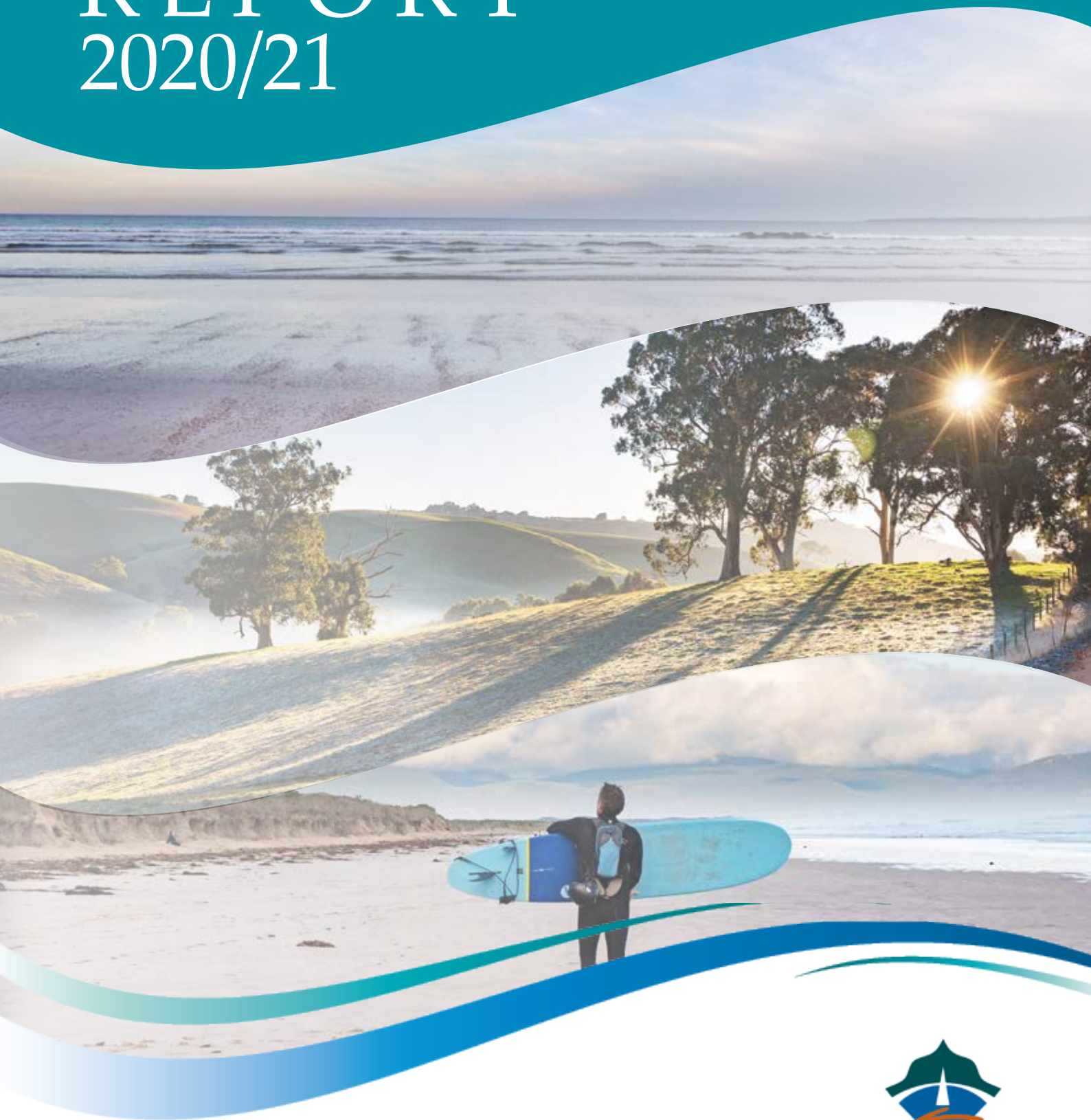


SOUTH GIPPSLAND SHIRE COUNCIL

# ANNUAL REPORT 2020/21



*South Gippsland  
Shire Council*



*Photos Front Cover:*  
*Top Image:*  
*Waratah Bay*  
*Middle Image:*  
*Korumburra surrounds*  
*Bottom Image:*  
*Sandy Point*

*Photo;*  
*Shop front*  
*Fish Creek*



# CONTENTS

<b>Welcome</b>	4
Shire at a Glance	6
Snapshot of Council	7
<b>Our Council</b>	
Administrators and Executive Leadership Team	8
CEO Message	12
<b>Year in Review</b>	
Supporting our Community	14
Council Plan 2020-2024 Highlights	16
Future Outlook	26
<b>Section 1 - Operations Overview</b>	
1.1 Achievement Outcomes	30
1.2 Financial Overview	32
1.3 Economic and Operational Factors	34
1.4 Description of Operations	37
1.5 Major Capital Works	38
1.6 Community Advocacy and Grant Funding	45
1.7 Organisational Structure	50
1.8 Our People	51
<b>Section 2 - Reporting Overview</b>	
2.1 Planning and Accountability Framework	58
2.2 Council Plan 2020-2024 - Strategic Objectives and Annual Initiatives, Services Funded and Performance Indicators	60
<b>Section 3 - Governance Overview</b>	
3.1 Council's Information	110
3.2 Governance Information	112
3.3 Auditing Framework	123
3.4 Risk and OH&S Management	126
3.5 Statutory Information	128
3.6 Governance Management Checklist	134
<b>Section 4 - Performance Overview</b>	
4.1 Performance Statement, Financial Statement and Certification from Victorian Auditor General's Audit Report	144

## ACKNOWLEDGMENT OF COUNTRY

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.



Photo:  
Wilson's  
Promontory

# Welcome to the

## Report of Operations 2020/21

South Gippsland Shire Council's *2020/21 Annual Report* provides a detailed account of Council's achievements, challenges and performance during the past financial year. It demonstrates the breadth of Council's operations and the diversity of services delivered to the community.

This report is prepared as a key component of Council's commitment to transparent reporting and accountability to our community and to meet statutory reporting requirements under the *Local Government Act 1989* and the *Local Government Act 2020*. All councils must submit an Annual Report to the Minister for Local Government by 30 September each year.



In accordance with Section 302(2) of the *Local Government Act 2020*, the Chief Executive Officer has reviewed the *2020/21 Annual Report* and authorises that it does not contain electoral material to the best of their knowledge and may be printed, published and distributed.

## Council's Vision

By 2024 Council aims to:

- Be known for being customer focused;
- Have made significant progress to entrench a sense of shared community direction across the Shire;
- Have successfully delivered the agreed Capital Works Program; and
- Be known for excellence in the services we deliver.

## Council's Purpose

To serve in the best interests of the whole Shire, delivering quality services and advocating for community needs.

## Council's Values and Commitment

Administrators and the organisation have worked together through the year to develop the following Values:

- Customer Focused;
- Accountable;
- Respectful;
- Acting in the interests of the whole Shire; and
- Pursuing excellence in everything we do.



# SHIRE AT A GLANCE

*Photo: Sandy Point*

South Gippsland Shire Council is located in coastal south eastern Victoria, approximately 100km south-east of Melbourne. It is made up of three wards; Tarwin Valley, Strzelecki and Coastal Promontory.

South Gippsland is the southern part of Gippsland, which honoured Sir George Gipps, Governor 1838-1846. The original inhabitants of the South Gippsland area were the Bunurong and Gunaikurnai Aboriginal people. South Gippsland Shire Council was formed in 1994 from the amalgamation of four municipalities.

The Shire is bounded by Cardinia and Baw Baw Shires to the north, Latrobe City and Wellington Shire to the east, Bass Strait to the south, and Bass Coast Shire to the west.

The Shire is a rural, residential and tourist area. It encompasses 3,308 square kilometres, including extensive coastal areas and the spectacular Wilsons Promontory National Park. Much of the rural area is used for forestry and agriculture; with dairy, beef, sheep, and snow pea farming being the main agricultural pursuits. Fishing, viticulture and tourism are also important industries that contribute economic diversity to the region.

Other major attractions of the Shire include Port Welshpool Long Jetty, Cape Liptrap Coastal Park, Strzelecki Ranges, Coal Creek Community Park and Museum, the Great Southern Rail Trail, Grand Ridge Rail Trail, Nyora Speedway, Stony Creek Racecourse, Agnes Falls and specialist wineries, gin distilleries and breweries.

The major towns in South Gippsland are Leongatha, Korumburra, Mirboo North and Foster. Other townships include Dumbalk, Fish Creek, Loch, Meeniyan, Nyora, Poowong, Port Welshpool, Sandy Point, Tarwin Lower, Toora, Venus Bay and Welshpool. There are also a number of other smaller rural communities.

## Council Offices

South Gippsland Shire Council Office  
9 Smith Street, Leongatha VIC 3953

Telephone: (03) 5662 9200  
Fax: (03) 5662 3754  
Email: [council@southgippsland.vic.gov.au](mailto:council@southgippsland.vic.gov.au)  
Website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)  
Facebook: [www.facebook.com/southgippslandshirecouncil](https://www.facebook.com/southgippslandshirecouncil)  
Hours: 8:30am – 5:00pm Monday to Friday

# SNAPSHOT OF COUNCIL

11,157

People work in South Gippsland

30,248

(ABS estimated resident population March 2021)

- Population density of 0.09 people per hectare
- 47 per cent of the population is aged 50 or over
- 2.4 people (on average) per household
- 47 is the median age of people residing in the Shire
- 5 per cent of the population speak a language other than English at home
- 48 per cent of households are 'couples without children'
- 38 per cent of households are 'couples with children'
- 26 Townships and Hamlets

\$3.713 billion

Annual economic output

35,982

Forecast 2036 population

3,295km<sup>2</sup>

**Total area within South Gippsland Shire municipal area**



## Main population areas

- Leongatha
- Korumburra
- Mirboo North
- Foster
- Nyora

## Major industries

- Agriculture, Forestry and Fishing
- Health Care
- Retail trade
- Construction
- Manufacturing
- Education and Training

# OUR COUNCIL

## ADMINISTRATORS

An Administrator's role is to perform all the functions, powers and duties of the Council under the *Local Government Act 1989* and the *Local Government Act 2020*.

The Administrators for South Gippsland Shire Council have been appointed until October 2021 when the new Council is elected and sworn-in. Under Administration, Council aims to strengthen the organisation, build stability and improve trust and confidence within the community of the Shire.

### CHAIR ADMINISTRATOR

---

JULIE EISENBISE

**APPOINTED**  
22 JUNE 2019

### DEPUTY CHAIR ADMINISTRATOR

---

CHRISTIAN ZAHRA

**APPOINTED**  
22 JUNE 2019

### ADMINISTRATOR

---

RICK BROWN

**APPOINTED**  
22 JUNE 2019



# EXECUTIVE LEADERSHIP TEAM

The Council appoints a **Chief Executive Officer (CEO)** to manage the day-to-day operations of the Council in accordance with the strategic directions of the Council Plan.

The CEO together with three directors form an **Executive Leadership Team (ELT)** that leads the organisation with support from department managers and staff.



Photo: South Gippsland Executive Leadership Team (Left to Right): Anthony Seabrook, Director Sustainability Infrastructure, Kerryn Ellis, Chief Executive Officer, Allison Jones, Director Performance and Innovation, Renae Littlejohn, Director Economy and Community

## CHIEF EXECUTIVE OFFICER

KERRY  
ELLIS



### RESPONSIBILITY

- ORGANISATION
- COMMUNITY  
INFORMATION AND ADVOCACY

Kerryn Ellis is a passionate public sector leader with over 25 years experience, who is energised by working with communities in a context of rapid change.

Kerryn's main professional love is building high performing, ethical and agile organisations with positive, values-based leadership that can work in partnership to deliver great outcomes with the community.

Kerryn's current role is *Chief Executive Officer* of South Gippsland Shire Council.

Prior to this position, Kerryn held the positions of *Director Corporate Services* at Victoria's Independent Broad-based Anti-corruption Commission, *Director Corporate Performance* with the City of Greater Bendigo, and *Manager Governance and Innovation* at Knox City Council. Kerryn has also previously worked for the City of Melbourne and Bayside City Council.

Kerryn holds a Bachelor of Arts, a Master of Commerce and a Graduate Diploma of Public Policy and Management, and completed the LGPro Emerging Leaders Program in 2005, and the Executive Leadership Program in 2016.

## DIRECTOR PERFORMANCE AND INNOVATION

ALLISON  
JONES



### RESPONSIBILITY

- FINANCIAL STRATEGY
- INNOVATION AND TECHNOLOGY
- GOVERNANCE
- PEOPLE AND CULTURE

A highly accomplished, visionary, humble and collaborative Senior Executive in the local government sector. With over 15 years of experience of delivery at the executive level, a track record in financial management, with an engaging and empowering leadership style, strong in governance and advocacy,

Allison is a person who creates strong engagement with Councillors, the community and stakeholders. As an economist, Allison is commercially aware and has an outstanding record in advocating for the needs of all communities. Allison has a reputation for consistent high quality delivery that is on time and on budget. A leader who strives in continuous improvement, a team player with drive and an underlying dedication to creating a culture of excellence.



## DIRECTOR SUSTAINABLE INFRASTRUCTURE

ANTHONY  
SEABROOK



### RESPONSIBILITY

- INFRASTRUCTURE MAINTENANCE
- OPEN SPACE AND ENVIRONMENT
- INFRASTRUCTURE DELIVERY
- INFRASTRUCTURE PLANNING

Anthony Seabrook is an experienced and creative leader, committed to growing his people and delivering public infrastructure for the South Gippsland community.

Anthony has extensive experience in both the private and public sectors, has qualifications in engineering, as well as having completed the LGPro XLP program.

Anthony is passionate about developing his diverse workforce, and using technology to improve infrastructure delivery, as well as ensuring his teams are well supported in their work in the field.



## DIRECTOR ECONOMY AND COMMUNITY

# RENAE LITTLEJOHN



### RESPONSIBILITY

- PLANNING SERVICES
- ECONOMY AND INVESTMENT
- COMMUNITY SAFETY
- COMMUNITY SERVICES

Renae is a committed and creative leader who is passionate about partnering with community and business in pursuit of sustainable growth and development. Renae's strategic approach and passion for growing high performing teams enables her to connect people to the support networks that help them to grow and prosper.

A proud South Gippslander, Renae has a diverse background in Education, Tourism, Arts and Culture, and Business. She holds a Bachelor of Arts and a Graduate Diploma in Education, and a Master of Arts and Entertainment Management.

Renae completed the Gippsland Community Leadership Program in 2010, LGPro's Mastering Management in 2019, and has recently completed the Advanced Leadership Program with Women and Leadership Australia.



## TEAM WORK



# CHIEF EXECUTIVE OFFICER MESSAGE



To all the members of the South Gippsland community,

It has been an honour and a privilege to have spent my first full financial year as Chief Executive Officer of your Council. When the financial year began we could not have imagined the impacts the COVID-19 Pandemic would have and continues to have on our region.

I am proud to have led the organisation's COVID-19 response which has ensured a continuity of service, program and project delivery despite operating under altered arrangements and restrictions. Supporting our community has remained at the heart of what we do – which is demonstrated by our delivery of Council's \$2 million *COVID-19 Community Support Package*. We have been extremely thankful to be in a position to provide targeted support and stimulus activities for our community and economy. This has only been possible due to the commitment and adaptability of our staff, so I would like to recognise and thank them for all their efforts and dedication during this turbulent time.

Despite these constraints, I am pleased to reflect on the success of the 2020/21 financial year as we release this Annual Report to our community. I am happy to report that we have delivered the 2020/21 Annual Initiatives of the Council Plan, with 30 of the total 32 initiatives either complete or substantially progressed.

We have also had a very successful year advocating for our community and have attracted over \$27 million in funding from the Victorian and Federal Government for project and service delivery. This is a significant investment for our community which will improve the liveability of our region and help with recovery from the Pandemic.

A key focus over the past twelve months has been delivery of the *Capital Works Program* and Council's *Priority Projects*. It is fantastic to see Bair Street in Leongatha almost at completion and ready for our community and local businesses to enjoy. This is also supported by progress for the Korumburra Hub tender and the new supermarket site negotiations completed. We have also seen the Foster Stadium progressing well this financial year and the Mirboo North Outdoor Pool almost ready for use. All of these large projects benefit the community and we are proud to see them coming to fruition this year.

The outlook for Council's operations is also looking very positive as we have successfully on-boarded a new Executive Leadership Team, operating with capability and confidence. This has been supported by the realignment of the organisation structure to reflect the priorities and objectives of the Council Plan, and a renewed focus on and investment in our people. Our program of service reviews and our focus on values-based leadership and professional development is delivering a high performing and customer focussed team, providing valued services and projects to our community.



We are also re-imagining our ways of working to be more flexible, mobile and efficient in a post-COVID-19 world. By improving our working methods, we are finding efficiencies and delivering greater community engagement whilst using the opportunity to redesign our office space to be COVID-19 safe and accessible to our community and new Councillors. Our staff engagement program surrounding this project resulted in 200 staff registering to be involved – which is extraordinary! This just proves our staff are taking the opportunity to adapt during a time of change to support improvements to our service delivery.

Speaking of our staff, I need to acknowledge their hard work and adaptability throughout the last year. They have dealt with the ongoing Pandemic crisis, changing work conditions and natural disasters such as the June 2021 storm event and continued to uphold our values and deliver services to our community. This has been no small feat as staff have managed uncertainty for a significant period of time, and when operations seemed to calm a catastrophic storm that caused hundreds of storm-related requests and impacted approximately 220 roads by trees and flood waters had to be managed. Their persistence and commitment to the community during times of adversity is to be commended.

I am also very thankful to have had an increase of approximately 37.0 FTE staff across 43 new positions through the *Working for Victoria Program* this financial year. Council was fortunate to secure a \$1.9 million grant through the program to support employment stimulus during the Pandemic. These staff members have been able to assist during a time of great need for our community across a range of roles including IT support, immunisation administration and a mix of outdoor roles with Council's tree, grading, cleaning and gardening crews. Having new staff has also provided a fresh outlook in some of these core services, so I thank them for their contributions.

We've also seen our partnership with the community get stronger this year, which allows us to better understand community needs and deliver key projects in a collaborative manner. This is particularly evident through the development and roll out of the new *Community Engagement Policy*, and the level of engagement as part of developing our new *Economic Development* and *Visitor Economy Strategies*. One of our significant initiatives over the last twelve months has been the *Community Leadership Program*. This program delivers on the recommendations of the *Commission of Inquiry into South Gippsland Shire Council* and it has been very successful. Our first round of the program in April 2020 saw 18 participants learn the skills to work with others effectively, strengthen leadership, manage conflict, delegate and meet objectives. Despite some limitations due to the Pandemic, the feedback from participants was very positive. A second round of the program was on schedule to begin in July 2021, with 20 enthusiastic future leaders appointed to the program. There is no doubt participants will use the skills they gained to positively influence the development of local communities in South Gippsland. Community collaboration is a high priority for our organisation and we expect further development in this area over the next twelve months.

I would like to wish Administrators Julie Eisenbise, Christian Zahra and Rick Brown all the best with their next ventures and thank them for their service in South Gippsland. They have left a legacy of good governance and community connection for the incoming elected Council in October 2021. Their establishment of the *Governance Rules*, *Councillor Code of Conduct* and *Councillor Self-Assessment Policy* and process, all encourage positive Council behaviours and will set the next Council up for success.

I look forward to a positive and successful 2021/22 financial year, and to welcoming our new Councillors in October 2021 and setting them up for a successful term.



**Kerry Ellis**

Chief Executive Officer  
South Gippsland Shire Council



YEAR IN REVIEW

# SUPPORTING OUR COMMUNITY

Due to the COVID-19 Pandemic, Council adopted a \$2 million COVID-19 Community Support Package Program as part of the 2020/21 Annual Budget.

The initiatives funded under this Program are intended to provide:

## TARGETED SUPPORT

Provide targeted support and stimulus activities specific to the South Gippsland community and economy;

## BUILDING RESILIENCE

Provide relief to businesses, not-for-profit organisations, community groups, families and individuals experiencing financial or social distress

## RECOVERY AND RECONNECTION

Aid with recovery and work towards restoration of the community and South Gippsland economic life provide vital economic, social, cultural health and wellbeing outcomes.

The program has provided support to a variety of local businesses, community groups and organisations with examples listed below.

