Irving Benson Bequest	657	654
Cash held for unspent grants	3,042	1,528
Cash held for unexpended capital works	970	3,988
Total funds subject to intended allocations	<u>5,686</u>	<u>7,433</u>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

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.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 5	Our financial position cont'd		
5.1	(c) Trade and other receivables	2021 \$'000	2020 \$'000
	Current		
	Rates debtors	2,134	1,896
	Net GST Receivable	194	225
	Infringement debtors	49	4
	Other debtors	883	2,312
	Provision for doubtful debts - other debtors	(15)	(5)
	Total current trade and other receivables	3,245	4,432
	Non-current		
	Statutory receivables		
	Special rate scheme	40	62
	Total non-current trade and other receivables	40	62
	Total trade and other receivables	3,285	4,494

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)	452	1,192
Past due by up to 30 days	360	1,052
Past due between 31 and 60 days	28	14
Past due between 61 and 90 days	2	12
Past due by more than 90 days	41	42
Total trade and other receivables	883	2,312

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$15k (2020: \$7k) were impaired. The amount of the provision raised against these debtors was \$10k (2020: \$5k). 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)	-	1
Past due by up to 30 days	-	2
Past due between 31 and 180 days	7	-
Past due between 181 and 365 days	2	-
Past due by more than 1 year	6	4
Total trade & other receivables	15	7

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

5.2 Non-financial assets	2021	2020
(a) Inventories	\$'000	\$'000
Inventories held for distribution	421	499
Land held for Inventory	135	135
Total inventories	556	634

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	466	372
Accrued income	5	10
Total other assets	471	382

5.3 Payables

(a) Trade and other payables

Trade payables	1,321	1,030
Rate Revenue received in Advance	441	357
Employee Costs	643	550
Fire Services Levy	232	202
Accrued expenses	62	426
Total trade and other payables	2,699	2,565

(b) Trust funds and deposits

Refundable deposits	21	21
Retention amounts	351	760
Total trust funds and deposits	372	781

(c) Unearned income

Grants received in advance	3,042	662
Other	72	35
Total unearned income	3,114	697

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

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

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

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 2021

5.4 Interest-bearing liabilities	2021	2020
	\$'000	\$'000
Current		
Borrowings - secured	529	573
	529	573
Non-current		
Borrowings - secured	2,385	2,913
	2,385	2,913
Total	2,914	3,486

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

Not later than one year	529	573
Later than one year and not later than five years	1,540	1,868
Later than five years	845	1,045
	2,914	3,486

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
2021			
Balance at beginning of the financial year	5,880	4,746	10,626
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	(409)	(98)	(507)
Balance at the end of the financial year	5,996	1,709	7,705

	Employee	Landfill restoration	Total
2020			
Balance at beginning of the financial year	5,513	5,548	11,061
Additional provisions	1,752	-	1,752
Amounts used	(1,552)	-	(1,552)
Change in the discounted amount arising because of time and the effect of any change in the discount	167	(802)	(635)
Balance at the end of the financial year	5,880	4,746	10,626

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,033	1,050
Long service leave	125	224
Time in Lieu	153	167
	<u>1,311</u>	<u>1,441</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,091	868
Long service leave	2,976	2,920
	<u>4,067</u>	<u>3,788</u>
Total current employee provisions	<u>5,378</u>	<u>5,229</u>
Non-current		
Long service leave	618	651
Total non-current employee provisions	<u>618</u>	<u>651</u>
Aggregate carrying amount of employee provisions:		
Current	5,378	5,229
Non-current	618	651
Total aggregate carrying amount of employee provisions	<u>5,996</u>	<u>5,880</u>

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:	2021	2020
- discount rate	0.150%	0.240%
- index rate	2.950%	4.250%

(b) Landfill restoration

Current	276	1,825
Non-current	1,433	2,922
	<u>1,709</u>	<u>4,747</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:	2021	2020
- discount rate	0.180%	0.580%
- index rate	2.000%	2.000%

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

5.6 Financing arrangements

	2021	2020
The Council has the following funding arrangements in place as at 30 June 2021.		
Bank overdraft	1,000	1,000
Credit card facilities	250	250
Other facilities	2,914	3,486
Total facilities	4,164	4,736
Used facilities	(2,914)	(3,486)
Unused facilities	1,250	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.