## Community Support Grants

### THE PROGRAM ASSISTED:

- 12 projects to support young people
- 21 projects to connect communities
- 12 projects to support community spaces
- 9 projects for vulnerable and isolated communities
- 16 projects to support communities to move online
- 13 projects to help community sports clubs to continue

**\$156,000**

### SUPPORT:

- 83 COMMUNITY ORGANISATIONS
- 25 TOWNS AND VILLAGES
- 5 REGIONAL PROJECTS
- 1,000+ COMMUNITY VOLUNTEERS

**\$252,000**

### THE PROGRAM ASSISTED:

- 11 projects designed to maintain social connection and provide opportunities for artists and local creative business

### SUPPORT:

- 66 CREATIVE INDUSTRY WORKERS SUPPORTED  
*photographers, printers, musicians, film-makers, graphic designers, visual artists, performance artists*
- 11 LOCAL VENUES HIRED

## Arts, Culture and Creative Industry Support

# Supporting our community's health

## SUPPORT:

- 400+ MASKS DISTRIBUTED
- 7,500 BROCHURES DISTRIBUTED
- 80 PARTICIPANTS ENROLLED IN MHFA

## THE PROGRAM ASSISTED:

- 898 flu vaccinations
- 52 community organisations received COVID starter kits
- 80+ volunteers making masks for the *Great Southern Sewing Bee*
- Community Support Brochure Partnership with Health Service Providers
- Mental Health First Aid (MHFA) training offered to community
- Youth and Teen Mental Health to be rolled out to Yr 9 and 11 students
- Extended early learning program support to connect with vulnerable families

**\$160,000**

# Hardship Response

## THE PROGRAM ASSISTED:

- Strengthening Councils local buy and fast tracking of payments
- Update Hardship Policy providing payment options for those experiencing hardship
- \$31,928 in rental relief on Council owned properties
- \$126,000 to Council Recreation Reserves - extension to maintenance grants

**\$157,928**

## SUPPORT:

- 94% SUPPLIERS PAID WITHIN 14 DAYS
- 44 HARDSHIP SUPPORT ARRANGEMENTS

## THE PROGRAM ASSISTED:

- Support to industries experiencing greatest impact.
- Street Trader Permit Waiver - support to 166 businesses
- Reduced Business Registration and Permit Fee - support to 544 businesses
- Small Business hardship grants - support to 136 businesses
- Shop Local Campaign - programmed for Spring to stimulate economic activity
- Tourism Ambassadors Program, marketing collaboration with regional agencies

**\$390,000**

# Business and Tourism Support

## SUPPORT:

- 800+ BUSINESSES ASSISTED WITH GRANTS AND FEE WAIVERS
- 1,000 BUSINESSES PROVIDED WITH WEEKLY UPDATES AND ADVICE
- DEDICATED BUSINESS CONCIERGE SERVICE

# COUNCIL PLAN 2020-2024 STRATEGIC OBJECTIVES

The South Gippsland Shire Council Plan 2020-2024 includes four main themes, each comprised of strategic outcomes, objectives, strategies and performance measures.

Council's performance for the 2020/21 year is reported against each of these four themes to demonstrate how Council is achieving the 2020/21 Annual Initiatives.

A large, stylized puzzle piece graphic in a teal color, partially overlapping the first theme bar. It contains the number 1 in white.

1

**UNITED SHIRE**  
*shared community direction*

A large, stylized puzzle piece graphic in an orange color, partially overlapping the second theme bar. It contains the number 2 in white.

2

**ECONOMIC  
PROSPERITY**  
*corner stone for local employment  
and business growth*

A large, stylized puzzle piece graphic in a dark blue color, partially overlapping the third theme bar. It contains the number 3 in white.

3

**INTEGRATED SERVICES  
AND INFRASTRUCTURE**  
*enhance liveability*

A large, stylized puzzle piece graphic in a teal color, partially overlapping the fourth theme bar. It contains the number 4 in white.

4

**CUSTOMER FOCUSED  
ORGANISATION**  
*accountable decision making*



# ANNUAL INITIATIVES 2020/21



Highlights on the 2020/21 year are presented on the following pages under the four main Council Plan themes.

## PERFORMANCE REPORT HIGHLIGHTS

When reading this report the following icons are highlighted throughout to demonstrate Council's performance against the Council Plan 2020-2024 and the 2020/21 Annual Initiatives



STRATEGIC  
OBJECTIVE



COUNCIL PLAN  
INITIATIVES



SERVICES  
FUNDED



PERFORMANCE  
INDICATORS

# 1

STRATEGIC OBJECTIVE

# UNITED SHIRE

## LEADERSHIP for our Community

### COMMUNITY LEADERSHIP PROGRAM

The successful implementation of the *Community Leadership Program* took place from October 2020 to March 2021 with 18 participants. The Program covered topics that included:

- Emotional Intelligence
- Strategic Leadership
- Culture and Diversity
- Local Government 101
- Collaboration and Networking
- Public Speaking
- Teamwork, Values and Governance

The second intake of the Program appointed 20 participants at the 23 June 2021 Council Meeting.

### Participant Feedback...about the Community Leadership Program

“ ...I am lucky to  
undertake this training...”

“ ...a great opportunity to grow and meet  
like minded people...”

“ ...It is worthwhile and  
very useful...”

## SUPPORT for our Community

### \$2 MILLION COMMUNITY SUPPORT PACKAGE

Due to the COVID-19 Pandemic, Council adopted a \$2 million *COVID-19 Community Support Package Program* as part of the 2020/21 Annual Budget.

## Advocacy for our Community

### Leongatha Early Learning Centre

- secured \$2.38 million from State Government as part of the *Building Blocks Early Childhood Infrastructure Program* in July 2020 and Council has committed \$3 million

### Great Southern Rail Trail

- secured \$800,000 in State Government funding for the extension between Korumburra and Nyora

### Foster Indoor Stadium Redevelopment

- secured \$2.26 million from State Government as part of the *Community Sports Infrastructure Loan Scheme Program* and Council has committed \$253,000

## ADVISORY GROUPS

Appointment of the *Economic Development Strategy Advisory Group* and the *Visitor Economy Strategy Advisory Group* with Terms of References was endorsed at the 26 August 2020 Council Meeting.

Photo Above:  
Loch

Photo Right: Mossvale Park



# \$2M

SUPPORT PACKAGE FOR  
OUR COMMUNITY DURING  
THE COVID-19 PANDEMIC

## OBJECTIVE 1 2020/21 ACHIEVEMENTS

COUNCIL PLAN  
INITIATIVES

# 100%

TARGET ACHIEVED OR SIGNIFICANTLY PROGRESSED

## \$207,163

COMMUNITY GRANT  
PROGRAM

## \$33,571

SMALL GRANTS  
PROGRAM

## \$19,913

EMERGENCY  
GRANTS PROGRAM  
2020/21

COMMUNITY GRANT  
PROGRAM

# 76

GRANT APPLICATIONS  
APPROVED

COVID-19 COMMUNITY  
SUPPORT PROGRAM

# 29

PROJECTS  
DELIVERED

COUNCIL  
MEETINGS

# 10

AGENDA ITEMS FOR  
COUNCIL DECISION



# 2

## STRATEGIC OBJECTIVE ECONOMIC PROSPERITY

### ENCOURAGING

### Economic growth and tourism

The proposed Draft's of the *Economy and Development* and the *Visitor Economy* Strategies from 2021-2031 were adopted at the 23 June 2021 Council Meeting. An extensive consultation and engagement program took place which included face-to-face, focus groups, surveys and online engagement tools.

As part of this process the two Advisory Groups consisting of appointed independent members, provided feedback and input into the development of the two Strategies.

### FOCUS ON LOCAL PROCUREMENT

Council adopted a revised *Procurement Policy* at the 24 June 2020 Council Meeting. This policy seeks to strengthen the procurement of goods and services from local suppliers.

In the 2020/21 financial year, of the \$53.7 million procurement spend, 64 per cent was spent in local procurement opportunities. Of this Gippsland region based total, 24 per cent was spent with South Gippsland based businesses seeing \$12.8M spent directly into the local economy with a further \$4.4M spent with significant business operators within the Shire.

### COMMUNITY

### Asset Committees

Council's *Community Asset Committees* have continued their commitment to ensuring community assets are managed, developed and maintained for the community. As per changes in the *Local Government Act 2020*, new Terms of References were adopted at the 26 August 2020 Council Meeting.

### Community Satisfaction RESULTS (out of 100 points)

Council improved performance as part of the *Annual Customer Satisfaction Survey*.

	2019	2020	2021
Satisfaction with consultation and engagement	40	41	44

Photo Above:  
Wilsons Promontory  
Photo Right: Foster



# \$53M

IN PROCUREMENT  
EXPENDITURE  
2020/21

## OBJECTIVE 2 2020/21 ACHIEVEMENTS

COUNCIL PLAN  
INITIATIVES

# 100%

TARGET ACHIEVED OR SIGNIFICANTLY PROGRESSED

COMMUNITY GRANT  
PROGRAM

# 76

GRANT APPLICATIONS  
APPROVED

# 64%

OF \$53.7M, SPENT IN  
LOCAL PROCUREMENT  
IN 2020/21

COUNCIL  
MEETINGS

# 19

AGENDA ITEMS FOR  
COUNCIL DECISION

# \$12.8

LOCAL PROCUREMENT  
SPENT IN  
SOUTH GIPPSLAND

# 3

## STRATEGIC OBJECTIVE INTEGRATED SERVICES AND INFRASTRUCTURE

### Advocacy for our Community

#### Leongatha Revitalisation Project

The Bair Street Leongatha streetscape is approaching completion as part of the *Revitalisation Project*. The project secured \$2.7 million in Federal Government funding and \$1.5 million in State Government funding. Council has committed \$1.94 million.

#### Mirboo North Pool Redevelopment

The structure of the new 25 metre long, eight lane wide swimming pool is complete. This Project secured \$3.6 million from State Government as part of the *Community Sport Infrastructure Loan Scheme Program* and \$600,000 in Federal Government funding.

#### Korumburra Streetscape

The Project includes three distinct components being Upper Commercial Street (Railway Station Precinct), Little Commercial Street Precinct and Commercial Street. Council has secured \$5 million from the State Government's *Community Infrastructure Loans Scheme* and \$450,000 in Federal Government funding for the Upper Commercial Street component of the Project. The design work has been well progressed and preparation for construction will occur in 2021/22 financial year.

### Advisory Groups

Council endorsed the *Community Infrastructure Advisory Committee* in March 2021. The role of this Advisory Group is to serve the interest of the municipality and provide input into key Council documentation and processes.

### Environmental Initiatives

An *Environmental Sustainability Strategy Framework* was adopted at the 23 June 2021 Council Meeting. This new high-level Strategy Framework provides a context and broad platform for environmental sustainability and has three over-arching and interrelated areas that relate to climate change, waste management and resource recovery and sustainable land use and biodiversity.

### Community Satisfaction RESULTS (out of 100 points)

Council improved performance as part of the *Annual Customer Satisfaction Survey*.

	2019	2020	2021
Advocacy on behalf of the community	39	41	46
Conditions of local sealed roads	48	47	43



# \$39M

CAPITAL WORKS  
PROGRAM  
2020/21

## OBJECTIVE 3 2020/21 ACHIEVEMENTS

COUNCIL PLAN  
INITIATIVES

# 82%

TARGET ACHIEVED OR SIGNIFICANTLY PROGRESSED

# \$28.2M

CAPITAL WORKS  
INFRASTRUCTURE

# \$4.4M

PLANT AND EQUIPMENT  
EXPENDITURE

# \$7.0M

PROPERTY  
EXPENDITURE  
2020/21

COUNCIL PLAN  
INITIATIVES

# 2

TARGET  
NOT ACHIEVED

CAPITAL WORKS  
PROGRAM

# 95%

COMPLETED  
IN 2020/21

COUNCIL  
MEETINGS

# 34

AGENDA ITEMS FOR  
COUNCIL DECISION

CAPITAL WORKS  
PROGRAM PROJECTS

# 77

PROJECTS COMPLETE  
OR ON TRACK

# 4 STRATEGIC OBJECTIVE CUSTOMER FOCUSED ORGANISATION

## SETTING COUNCIL UP FOR SUCCESS

Council conducted an extensive review of governance and corporate reporting to ensure Council meets the legislated timelines of the *Local Government Act 2020* and address the objectives required by the Minister for Local Government. Council implemented, developed and adopted the following:

- A review of Council's *Councillor Support and Expenditure Policy* and *Election Period Policy*
- Creation and implementation of Council's *Governance Rules*
- Review of Council's *Local Law No. 2 2020 - Meeting Procedures and Common Seal*
- Creation of a new *Public Transparency Policy*
- A review of Council's *Audit and Risk Charter and related Policy*
- Creation of new terms of reference for Council's *Community Asset Committees* which replace the former *Section 86 Committees*
- *2021/22 Annual Budget* and a *10-year Financial Plan (2021/22 - 2030/31)*

## Standards of Conduct Councillor Code of Conduct

Council conducted a major refresh and review of Council's *Code of Conduct Policy* in line with the changes in the *Local Government Act 2020*. The revised Policy aligns with the standard of conduct for Councillors as outlined in the Act and the *Local Government (Governance and Integrity Regulations 2020)* and aims to support the in-coming Council and provide a sound foundation of Councillor conduct and behaviour.

## Community Satisfaction RESULTS (out of 100 points)

Council improved performance as part of the *Annual Customer Satisfaction Survey*.

	2019	2020	2021
Overall Council Direction	30	40	45
Satisfaction with Council Decisions	35	37	46
Overall Performance	33	36	47



# \$73M

ANNUAL  
BUDGETED  
INCOME  
2021/22

## OBJECTIVE 4 2020/21 ACHIEVEMENTS

COUNCIL PLAN  
INITIATIVES

# 100%

TARGET ACHIEVED OR SIGNIFICANTLY PROGRESSED

POLICY  
REVIEW

# 37

POLICIES REVIEWED  
AND ADOPTED

COUNCIL  
MEETINGS

# 123

AGENDA ITEMS FOR  
COUNCIL DECISION

# \$44.3M

BUDGETED CAPITAL WORKS  
EXPENDITURE FOR 2021/22

# \$10.8M

BUDGETED GRANT  
FUNDING FOR 2021/22

COUNCIL  
MEETINGS

# 96%

ADMINISTRATOR  
ATTENDANCE

COUNCIL  
MEETINGS

# 186

AGENDA ITEMS FOR  
ALL COUNCIL MEETINGS



# FUTURE OUTLOOK

UNITED  
SHIRE

*shared community direction*

## CHALLENGES

- Continue to develop South Gippsland into a united, cohesive community with a belief that the interests of every ratepayer are best served through the development of the region as a whole.

## FUTURE AND SOCIAL OUTLOOK

- Embrace the fresh directions and energy the new Council will bring in working with the community to create the *Community Vision*.
- Support the economic growth, diversity and social recovery of the Shire, including local businesses, through the continuing impacts of the COVID-19 Pandemic.
- Develop a suite of integrated plans that align with a new Community Vision, created in partnership with the community.



# ECONOMIC PROSPERITY

*corner stone for local employment  
and business growth*



## CHALLENGES

- Adapt and respond to the economic impacts of the COVID-19 Pandemic to ensure the safety of our community, the support of local businesses and the continuity of Council's service delivery.
- Adapt and respond to the challenges associated with climate change.
- Make South Gippsland the most attractive region in Victoria in which to live, invest and work.



## FUTURE OUTLOOK

- Build a sustainable and growing economy that attracts businesses, strengthens industry sectors and creates and sustains local employment opportunities.
- Maximise the value South Gippsland derives from its location, resources and natural advantages.
- Determine the pace of growth required for the Shire and its implications on rates, lifestyle, infrastructure demands, communities and demographics.
- Optimise the strengths of the Shire in being a significant 'food bowl' with reach into regional, state, national and international markets.
- Advocate for 'Priority Projects' that will deliver economic growth and community benefits.
- Working together with other surrounding councils to support regional growth and prosperity.



## CUSTOMER FOCUSED ORGANISATION

*accountable decision making*

### CHALLENGES

- Plan for a new Council to be elected in October 2021 and implement a successful *Councillor Transition Program*.
- Maintain and further improve customer satisfaction in service delivery and Council's reputation.
- Communicate timely and accurate information to community on how and why decisions are made.

### FUTURE OUTLOOK

- Continue to develop and support emerging and existing leadership skills within the community.
- Transition from a Council under Administrators, to a democratically elected Council.
- Continue to enhance, develop and adapt community engagement activities.
- Continue to implement Council's *Good Governance Framework* and policy direction for the organisation.
- Create a new four-year Council Plan to set the objectives of the new Council.
- Enhance customer experiences through projects that are aimed at improving processes, efficiencies, policies and standards.

## INTEGRATED SERVICES AND INFRASTRUCTURE

*enhance liveability*

### CHALLENGES

- Manage the devastating damage caused by storm events and extreme weather conditions.
- Achieve State and Federal Government funding for new infrastructure, including Council's Priority Projects and other community assets.
- Manage the community's expectations for funding new infrastructure and higher levels of service in a rate capped environment.

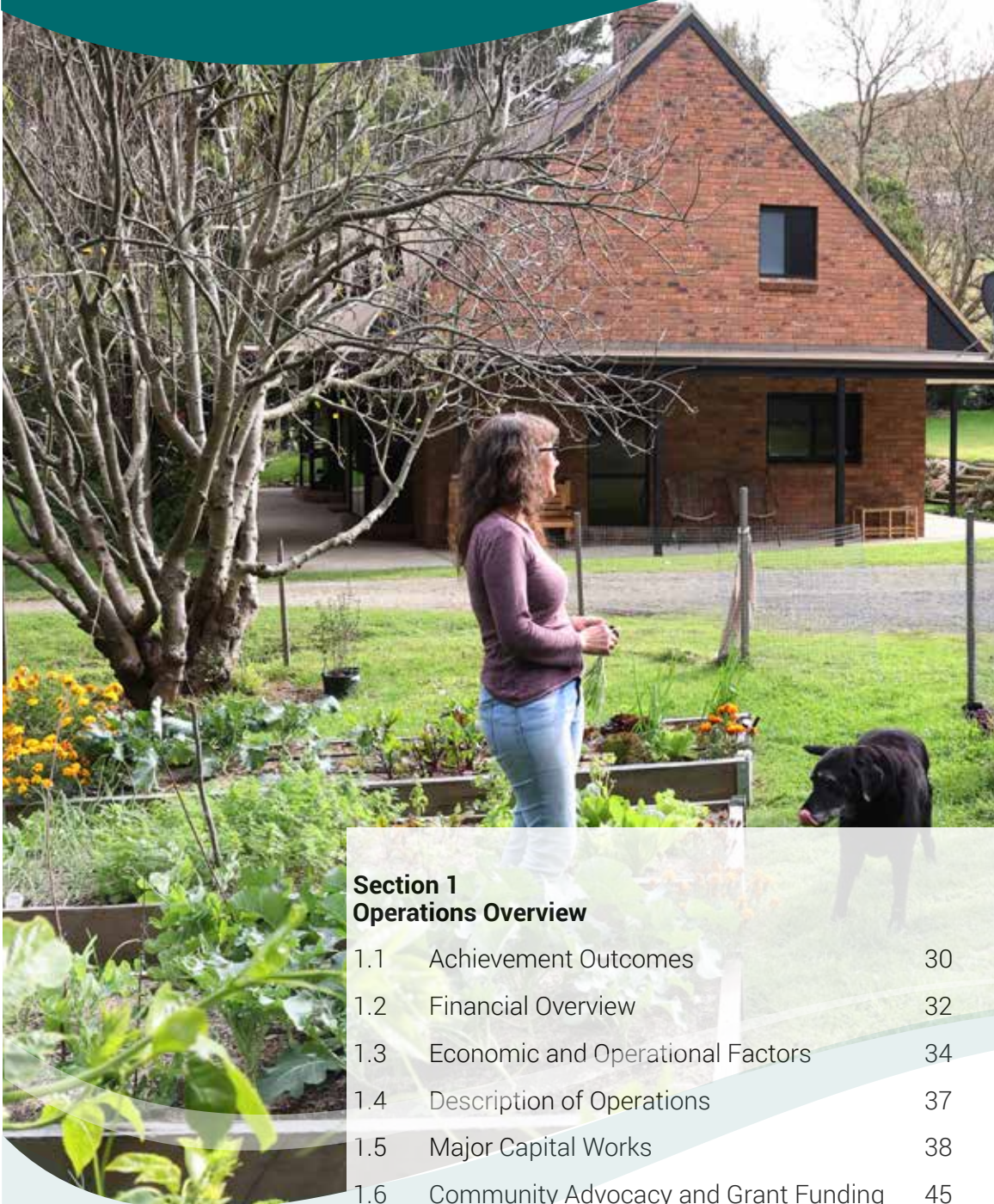
### FUTURE OUTLOOK

- Establish a ten-year *Asset Management Plan* that enhances liveability and environment sustainability for future generations.
- Pursue better ways of delivering services that are valued by the community and enhance the health, safety and well-being of the community.



# SECTION

## Operations Overview



### Section 1 Operations Overview

1.1	Achievement Outcomes	30
1.2	Financial Overview	32
1.3	Economic and Operational Factors	34
1.4	Description of Operations	37
1.5	Major Capital Works	38
1.6	Community Advocacy and Grant Funding	45
1.7	Organisational Structure	50
1.8	Our People	51

1.1

# ACHIEVEMENTS

## 2020/21 OUTCOMES



20,148

Rateable  
properties



45,180

Number of calls  
to Council



\$260,646

Distributed in community  
grant funding



557

Planning applications  
received



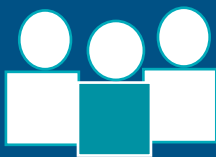
9,739

Tonnes of waste  
collected



5,110

Tonnes of recyclables and  
green waste collected



508

Planning application  
decisions made



1,037<sup>km</sup>

Sealed roads  
maintained



74,862

Visits to aquatic  
facilities

# 2021



43,215

Library collection  
items available



4,044

Active Library  
Borrowers



289

Birth  
notifications



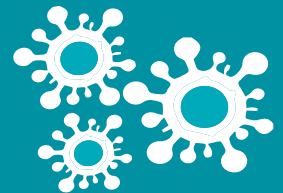
7,409

Hours worked by  
MCH Nurses



1,145

Children enrolled for  
Maternal and Child Health



898

Flu vaccines administered  
across 17 sessions



92

Animals  
rehomed



181

Animals  
reclaimed



605

Number of Food  
Businesses registered

## 1.2

# FINANCIAL OVERVIEW

### Financial overview

Council's financial position continues to remain sound. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report, with a summary below.

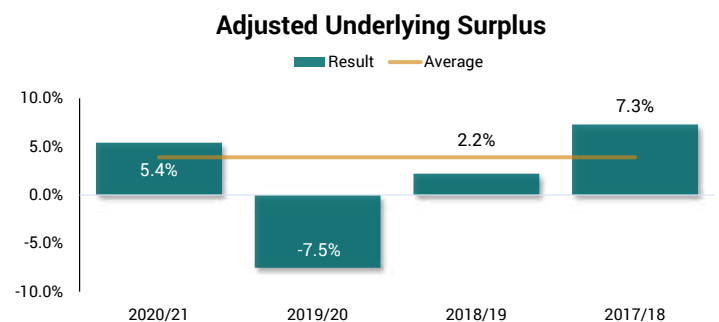
### Operating Position

Council returned a surplus of \$16.021 million in 2020/21. This surplus follows a deficit from the prior year of \$2.76 million. There was an increase in Government Grants for capital projects received in 2020/21. Capital grants can vary greatly year-on-year as they are dependent on the value of the projects delivered. The grants recognised in the 2020/21 include the Local Government Infrastructure Program, funds for the Leongatha Business Precinct Project and the Great Southern Rail Trail.

The decrease in expenditure from the prior year was due to a one-off adjustment of \$11.42 million impairment of Land Under Roads in that year, as a result of a change in the valuation methodology for this asset category. In comparison to 2019/20, the 2020/21 financial year saw an increase in employee expenses of \$2.24 million. This increase is offset by \$1.3 million in grant revenue received from the *Working for Victoria Grant Funding Program* and includes costs related to Council's Enterprise Agreement.

There was an increase in non-current liabilities primarily due to the drawdown of funds related to the Mirboo North Pool Refurbishment Project. Council was successful in its application for the two loan facilities in prior years with *Treasury Corporation of Victoria* (TCV) for significant local projects including Mirboo North Pool and the Korumburra Community Hub, each with subsidised interest rates well below market rates.

The continued impact of the COVID-19 Pandemic influenced financial results, in particular related to loss of income for Caravan Parks, the Coal Creek Community Park and Museum as well as the suspension of rent payments for rent agreements of impacted businesses such as the Korumburra Tourist Park and the Waratah Bay Caravan Park. Council initiated the \$2 million *COVID-19 Community Support Package* in response to the Pandemic with costs being incurred in 2019/20, 2020/21 and continuing through to 2021/22.



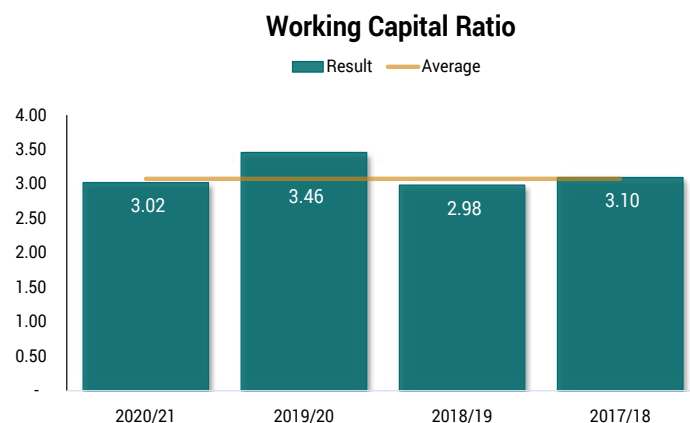
The adjusted underlying result demonstrates Council's ability to generate a surplus in its ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions to fund capital works from its net result. A surplus or increasing surplus suggest an improvement in operations. As can be seen in the graph above, Council has consistently generated a surplus, with the exception of the 2019/20 financial year due to the one-off impairment of Land Under Roads. The five-year average result is 3.9 per cent which indicates that Council is consistently operating in a financially sustainable manner.

### Liquidity

Cash (this includes 'cash and cash equivalents' and 'other financial assets') has increased to \$10.57 million. In addition, Council has investments of \$32.3 million as at 30 June 2021. The Working Capital Ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities.

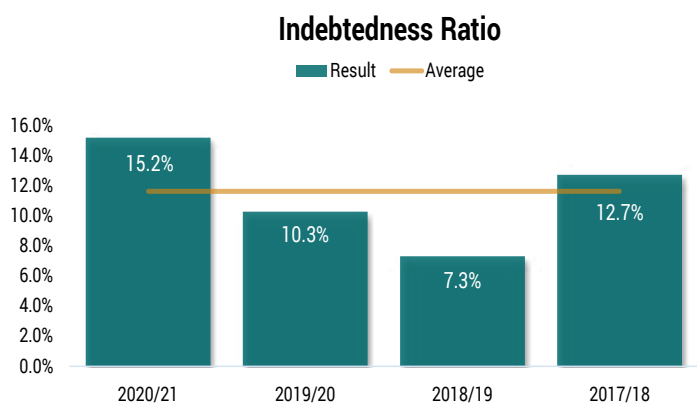


Council's result of 3.02 is a slight decrease on the prior year result of 3.46 working capital capacity due to the draw down of additional loan funds for the Mirboo North Pool Refurbishment Project. This indicator conveys that for every \$1 of current liability, Council has \$3.02 in current assets. This is an indicator of a sound financial position and is above the expected target band of 1.00 to 3.00 with a five-year average 3.08.



## Obligations

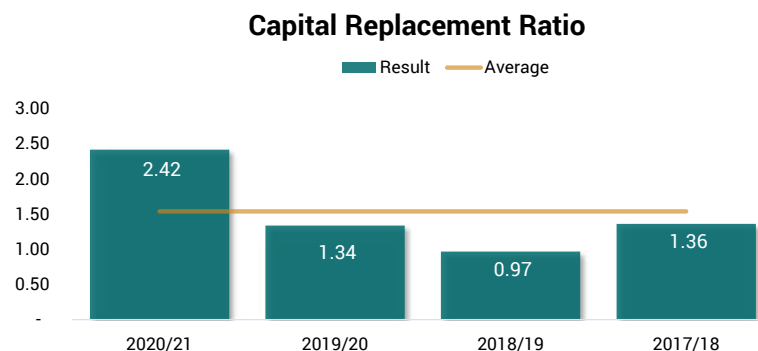
The drawdown of two loan facilities through TCV over the 2019/20 and 2020/21 year has increased Council's borrowings. Council does however, remain in a very healthy financial position as indicated in the *Indebtedness Ratio Percentage* table below. This financial measure demonstrates Council's ability to pay the principal and interest on its borrowings when they are due from the funds it generates. In calculating this ratio, own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions. At 40 per cent or lower, the Victorian Auditor General rates this risk as low and there is no concern over the ability to repay debt from own source revenue.



## Asset Renewal

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Council invested \$25.9 million in asset renewal in 2020/21; a considerable increase on \$13.9 million during the 2019/20 year.

Council's Capital Replacement Ratio compares the rate of spending on new infrastructure, property plant and equipment with its depreciation. Ratios of higher than 1:1 indicate that spending is faster than the depreciation rate. Council's five-year average of 1.54 falls within the Victorian Auditor General's target of 1.5 which indicates there is a low risk of insufficient spending on asset renewal.



## Stability and Efficiency

Council raises revenue through a range of income streams including rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 66.6 per cent for the 2020/21 year which is in the mid-range of the expected target band of 40 per cent to 80 per cent. The average rate per property assessment is \$2,086, including both rates and garbage/waste charges.



*Photos: Walkerville*

## 1.3

# ECONOMIC FACTORS

The past year has seen major challenges to the South Gippsland economy due to the COVID-19 Pandemic and a major storm event in June 2021 and subsequent power outages that have impacted significantly on many businesses and individuals.

Our economy and residents have however, proved to be among the most resilient in Victoria. This has been assisted by positive conditions for the agricultural sector for most of the year and Government support such as the Federal Government's Job-keeper Program, the Victorian Government's Business Support Fund and Council's Community Support Package Program. Council continued to receive regular enquiries from businesses seeking to establish or expand operations within the Shire.

On the latest figures the Shire has an annual economic output of \$3.8 billion and Gross Regional Product of \$1.8 billion, notably high for a population of Council's size. The impacts of COVID-19 were reflected by an increase in the unemployment rate from 2.3 per cent to 3.9 per cent from the March 2021 quarter result of 2020 to 2021.

This increase was however, lower than the State average and meant that South Gippsland retained the lowest unemployment rate in Gippsland, a position it has held for many years. While many individual businesses had significant impacts, the level of consumer spending actually increased over the year.

This was fuelled by a rise in residents shopping locally and a very significant increase in visitor spending during the second half of 2021. South Gippsland has approximately 1.2 million visitors per year and they account for over a third of consumer spending across the Shire, which is particularly significant in the Shire's smaller towns.

The Shire passed the 30,000 population mark for the first time and there have been strong increases in property valuations in many areas and significant numbers of people relocating to South Gippsland. This has also seen a tightening of the rental market across the Shire which has potential flow-on impacts to labour force availability. The 2021 Census data will provide greater detail into the nature and level of this population change.

Major infrastructure projects critical to supporting economic development were also undertaken during this financial year. These included:

- major progress on the Bair Street, Leongatha Revitalisation Project, expected to be completed later in 2021;
- commencement of the extension of the Great Southern Rail Trail from Leongatha to Korumburra;
- continuation of the \$115 million realignment of the South Gippsland Highway at the Koonwarra bends;
- near completion of the upgrade of the Mirboo North Pool refurbishment; and
- the commencement of the redevelopment of the Foster Showground stadium.

These works will have ongoing economic benefits by improving the transport connectivity, attraction to more visitors and enhancement of recreation facilities and commercial precincts.

# OPERATIONAL ECONOMIC FACTORS

While the impacts of the COVID-19 Pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:

Council endorsed a \$2 million *COVID-19 Community Support Package* at the 20 April 2020 Council Meeting. This program has provided approximately \$1.3 million to support local businesses and community groups to continue their operations through the Pandemic, through the provision of grants, fee and chargers waived and other similar relevant forms of assistance. This has resulted in lower than anticipated income for this financial year.

In response to government directive amidst the COVID-19 outbreak, the leisure centre facilities, Yanakie Caravan Park, Long Jetty Caravan Parks and Coal Creek Historical Village were closed due to COVID-19 restriction in 2020/21 financial year. These closures resulted in a decrease in Council user fee revenue by \$452,000 and also decreased associated expenses by \$279,000 based on 2019/20 results.

Council suspended rent payments for rent agreements of impacted businesses from April 2020, including Korumburra Tourist Park and Waratah Bay Caravan Park. This resulted in decreased rent revenue of \$16,000 and \$75,000 based on 2019/20 results.

The State and Commonwealth based building stimulus packages has also resulted in a shortage of materials and contractors available for Council based projects. Costs have increased as result of these changed demand and supply issues.

Photo:  
Sandy Point

# MAJOR CHANGES

The continuing negative impacts of the COVID-19 Pandemic are still being realised by local businesses and the community within the Shire. Council has continued to respond pro-actively to support businesses and ratepayers that are finding it difficult through this Pandemic.

Initially the *Rates and Charges Hardship Policy* was broadened to cover businesses and waive some of the previous requirements. Furthermore, a \$2 million relief *COVID-19 Community Support Package* was adopted by Council as part of the *2020/21 Annual Budget* which has been utilised to support businesses and the community. The package contained a series of local economic and social recovery actions aimed at complementing the relief supports provided by other levels of government.

The organisation has continued providing its range of services throughout the year, responding flexibly to the changing lock-down requirements and related COVID-19 Pandemic restrictions. Many staff have been required to work-from-home, while staff required to attend work have done so in accordance with COVID-19-safe plans. Council Meetings have been able to continue utilising virtual livestreamed meetings for many months, so that transparent decision making could continue through these uncertain times.

The three Administrators have been working to re-build community respect within the Shire, develop community leadership skills, strengthen good governance practices, review policy directions and broaden community engagement activities to inform Council decisions. These actions have been taken in accordance with the requirements of their appointment by the Minister for Local Government.

The Administrator actions and decisions have led to major changes that include:

## ***Community Leadership Program***

A *Community Leadership Program* developed and implemented by Council, has provided an exciting and innovative program aimed at broadening the leadership skills of existing and emerging leaders within our community. The program has been developed in response to one of the actions assigned to the Administrators by the Minister for Local Government. The effectiveness of the first intake of the program is being seen as participants strive to use the skills learned in new and exciting ways.

## ***Established Advisory Committees***

The establishment of advisory committees to inform the development of the *Economic Development Strategy 2021-2031* and the *Visitor Economy Strategy 2021-2031* has seen a major development in the effectiveness of community engagement to inform Council decisions. The two strategies were adopted by Council on 21 July 2021. A further advisory committee has been developed to inform Community Infrastructure. The work of this committee is still underway and will continue into 2021/22 financial year.

## ***Governance Policies Reviewed***

The review of governance policies has carried through to practical changes made to the way Council operates. Formal, and often daunting approaches for community members to discuss areas of interest with Administrators, have been changed to enable Administrators to move away from the meeting chambers and go out to meet with businesses and community groups across the Shire. The fourth week of each month has been dedicated to these 'Community Days'. Activities have included lunches with local business networks, site visits to see what is happening in various areas of the Shire and informal get-togethers with local community groups.

These initiatives will help support the organisation and the incoming Council in October 2021.



## DESCRIPTION OF OPERATIONS

Council's role is to provide good governance for the South Gippsland district for the benefit and wellbeing of the Shire's community. Council undertakes its responsibilities in accordance with the overarching governance principles set out in s.9(2) of the *Local Government Act 2020*. Council operates in accordance with both the *Local Government Act 1989* and the *Local Government Act 2020*, and many other Acts, to provide good governance for the benefit and wellbeing of the municipal district.

South Gippsland Shire Council is responsible for more than 100 diverse services, ranging from family and children's services, sealed and gravel road maintenance, open space and recreation services, youth facilities, waste management and community buildings; to matters concerning economic and tourism visitor development, business development, land-use planning, customer service and ensuring accountability for Council's long-term financial sustainability.

The provision of community services and infrastructure supports the wellbeing and prosperity of South Gippsland's community. Council's vision, strategic objectives and strategies seek to further improve services and facilities and are described in the *Council Plan 2020-2024*. Further details on the services and resources allocated by Council are contained in the *2020/21 Annual Budget*.

The delivery of services, facilities, support and advocacy to achieve the strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under various Victorian and Commonwealth pieces of legislation.



Photo:  
Poowong

1.5

# MAJOR CAPITAL WORKS PROGRAM

for the year end 30 June 2021

The following pages highlights the progress of the Capital Works and Major Works Program as at the end of June 2021. A total of 77 (68%) projects have been completed or are near completion in the first quarter of the next financial year.

Details on the individual asset category are highlighted on the following pages.

114  
CAPITAL WORKS  
PROJECTS

CAPITAL WORKS PROGRAM AS AT JUNE 2021	PROJECT COUNT	PER CENT (%)
COMPLETE	50	44%
ON TRACK	27	24%
BEHIND SCHEDULE	6	5%
HOLD	4	4%
CARRY FORWARD ABANDONED (1 project, 1%)	26	23%

# \$29M

EXPENDITURE

## BREAKDOWN BY ASSET CATEGORY

completed projects at the end of 30 June 2021

### Note the following explanations:

**Total expenditure (spent)** includes all expenditure spent for 2020/21 which may include 2019/20 carry forward projects, projects that are in progress and carried forward to the 2021/22 financial year to complete, and projects that are scheduled across more than one year e.g.. streetscape projects.

**Total project cost** includes all expenditure spent to deliver the project which may include carry forward projects from previous years and projects that are scheduled across more than one year e.g.. streetscape projects.

### BRIDGES

\$526,680 spent

#### Completed Projects include:

#### Total Project Cost

Timms Road, Poowong North

\$589,687

### BUILDINGS

\$1.08M spent

#### Completed Projects include:

#### Total Project Cost

Toora Pre School - Early Years Renewal Program

\$92,880

Coleman Park, Korumburra Toilets

\$53,643

Korumburra Community Hub Design

\$43,539



## CARAVAN PARKS

\$321,098 spent

### Completed Projects include:

### Total Project Cost

Long Jetty Caravan Park Toilet Block	\$413,513
Waratah Bay Caravan Park - Southern Block Amenities	\$371,661
Waratah Bay Caravan Park - Camp Toilets	\$197,892
Long Jetty Caravan Park - Electrical Upgrade	\$88,963
Yanakie Caravan Park Capital - Stage 2 Fire Fighting	\$80,306
Waratah Bay Caravan Park - New Power Heads	\$21,777

## CULVERTS

\$487,275 spent

### Completed Projects include:

### Total Project Cost

Harding and Lawson Road, Fish Creek	\$187,857
-------------------------------------	-----------

## DRAINAGE

\$35,617 spent

### Completed Projects include:

### Total Project Cost

Sanders Lane, Korumburra	\$250,199
--------------------------	-----------

## FOOTPATHS

\$1.06M spent

### Completed Projects include:

### Total Project Cost

Jumbunna Road, Korumburra Shared Path	\$950,822
Baths Road, Mirboo North Extension	\$96,229
Brown Street, Leongatha Extension	\$51,690
River Drive, Tarwin Lower Extension	\$50,634
Ogilvy Street, Leongatha Extension	\$48,943
Dutton Street, Toora Renewal	\$45,964
Scarlett Street, Mirboo North Extension	\$33,388
Shingler Street, Leongatha Extension	\$24,953
Weildon Street, Mirboo North Extension	\$23,820
Roughead Street, Leongatha Renewal	\$1,848

## GUARDRAILS

\$74,037 spent

### Completed Projects include:

### Total Project Cost

Harding and Lawson Road, Fish Creek	\$40,178
-------------------------------------	----------

Cochranes Road, Poowong North	\$26,977
-------------------------------	----------

## LAND STABILISATION

\$2.80M spent

### Completed Projects include:

### Total Project Cost

Mount Eccles Road and Wild Dog Valley Road, Mount Eccles*	\$1,637,608
---	-------------

Grand Ridge Road (2 sites) and Kardella Fairbank Road, Trida *	\$514,664
--	-----------

Clarkes Road and Griggs Road, Hallston*	\$566,322
---	-----------

*\*Contract CON/248 awarded as package.*

## MAJOR PROJECTS

\$544,809 spent

### Completed Projects include:

### Total Project Cost

Poowong Netball Court Redevelopment	\$396,289
-------------------------------------	-----------

Leongatha and District Netball Association Courts Redevelopment	\$802,831
---	-----------

## PLAYGROUNDS

\$203,503 spent

### Completed Projects include:

### Total Project Cost

Mary Checkley Reserve, Leongatha replacement	\$51,900
--	----------

Dumbalk Memorial Park replacement	\$40,000
-----------------------------------	----------

Horticultural Park, Leongatha replacement	\$33,979
---	----------

Whitelaw Street, Meeniyan (Kindergarten replacement)	\$30,460
--	----------

## POOLS

\$4.85M spent

Completed Projects include:	Total Project Cost
Mirboo North Swimming Pool*	\$5.73M
Toora Swimming Pool Stage 3 - Car park	\$249,745
SPLASH Leongatha Changerooms Upgrade	\$135,824

*\*As at 30 June, all works were completed except for minor tiling works, filling and commissioning the pool, car park works, and completion of landscaping and fencing. These works are expected to be completed in August 2021.*

## RECREATION

\$1.84M spent

Completed Projects include:	Total Project Cost
Baromi Park Mirboo North Skate Park*	\$368,932
Baromi Park Mirboo North Arts Performance Space*	\$127,264
Lighting and Surface Pitch Upgrade - Leongatha Knights Soccer Club	\$102,151
Baromi Park Mirboo North - Community Space Toilet*	\$94,762

*\*Baromi Park Masterplan*



## ROADS

\$11.37M spent

Completed Projects include:	Total Project Cost
Road Reseal Program	\$1,323,049
Road Reseal Preparation Program	\$913,172
Stewarts Road, Outtrim*	\$464,728
Mardan Road, Koorooman rehabilitation	\$436,103
Boolarra Mirboo North Road, Boolarra South*	\$365,753
Fullers Road, Foster*	\$279,546
Main South Road, Poowong Rehabilitation	\$237,086
Old Waratah Road, Fish Creek rehabilitation	\$204,194
Mount Lyall Road, Nyora*	\$149,307
Ferrier Street, Korumburra Rehabilitation	\$122,410
Flinders Street, Korumburra rehabilitation	\$117,627
Artherton Drive, Venus Bay rehabilitation	\$100,701
Mardan Road, Mardan*	\$93,178
Ryeburn Road, Outtrim rehabilitation	\$66,147
Wattle Court, Sandy Point rehabilitation	\$38,095
Tactical Ground Surface Indicators	\$31,712
Michael Place, Leongatha car park lighting	\$23,800

*\*Federal Blackspot Program - safety improvements including but not limited to intersection upgrade, guardrail, signage, and line-marking.*

## WASTE

\$38,161 spent

Completed Projects include:	Total Project Cost
Korumburra Transfer Station - Hook Lift Bins (E-Waste Grant)	\$19,802

## 1.6

# COMMUNITY ADVOCACY

Council actively seeks external funding on behalf of its community. It approaches other levels of Government and other funding and support agencies to assist with projects that are of benefit to South Gippsland.