2021	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not later than 2 years	years and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
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
	3,793	165	-	-	3,958

2020	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not later than 2 years	years and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Corporate Administration	169	57	-	-	226
Infrastructure	29	-	-	-	29
Meals for delivery	363	281	-	-	644
Recreation	402	-	-	-	402
Waste Management	1,848	1,386	-	-	3,234
Planning & Development	55	-	-	-	55
Total	2,866	1,724	-	-	4,590
Capital					
	-	-	-	-	-
Total	-	-	-	-	-
	2,866	1,724	-	-	4,590

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

As at 30 June 2021, Southern Grampians Shire Council does not have any leases to disclose.

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

Land held for Sale

Total non current assets classified as held for sale

	2021	2020
	\$'000	\$'000
	-	185
	-	185

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification. Council did not have any land held for sale as at 30 June 2021.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	At Fair Value 30 June 2021
Property	56,765	57,930
Plant and equipment	25,815	25,781
Infrastructure	261,262	292,441
Work in progress	8,940	6,663
Total Non Current Property, Infrastructure, Plant & Equipment	352,782	382,815
Land held for resale	185	-
Total Current & Non Current Property, Infrastructure, Plant & Equipment	352,967	382,815

Summary of Work in Progress	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	3,079	709	(25)	-	3,763
Infrastructure	5,861	3,003	(1,555)	(4,409)	2,900
Total	8,940	3,712	(1,580)	(4,409)	6,663

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land & Land Improvements \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
At fair value 1 July 2020	11,633	179	583	12,395	74,814	74,814	3,079	90,288
Accumulated depreciation at 1 July 2020	-	-	(144)	(144)	(30,300)	(30,300)	-	(30,444)
	11,633	179	439	12,251	44,514	44,514	3,079	59,844
Movements in fair value								
Additions	-	-	-	-	264	264	709	973
Contributions	-	-	-	-	-	-	-	-
Revaluation	1,627	-	-	1,627	-	-	(25)	1,627
Write-off	-	-	-	-	483	483	-	483
Transfers	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	1,627	-	-	1,627	747	747	684	3,058
Movements in accumulated depreciation and amortisation								
Depreciation	-	-	(6)	(6)	(1,203)	(1,203)	-	(1,209)
Amortisation	-	-	(6)	(6)	(1,203)	(1,203)	-	(1,209)
At fair value 30 June 2021	13,260	179	583	14,022	75,561	75,561	3,763	93,346
Accumulated depreciation at 30 June 2021	-	-	(150)	(150)	(31,503)	(31,503)	-	(31,653)
	13,260	179	433	13,872	44,058	44,058	3,763	61,693

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Art Collection	Library books	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	15,367	3,982	17,112	467	36,928
Accumulated depreciation at 1 July 2020	(8,337)	(2,776)	-	-	(11,113)
	7,030	1,206	17,112	467	25,815
Movements in fair value					
Additions	1,423	21	55	59	1,558
Disposal	(441)			(61)	(502)
Transfers					
	982	21	55	(2)	1,056
Movements in accumulated depreciation					
Depreciation and amortisation	(1,045)	(229)	-	-	(1,274)
Accumulated depreciation of disposals	184				184
	(861)	(229)	-	-	(1,090)
At fair value 30 June 2021	16,349	4,003	17,167	465	37,984
Accumulated depreciation at 30 June 2021	(9,198)	(3,005)	-	-	(12,203)
	7,151	998	17,167	465	25,781