ADVOCACY PROJECT	PROJECT COST	FUNDING SECURED	PERCENTAGE FUNDED
Leongatha Early Learning Centre	\$5,379,921	\$2,379,921	100%
Great Southern Rail Trail Extension - Korumburra to Nyora	\$3,800,000	\$800,000	44%
Foster Indoor Stadium Redevelopment	\$2,513,000	\$2,260,000	100%
Local Roads and Community Infrastructure Program	\$2,384,531	\$2,384,531	90%
Local Roads and Community Infrastructure Program (Extension)	\$2,376,032	\$2,376,032	100%
Working for Victoria	\$1,925,369	\$1,925,369	76%
AgriLinks	\$1,196,000	\$914,000	21%
Transfer Station Upgrade	\$435,753	\$435,753	100%
Local Councils Outdoor Eating and Entertainment	\$250,000	\$250,000	100%
Toora Jetty Replacement	\$234,000	\$210,000	90%
Women in Building Surveyor Program (Cadet Building Surveyor)	\$150,000	\$150,000	100%
Concierge Business Support Service	\$116,000	\$116,000	100%
Mirboo North Library	\$100,000	\$75,000	100%
ICT Technology Support Package 2020/21	\$99,070	\$99,070	75%
Community Leaders Program	\$50,000	\$50,000	100%
South Gippsland Speed Reduction Project using a VMS Board	\$30,000	\$30,000	100%
Safe Crossing Points Identification Project	\$21,150	\$14,000	100%
COVID Safe Australia Day Grant Program	\$20,000	\$20,000	66%
MDU Football Netball Club - Football Goal Post Replacement	\$14,200	\$7,100	50%
Australia Day Branding Grant Program	\$1,000	\$1,000	100%
Children's Week 2020/21	\$700	\$700	100%

# COMMUNITY GRANT FUNDING

Photo: Mossvale Park

Council's Community Grants Program supports community initiatives and provides grants to community, volunteers and not-for-profit organisations. All applications were assessed under programs and categories listed below:

- Small Grants Program;
- Emergency (Quick) Grants Program;
- Community Grants Program (categories);
- Minor Projects and Equipment;
- Festivals and Events;
- Major Projects; and
- Planning and Development Studies.

**76**  
GRANT APPLICATIONS  
APPROVED  
**\$260,646**  
COMMUNITY  
GRANT FUNDING

**COMMUNITY** GRANTS  
FUNDING

**\$207,163**

APPLICANTS

**34**

**SMALL** GRANTS  
FUNDING

**\$33,571**

APPLICANTS

**36**

**EMERGENCY** GRANTS  
FUNDING

**\$19,913**

APPLICANTS

**6**



# COMMUNITY GRANT PROGRAM

FUNDING  
**\$130,277**

The Community Grants Program provides funding between \$1,000 and \$10,000 to community organisations across South Gippsland. The Program supports projects that enhance the quality of life, heritage, recreation and cultural opportunities for the broader South Gippsland community.

## 2020/21 COMMUNITY GRANT PROGRAM - ROUND 1

ROUND ONE ORGANISATION	PROJECT DETAILS	AREA	APPROVAL FUNDING (\$)
Leongatha Recreation Reserve	Replace Roof	Leongatha	\$10,000
The Social Crew	South Gippsland Mural Trail	Leongatha	\$10,000
Meeniyan Golf Club	Upgrade Fairways	Meeniyan	\$10,000
Fish Creek Children's Literature Festival	Children's Literature Festival	Fish Creek	\$10,000
Korumburra Agricultural Society	Storage Shed Construction	Korumburra	\$10,000
Fish Creek Bowling Club	Deck for Bowls Club	Fish Creek	\$10,000
Prom Coast Festival	Prom Coast Festival	Wilsons Promontory	\$9,000
Nyora Cricket Club	Clubroom Air-conditioning	Nyora	\$8,750
Loch Bowling Club	Kitchen redevelopment	Loch	\$8,000
Mirboo Country Development Inc.	Revitalise garden/information board	Mirboo North	\$7,500
2nd Leongatha Scout Group	Renovation and Update of Scout Hall	Leongatha	\$5,000
Stony Creek Racecourse	Outdoor Furniture	Stony Creek	\$5,000
Poowong Anglican Church	Poowong Community Garden	Poowong	\$5,000
Koonwarra/Leongatha Cricket Club	Toilet facilities	Koonwarra	\$4,455
Toora Football and Netball Club	Lights on Football Ground	Toora	\$3,760
Poowong Recreation Reserve	Remove and replace fence	Poowong	\$3,260
Venus Bay Community Centre	Tarwin Riverwalk Information Poles	Venus Bay	\$3,157
Meeniyan RSL Men's Shed	Metal Work Equipment	Meeniyan	\$2,830
Foster Agriculture and Pastoral Society	Foster Show Brochures	Foster	\$1,865
Korumburra Business Association	Locality Signs in Industrial Estate	Korumburra	\$1,700
Grow Lightly	Mural	Korumburra	\$1,000



FUNDING  
\$76,886

## 2020/21 COMMUNITY GRANT PROGRAM - ROUND 2

ROUND ONE ORGANISATION	PROJECT DETAILS	AREA	APPROVAL FUNDING (\$)
Scots' Pioneer Church Ltd.	Scots' Pioneer Church - Mardan Preservation Project	Mardan	\$10,000
South Gippsland Landcare Network	Weed Control South Gippsland: Your Backyard, Our Backyard	South Gippsland	\$10,000
Walter J. Tuck Reserve Committee	Bottom Oval - Automatic Irrigation	Mirboo North	\$10,000
Toora Recreation Reserve Committee of Management	W. Cook Pavilion - Roof Upgrade	Toora	\$10,000
Carinya Lodge	Mural	Korumburra	\$8,702
Sandy Point Community Power Inc.	Energy Storage Battery for Sandy Point Community Centre	Sandy Point	\$5,000
Korumburra/Bena Football and Netball Club	Netball Coaches Boxes	Korumburra	\$5,000
2nd Leongatha Scout Group	Scout Hall - Venue Security and Storage Upgrade	Leongatha	\$5,000
Sandy Point Community Group Inc.	Sandy Point Information Boards	Sandy Point	\$4,840
Leongatha Football and Netball Club	Game Day Equipment	Leongatha	\$3,875
Poowong Historical Group	Refurbishment of Poowong Pioneer Chapel	Poowong	\$1,920
Manna Community Garden	Community Garden Renewal Project	Foster	\$1,375
Tarwin Lower and District Community Health Centre Inc.	'Heart Beat' - ECG Machine	Tarwin Lower	\$1,174

# SMALL AND EMERGENCY GRANT PROGRAM

FUNDING  
**\$33,570**

The Small Grants Program provides funding of up to \$1,000 for small projects. The Emergency (Quick) Grant Program provides funding of up to \$5,000 for projects that require immediate funding and the applications are generally assessed within two weeks.

## 2020/21 SMALL GRANT PROGRAM

ORGANISATION	AREA	APPROVAL FUNDING (\$)
Bena Hall Committee Inc.	Bena	\$1,000
Port Franklin Hall Committee	Port Franklin	\$1,000
Korumburra Agricultural and Pastoral Society	Korumburra	\$1,000
South Gippsland BMX Club	South Gippsland	\$1,000
Welshpool Golf Club	Welshpool	\$1,000
Friends of Agnes Falls	South Gippsland	\$1,000
2nd Leongatha Scout Group	Leongatha	\$1,000
Port Welshpool Working Group	Port Welshpool	\$1,000
Korumburra Showgrounds Amenities Complex	Korumburra	\$1,000
Mount Best Community Hall Association Inc.	Mount Best	\$1,000
Leongatha Croquet Club	Leongatha	\$1,000
Beach and River Business Association	Venus Bay	\$1,000
Mirboo Country Development Inc.	Mirboo North	\$1,000
Leongatha and District Historical Society	Leongatha	\$1,000
Meeniyar Art Gallery	Meeniyar	\$1,000
Rotary Club of Leongatha Inc.	Leongatha	\$1,000
Leongatha Community Preschool	Leongatha	\$1,000
Korumburra Bowling Club Inc.	Korumburra	\$1,000
Foster and District Agricultural and Pastoral Society Inc.	Foster	\$1,000
Leongatha Lyric Theatre Inc.	Leongatha	\$1,000
Loch and District Bowls Club	Loch	\$1,000



ORGANISATION	AREA	APPROVAL FUNDING (\$)
Yooralla Community Hub	Leongatha	\$999
Port Welshpool and District Bowling Club	Port Welshpool	\$999
Welshpool Cemetery Trust	Welshpool	\$990
Meeniyar Traders and Tourist Association Inc.	Meeniyar	\$962
Bass Coast Landcare Network	South Gippsland	\$960
Prom Area Climate Action	South Gippsland	\$958
Hallston Mechanics Institute	Hallston	\$946
Korumburra Croquet Club	Korumburra	\$927
Grand Ridge Rail Trail Committee of Management	Mirboo North	\$900
Walkerville Rate Payers	Walkerville	\$800
Korumburra Bowling Club Inc.	Korumburra	\$799
Manna Gum Community House Inc.	Foster	\$748
South Gippsland Specialist School	South Gippsland	\$667
Welshpool Memorial Hall	Welshpool	\$515
South Gippsland Indoor Bias Bowls Association Inc.	South Gippsland	\$400

## 2020/21 EMERGENCY GRANT PROGRAM

FUNDING  
\$19,913

ORGANISATION	PROJECT DETAILS	AREA	APPROVAL FUNDING (\$)
Leongatha Recreation Reserve	Repair Water Damage	Leongatha	\$5,000
Fish Creek Carnival	Winter Carnival	Fish Creek	\$5,000
Foster Tennis Club Inc.	Storage Shed	Foster	\$4,125
Leongatha Football and Netball Club	Repairs to Grandstand Rooms	Leongatha	\$3,750
Loch Memorial Reserve	Security Upgrade	Loch	\$1,038
Meeniyar Art Gallery	Hot Water Service	Meeniyar	\$1,000

# ORGANISATIONAL STRUCTURE

## ADMINISTRATORS

### CHIEF EXECUTIVE OFFICER

#### MANAGER

COMMUNITY INFORMATION AND ADVOCACY

- CUSTOMER SERVICE
- MEDIA/SOCIAL MEDIA
- MARKETING
- WEB CONTENT

### DIRECTOR - Performance and Innovation

#### MANAGER

FINANCIAL STRATEGY

- ACCOUNTING
- RATES
- VALUATIONS

#### MANAGER

INNOVATION AND TECHNOLOGY

- IT SYSTEMS AND SUPPORT
- INFORMATION MANAGEMENT
- BUSINESS ANALYSIS

#### MANAGER

GOVERNANCE

- CORPORATE PLANNING
- COUNCIL SUPPORT
- COUNCIL BUSINESS
- RISK
- PROCUREMENT

#### MANAGER

PEOPLE AND CULTURE

- HUMAN RESOURCES
- PAYROLL
- LEARNING AND DEVELOPMENT
- OHS

### DIRECTOR - Sustainable Infrastructure

#### MANAGER

INFRASTRUCTURE MAINTENANCE

- ROADS AND DRAINS
- FOOTPATH, KERB & CHANNEL
- WORKSHOP
- ROUTINE MAINTENANCE
- PLANT/FLEET MAINTENANCE
- CONSTRUCTION AND STRUCTURES
- CUSTOMER AND BUSINESS

#### MANAGER

OPEN SPACE AND ENVIRONMENT

- PARKS AND GARDENS
- VEGETATION
- BIODIVERSITY
- PUBLIC AMENITIES

#### MANAGER

INFRASTRUCTURE DELIVERY

- ENGINEERING
- DESIGN
- COMMUNITY CONSTRUCTION PROJECTS
- DEVELOPMENT REFERRALS
- BUILDINGS

#### MANAGER

INFRASTRUCTURE PLANNING

- WASTE MANAGEMENT
- SUSTAINABILITY
- RECREATION PROPERTY
- ASSET MANAGEMENT
- PROJECTS AND GRANTS

### DIRECTOR - Economy and Community

#### MANAGER

PLANNING SERVICES

- STATUTORY PLANNING
- STRATEGIC PLANNING
- PLANNING LIAISON

#### MANAGER

ECONOMY AND INVESTMENT

- ECONOMIC DEVELOPMENT
- TOURISM DEVELOPMENT AND VISITOR SERVICES
- COAL CREEK COMMUNITY PARK AND MUSEUM
- CARAVAN PARKS
- ARTS AND CULTURE

#### MANAGER

COMMUNITY SAFETY

- BUILDING AND PLANNING
- ENFORCEMENT
- LOCAL LAWS
- – HEALTH
- EMERGENCY MANAGEMENT

#### MANAGER

COMMUNITY SERVICES

- REGIONAL ASSESSMENT
- CHILDREN AND FAMILY SERVICES
- COMMUNITY TRANSPORT
- LIBRARY BOARD
- COMMUNITY STRENGTHENING
- VOLUNTEERS
- ROAD SAFETY / L2P
- SOCIAL PLANNING

1.8

# OUR PEOPLE

**The Council appoints a Chief Executive Officer (CEO) to manage the day-to-day operations of the Council in accordance with the strategic directions of the Council Plan. The CEO together with three directors form an Executive Leadership Team (ELT) that leads the organisation with support from department managers and staff.**

**At 30 June 2021, Council had 298.7 Full Time Equivalent (FTE) employees including ongoing, temporary and casual positions. This data is provided at a single point in time. It does not consider employment context such as fixed term, grant funded, capital works, leave replacement, in sourcing of previous contracted services, or seasonal factors.**

## WORKFORCE BY HEADCOUNT

Employee Headcount	Full Time	Part Time	Casual
June 30, 2021	266	58	37
June 30, 2020	223	58	52
June 30, 2019	210	66	49

# 336

## NUMBER OF EMPLOYEES

Throughout the year employee numbers have fluctuated with an overall interim increase from 261.51 FTE at the commencement of the financial year to 298.7 FTE at year end.

An increase of approximately 37.0 FTE is reported in the past financial year. This increase is attributed to the *Working for Victoria Grant Funding Program*, in which Council secured an additional \$1.9 million in funding. The program created 43 new positions across a range of community facing services to support employment stimulus during the COVID-19 Pandemic. All of these positions are of a temporary nature, and will cease in November 2021.

Council recruitment activities are guided by a range of impacts that occur over the year, which include factors such as parental leave replacements, long-service leave backfills, resignations and retirement.

In the instances of back filling positions while an employee takes leave, this is achieved by either offering internal acting opportunities, or recruiting to fill temporary longer-term vacancies.



# 89%

Full Time  
vs. 67% 2019/20

# 10%

Part Time  
vs. 17% 2019/20

# 1%

Casual  
vs. 16% 2019/20

Council has undertaken minor restructures in the organisation over the past year, with no redundancies being required. In September 2020, a organisational structure change was completed to bring alignment to our organisational strategy and to the objectives of the Council Plan.

Directorates were renamed and some teams moved to different divisions as a result. Community Services found a more natural fit under the newly named Economy and Community Directorate being the most significant change. The People and Culture Department was also aligned to report through to the Director Performance and Innovation.

In October 2020, the Depot Operations also underwent a restructure, with the varied work for this area recognised with two new teams formed. A new Open Spaces and Environment Team was created to include Parks and Gardens, Biodiversity and Public Amenities.

As with all organisational restructures, affected employees as well as union organisers and delegates were consulted prior to any final decision or action being taken.

Feedback received was carefully considered during and after the consultation period, with minor changes made to the final Organisational Structure.



# COUNCIL STAFF

A summary of the number of Full Time Equivalent (FTE) Council staff by organisational structure, employment type and gender is outlined in the below table.

## WORKFORCE DATA BY FULL TIME EQUIVALENT AND GENDER

Employment Type	Executive Office	Performance & Innovation	Sustainable Infrastructure	Economy & Community	Total 2020/21	Total 2019/20
	FTE	FTE	FTE	FTE	FTE	FTE
<b>Ongoing Full Time (FT)</b>						
Female	15.00	27.00	20.00	40.00	102.00	81.00
Male	3.00	22.00	119.00	20.00	164.00	142.00
Total Permanent FT	18.00	49.00	139.00	60.00	266.00	223.00
<b>Ongoing Part Time (PT)</b>						
Female	1.60	1.18	3.15	18.15	24.08	20.82
Male	0.00	0.63	3.96	1.46	6.05	9.34
Total Permanent PT	1.60	1.81	7.11	19.61	30.13	30.16
<b>Casual</b>						
Female	0.17	0.00	0.00	1.50	1.67	6.71
Male	0.00	0.00	0.00	0.90	0.90	1.63
Total Casual	0.17	0.00	0.00	2.40	2.57	8.34
<b>Total Overall</b>	<b>19.77</b>	<b>50.81</b>	<b>146.11</b>	<b>82.01</b>	<b>298.70</b>	<b>261.50</b>

*Note: At 30 June 2021, Council had 298.7 Full Time Equivalent (FTE) employees including ongoing, temporary and casual positions. This data is provided at a single point in time. It does not consider employment context such as fixed term, grant funded, capital works, leave replacement, in sourcing of previous contracted services, or seasonal factors.*

## EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Council is committed to providing a workplace that is free from discrimination, bullying and harassment and in which each employee is treated with dignity, courtesy and respect.

The objective of the program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Employment Act 2010*.

The organisation adopts a proactive approach to the prevention of discrimination through training, policy development, equal employment opportunities and utilising Contact Officers.

Council undertook a thorough review of the existing policies and processes related to anti-discrimination, bullying and harassment to ensure all employees are not only aware of their obligations, but have clear processes to follow if they wish to make a complaint or seek support.

# ENTERPRISE AGREEMENT

Council has an established Enterprise Agreement which will expire in June 2022. The Agreement outlines the terms and conditions of work, and importantly, describes the relationship between what we do, to the Council Plan, and its focus on benefiting all of South Gippsland.

## GENDER EQUALITY ACT 2020

With the introduction of the *Gender Equality Act 2020* that commenced on 31 March 2021, Council is undertaking a number of critical objectives in line with our obligations as a defined entity.

These include:

- Completing a Workplace Gender Audit – to assess our baseline workforce data against the following seven key indicators:
  - Gender pay equity
  - Gender composition at all levels of the workforce
  - Gender composition of governing bodies
  - Workplace sexual harassment
  - Recruitment and promotion
  - Gendered work segregation
  - Leave and flexibility
- Undertaking Gender Impact Assessments on all new or revised policies, programs or services that have a direct and significant impact on the public; and
- Developing a four-year *Gender Equality Action Plan*, for submission to the Commission for Gender Equality in the Public Service by 1 December 2021.

A summary of the number of Full Time Equivalent (FTE) categorised by employment classification and gender is outlined in the below table.

## WORKFORCE BY CLASSIFICATION AND GENDER

Employment Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE
<b>Ongoing Full Time (FT)</b>									
Female	2.00	1.00	8.00	14.00	22.00	26.00	14.00	8.00	7.00
Male	5.00	5.00	55.00	21.00	19.00	19.00	15.00	16.00	9.00
Total Permanent FT	7.00	6.00	63.00	35.00	41.00	45.00	29.00	24.00	16.00
<b>Ongoing Part Time (PT)</b>									
Female	3.10	0.00	0.70	6.70	4.60	3.70	4.20	1.00	0.00
Male	2.40	0.00	0.80	0.80	0.00	1.90	0.00	0.00	0.00
Total Permanent PT	5.50	0.00	1.50	7.50	4.60	5.60	4.20	1.00	0.00
<b>Casual</b>									
Female	0.30	0.00	0.20	0.60	0.00	0.10	0.50	0.00	0.00
Male	0.60	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00
Total Casual	0.90	0.00	0.20	0.90	0.00	0.10	0.50	0.00	0.00
<b>Total Overall</b>	<b>13.40</b>	<b>6.00</b>	<b>64.80</b>	<b>43.40</b>	<b>45.60</b>	<b>50.70</b>	<b>33.70</b>	<b>25.00</b>	<b>16.00</b>

## PREVENTING VIOLENCE AGAINST WOMEN

Through Council's *Workplace Health and Wellbeing Plan*, a team of supportive staff have developed and implemented a range of violence prevention initiatives, activities and events. Council has made available Family Violence Leave to support any employee that may require assistance. Council is also active in supporting the community to address family violence issues.

Council has commenced the development of a significant training program which will develop the capability of leaders across the organisation to respond to disclosures of family violence in the workplace. Further to this, a Gender Equity and Bystander training program will be delivered to all staff over the coming 18-months, to equip all employees with the knowledge of how gender inequality can lead to violence against women, and how they can activate their skills as a bystander and call-out inappropriate behaviour in the workplace.

This development forms a component of Council's *Gender Equality Action Plan* and *People Strategy*.

## CHILD SAFETY COMMITMENT

Council has zero tolerance towards child abuse. Council has a moral and legal responsibility to ensure that all children and young people are safe in our direct care and supervision.

Council provides training, resources, information and guidance to staff to ensure *The Child Safe Standards* are followed and implemented. Council also has designated Child Safe Officers, as well as contact people in the People and Culture Department who are trained in managing Reportable Conduct.