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Aerodromes	Off street car parks	Infrastructure	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	326,739	45,410	18,585	9,618	3,740	800	32,758		5,861	443,511
Accumulated depreciation at 1 July 2020	(127,265)	(18,305)	(5,815)	(5,223)	(1,978)	(78)	(17,724)		-	(176,388)
	199,474	27,105	12,770	4,395	1,762	722	15,034		5,861	267,123
Movements in fair value										
Additions	4,623	573						3,618	3,003	11,817
Contributions										
Revaluation		36,170		14,017	1,073	45	7,936		(1,555)	59,241
Write-off	582	434					(89)		(4,409)	(1,555)
Transfers									(2,961)	(3,482)
	5,205	37,177	-	14,017	1,073	45	11,465		(2,961)	66,021
Movements in accumulated depreciation										
Depreciation and amortisation	(6,534)	(821)	(331)	(238)	(91)	(38)	(1,001)			(9,054)
Accumulated depreciation of disposals										
Revaluation		(14,925)		(7,693)	(390)	(47)	(5,694)			(28,749)
Impairment losses recognised in operating result										
Transfers										
	(6,534)	(15,746)	(331)	(7,931)	(481)	(85)	(6,695)		-	(37,803)
At fair value 30 June 2021	331,944	82,587	18,585	23,635	4,813	845	44,223		2,900	509,532
Accumulated depreciation at 30 June 2021	(133,799)	(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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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.

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		
Road pavements & substructures - Urban	115 years	10
Road pavements & substructures - All Others	60 years	10
Seals - All Other	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.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Valuation of land and buildings

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

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these. 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 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land	-	179	-	1-Jan-21
Specialised land	-	-	13,261	1-Jan-21
Land Improvements	-	-	433	1-Jan-21
Buildings	-	-	44,058	1-Jan-21
Total	-	179	57,752	

Council does not consider that the impact of COVID-19 on land and building valuations is significant as at 30 June 2021, however will closely monitor valuations over the 2021/22 financial year to again assess the impact.

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 assesment conducted by independent expert Peter Moloney from Peter Moloney Asset Management

The date of the current valuation is detailed in the following table.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	198,169	30-Sep-19
Bridges	-	-	48,536	1-Jan-21
Footpaths and cycleways	-	-	12,439	30-Sep-19
Drainage	-	-	10,481	1-Jan-21
Aerodromes	-	-	2,354	1-Jan-21
Off street car parks	-	-	682	1-Jan-21
Other infrastructure	-	-	16,305	1-Jan-21
Total	-	-	288,966	

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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.

Art Collection. The entire Collection was reviewed by a panel of various experts as at 1 January 2019 resulting in a value of \$17m.

	2021	2020
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	-	-
Parks and reserves	-	-
Community Services	731	708
Corporate & Governance	1,948	1,399
Infrastructure	4,225	3,649
Recreation & Open Space	6,357	5,877
Total specialised land	<u>13,261</u>	<u>11,633</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$'000	2020 \$'000
6.3 Investment property		
Balance at beginning of financial year	2,300	2,720
Additions		-
Transfer to Work in Progress		(420)
Fair value adjustments	950	-
Balance at end of financial year	3,250	2,300

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 Preston Rower Patterson Pty Ltd 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.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 7 People and relationships	2021 No.	2020 No.
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7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Southern Grampians Shire Council is the parent entity.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

	2021 No.	2020 No.
Councillors		
Councillor C Sharples - Mayor (July 2020 - Oct 2020)		
Councillor B Colliton - Mayor (Nov 2020 - June 2021)		
Councillor C Dunkley - Deputy Mayor (July 2020 - Oct 2020)		
Councillor D Robertson - Deputy Mayor (Nov 2020 - June 2021)		
Councillor C Armstrong (July 2020 - Oct 2020)		
Councillor MA Brown (July 2020 - June 2021)		
Councillor A Calvano (July 2020 - June 2021)		
Councillor H Henry (Nov 2020 - June 2021)		
Councillor G McAdam (July 2020 - June 2021)		
Councillor K Rainsford (Nov 2020 - June 2021)		
Chief Executive Officer and other Key Management Personnel		
Chief Executive Officer - Michael G Tudball		
Director Community & Corporate Services - Evelyn M Arnold		
Director Planning & Development - Andrew Goodsell		
Director Shire Infrastructure - David J Moloney (July 20 - Jan 21)		
Acting Director Infrastructure - Belinda Johnson (Dec 20 -May 21)		
Director Infrastructure - Marg Scanlan (May 21 - Current)		
Total Number of Key Management Personnel	16	11

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	\$	\$
Short-term benefits	1,096	983
Long-term benefits	17	18
Post employment benefits	79	81
Termination benefits	33	-
Total	1,225	1,082

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

	No.	No.
\$0 - \$9,999	2	
\$20,000 - \$29,999	8	5
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	1
\$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	2
\$280,000 - \$289,999	1	1
Total	16	11

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

(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 (2020:151,000)

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

Income Range:	2021 No.	2020 No.
\$151,000 - \$159,999	4	6
\$160,000 - \$169,999		2
	<u>4</u>	<u>8</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	624	1,261

7.2 Related party disclosure

(a) Transactions with related parties

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

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

(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 as follows:

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 8 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

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 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 follows:

	2021	2020
	\$'000	\$'000
Not later than one year	464	465
Later than one year and not later than five years	1,101	1,007
Later than five years	121	121
	<u>1,686</u>	<u>1,593</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.

Landfills

Council is responsible for two closed landfills (Hamilton and Coleraine). Council will have to carry out site rehabilitation works in the future. At balance date, Council estimated the financial implications of such works and made provision in its balance sheet. Each year this estimate is revised and any movement shown through the comprehensive income statement. Council also maintains a term deposit to the value of the non-current proportion of this provision.

Insurance claims

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

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 process. Significant assets which are impaired will be adjusted, otherwise rectification works will occur through capital works programs or maintenance expenditure.

During the process of restoration of impaired assets, further assets have been identified that may require works into the future. Significant issues are recorded in Council's Risk Register whilst Investigation continues into the ownership/responsibility of these assets and their condition status. These assets include, (but are not limited to) the Lake Hamilton Dam Wall and the Dunkeld Dam Wall/Arboretum Road.

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 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 2021

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 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 liability would continue whether or not the participant remained a participant in future insurance years. The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of 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 the 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.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

(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.

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 + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.26%.

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 2021

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;

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 specific new matters have occurred after balance date that require disclosure in the financial report, however the impact of COVID19 is expected to continue to impact well in the 2020/21 financial year and possibly beyond - See Note 11

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Note 9 Other matters

		Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$'000	\$'000	\$'000
9.1	Reserves			
	(a) Asset revaluation reserves			
	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
	2020			
	Property			
	Land and land improvements	3,546		3,546
	Art Collection			-
	Plant & Equipment	474		474
	Buildings	28,539		28,539
		32,559	-	32,559
	Infrastructure			
	Roads	119,515	31,267	150,782
	Bridges	22,186		22,186
	Footpaths and cycleways	7,318	3,626	10,944
	Drainage	4,189		4,189
	Other infrastructure	316		316
		153,524	34,893	188,417
	Total asset revaluation reserves	186,083	34,893	220,976

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	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				
2021				
Subdividers Contributions	287	39	-	326
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Total Other reserves	482	39	-	521
2020				
Subdividers Contributions	274	13	-	287
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Waste Levy Reserve	393	57	(450)	-
Total Other reserves	862	70	(450)	482

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 the Subdivision Act 1988 and Planning and Environment Act

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 2021

10 Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. This has resulted in no changes in accounting policies and adjustments to any amounts recognised in the financial statements. Council does not consider it has any assets which are subject to Service Concession arrangements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. All information has been disclosed where material in nature, amount and impact to ensure primary users of the general purpose financial statements are informed and can make decisions on the basis of the information disclosed regarding the entity.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020. These financial statements present fairly the financial position, financial performance and cash flows of Council. There is a fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Conceptual Framework for financial reporting.

11 Exceptional Circumstances - COVID19

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.

Operating revenue for some facilities/services has been impacted - for instance Hamilton Indoor Leisure and Aquatic facility - however the operating expenses have also reduced due to the closure of the facility. This is similar for other services such as the Performing Arts Centre, Cinema, Hamilton Art Gallery and Library.

There have been some reductions in casual employee costs due to the above sample of service closures, however Council was able to obtain State Government Funding for the Working for Victoria Program which has enabled the employment of several new staff into new areas of service such as (but not limited to) additional cleaning roles, open space maintenance and development, replacement of some volunteer services and assistance in the business support and economic development services.