## HEALTH AND WELLBEING

Workplace arrangements have been impacted in 2020/21, in numerous ways, with the COVID-19 Pandemic and the impacts of extreme weather conditions. Employee health and wellbeing has been an important area of focus.

Council has invested in the development of a group of Mental Health First Aid Officers, in addition to offering a range of supports through our *Employee Assistance Program*, Employee Contact Officers, and a library of resources both online and through available webinars and virtual programs.

Supporting our employees, so they can continue to support our community, remains a significant focus for the coming year. Through Council's *People Strategy*, we will increase our focus on holistic employee health, safety and wellbeing.

A review of the *Health, Safety and Wellbeing Management Plan* will be developed in the coming 12 months, to address the following areas of focus for the next two years;

- Strengthening a safety culture and safety leadership at Council;
- Health and Safety Systems, Programs and Practices; and
- Health and Wellbeing Learning and Development.

COVID-19 Pandemic has had a significant impact on the health and wellbeing of people in the community and on members of staff. Supporting our staff, so they can continue to support our community, will continue to be a priority.

## CORPORATE SOCIAL RESPONSIBILITY

Employees support local and registered charities through a staff donation program. Employees via the Social Club also support local businesses by giving vouchers purchased through the 'shop local' campaign.

# EMPLOYEE PERFORMANCE AND PROFESSIONAL DEVELOPMENT

Professional development of our people is designed to ensure capabilities are enhanced that maximise delivery of services and outcomes for the community. This financial year, Council has developed a draft *People Strategy* which is currently under development.

The *People Strategy* will aim to identify five strategic goals;

1. Our Leadership
2. Our Culture
3. Diversity, Equity and Inclusion
4. Capability and Learning
5. Trusted Partners and Connected Systems

These goals, along with Council's organisational values, underpin all of the professional and leadership development that is offered to employees at Council.

Development is offered through a range of opportunities, that can include:

- Training programs, delivered online, internal or offsite;
- Webinars and conference events related to specific disciplines;
- Coaching and mentoring from within the organisation (through a structured mentoring program) and within the sector (through networking and connections formed through professional relationships);
- Acting and secondment opportunities within Council, or across the sector; and

- Special Interest Groups, often established through networking events and maintained through ongoing professional connections, where employees from across numerous councils meet regularly to share learning, content and problem solve common challenges together.

Council also offers a study assistance program, supporting employees to seek further education in their chosen field.

Performance and development planning is also undertaken twice annually where employees meet with their leader to discuss performance objectives, goals and development opportunities.

## HUMAN RIGHTS CHARTER AND RESPONSIBILITIES

Council's *Human Rights Policy* demonstrates Council's commitment to considering and respecting human rights when developing and implementing local laws, policies, procedures, decisions and services. A revised policy was adopted at the 19 May 2021 Council Meeting and seeks to ensure that the Council is aware and compliant with the Victorian *Charter of Human Rights and Responsibilities Act 2006 (the Charter)*.



# SECTION

## Reporting Overview



### **Section 2 Reporting Overview**

2.1	Planning and Accountability Framework	58
2.2	Council Plan 2020-2024 - 2020/21 Annual Initiatives, Services Funded and Performance Indicators	60

# OUR PERFORMANCE

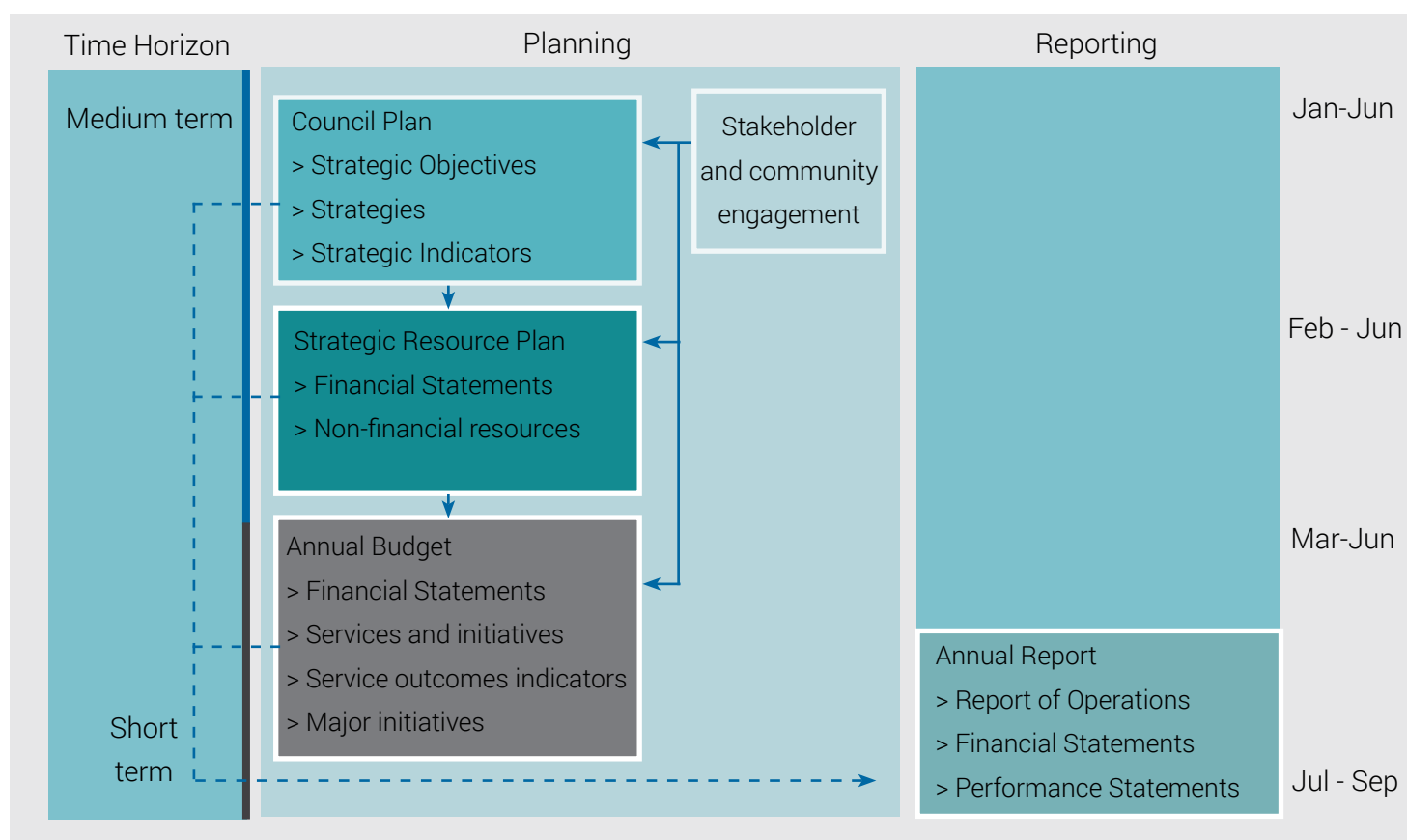
## PLANNING AND ACCOUNTABLE FRAMEWORK

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989*.

This Act requires councils to prepare the following planning and reporting documents:

- The four-year Council Plan sets out what will be achieved during the Council's term, including an annual review of the Council Plan directions. This plan is to be adopted within six months after each general election, or by 30 June, whichever is the later;
- A Strategic Resource Plan for a period of at least four years is updated annually and included in the Council Plan;
- The Annual Budget for each financial year sets out what actions will be undertaken to progress achievement of the Council Plan directions.
- An Annual Report outlines Council's performance against the Annual Budget and Council Plan each financial year.
- In addition to these required plans Council has established a long-term financial plan covering a ten-year period.

The following diagram outlines the planning and accountability framework for Local Government. It also shows the opportunities for community and stakeholder input and feedback at various stages of the planning and reporting cycle.



# COUNCIL PLAN

## 2020/21 Annual Initiatives

Performance of the 2020-2024 Council Plan - June 2020 is measured by:

- Results achieved against the strategic objectives in the Council Plan;
- Progress against the annual initiatives identified in the 2020/21 Annual Budget;
- Services funded in the 2020/21 Annual Budget and the departments responsible for these services; and
- Results against the prescribed service performance indicators and key performance measures.



## PERFORMANCE REPORT HIGHLIGHTS

The below icons are highlighted in the following pages to demonstrate Council's performance in achieving the 2020/21 Annual Initiatives of the 2020-2024 Council Plan.



STRATEGIC  
OBJECTIVE



COUNCIL PLAN  
INITIATIVES



SERVICES  
FUNDED



PERFORMANCE  
INDICATORS



## Our Vision

*To establish a shared long term community direction that unites the Shire and guides its future direction.*

*To provide services that are accessible and support the various sectors of the community.*

## 2020/21 Strategies

**1.1** Develop a shared vision for the future direction of the Shire in partnership with the community.

**1.2** Develop and support the leadership skills of existing and emerging community leaders, volunteers, community groups and networks.

**1.3** Deliver efficient and responsive services that enhance the health, safety and well-being of the community.

**1.4** Deliver Council's 'Community Support Package' to support the community to respond to the COVID-19 pandemic in the recovery and re-investment of community and economic activity across the Shire.

## Services Provided

- Aged and Disability Service
- Community Strengthening
- Children, Youth and Family Services
- Libraries
- Sport, Recreation, Leisure and Aquatic Facilities



## Adopted Plans and Strategies

- Active Ageing Strategy
- Age Friendly South Gippsland Plan
- Art, Culture and Creative Industries Strategy
- Community Strengthening Strategy
- Council Vision
- Disability Action Plan
- Municipal Early Years Plan
- Municipal Public Health and Wellbeing Plan
- Liquor and Gambling Strategy
- Youth Strategy



# MEASURES OF SUCCESS



## Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>INFLUENCE MEASURE</i></p> <p>The effectiveness of Council and community partnerships will be measured by the quality of community projects supported financially by Council through the <i>Community Grants Program</i>.</p> <p><i>Community Services</i></p> <p><b>Action/Target</b></p> <p>All community grants funded will require a minimum ranking of 8 out of 10</p>	<p><b>TARGET ACHIEVED</b></p> <p>Council considered and awarded Round One of the <i>2020/21 Community Grants Program</i> at the 16 December 2020 Council Meeting. Round Two of the Program was adopted by Council at the 16 June 2021 Council Meeting. The <i>2020/21 Community Grants Program</i> funded \$260,647 and assisted 76 community groups within the Shire. The funding is assisting and supporting community projects with a value of over \$608,000.</p> <p>The submitted applications to the Program are assessed by an Assessment Panel, comprising of Council officers, two independent community members and an independent external assessor, who score the applications using Council's adopted community grants guidelines.</p> <p>A report on the <i>Community Grants Program Review</i> is on schedule to be presented at the 18 August 2021 Council Meeting.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>INFLUENCE MEASURE</i></p> <p>The effectiveness of the <i>Community Leadership Development Program</i> will be measured by the number of participants actively engaged in the Program and the representation across the Shire.</p> <p><i>Community Services</i></p> <p><b>Action/Target</b></p> <p>Minimum of 75 participants with broad representation from across the Shire per annum</p> <p><i>Note: this is a two year initiative</i></p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>Council's <i>Community Leadership Development Program</i> has two streams. The first stream is the <i>Community Leadership Program</i> which appointed 20 participants in the first intake of the Program. Eighteen participants completed the Program and two choose to exit early. The successful implementation of the Program concluded on 17 March 2021.</p> <p>Expression of Interest for the second intake of the Program was advertised with a closing date at the end of May 2021. The appointment of 20 participants was adopted by Council at the 23 June 2021 Council Meeting. The Program was on schedule to begin in July 2021.</p> <p>The second stream is Council's <i>Youth Leadership Program</i> which has experienced delays during this financial year, due to the COVID-19 Pandemic. Towards the end of the financial year, the <i>Youth Leadership Program</i> is underway and while some delays have been inevitable it is anticipated to be completed by October 2021. It is expected that 120 students in Year's Eight and Nine will complete the Program in October 2021 with a four day <i>Social Innovators Program</i>.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p>The effectiveness of the <i>Three-Year-Old Kindergarten Program</i> will be measured by the increase in the number of children participating in the Program, the diversity of locations in which those children reside and the optimum use of Kindergarten facilities.</p> <p>INFLUENCE MEASURE</p> <p>Community Services</p>	<p><b>TARGET ACHIEVED</b></p> <p><b>COUNCIL RESULT = 100%</b></p> <p>All three-year-old children received their first or second preference to attend the <i>Three-Year-Old Kindergarten Program</i> in 2021.</p> <p>In Council's First Round Offers of the Kindergarten Program, of the 245 enrollments, 100 per cent received their first or second preference of choice.</p> <p>In the Second and Third Round Offers of the Kindergarten Program, Council was able to offer an additional 56 new enrollments in which 100 per cent also received their first or second preference. Council has had an additional 25 new enrollments compared to the previous year.</p> <p><i>Note: Seven children who live outside of South Gippsland Shire have been offered a place in the Third Round Offers. Nine children who live outside of the Shire are yet to receive an offer of a placement in the Kindergarten Program due to the capacity of the service. The difference in number of enrollments received and the total number of enrollments is because some families enrolled, but have since withdrawn or moved.</i></p>
Action/Target	
<p>95 per cent of children enrolled through central enrolment are granted their first or second preference</p>	

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<b>Action/Target</b>	<b>TARGET SIGNIFICANTLY PROGRESSED</b>
<p>Aim for equal to or greater than 75 per cent of existing providers offering a 15 hour Kindergarten Program weekly</p>	<p><b>COUNCIL SERVICES RESULT = 75%</b></p> <p>Percentage of existing Council service providers offering a 15-hour <i>Three-Year-Old (3YO) Kindergarten Program</i> on a weekly basis in 2021 was 75 per cent. When combined with the two private service providers the result is 71 per cent. One Council operated service is at capacity providing Four-Year-Old Kindergarten on a full time basis, five days a week and is unable to offer a Three-Year-Old Kindergarten service.</p> <p>In 2020 Year Program - 8 of 12 Council facilities provided 15 hours per week. One of the two private facilities provided 15 hours per week.</p> <p>Total percentage of Council and non-council services provided 15 hours for 3YO Kindergarten = 64 per cent</p> <p><i>Note: This target includes Council and non-Council service providers. Council service providers = 67 per cent</i></p> <p>2021 Year Program - 9 of 12 Council facilities provided 15 hours per week. One of the two private facilities provided 15 hours per week.</p> <p>Total percentage of Council and non-council services provided 15 hours for 3YO Kindergarten = 71 per cent</p> <p><i>Note: This target includes Council and non-Council service providers. Council service providers = 75 per cent. All services operating out of Council facilities provide the recommended 15 hours for eligible vulnerable children.</i></p>
<b>Action/Target</b>	<b>TARGET ACHIEVED</b>
<p>Baseline aims for 75 per cent of eligible children in each location attending subsidised <i>Three-Year-Old (3YO) Kindergarten Program</i></p>	<p><b>COUNCIL RESULT = 79%</b></p> <p>Percentage of eligible children in each location attending subsidised <i>Three-Year-Old (3YO) Kindergarten Program</i> for 2021:</p> <ul style="list-style-type: none"> <li>West (Korumburra, Loch, Poowong) - 93 of 128 eligible children enrolled = 73 per cent</li> <li>Central (Leongatha, Mirboo North, Meeniyan) - 138 of 162 eligible children enrolled = 85 per cent</li> <li>East (Fish Creek, Foster, Toora, Welshpool) - 48 of 63 eligible children = 76 per cent</li> </ul>



# COUNCIL PLAN

## 2020/21 Annual Initiatives

The following statement reviews the performance of Council against the Council Plan identified in the 2020/21 Budget, including results achieved in relation to the strategic indicators for the year:



### Council Plan - 2020/21 Annual Initiatives

#### Indicator

Implement the 'Community Leadership Development Program' to enhance skills and capabilities of our broader community.

*Community Services, Corporate Planning  
& Council Business and Community Information  
& Advocacy*

#### Action/Target

by 30 June 2021

#### Progress Comment

#### TARGET ACHIEVED

Twenty participants were selected in the first intake of Council's *Community Leadership Program* and adopted by Council at the 26 August 2020 Council Meeting. Two participants exited the Program.

The Program launched on 28 October 2020 at a virtual online event. Since October 2020, the Group participated in nine skills development workshops, that were provided by a diverse range of internal and external facilitators.

These sessions covered a range of topics such as; Emotional Intelligence, Strategic Leadership, Culture and Diversity, Local Government 101, Collaboration and Networking, Public Speaking, Teamwork, Values and Governance. The first intake of the Program concluded on 17 March 2021.

Council undertook a review and evaluation of the first intake of the Program and determined:

- That all candidates are assessed against the criteria for the Program;
- That the Chief Executive Officer can delegated to backfill from the next highest on the endorsed waiting list of applicants, if a participants withdraws within four weeks;
- A member of the Executive Leadership Team or their delegate to participate on the Assessment Panel, establishing an Assessment Panel of four, including an independent member.

Twenty participants were selected in the second intake of the Program and endorsed by Council at the 23 June 2021 Council Meeting. The Program was on schedule to begin in July 2021.

# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Adopt terms of reference and establish the membership of Council's Economic Development and Visitor Attraction Advisory Groups.</p> <p><i>Economy, Arts and Tourism</i></p>	<p><b>TARGET ACHIEVED</b></p> <p>Council endorsed an <i>Economic Development Strategy Advisory Group</i> and a <i>Visitor Economy Strategy Advisory Group</i> with Terms of References and appointed 14 independent members (7 members to each Committee) at the Council Meeting of 26 August 2020.</p>
<p><b>Action/Target</b></p> <p>Reports by each Advisory Group by 30 June 2021</p>	<p>Each Advisory Group met four times during the Financial Year, including one joint meeting. Members also provided expertise, advice and comment on the <i>Economy Development 2021-2031 Strategy</i> and the <i>Visitor Economy 2021-2031 Strategy</i> to facilitate their development.</p> <p>This resulted in the successful presentation of the <i>Proposed Drafts</i> of the <i>Economy Development 2021-2031 Strategy</i> and the <i>Visitor Economy 2021-2031 Strategy</i> for adoption at the 23 June 2021 Council Meeting.</p> <p>The two Advisory Groups will continue during 2021/22 to oversee the implementation of the two Strategies.</p>
<p>Implement Council's \$2M '<i>Community Support Package</i>' to assist the recovery of, and re-investment in, the Shire following the COVID-19 Pandemic.</p> <p><i>Performance &amp; Innovation Directorate</i></p>	<p><b>TARGET ACHIEVED</b></p> <p>Due to the COVID-19 Pandemic, Council adopted a \$2 million <i>COVID-19 Community Support Package Program</i> as part of the <i>2020/21 Annual Budget</i>. The initiatives funded under this Program are intended to:</p> <ul style="list-style-type: none"> <li>• Provide targeted support and stimulus activities specific to the South Gippsland community and economy;</li> <li>• Provide relief to businesses, not-for-profit organisations, community groups, families and individuals experiencing financial or social distress; and</li> <li>• Aid with recovery and work towards restoration of the community and South Gippsland economic life provide vital economic, social, cultural health and wellbeing outcomes.</li> </ul> <p>As part of the first phase of the Program, Council funded \$1.5 million and the second Phase of the Project endorsed \$505,000 at the 19 May 2021 Council Meeting.</p>
<p><b>Action/Target</b></p> <p>by 30 June 2021</p>	

# SERVICES PERFORMANCE INDICATORS



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

Local Government Service Performance Indicators					
Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>AQUATIC FACILITIES</b>					Pool operators test water quality four times a day. Council investigate public health complaints. From 14 December 2020, aquatic facilities require registration in which onsite inspections and sampling will form part of this registration processes.
<b>Service standard</b>					
Health inspections of aquatic facilities	0	0	0	0	
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
<b>Utilisation</b>					Visitation to all aquatic facilities in the Shire was down by 29 per cent compared to 2019/21. Mainly due to the Victorian Government COVID-19 Pandemic restrictions.
Utilisation of aquatic facilities	5	5	4	2	
[Number of visits to aquatic facilities / Municipal population]					
Note: one outdoor aquatic facility was closed for the season due to major redevelopment which impacted the overall number of visits.					
<b>Service cost</b>					Decline in attendance due to a facility closed to a major refurbishment and operational restrictions closure as a result of COVID-19 Pandemic has impacted this figure.  Note: from 2019/20, this indicator replaced two previous indicators: Cost of indoor and cost of outdoor aquatic facilities.
Cost of aquatic facilities	New in 2020	New in 2020	\$8.3	\$11	
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]					
<b>Retired Measures</b>					No material variation
<b>Service cost</b>					
Cost of indoor aquatic facilities	\$4	\$4	Retired in 2020	Retired in 2020	
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]					
<b>Service cost</b>					No material variation  Note: indicator is discontinued from 1 July 2019 and replaced by 'AF7 - Cost of aquatic facilities' which captures both indoor and outdoor aquatic facility costs.
Cost of outdoor aquatic facilities	\$8	\$8	Retired in 2020	Retired in 2020	
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]					

## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>LIBRARIES</b>					Collection item usage continues to remain down due to all South Gippsland Libraries being closed throughout certain periods of the year as a result of the Victorian Government COVID-19 Pandemic restrictions.  <i>Note: from 2019/20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>
<b>Utilisation</b>					
<i>Physical library collection usage</i>  [Number of physical library collection item loans / Number of physical library collection items]	5	5	3	3	
<b>Resource standard</b>					The proportion of the collection that is less than five years old, is less than last year but in line with years prior to that. This year there was a decrease in the number of new collection items purchased compared to last year due to the impacts of the COVID-19 Pandemic.
<i>Recently purchased library collection</i>  [Number of library collection items purchased in the last five years / Number of library collection items ] x 100	71%	69%	74%	65%	
<b>Participation</b>					Active borrowers is down due to all South Gippsland Libraries being closed throughout certain periods of the year as a result of the Victorian Government COVID-19 Pandemic restrictions.
<i>Active library borrowers in municipality</i>  [Number of active library borrowers in the last three years / the sum of the municipal population for the last three years] x 100	17%	16%	16%	15%	
<b>Service cost</b>					Contributions from Council to libraries services increased in line with the rate cap however, less capital spending during the year has seen this indicator increase slightly.  <i>Note: this indicator is replacing the previous 'Cost of library service' indicator which was based on number of visits, refer to retired measures.</i>
<i>Cost of library service per population</i>  [Direct cost of the library service / Municipal population]	New in 2020	New in 2020	\$44	\$45	
<b>Retired Measures</b>					No material variation  <i>Note: indicator is discontinued from 1 July 2019 and replaced by 'LB5 - Cost of library service per population' which is calculated based on the municipal population rather than the number of visits to libraries.</i>
<b>Libraries</b>					
<b>Service cost</b>  <i>Cost of library service</i>  [Direct cost of the library service / Number of visits]	\$11.50	\$11.00	Retired in 2020	Retired in 2020	



## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>MATERNAL AND CHILD HEALTH</b>					
<b>Service standard</b>	89%	100%	102%	99%	The number of birth notifications increased by 9.1 per cent compared to last year. The proportion of enrolments still remains high in which there was a six per cent increase on the actual number of enrolments, demonstrating the service is being used at least once.
<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] x 100					
<b>Service cost</b>					Maternal and Child Health Nurses have worked extra days above their usual days to cover for the demand on our service during busy times at the Maternal and Child Health centres  Staff (including casuals) have also undertaken training to keep up to date with changes in Council's practices.
<i>Cost of the MCH service</i>  [Cost of the MCH service / Hours worked by MCH nurses]	\$61	\$67	\$68	\$71	
<b>Participation</b>					No material variation
<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] x 100	76%	75%	76%	76%	
<b>Participation</b>					Reasons for non-attendance could be a result of deciding not to utilise the service or deciding to attend a different Maternal and Child Health Service in another council.
<i>Participation in the MCH service by Aboriginal children</i>  [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	58%	63%	83%	70%	
<b>Satisfaction</b>					No material variation
<i>Participation in 4-week Key Age and Stage visit</i>  [Number of 4-week Key Age and Stage visits / Number of birth notifications received] x 100	New in 2020	New in 2020	94%	94%	
Retired Measures					No material variation
<b>MCH Service</b>					
<b>Satisfaction</b>	89%	99%	Retired in 2020	Retired in 2020	Note: indicator is discontinued from 1 July 2019 and replaced by 'MC6 - Participation in 4-week Key Age and Stage visit'.
<i>Participation in first MCH home visit</i>  [Number of first MCH home visits / Number of birth notifications received] X 100					

# SERVICES FUNDED



The following statement provides information in relation to the services funded in the 2020/21 Budget that supports Strategic Objective 1 and the persons or sections of the business area responsible.

Business Area	Description of Services provided	Net Cost
		Actual \$000 Budget \$000 Variance \$000
Corporate and Community Services Management	Corporate and Community Services Directorate includes:	\$2,916
	Community Services;	\$3,116
	<ul style="list-style-type: none"> <li>• Finance;</li> <li>• Risk;</li> <li>• Innovation and Technology; and</li> <li>• Corporate Planning and Council Business.</li> </ul> <p>Together these Departments provide strategic policy advice to Council to inform their decisions, coordinate the preparation of the four year Council Plan, coordinate Council meetings, develop good governance practices, plan for long term financial sustainability, facilitate community strengthening programs, pro-actively manage risks, manage corporate technologies and systems, and implement strategic directions relevant to the Directorate once set by Council.</p> <p><i>Note: this Department Budget contains Corporate Planning and Council Business, Risk Management and Libraries.</i></p> <p><i>Note: Structure realignment occurred in late October 2020 for Corporate and Community Services Directorate which is renamed to Performance and Innovation. The Community Services Department has transferred to Economy and Community Directorate. Procurement Risk, Corporate Planning and Council Business has formed the Governance Department. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i></p>	\$200
Community Services	Community Services Department provides policy advice and program delivery for the following services:	\$1,282
	<ul style="list-style-type: none"> <li>• Aged and Disability Services;</li> <li>• Children and Family Services; including Maternal and Child Health; Immunisation, Pre-school and Playgroup support;</li> <li>• Community Strengthening; and</li> <li>• Progresses the Municipal Public Health and Wellbeing Plan.</li> </ul> <p>Together these teams work towards creating a collaborative, self-supporting community.</p> <p><i>Note: Structure realignment occurred for Community Service teams in late October 2020. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i></p>	\$1,812 \$530

# 2 Economic Prosperity

*corner stone for local employment and business growth*



Photo:  
Wilsons Promontory

## Our Vision

*To establish the Shire as a thriving and diverse local economy that builds on our region's natural advantages.*

## 2020/21 Strategies

2.1

Build a sustainable and growing economy that:

- Attracts and supports businesses to thrive and grow;
- Broadens, builds and strengthens industry sectors;
- Creates and sustains local employment opportunities; and
- Establishes the Shire as the 'food hub' that feeds our State and beyond.

2.2

Develop plans that will balance and utilise the natural values of the environment, improve the Shire's livability and build on the benefits of our proximity to Melbourne.

2.3

Deliver services that support the growth of the local and regional economy.

2.4

Work together with surrounding councils to support regional growth and prosperity.

## Services Provided

- Caravan Parks
- Coal Creek Community Park and Museum
- Economic Development and Tourism
- Regulatory Services
- Statutory, Strategic and Social Planning

## Adopted Plans and Strategies

- Branding Strategy
- Domestic Animal Management Plan
- Domestic Wastewater Management Plan
- Eastern Districts Urban Design Frameworks
- Economic Development and Tourism Strategy
- Foster Structure Plan
- Housing and Settlement Strategy
- Korumburra Structure Plan
- Korumburra Town Centre Car Parking Strategy
- Leongatha Car Parking Strategy
- Loch Structure Plan
- Mirboo North Structure Plan Refresh
- Municipal Strategic Statement
- Nyora Structure Plan
- Open Space Strategy
- Poowong Structure Plan
- Priority Projects
- Recreational Vehicle (RV) Strategy
- Rural Land-Use Strategy
- Sandy Point Urban Design Framework
- South Gippsland Heritage Study
- South Gippsland Planning Scheme
- Tarwin Lower Urban Design Framework
- Venus Bay Urban Design Framework
- Waratah Bay Urban Design Framework

# MEASURES OF SUCCESS



## Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>INFLUENCE MEASURE</i></p> <p>Advocacy efforts by Council aim to influence:</p> <ul style="list-style-type: none"> <li>an increase in the Gross Regional Product (<i>the measure of all goods and services produced within the Shire</i>)</li> </ul> <p><i>Economy, Arts and Tourism</i></p> <p><b>Action/Target</b></p> <p>Equal to or greater than 5 per cent increase by 2024</p> <p>BASELINE: Gross Regional Product \$1.7 billion</p>	<p><b>TARGET ACHIEVED</b></p> <p>Figures released showing an Gross Regional Product (GRP) for South Gippsland of \$1.85 billion for 2020. This is an increase of \$113 million from the base figure or an increase of 6.5 per cent.</p> <p>This is the highest recorded economic output for South Gippsland with most significant growth related to Food Process and Construction sectors. However, the next release of figures are likely to reflect impacts to the economy due to the COVID-19 Pandemic.</p> <p>This indicator will continue to be monitored during the four-year Council Plan.</p>
<p><i>INFLUENCE MEASURE</i></p> <p>Advocacy efforts by Council aim to influence:</p> <ul style="list-style-type: none"> <li>an increase in the Gross Revenue of businesses of all industry sectors in South Gippsland</li> </ul> <p><b>Action/Target</b></p> <p>Equal to or greater than 5 per cent increase by 2024</p> <p>BASELINE: Gross Revenue Baseline \$3.5 billion</p>	<p><b>TARGET ACHIEVED</b></p> <p>Figures released showing an Economic Output (Gross Revenues) for South Gippsland of \$3.82 billion for 2020. This is an increase of \$277.9 million from the base figure or an increase of 7.8 per cent. This is the highest ever Economic Output recorded for South Gippsland.</p> <p>The most significant economic growth was related to the Food Processing and Construction sectors. The COVID-19 Pandemic may have an impact on the next annual release of figures.</p> <p>This indicator will continue to be monitored during the four-year Council Plan.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy



# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>INFLUENCE MEASURE</i></p> <p>Advocacy efforts by Council aim to influence:</p> <ul style="list-style-type: none"> <li>an increase in the number of businesses in the Shire as measured by the Australian Business Register</li> </ul> <p><i>Economy, Arts and Tourism</i></p> <p><b>Action/Target</b></p> <p>Equal to or greater than 5 per cent increase in business registrations by 2024</p> <p>BASELINE: business registrations of 7,300</p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>Data from the <i>Australian Business Register</i> shows 7,579 active business registrations in South Gippsland, as at 30 June 2021. This is an increase of 279 businesses or 3.8 per cent increase from the baseline.</p> <p>New registrations occurred across a wide range of industry sectors, most notably in Agriculture, Administrative and Support Services, Construction, Retail Trade, Professional Services and Healthcare and social assistance were also dominant.</p>
<p><i>INFLUENCE MEASURE</i></p> <p>The effectiveness of supporting small businesses will be measured by reducing timelines and streamlining the regulatory process through the <i>Better Approvals Program</i>.</p> <p><i>Economy, Arts and Tourism</i></p> <p><b>Action/Target</b></p> <p>90 per cent of business applications processed utilising the Better Approval Program</p>	<p><b>TARGET ACHIEVED</b></p> <p>A dedicated <i>Business Concierge</i> position was established through funding provided from the <i>Latrobe Valley Authority</i> (LVA). This position is the first point of contact for business related applications and conducts the liaison with other Council Departments.</p> <p>A <i>Customer Relationship Management System</i> was also established to assist tracking of Council assistance provided. This has also been funded by the LVA. The implementation of this system will provide a significant increase in the ability to capture data.</p> <p>Through these refined and established processes, 90 per cent of business applications are now being processed through the <i>Better Approvals Process</i>, with pre-application meetings being commonly held.</p> <p><i>Working for Victoria</i>, a Victorian Government initiative, has also provided the opportunity for a new temporary <i>Business Support</i> role to be added as part of the team. This role has been assisting with the roll-out of additional outdoor dining options and town marketing which have been funded through the Victorian Government.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>CONTROL MEASURE</i></p> <p>The effectiveness of efforts to increase local procurement will be measured by the percentage of local spend on Council goods and services.</p> <p><i>Risk and Procurement</i></p> <p><b>Action/Target</b></p> <p>An adopted policy position and definition of 'local spend', together with baseline targets established by June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>Council adopted a revised <i>Procurement Policy (C32)</i> at the 24 June 2020 Council Meeting, which seeks to strengthen the procurement of goods and services from local suppliers. A report on the Local Procurement Action Plan which steps out the activities that Council will undertake to raise the profile of local procurement in South Gippsland was presented at the 26 August 2020 Council Meeting.</p> <p>Regular reporting on local procurement expenditure was adopted by Council as follow:</p> <ul style="list-style-type: none"> <li>Local Procurement report – July 2020 to December 2020 – adopted at the 21 April 2021 Council Meeting.</li> <li>Local Procurement report – July 2020 to March 2021 – adopted at the 19 May 2021 Council Meeting.</li> <li>Local Procurement report – July 2020 to June 2021 – was on schedule to be presented to Council at the August 2021 Council Meeting.</li> </ul> <p>For the 2020/21 financial year, the local procurement component of overall Council spending was 64 per cent of an overall \$53.7 million. Of this Gippsland region based total, 24 per cent was spent with South Gippsland based businesses seeing \$12.8 million directly into the local economy with a further \$4.4 million spent with significant business operators within the shire.</p> <p>Towards the end of this financial year, Council conducted a further review of the <i>Procurement Policy (C32)</i>. The revision of the Policy will link with the legislated requirements set out in the <i>Local Government Act 2020</i>. As per the Act, Council are required to adopt a new Procurement Policy by 1 January 2022 in which Council was on schedule to endorse the revised Policy at the 18 August 2021 Council Meeting.</p>
<p><i>CONTROL MEASURE</i></p> <p>Time taken to decide planning applications.</p> <p><i>Planning</i></p> <p><b>Action/Target</b></p> <p>Aim to reduce the number of days from 2019/20 baseline of 72 days, to equal to or less than 60 days by June 2024</p> <p><i>Note: LGPRF Indicator</i></p>	<p><b>TARGET NOT ACHIEVED</b></p> <p>The median number of days taken to decide on a planning application was 83 days for the period July 2020 to 30 June 2021, compared to 71 days in the previous year.</p> <p>A total of 557 planning applications were received in 2020/21 compared to 430 applications in the previous year, an increase of 30 per cent. This placed increased pressure on resources and turn-around times for planning applications.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# COUNCIL PLAN

## 2020/21 Annual Initiatives

The following statement reviews the performance of Council against the Council Plan identified in the 2020/21 Budget, including results achieved in relation to the strategic indicators for the year:

### Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
Identify and advocate for Council's adopted Priority Projects to State and Federal Governments and other relevant stakeholders for funding support.	<p><b>TARGET ACHIEVED</b></p> <p>At the 2 July 2020 Council Meeting, Council adopted the following 2020/21 Priority Projects for advocating to the State and Federal Governments for funding:</p> <ol style="list-style-type: none"> <li>1. Korumburra Streetscape Project; and</li> <li>2. Leongatha Early Years Learning Centre Project.</li> </ol>
<p><i>Infrastructure Delivery and Economy, Arts and Tourism</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p>Updates on the Projects and funding are outlined below:</p> <p><b>Korumburra Streetscape Project</b></p> <p>The Project includes three distinct components being Upper Commercial Street (Railway Station Precinct), Little Commercial Street Precinct, and Commercial Street.</p> <p><i>Upper Commercial Street</i></p> <p>This component involves the construction of a new carpark comprising of at least 30 new parking spaces with associated access and infrastructure in the Korumburra Railway Station Precinct. Designs are currently being developed with works anticipated to commence in the first half of 2021/22.</p> <p>Total cost for this component is estimated to be \$700,000 with funding advocated and secured for \$450,000 as part of the Federal Government's <i>Local Roads and Community Infrastructure Program</i>.</p>




## Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
continued...	<i>Little Commercial Street Precinct and Commercial Street</i>
<i>Infrastructure Delivery and Economy, Arts and Tourism</i>	<p>During 2019/20, an application to the Victorian Government's <i>Community Infrastructure Loan Scheme</i> for \$5 million was approved for the next two components being Little Commercial Street Precinct and Commercial Street between Bridge Street and Radovick Street.</p> <p><i>Little Commercial Street Precinct Component</i></p> <p>In March 2021, Council announced the purchase of the 'Top of the Town' site in Korumburra, which has been secured to help facilitate traffic movements and parking arrangements around the development of the <i>Korumburra Community Hub</i>. The design has been well progressed in preparation for construction in the 2021/22 financial year.</p> <p><i>Commercial Street Component</i></p> <p>The detailed designs for this final component will be developed following the design of Little Commercial Street. Although the loan has been approved, it was identified that there is further opportunity to seek additional funding towards the Commercial Street component of the Project in 2020/21. However, an appropriate program has not been identified. It is recommended that this component remains as a Priority Project for 2021/22.</p> <p><b><i>Leongatha Early Learning Centre Project</i></b></p> <p>The <i>Leongatha Early Learning Centre</i> will address the demand for children's services within the Shire, particularly with the introduction of three-year-old Kindergarten. An application of \$2,379,921 has been secured through the Victorian Government's <i>Department of Education and Training - Building Blocks - Capacity Building Grant Funding Program</i>.</p> <p>Council has committed \$3 million in the budget for this \$5.38 million Project. The Project is in the Detailed Design Phase with construction anticipated to commence in the first half of 2021/22 financial year and an completion date of late 2022.</p>



# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Draft Economic Development Strategy presented to Council for adoption.</p>	<p><b>TARGET ACHIEVED</b></p>
<p><i>Economy, Arts and Tourism</i></p>	
<p><b>Action/Target</b></p>	
<p>by 30 June 2021</p>	
	<p>The <i>Proposed Draft Economy Development 2021-2031 Strategy</i> (the Strategy) was presented to Council for adoption at the 23 June 2021 Council Meeting. The Draft Strategy was placed on public exhibition for an additional two weeks. The final Strategy was on schedule to be adopted at the 21 July 2021 Council Meeting.</p> <p>A comprehensive Strategy development process was conducted which included:</p> <ul style="list-style-type: none"> <li>• Appointment of the <i>Economic Development Strategy Advisory Group</i> which included seven independent members to oversee the Strategy's development.</li> <li>• Extensive research on the South Gippsland economy and best practice in Strategy development.</li> <li>• An extensive consultation and engagement program which commenced in March 2021 and concluded in May 2021. From this nearly 400 pieces of feedback were collected via various communication methods such as face-to-face, focus groups, surveys and an online engagement tool.</li> <li>• Discussions with peak bodies, government agencies and strategic partners.</li> </ul> <p>The Strategy is action focused and the implementation process will commence during the 2021/22 Financial Year with the development of an annual Action Plan and overseen by the <i>Economic Development Strategy Advisory Group</i>.</p>

# Council Plan - 2020/21 Annual Initiatives

## Indicator

Draft Tourism Strategy presented to Council for adoption.

*Economy, Arts and Tourism*

## Action/Target

by 30 June 2021



## Progress Comment

### TARGET ACHIEVED

The *Proposed Draft Visitor Economy 2021-2031 Strategy* (the Strategy) was presented to Council for adoption at the 23 June 2021 Council Meeting. The Draft Strategy was placed on public exhibition for an additional two weeks. The final Strategy was on schedule to be adopted at the 21 July 2021 Council Meeting.

A comprehensive Strategy development process was conducted which included:

- Appointment of the *Visitor Economy Strategy Advisory Group* which included seven independent members to oversee the Strategy's development.
- Extensive research on the South Gippsland economy and best practice in Strategy development.
- An extensive consultation and engagement program which commenced in March 2021 and concluded in May 2021. From this nearly 400 pieces of feedback were collected via various communication methods such as face-to-face, focus groups, surveys and an online engagement tool.
- Discussions with peak bodies, government agencies and strategic partners.

The Strategy is action focused and the implementation process will commence during the 2021/22 financial year with the development of an annual Action Plan and overseen by the *Visitor Economy Strategy Advisory Group*.

The Foster Structure Plan Refresh draft presented to Council for adoption.

*Planning*

## Action/Target

by 30 June 2021

### TARGET PROGRESSED

Work has progressed on the preparation of the *Foster Structure Plan Refresh* and it is intended to recommence in early 2022 when staffing resources become available.

Council has appointed a consultant to undertake a land supply and demand analysis which will assess current and likely future land demand requirements in Foster. This information will form a base point from which to prepare the *Foster Structure Plan*.

# SERVICES FUNDED



The following statement provides information in relation to the services funded in the 2020/21 Budget that supports Strategic Objective 2 and the persons or sections of the business area responsible.