There has not been a significant impact on Council's general receivables at 30 June 2020 or 30 June 2021 with detailed analysis showing only very minor increases (after taking into consideration levels of operations) and nominal increase in rate receivables. Council prepared a specific COVID-19 Hardship assistance Policy for the 2020/21 financial year which was accessed by a number of customers.



PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

SUSTAINABLE CAPACITY INDICATORS

Indicator/Measure	Results				Material Variations & Comments
	2018	2019	2020	2021	
Population					
C1 Expenses per head of municipal population (Total expenses/Municipal population)	\$2,913.21	\$3,554.94	\$2,984.78	\$2,947.13	
C2 Infrastructure per head of municipal population (Value of Infrastructure/Municipal population)	\$18,807.30	\$18,674.62	\$21,178.39	\$22,905.29	
C3 Population density per length of road (Municipal population/Kilometres of local roads)	5.78	5.77	6.00	5.86	
Own Source Revenue					
C4 Own source revenue per head of municipal population (Own source revenue/Municipal population)	\$1,900.01	\$2,594.79	\$1,829.32	\$1,933.68	
Recurrent Grants					
C5 Recurrent grants per head of municipal population (Recurrent Grants/Municipal population)	\$806.99	\$745.03	\$767.95	\$784.86	
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	17.60%	12.62%	16.10%	19.20%	The number of terminations/resignations is higher than the previous year, coupled with a reduced number of permanent staff members at year end, resulting in the higher ratio.

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

"Non-source revenue" means adjusted underlying revenue other than revenue that is not under the control or council (including government grants)

"Relative socio-economic disadvantage" in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of

SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

SERVICE PERFORMANCE INDICATORS

Indicator/Measure	Results				Material Variations & Comments
	2018	2019	2020	2021	
Aquatic Facilities - Utilisation					
AF6 Utilisation of aquatic facilities (Number of visits to aquatic facilities/Municipal population)	5.77	9.33	7.56	4.43	Impact of COVID lockdowns and cool summer
Animal Management - Health and Safety					
AM4 Animal management prosecutions (Number of successful animal prosecutions)	New in 2020	0	0	0	There were no Animal management prosecutions done in 2020/2021
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	85.71%	100.00%	93.33%	100.00%	
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)	50	49	52	54	
Libraries - Participation					
LB4 Active Library Members (Number of active library members/Municipal population) X 100	14.82%	14.96%	13.15%	11.92%	Reduction in utilisation due to COVID restrictions
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	76.61%	77.96%	76.99%	73.09%	
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	65.71%	62.69%	63.89%	74.68%	This increase may be due to the fact that the question about identifying as Aboriginal or Torres Strait Islander has been asked more often and clients are more willing to identify.
Roads - Satisfaction					
R5 Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	32	41	43	42	

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

Statutory Planning - Decision making

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	0.00%	0.00%	0.00%	20.00%	1 application withdrawn from VCAT, 1 Council decision upheld, 1 Council decision set aside, 2 Applications for review still waiting on a VCAT Hearing
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Waste Collection - Waste Diversion

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	44.23%	44.16%	43.01%	62.72%	FOGO tonnage increased from 618.7t to 2235.08t (260%) due to service becoming compulsory. Recycling tonnage also increased by 25%
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Definitions

- "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 HACCC 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 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.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL PERFORMANCE INDICATORS

Indicator/Measure	Results					Forecast			Material Variations & Comments
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency									
<i>Expenditure Level</i>									
E2 Expenses per property assessment (Total expenses / Number of property assessments)	\$4,250.91	\$6,440.18	\$4,368.64	\$4,322.64	\$4,029.00	\$4,160.55	\$4,254.82	\$4,355.27	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	\$1,745.73	\$1,772.00	\$1,798.73	\$1,825.73		
Liquidity									
<i>Working Capital</i>									
L1 Current assets compared to current liabilities (Current Assets / Current Liabilities) X 100	257.22%	305.73%	228.50%	250.58%	146.15%	127.56%	91.02%	73.70%	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.
Unrestricted Cash									
L2 Unrestricted cash compared to current liabilities (Unrestricted cash / Current Liabilities) X 100	16.60%	8.91%	4.38%	23.75%	63.29%	65.70%	39.86%	32.19%	Council held considerable amounts of unrestricted cash at 30 June 2021 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	11.48%	9.20%	16.61%	13.28%	20.11%	25.62%	21.15%	27.13%	Council's 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	2.78%	2.68%	2.31%	3.19%	3.00%	4.00%	5.00%	3.00%	Council's financial plan includes increased structured borrowings to support capital works

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL PERFORMANCE INDICATORS CONT'D

Indicator/Measure	Results			Forecast			Material Variations & Comments		
	2018	2019	2020	2021	2022	2023		2024	2025
Indebtedness									
O4 Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) X 100	8.68%	15.39%	19.81%	14.22%	25.41%	34.00%	31.51%	34.84%	This indicator continues to grow as Council increases its borrowing program, however the ability to increase own source revenue is difficult.
Asset Renewal and Upgrade									
O1 Asset Renewal and Upgrade compared to depreciation (Asset renewal and asset upgrade expense / Asset Depreciation) X 100	New in 2020	92.24%	92.24%	68.65%	154.55%	105.87%	106.21%	98.43%	Council is committed to a number of large projects which are essentially new 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) (Adjusted underlying surplus (deficit) / Adjusted underlying revenue) X 100	-6.88%	-28.48%	-7.09%	2.31%	-10.89%	-6.49%	-6.67%	-7.21%	This indicator is monitored carefully each year to ensure that Council can continue to operate with only moderate surpluses/deficits over the long term.
Stability									
Rates concentration									
S1 Rates compared to adjusted underlying revenue (Rate Revenue / Adjusted underlying revenue) X 100	45.05%	36.64%	46.78%	45.08%	54.54%	51.48%	51.19%	51.01%	Council is heavily reliant on rate revenue with limited ability to identify new sources of revenue.
Rates effort									
S2 Rates compared to property values (Rate Revenue / Capital improved value of all rateable properties in the municipality) X 100	0.58%	0.56%	0.50%	0.46%	0.40%	0.39%	0.39%	0.39%	This indicator continues to erode as property values increase at a much higher percentage than rate are increasing in the capped environment.

Definitions

"adjusted underlying revenue" means total income other than—
 non-recurrent grants used to fund capital expenditure; and
 contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
 "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure
 "asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
 "current assets" has the same meaning as in the AAS
 "current liabilities" has the same meaning as in the AAS
 "non-current assets" means all assets other than current assets
 "non-current liabilities" means all liabilities other than current liabilities
 "non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
 "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)
 "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 held in the AAS that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
 "unrestricted cash" means all cash and cash equivalents other than restricted cash.

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

RETIRED PERFORMANCE INDICATORS

Indicator/Measure	Results				Material Variations & Comments
	2016	2017	2018	2019	
Animal Mangment Health and Safety					
ANM4 Animal Management prosecutions (Number of successful animal management prosecutions)	0	1	0	1	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)	\$1,127.86	\$1,378.14	\$1,432.00	\$1,451.29	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	64.39%	51.75%	142.96%	291.75%	N/A This measure was replaced by O5 from 1 July 2019

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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 1989 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 1989 and the Local Government (Planning and Reporting) Regulations 2014.



Belinda J Johnson, B, Comm., CPA
Principal Accounting Officer
Dated: 23 September 2021

In our opinion, the accompanying performance statement of Southern Grampians Shire Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Cr David Robertson
Councillor
Dated: 23 September 2021



Cr Mary-Ann Brown
Councillor
Dated: 23 September 2021



Mr Tony Doyle
Interim Chief Executive Officer
Dated: 23 September 2021

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 the municipality for the year ended 30 June 2021• sustainable capacity indicators for the year ended 30 June 2021• service performance indicators for the year ended 30 June 2021• financial performance indicators for the year ended 30 June 2021• other information and• certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</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>. I and my staff 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 and 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 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, 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.</p>

AUDITOR-GENERAL'S REPORT

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 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
28 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

2020/21



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