Business Area	Description of Services provided	Net Cost
		Actual \$000 Budget \$000 Variance \$000
Development Services Management	The Development Services Directorate includes:	\$274
	• Planning;	\$296
	• Regulatory Services; and	
	• Economic Development and Tourism.	\$22
	Together these Departments provide strategic policy advice to Council to inform decisions, undertake regional advocacy to facilitate planned growth in the Shire, education and enforcement activities and implement the strategic directions set by Council relevant to the Directorate.	
	<i>Note: Structure realignment occurred in late October 2020 for Regulatory Services teams which is renamed to Community Safety and Economic Development and Tourism is renamed Economy, Arts and Tourism. Planning Department was also renamed Planning Services. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i>	
Planning Department	The Planning Department provides statutory, strategic and social planning services to the community to provide for development, land use and community policy.	\$344
		\$912
	The Department actively supports planned growth across the municipality, protects and enhances the unique identity and liveability of local districts and advocates to other levels of government and stakeholders for developments that will help the Shire prosper.	\$568
	<i>Note: Planning Department was renamed Planning Services</i>	
	<i>Note: Additional income received of \$159,000 in statutory fees and fines and \$319,000 in Open Space Contributions compared to 2020/21 budget.</i>	

Business Area	Description of Services provided	Net Cost
		Actual \$000 Budget \$000 Variance \$000
Economic Development and Tourism	The Economic Development and Tourism Department strategically plans for and facilitates economic expansion and investment within the Shire by actively promoting and supporting sustainable industry, business and tourism development.	\$1,060
	The Department manages Council's Coal Creek Community Park and Museum which aims to enhance the liveability of the Shire as the largest cultural heritage site in South Gippsland.	\$1,033
	The Department overseas Council's Caravan Parks at Yanakie and Port Welshpool.	
	<i>Note: this Department Budget includes Caravan Park management.</i> <i>Note: Structure realignment occurred in late October 2020 for Economic Development and Tourism which is renamed to Economy, Arts and Tourism. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i>	<hr/> (\$27)
Regulatory Services	The Regulatory Services Department is responsible for administration, education and enforcement of varied Victorian legislation along with Council's General Local Law. Services include:	\$634
	<ul style="list-style-type: none"> <li>• Animal management;</li> <li>• Building and planning enforcement;</li> <li>• Fire prevention;</li> <li>• Local Law development and enforcement;</li> <li>• Litter prevention;</li> <li>• Permits for places of public entertainment;</li> <li>• Parking control;</li> <li>• Registration of food, health and accommodation premises;</li> <li>• Report and consent applications for new building work;</li> <li>• School crossings; and</li> <li>• Wastewater.</li> </ul> <i>Note: Structure realignment occurred in late October 2020 for Regulatory Services teams which is renamed to Community Safety. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i>	<hr/> \$574 (\$60)

# SERVICES PERFORMANCE INDICATORS



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

Local Government Service Performance Indicators					
Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
STATUTORY PLANNING					Service delivery and permit approval times has been impacted due to a 30 per cent increase in the number of planning applications received compared to the previous year. Resourcing limitations occurring throughout the year also had a negative impact on the result.
Timeliness					
Time taken to decide planning applications	69	72	77	83	
[The median number of days between receipt of a planning application and a decision on the application]					
Service standard					Planning application processing times have taken longer than anticipated due to competing projects, increased planning applications and resourcing limitations throughout the year.
Planning applications decided within required time frames	77%	79%	55%	48%	
[(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] x 100					
Service cost					Lower cost per application due to an increase in the number of VicSmart and minor applications.
Cost of statutory planning service	\$2,229	\$1,773	\$1,748	\$1,385	
[Direct cost of the statutory planning service / Number of planning applications received]					
Decision Making					Five of the ten Planning Permits that were appealed to VCAT had decisions that were upheld (supported).
Council planning decisions upheld at VCAT	80%	80%	71%	50%	
[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] x 100					



# 3

# Integrated Services and Infrastructure

enhance liveability



## Our Vision

*To provide the community with services and infrastructure that enhance liveability and environmental sustainability for current and future generations.*

*To establish a long term program for capital works, in conversation with the community.*

2020/21

## Strategies

3.1

Establish a sustainable long-term program for capital works.

3.2

Optimise the life-cycle of Council's infrastructure through the use of predictive modelling to develop the asset renewal program.

3.3

Deliver services that enhance liveability and environmental sustainability for current and future generations.

## Services Provided

- Assets and Infrastructure provision
- Drain and Storm Water Management
- Footpath and Bicycle Paths
- Local Laws and Animal Management
- Emergency Management
- Parks and Gardens Maintenance
- Road Maintenance and Safety
- Sustainable Environmental Management and Education
- Waste and Recycling Collection and Treatment



## Adopted Plans and Strategies

- Aquatic Strategy
- Asset Management Strategy
- Blueprint for Social Community Infrastructure
- Community Infrastructure Plans (Korumburra, Leongatha, Mirboo North, Foster, Nyora and Tarwin Valley/Venus Bay)
- Infrastructure Design Manual
- Municipal Emergency Management Plans
- Paths and Trails Strategy
- Recreation Strategy
- Road Management Plan
- Road Safety Strategy
- Roadside Management Plan and Manual
- Sustainability Strategy
- Tennis Facility Plan
- Tree Management Plan
- Waste Management Strategy

# MEASURES OF SUCCESS



## Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>CONTROL MEASURE</i></p> <p>The sustainability and improvement of Council's infrastructure will be measured by the percentage of completed capital works projects due for delivery in the current financial year, excluding grant funding reliant projects with funding pending.</p> <p><i>Infrastructure Delivery</i></p> <p><b>Action/Target</b></p> <p>70 per cent or greater completion each year</p>	<p><b>TARGET ACHIEVED</b></p> <p>Of the total Capital Works Program, 95 per cent was completed for the 2020/21 financial year.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<i>CONTROL MEASURE</i>	<b>TARGET ACHIEVED</b>

The sustainability and improvement of Council's infrastructure will be measured by the renewal projects returning the condition of the asset back to 'as new' condition. (Level 1 condition score)

**COUNCIL RESULT = 100%**

100 per cent of renewal projects returning the condition of the asset back to 'as new' was achieved for the 2020/21 financial year.

*Infrastructure Delivery*

## Action/Target

100 per cent of renewal projects to 'as new' condition

<i>CONTROL MEASURE</i>	<b>TARGET SIGNIFICANTLY PROGRESSED</b>
------------------------	--

Optimising the life-cycle of Council's infrastructure will be measured by establishing asset management baselines from predictive modelling to develop the asset renewal program.

The Assetic Predictor Modelling software has been implemented to improve the development of asset renewal programs and long-term financial asset planning.

The first draft of the 25-year Capital Works Program was generated by the Predictor and passed the two rounds of user acceptance testing. A 25-year Capital Works Program has since been produced and will form the first draft of the 10-year Capital Works Program budget.

*Infrastructure Delivery*

## Action/Target

Baseline established for Roads and Buildings, and funding requirements reviewed against long-term financial plans by June 2021

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# COUNCIL PLAN

## 2020/21 Annual Initiatives

The following statement reviews the performance of Council against the Council Plan identified in the 2020/21 Budget, including results achieved in relation to the strategic indicators for the year:

### Council Plan - 2020/21 Annual Initiatives

#### Indicator

Great Southern Rail Trail extension between Leongatha and Korumburra completed.

*Infrastructure Delivery (Priority Project)*

#### Action/Target

by 30 June 2021

This Project secured \$500,000 in Victorian Government's Regional Infrastructure Fund.

#### Progress Comment

#### TARGET SIGNIFICANTLY PROGRESSED

Bridge design and construct contract awarded and approved at the February 2021 Council Meeting. Design and construction/rehabilitation of eight rail bridges, works include:

- The design of eight pedestrian bridges along the rail alignment.
- Rehabilitation of existing sub-structure, new bridge deck and barriers will be carried out on six of the eight existing rail bridges.
- Two of the eight bridges will be demolished and replaced with new bridges.

These onsite works commenced for both the trail construction and bridgeworks in late March 2021 and are well progressed. The Leongatha to Korumburra section of the trail is expected to be completed by late 2021.

Mirboo North Swimming Pool re-development completed.

*Infrastructure Delivery (Priority Project)*

#### Action/Target

by 31 December 2020

This Project secured \$600,000 in Federal Government funding and \$3.6 million from the State Government Community Sport Infrastructure Loan Scheme.

#### TARGET SIGNIFICANTLY PROGRESSED

The structure of the new 25 metre long, eight lane wide swimming pool is complete. Establishment of the new pavilion structure and all pool, concourse and ramp concrete works have been completed.

The main outstanding activity is the completion of tiling and filling and commissioning the pool, as well as minor carpark works and completion of landscaping and fencing. These are expected to be completed in early 2020/21 financial year.

Council did not meet the 31 December 2020 target, however, the Project was well progressed at this point in time. Significant delays have occurred due to COVID-19 Pandemic restrictions and cold/wet weather conditions.



# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Korumburra streetscape re-development commenced.</p> <p><i>Infrastructure Delivery (Priority Project)</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p> <p>This Project secured \$5 million in State Government Community Infrastructure Loans Scheme and \$450,000 in Federal Government funding for the Upper Commercial Street component.</p>	<p><b>TARGET NOT ACHIEVED</b></p> <p>The commencement of the Korumburra streetscape re-development has not yet commenced however, design works and progress has been made on the Project.</p> <p>Designs have been developed for the construction of a new 30 parking spaces with associated access and infrastructure to the <i>Korumburra Railway Station Precinct</i> via Upper Commercial Street. The works for this component is anticipated to commence in 2021/22.</p> <p>Little Commercial Street design is well progressed in preparation for construction in 2021/22. Acquisition of 'Top of the Town' site in Korumburra is complete and demolition is expected to occur by August 2021. This acquisition aims to improve traffic movement around the development of the <i>Korumburra Hub</i>.</p> <p>Commercial Street detailed designs will follow after Upper and Little Commercial Street Projects.</p>
<p>Korumburra Hub development significantly progressed.</p> <p><i>Infrastructure Delivery and Infrastructure Planning (Priority Project)</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET NOT ACHIEVED</b></p> <p>Detailed design of the <i>Korumburra Hub</i> and documentation has been completed. The tender process for the <i>Korumburra Hub</i> was originally programmed for October 2020 but significantly delayed by an outcome of a Victorian Civil and Administrative Tribunal (VCAT) appeal to the Planning Permit. The VCAT matter was settled at the end of March 2021 and the Project was able to proceed.</p> <p>Tender documentation for construction was advertised on 15 May 2021 and closed on 22 June 2021. It is expected that a contract will be awarded at the 21 July 2021 Council Meeting.</p> <p>Community consultation also took place for the official name for the <i>Korumburra Hub</i> from March 2021 to 2 April 2021. Submitted names were evaluated against naming criteria and the short-listed names were advertised via a public voting poll to the wider community via Council's website, social media and newspapers in June 2021.</p>



# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Bair Street Leongatha streetscape significantly progressed (due for completion December 2021).</p> <p><i>Infrastructure Delivery (Priority Project)</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p> <p><b>This Project secured \$4.2 million in Federal and State Government funding and Council has committed \$1.2 million.</b></p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>The Bair Street Leongatha streetscape is approaching completion as part of the <i>Revitalisation Project</i> for the town. The first phase of the Project included the replacement of the sewer main, relocation of water mains and construction of underground power.</p> <p>The second phase, includes upgrades to the streetscape in which works are well progressed. The civil works are being undertaken in sections as follows:</p> <ul style="list-style-type: none"> <li>• McCartin Street and Bair Street north of Lyon Street – completed 2020.</li> <li>• Church Street and Bair Street south of Church Street – completed 2021.</li> <li>• Bair Street between Lyon Street and Church Street – completed 2021.</li> <li>• Lyon Street and Gollers Lane – works to occur in July 2021.</li> </ul> <p>Final sealing, signage and line marking are to occur early in 2021/22. After this completion, landscaping works, irrigation and street furniture installation will commence with an expected completion date by September 2021.</p>
<p>Commence planning and advocacy to address kindergarten capacity shortfalls identified in the <i>Early Years Infrastructure Strategy</i>, and inclusion of requirements in the '<i>Blueprint for Social Community Infrastructure</i>'.</p> <p><i>Community Services and Infrastructure Planning</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>The <i>Early Years Infrastructure Strategy</i> was scheduled to be presented to Council by June 2021 it is now anticipated that the review will be completed by an independent consultant by mid-July 2021 in time for adoption at the 18 August 2021 Council Meeting.</p> <p>The Strategy will identify demand drivers, measures to increase capacity and priorities for future investment in early years infrastructure. Council is also working closely with the Victorian Government's <i>Department of Education and Training</i> to identify demand and capacity forecasts for the next 15 years.</p> <p>The <i>Leongatha Early Learning Centre Project</i> is entering the Detailed Design Phase and is on-track for construction to commence in the first half of 2021/22 financial year.</p>

# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
Commence planning for improved integrated public transport outcomes, in consultation with surrounding Shires and the State Government, with the intent to create public transport services between rural towns.	<b>TARGET ACHIEVED</b>
<i>Economy, Arts and Tourism</i>	Planning commenced for improved public transport outcomes which will continue into 2021/22 Financial Year.
<b>Action/Target</b>	This included discussions with the <i>Victorian Department of Transport</i> and Bass Coast Shire Council regarding potential options, which included:
by 30 June 2021	<ul style="list-style-type: none"> <li>• Provision of a further year of support in partnership with Bass Coast Shire Council of the <i>Vocational Transport Scheme</i> to assist apprentices to access training in South Gippsland, so that longer-term solutions can be implemented;</li> <li>• Council's submission to the <i>Victorian Government's Draft 30 Year Infrastructure Strategy</i> including discussion of the issue; and</li> <li>• The development and commencement of a <i>South Gippsland Integrated Transport Overview</i> in cooperation with the <i>Victorian Department of Transport</i>.</li> </ul>
Review and update the Sustainability Strategy and present to Council for adoption.	<b>TARGET ACHIEVED</b>
<i>Infrastructure Planning</i>	The <i>Environmental Sustainability Strategy Framework</i> was adopted at the 23 June 2021 Council Meeting. This new high-level Strategy Framework provides a context and broad platform for environmental sustainability and has three over-arching and interrelated areas:
<b>Action/Target</b>	<ol style="list-style-type: none"> <li>1. Climate Change;</li> <li>2. Waste Management and Resource recovery; and</li> <li>3. Sustainable Land use and Biodiversity.</li> </ol>
by 30 June 2021	
<i>Note: Target date for adoption revised to 30 June 2021 as review of the Strategy being carried out in conjunction with the development of the Capital Works Program Policy (C85) and the Social Community and Economic Infrastructure Blueprint.</i>	

# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Establish a Capital Works Program budgeting Policy to be presented to Council for adoption.</p> <p><i>Infrastructure Planning</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>Council adopted a new <i>Capital Works Policy (C85)</i> at the 19 May 2021 Council Meeting. The Policy follows the standards as set out in the <i>Project Management Framework</i> and the <i>Social Community and Economic Infrastructure Blueprint</i>.</p> <p>Council's <i>Community Infrastructure Advisory Committee</i> reviewed and provided input into the development of the Policy before it was presented to Council.</p>
<p>Review and update the 'Social Community Infrastructure, Blueprint' and present to Council for adoption.</p> <p><i>Infrastructure Planning</i></p> <p><b>Action/Target</b></p> <p>by 31 March 2021</p> <p><i>Note: Target date for adoption revised to 30 June 2021 as review being carried out in conjunction with the development of the Capital Works Program Policy.</i></p> <p><i>Social Community Infrastructure Blueprint renamed to Social Community and Economic Infrastructure Blueprint.</i></p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>An extensive review of the <i>Social Community Infrastructure Blueprint</i> took place and was renamed to the <i>Community and Economic Infrastructure Blueprint 2021-2036</i>. The Blueprint was on schedule to be presented at the 18 August 2021 Council Meeting.</p> <p>Council's <i>Community Infrastructure Advisory Committee</i> reviewed the Blueprint's principles and processes. A comprehensive explanation on capital works, budgets and asset management was also provided to the Advisory Group.</p> <p>This Blueprint establishes objectives, guiding principles, and nominates infrastructure standards and outlines upgrades, expansions, and new infrastructure projects. It is a guiding document that will guide Council and the community over a 15-year period from 2021 to 2036.</p>
<p>Establish baselines from predictive modelling for roads (by 30 June 2021) and buildings (by 31 December 2021), and review funding requirements against the long-term financial plan.</p> <p><i>Infrastructure Planning</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>Council undertook condition data surveys of Council's road assets. Once the data was collected, the Assetic Predictor Modelling Software assisted in setting a current baseline for Council's road infrastructure to assess against future planning.</p> <p>Review of the condition of buildings is to be conducted in the next financial year with a target date for completion by December 2021.</p>

# SERVICES FUNDED



The following statement provides information in relation to the services funded in the 2020/21 Budget that supports Strategic Objective 3 and the persons or sections of the business area responsible.

Business Area	Description of Services provided	Net Cost
		Actual \$000 Budget \$000 Variance \$000
Infrastructure Management	The Infrastructure Directorate includes the following Departments:	\$290
	<ul style="list-style-type: none"> <li>Infrastructure Planning;</li> <li>Infrastructure Delivery; and</li> <li>Operations</li> </ul> <p>Together these Departments provide strategic policy advice to inform decisions, prepare and deliver the Capital Works Program and Asset Management Plans, along with maintaining infrastructure, parks, gardens and public places.</p> <p><i>Note: Structure realignment occurred in late October 2020 for Infrastructure Management Directorate which is renamed to Sustainable Infrastructure. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget. Also note, that the Operations Department has been split into two departments – Infrastructure Maintenance and Open Space and Environment.</i></p>	\$287 (\$3)
Infrastructure Planning	<p>The Infrastructure Planning Department assists Council in achieving the objectives of its strategies and plans by providing services that contribute to a closely connected and engaged community.</p> <p>Services include managing Council's property portfolio (acquisition, disposal, leasing, and licensing of property), planning for and managing Council's building and recreational assets, managing waste disposal services, and promotion of a sustainable environment and solutions.</p> <p>The teams support and partner with a strong volunteer base to deliver a variety of community projects and education programs for all age groups and abilities.</p> <p><i>Note: revenue of \$6,184 remains fairly consistent when comparing to \$6,136 budget however, there are many variances that make up the difference when comparing budget versus actual. Key areas that have underspent include the operation of Aquatic Facilities \$220,000, Environmental Services \$122,000K, Buildings Planning \$43,000K and Civil Asset Planning \$181,000K. Overspent areas included Landfill Operations \$108,000 which was not budgeted.</i></p>	\$6,487 \$6,930 \$443

Business Area	Description of Services provided	Net Cost Actual \$000 Budget \$000
		Variance \$000
Infrastructure Delivery	The Infrastructure Delivery Department assists Council in achieving the objectives of its strategies and plans by planning for and providing integrated services and community infrastructure.	\$2,902
		\$3,098
	Services include coordinating and delivering Council's civil works design program for community infrastructure, determining future capital / community infrastructure projects for inclusion in the 15 Year Capital Works Program, and delivery of the annual Capital Works Program including community infrastructure projects (Major Capital Projects).	\$196
	The Department also delivers a range of services including contract management, preparing funding submissions for community projects, issuing engineering conditions for developments referred from planning, and managing Council's infrastructure assets which incorporates the collection, management, and analysis of asset data.	
Infrastructure Operations	The Operations Department assists Council in achieving the objectives of its strategies and plans by planning for and providing integrated services and infrastructure in order to meet current and future needs of the community.	\$19,720
		\$19,264
	Services include delivering maintenance, construction, replacements and capital programs for roads, streets, drainage, culverts, bridges, parks, gardens, and playgrounds.	(\$456)
	The Department is also responsible for cleaning Council owned and managed public toilets and BBQ amenities, workshop operations, fleet and plant and the after-hours operations call out service.	
	All services are to be in accordance with the Road Management Act, Road Management Plan, and associated Asset Management Plans.	
	<i>Note: Structure realignment occurred in late October 2020 for the Operations Department and has been split into two departments – Infrastructure Maintenance and Open Space and Environment. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i>	



# SERVICES PERFORMANCE INDICATORS



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

Local Government Service Performance Indicators					
Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>WASTE COLLECTION</b>					There has been a slight increase in the number of customer requests received due primarily to an increase in damaged garbage bins (increase of 90 requests from the previous year).
<b>Satisfaction</b>					
<i>Kerbside bin collection requests</i>  [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000	87	91	92	100	
<b>Service standard</b>					Improved contractor performance has resulted in a reduced number of reported missed garbage and recycling bin collections, compared to previous years.
<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] x 10,000	6	7	7	5	
<b>Service cost</b>					The increased costs per household for kerbside garbage collection is due to annual contract price increases and increased waste disposal costs.
<i>Cost of kerbside garbage bin collection service</i>  [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$126	\$131	\$138	\$141	
<b>Service Cost</b>					The increased costs per household for kerbside recycling collection is due to annual contract price increases and increased recycling sorting costs.
<i>Cost of kerbside recyclables collection service</i>  [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$47	\$65	\$65	\$75	
<b>Waste diversion</b>					Council continues to remain consistent year on year with waste diverted from landfill by providing services that suit the needs of the Shire.
<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] x 100	51%	52%	53%	52%	

## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>ROADS</b>					In 2019/20, improvements were made in data capturing for road requests whereby requests are now identified if they are related to a sealed or unsealed road. The number of requests this year decreased by 16 per cent compared to the previous year.
<b>Satisfaction of use</b>	19	52	121	102	
<i>Sealed local road requests</i>  [Number of sealed local road requests / Kilometres of sealed local roads] x 100					
<i>Note: in 2017/18 and 2018/19 the length of sealed road included the length of kerb and channel. As per the LGPRF guidelines, kerb and channel is no longer included in this measurement. This has resulted in a decline in road length by more than 200 kilometres and skews the comparison.</i>					
<b>Condition</b>					Improvements in the capturing of asset data in recent years has resulted in improved accuracy to the databases and the information available to Council officers. The improvement in condition standard reflects the focus of spending on renewal of assets and targeted maintenance expenditure on isolated failures to maintain current assets.
<i>Sealed local roads maintained to condition standards</i>	88%	95%	93%	98%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads ] x 100					
<b>Service cost</b>					The per square metre rate incorporates more urban reconstruction works this year than in previous years. Urban works also incorporate kerb and channel works, footpath replacement, along with replacement or upgrade of underground storm water assets. This has resulted in a higher rate for reconstruction of sealed roads.
<i>Cost of sealed road reconstruction</i>	\$44	\$44	\$38	\$74	
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
<b>Service cost</b>					Greater use of SAM (Strain Alleviating Membrane) seals was used this year due to the relatively poor and cracked state of roads that required resealing under the Program. SAM seals are dearer per square metre than traditional C170 type seals. A SAM seal provides a relatively thick membrane of a robust binder that absorbs movement from a weak or cracked underlying layer.
<i>Cost of sealed local road resealing</i>	\$4	\$5	\$3.40	\$3.9	
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
<b>Satisfaction</b>					The <i>Community Satisfaction Survey</i> demonstrated that residents main concern was the condition of the sealed road network. Preliminary condition data has indicated that the sealed network has decreased in condition but is still within service levels. A significant contributor to the decline was the failure of a rock product that was used as part of the reseal program. Rectification works have been undertaken to address the impact of this product along with a review of the sealed road drainage program.
<i>Satisfaction with sealed local roads</i>	46	48	47	43	
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					

## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>ANIMAL MANAGEMENT</b>					Animal management requests were impacted due to the Victorian Government COVID-19 Pandemic restrictions, with limited payment options due to office closure, and not being able to attend properties in person.
<b>Timeliness</b>					
Time taken to action animal management requests					
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.9	1.6	1.7	2.0	
<b>Service standard</b>					The overall number of animals collected and reclaimed is lower compared to the previous year, however, as a comparison the percentage remains comparable. COVID-19 Pandemic impacts have played an influencing part on the collection of animals.
Animals reclaimed	60%	58%	62%	61%	
[Number of animals reclaimed / Number of animals collected] x 100					
<b>Service standard</b>					No material variation
Animals rehomed	New in 2020	New in 2020	31%	31%	
[Number of animals rehomed / Number of animals collected] x 100					
<b>Service cost</b>					No material variation
Cost of animal management service per population	New in 2020	New in 2020	\$17	\$17	
[Direct cost of the animal management service / Municipal Population]					
<b>Health and safety</b>					No material variation
Animal management prosecutions	New in 2020	New in 2020	100%	100%	
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					
<b>Retired Measures</b>					No material variation
<b>Animal management</b>					
<b>Service cost</b>					
Cost of animal management service	\$59	\$65	Retired in 2020	Retired in 2020	Note: indicator is discontinued from 1 July 2019 and has been replaced by 'AM6 - Cost of animal management service per population' which is now based on municipal population.
[Direct cost of animal management service / Number of registered animals]					
<b>Health and safety</b>					
Animal management prosecutions					No material variation
[Number of successful animal management prosecutions]	19	9	Retired in 2020	Retired in 2020	

## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>FOOD SAFETY</b>					In the past 12 months, there were four food complaints that were responded to within 24 hours. Improvements in the complaint handling process conducted in 2020, has continued to prove that complaints are responded to in appropriate timeframes.
<b>Timeliness</b>					
<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]	2	2.5	1	1	
<b>Service standard</b>					The Environmental Health (EH) Team at Council were severely impacted throughout 2020 due to the COVID-19 Pandemic. The Team operated with one key resource short throughout the year, with the remaining two EH Officer's primarily diverted to managing COVID-19 related issues in our community, including internal stakeholders, food & health businesses, and the general community. As the Pandemic evolved, so did community demands and expectations  In addition one EH Officer provided professional input into Council's Business Recovery Team (BRT) to support the organisation's ongoing Pandemic response. The overall impact of the resource drain significantly reduced the Service Standards results for Food Safety Assessments.
<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 <i>Food Act 1984</i> / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x 100	85%	77%	80%	28%	
<b>Service cost</b>					
<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 <i>Food Act 1984</i> ]	\$457	\$500	\$436	\$459	Cost per premises has remained reasonably consistent, however Council did vary premises registration fees as part of Council's COVID-19 business support package, which has been a cost to the organisation.
<b>Health and safety</b>					No material variation
<i>Critical and major non-compliance outcome 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 outcome notifications and major non-compliance notifications about a food premises] x 100	100%	100%	100%	100%	

# Customer Focused 4 Organisation

accountable decision making



## Our Vision

*To be recognised as a customer focused organisation, aligning Council services to changing community needs.*

## 2020/21 Strategies

4.1 Engage the community in developing significant strategic plans and continued involvement in decision making.

4.2 Review and implement changes to Council plans, policies and practices to align with the new Local Government Act and the Commission of Inquiry recommendations.

4.3 Provide meaningful and timely communication and quality customer service.

4.4 Build on the organisation's leadership, governance, financial sustainability, shared values and cultural capabilities.

## Services Provided

- Communications and Community Relations
- Corporate Services and Reporting
- Council Website
- Customer Service and Feedback
- Finance, Risk and Procurement
- Governance and Council Meetings
- Innovation and Technology
- Limited Services After Hours
- People and Culture - Staff Development
- Property Rating and Collection Services



## Adopted Plans and Strategies

- Communications Strategy
- Council Plan
- Digital Strategy
- Good Governance Framework
- Long Term Financial Strategy
- Rating Strategy
- Strategic Resource Plan



# MEASURES OF SUCCESS



## Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>CONTROL MEASURE</i></p> <p>Measure customer satisfaction with community consultation and engagement.</p> <p><i>Community Information &amp; Advocacy</i></p> <p><b>Action/Target</b></p> <p>Prepare a comprehensive review of the <i>Community Engagement Policy</i> by 1 March 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>The <i>Community Engagement Policy</i> was adopted by Council at the 24 February 2021 Council Meeting and met the legislated timeframe of 1 March 2021.</p> <p>Public consultation for review and feedback took place from 18 November to 2 December 2020. Community members had an opportunity to review the draft Policy through an OurSay online forum and answer questions on how they wish to be engaged with in the future. The research and survey also highlighted that 56 per cent of the respondents rated Council's current engagement efforts as three or higher (out of five).</p> <p>During the community consultation process, 61 people completed the online survey and one written submission was received. The feedback was considered in the development of the Policy which is available on Council's website. The feedback received will also be utilised by Council staff when developing future community engagement activities to ensure they meet community expectations.</p>
<p><b>Action/Target</b></p> <p>Aim for a result of equal to or greater than 50 points in the annual <i>Customer Satisfaction Survey</i> results by June 2024</p> <p><i>Note: LGPRF Indicator</i></p>	<p><b>TARGET ACHIEVED</b></p> <p>Council increased the result from 41 in 2019/20 to 44 points out of 100 in the 2020/21 <i>Customer Satisfaction Survey</i>, in relation to the key question on <i>Community Consultation - Satisfaction with Council's consultation and engagement</i>.</p> <p>This is demonstrating that Council is improving towards the target of 50 points by June 2024, in this indicator.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>CONTROL MEASURE</i></p> <p>Community satisfaction with Council's performance in Customer Service.</p> <p><i>Community Information &amp; Advocacy</i></p> <p><b>Action/Target</b></p> <p>Equal to or greater than the average annual Customer Service result for large rural councils by June 2024</p> <p><i>Note: Local Government Community Satisfaction Survey</i></p>	<p><b>TARGET NOT ACHIEVED</b></p> <p>Council decreased the result from 66 in 2019/20 to 56 points out of 100 in the 2020/21 <i>Customer Satisfaction Survey</i>, in relation to the key question on <i>Customer Service - overall performance across the organisation</i>. This compares to the large rural council result of 68 points out of 100.</p> <p>Council's <i>Customer First Project</i>, designed to improve the quality of service to customers, should position Council to improve its Customer Service result over the coming years to achieve the target by 2024.</p>
<p><i>INFLUENCE MEASURE</i></p> <p>Council continues to actively explore options for delivery of shared services in partnership with other Councils.</p> <p><i>Innovation &amp; Technology</i></p> <p><b>Action/Target</b></p> <p>Progress update reports included in the Organisational Performance Reports</p>	<p><b>TARGET ACHIEVED</b></p> <p>Shared Services options continue to be explored with discussions held with other Councils on options to share services and capabilities. Exploration of sharing technology services and solutions has continued with exploration across three Victorian Councils to understand options in terms of capabilities. Council will continue to explore other options as they arise.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# Council Plan - Measures of Success Indicators

Indicator	Progress Comment
<p><i>CONTROL MEASURE</i></p> <p>All legislated policies and procedures reviewed and adopted.</p> <p><i>Governance - Council Business</i></p> <p><b>Action/Target</b></p> <p>Prepared and adopted in accordance with legislated timelines</p> <p><i>Note: Local Government Community Satisfaction Survey</i></p>	<p><b>TARGET ACHIEVED</b></p> <p>As part of Phase 1, <i>Councillor Support and Expenditure Policy, Governance Rules, Election Period Policy, Public Transparency Policy, Audit and Risk Charter</i> and the revised Committee have all been adopted by the legislated time frame of 1 September 2020. <i>Community Asset Committees</i> have also been established with new Terms of Reference to replace the former Section 86 Committees.</p> <p>As part of Phase 2, <i>Local Law No.2 2020 - Meeting Procedures and Common Seal</i> has been amended, parts rescinded, adopted and gazetted at the 25 November 2020 Council Meeting, following the 26 August 2020 adoption of the <i>Governance Rules</i>.</p> <p>Processes have been updated to reflect the revised requirements for Confidentiality, Conflicts of Interest and Personal Interest Disclosures. Customer service systems and processes are being continually reviewed and considered as part of the <i>Customer First Project</i>.</p> <p>As part of Phase 3, the <i>Community Engagement Policy</i> has been reviewed and adopted at the 24 February 2021 Council Meeting to meet the legislated requirement of 1 March 2021. The <i>Community Engagement Strategy</i> has been reviewed and adopted at the 19 May 2021 Council Meeting.</p> <p>Council's <i>Councillor Gifts, Benefits and Hospitality Policy</i> has had an extensive review and adopted by Council at the 21 April 2021 Council Meeting, to meet the deadline of 24 April 2021 as per the <i>Local Government Act 2020</i>.</p> <p>These documents are available on Council's website.</p>
<p><i>CONTROL MEASURE</i></p> <p>Council meets its legislative requirements for annual financial performance reporting and the Local Government Performance Framework (LGPRF).</p> <p><i>Finance and Governance - Council Business</i></p> <p><b>Action/Target</b></p> <p>Annual Report adopted and unqualified VAGO Audit achieved in accordance with legislative requirements and timelines</p>	<p><b>TARGET ACHIEVED</b></p> <p>The 2019/20 Annual Report including the Report of Operations, Performance and Financial Statements and the LGPRF results were audited by the Victorian Auditor-General's Office (VAGO) and endorsed by Council at the 21 September 2020 Council Meeting. An unqualified VAGO Audit result was achieved.</p> <p>The final 2019/20 Annual Report was sent to the <i>Minister for Local Government</i> by the deadline of 30 September 2020. The 2019/20 Annual Report was placed on public display for a two-week feedback period, prior to final adoption at the 28 October 2020 Council Meeting.</p>

**RESPONSIBILITY DEFINITIONS:** **CONTROL** Actions of Council directly control the outcome result | **INFLUENCE** Council may influence the outcome result but other external factors or partnering activities may impact | **MONITOR** Council has no influence on the outcome result but monitors to assist with future planning and advocacy

# COUNCIL PLAN

## 2020/21 Annual Initiatives

The following statement reviews the performance of Council against the Council Plan identified in the 2020/21 Budget, including results achieved in relation to the strategic indicators for the year:

### Council Plan - 2020/21 Annual Initiatives

#### Indicator

Customer Service requests and complaint handling systems and process enhancements implemented.

*Community Information & Advocacy*

#### Action/Target

by 30 June 2021

#### Progress Comment

#### TARGET ACHIEVED

Customer service systems and processes are being considered as part of the *Customer First Project* (C1 Project). The C1 Project is designed to be a whole-of-organisation program approach that aims to improve the way that Council provide services to the community and aims to address known customer service issues.

A consultation briefing was presented to Council on 14 April 2021. The monitoring of customer service performance at Council's first point of contact with the community, *Customer Satisfaction Survey* data and consultation with the *Customer First Project Reference Group*, has allowed the C1 Project to focus on key aspects. These include:

- Universal mandatory customer service training.
- Revised and improved *Customer Service Charter* that includes service-based delivery commitments.
- Systems improvements to make it easier for customers to deal with Council.
- Process alignments to ensure that customer requests are all dealt with in the same way across the organisation and are not missed.
- Updates to Council's internal *Complaints Handling Policy* and improved processes to ensure that complaints are managed appropriately.
- Ongoing customer service data measurement and reporting.
- The need to embed C1 principles into recruitment and performance management processes.

The second phase of this C1 Project is to focus on training which has been delayed due to the COVID-19 Pandemic and will conclude in the 2021/22 financial year.

← OPENNESS

← TRANSPARENCY

← INTEGRITY



# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Undertake a review and refresh of Council's Website.</p> <p><i>Community Information &amp; Advocacy</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>A number of structural changes on the website have been completed to improve navigation of the site for Council's customers. Council has moved to the process of creating dynamic forms being available on Council's website to further improve and streamline processes for community members to interact with Council online.</p> <p>This work has been expedited to provide better online services for community members, during the COVID-19 Pandemic and will continue to progress further on an ongoing basis.</p>
<p>Undertake a review and update of the Customer Service Charter.</p> <p><i>Community Information &amp; Advocacy</i></p> <p><b>Action/Target</b></p> <p>by 31 December 2020</p>	<p><b>TARGET SIGNIFICANTLY PROGRESSED</b></p> <p>Council's <i>Customer Service Charter</i> has been reviewed and adopted by Council at the 19 May 2021 Council Meeting. <i>The Charter</i> has been established to ensure high standards of customer service and responsiveness are maintained, and to provide clarity to both customers and Council employees about the standards of service that is to be provided.</p> <p>The target date of 31 December 2020 was delayed due to the COVID-19 Pandemic restrictions placed on the Customer Service Department, however, at the point of December 2020, <i>the Charter</i> was significantly developed.</p>
<p>A <i>Service Review Framework</i> and timetable developed and implementation commenced.</p> <p><i>Performance &amp; Innovation</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>Service Reviews as part of the <i>Service Review Framework</i> have been completed for the Planning, People &amp; Culture and Information and Technology Department areas. Implementation of recommendations have either been implemented or are in progress.</p>
<p>Implement a program to better inform our community of the services, projects and activities their rates support.</p> <p><i>Financial Strategy and Community Information &amp; Advocacy</i></p> <p><b>Action/Target</b></p> <p>by 30 June 2021</p>	<p><b>TARGET ACHIEVED</b></p> <p>A brochure was distributed with rates notices explaining the services and projects delivered by Council.</p> <p>Community engagement activities also occurred during the review and planning process of the <i>2021/22 Annual Budget</i> which embeds the strategic, organisational and business planning aspects of the organisation.</p> <p>The process also outlines financial, budget and infrastructure planning preparation as part of the 10-year Financial Plan.</p>



# Council Plan - 2020/21 Annual Initiatives

Indicator	Progress Comment
<p>Finalise and implement South Gippsland Shire Council's <i>Good Governance Framework</i> and report to the Minister for Local Government and the Community on activities achieved.</p>	<p><b>TARGET ACHIEVED</b></p> <p>The adopted <i>Good Governance Framework</i> (Framework) has been implemented by embedding it into Council briefing papers and reports. The alignment between the Council papers and the Framework are allowing gaps in the Framework to be addressed. The completion of various policies and strategies this year have strengthened the governance of the organisation by addressing these gaps.</p>
<p><i>Corporate Planning &amp; Council Business and Chief Executive Office</i></p>	<p>Council reports on the implementation of its <i>Good Governance Framework</i> twice annually. Council adopted the <i>Administrators' Community Update</i> report at the 22 July 2020 Council Meeting. The second report was adopted at the 24 February 2021 Council Meeting in which both reports highlight the action steps made in relation to the <i>Good Governance Framework</i>.</p> <p>Both of these reports are published on Council's website for community members and were submitted to the <i>Minister for Local Government</i>.</p>
<b>Action/Target</b>	<b>TARGET ACHIEVED</b>
by 30 June 2021	<p>Council undertook a review of corporate reporting and timelines against the <i>Local Government Act 2020</i> to ensure Council is compliant with legislative time frames. As per Phase 1 of this Project and the 2020 Act, a number of governance policies were endorsed before the deadline of 1 September 2020. These policies were developed or reviewed, and community consultation was conducted where required</p> <p>These included:</p> <ul style="list-style-type: none"> <li>• Governance Rules (C82)</li> <li>• Public Transparency Policy (C75)</li> <li>• Council Election Period Policy (C30)</li> <li>• Councillor Support and Expenditure Policy (C51)</li> </ul> <p>The <i>Local Law No.2 2020 - Meeting Procedures and Common Seal</i> was revised and adopted at the 25 November 2020 Council Meeting.</p> <p>As part of Phase 2 of this Project, a Councillor Gift Policy was required to be separated from a Staff Gift Policy as per Section 138 of the 2020 Act. Council's <i>Councillor Gifts, Benefits and Hospitality Policy (C01)</i> had a major review and was adopted at the 21 April 2021 Council Meeting.</p> <p>Work continues to review and adopt or revoke various governance policies to ensure the suite of good governance policies are addressing gaps in the <i>Good Governance Framework</i>, or meeting future legislative requirements.</p> <p>A new <i>Councillor Self-Assessment Policy (C84)</i>, along with supporting procedures and survey, were adopted by Council on 19 May 2021 and are in line with contemporary practice.</p>
<p>Governance policies and procedures reviewed and gap analysis completed to assemble a contemporary suite of appropriate policies under the <i>Good Governance Framework</i>.</p>	
<p><i>Corporate Planning &amp; Council Business</i></p>	
<b>Action/Target</b>	
by 30 June 2021	

# Council Plan - 2020/21 Annual Initiatives

## Indicator

## Progress Comment

Implement the required changes legislated and regulated by the new *Local Government Act 2020*, including:

- Budget reviewed and adopted.

*Finance Team*

## TARGET ACHIEVED

Council adopted the *2021/22 Annual Budget* and the *10-year Financial Plan (2021/22 - 2030/31)* at the 23 June 2021 Council Meeting.

## Action/Target

by 30 June 2021

Community consultation was held between 15 April 2021 to 17 May 2021 in line with Council's *Community Engagement Policy* and community engagement principles. The submissions received during this process, contributed to the outcome of the Budget.

- Community Engagement Policy* reviewed and adopted.

*Community Information & Advocacy*

## TARGET ACHIEVED

The *Community Engagement Policy (C06)* has been reviewed and was adopted by Council at the 24 February 2021 Council Meeting.

## Action/Target

by 1 March 2021

- Councillor Expenses Policy* reviewed and adopted.

*Governance - Council Business*

## TARGET ACHIEVED

The *Councillor Support and Expenditure Policy (C51)* has been reviewed and was adopted by Council on 22 July 2020.

## Action/Target

by 1 September 2020

- Governance Rules adopted to replace *Local Law No.2 2020*, including *Election Period Policy*.

*Governance - Council Business*

## TARGET ACHIEVED

Proposed *Governance Rules (C82)* were developed and endorsed by Council at the 22 July 2020 Council Meeting and submissions were sought and considered during the consultation phase.

## Action/Target

by 1 September 2020

The final *Governance Rules (C82)* were adopted by Council at the 26 August 2020 Council Meeting.

# Council Plan - 2020/21 Annual Initiatives

## Indicator

## Progress Comment

Implement the required changes legislated and regulated by the new *Local Government Act 2020*, including:

- *Public Transparency Policy* developed and adopted.

*Governance - Council Business*

## TARGET ACHIEVED

Council developed a new *Public Transparency Policy (C75)* as per Section 57 of the *Local Government Act 2020*. Council adopted this Policy at the 22 July 2020 Council Meeting.

## Action/Target

by 1 September 2020

- *Audit and Risk Committee Charter Policy* adopted.

*Risk & Procurement*

## TARGET ACHIEVED

Council adopted an updated Council's *Audit and Risk Committee Charter (C08)* and appointed members to the *Audit and Risk Committee*, at the 26 August 2020 Council Meeting.

## Action/Target

by 1 September 2020

Digital Strategy - phase one - basic community self-service capability available to the public.

*Innovation & Technology*

## TARGET ACHIEVED

Execution of Council's *Information Technology Strategy* has progressed despite the recent operating environment and constraints experienced due to the COVID-19 Pandemic.

## Action/Target

by 30 June 2021

The technology that operates Council's website has been updated. Work is now underway to develop more online capabilities and opportunities to interact with Council digitally.

Technology enhancements are in progress in relation to updating staff's technology and systems to improve the way in which Council's services are provided.

Council's program of Business Improvements continues, with recent completion of mapping the risk activities across Council and identifying and adopting improvements as the Project has progressed.

Focus will now move to modernisation and simplification of the technology solutions within Council and adoption of recommendations from the recently completed Service Reviews as part of Council's *Service Review Framework*.

# SERVICES FUNDED



The following statement provides information in relation to the services funded in the 2020/21 Budget that supports Strategic Objective 4 and the persons or sections of the business area responsible.

Business Area	Description of Services provided	Net Cost
		Actual \$000 Budget \$000 Variance \$000
Executive Office Management	The Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.	\$424
		\$585
	The Executive Office is accountable for ensuring that Council's objectives for the Council Plan are achieved through the allocation of appropriate resources, the provision of strategic policy and legal advice to Council and the establishment of good governance practices to guide the management of the organisation.	\$161
Finance and Procurement	The Finance Department deliver financial planning, budget management oversight and procurement coordination for the organisation. The Department comprises:	\$3,690
		\$3,682
	<ul style="list-style-type: none"> <li>Accounting includes strategic financial advice, accounting systems and services, management accounting support and financial reporting;</li> <li>Rates and Valuations includes property valuations for rating purposes and administration of rate collection; and</li> <li>Procurement including contract and quotation management.</li> </ul>	(\$8)
	Together the teams improve the financial sustainability of Council by pursuing continuous improvement in processes and procedures, sustainably managing finances and gaining efficiencies through procurement.	
<p><i>Note: Structure realignment occurred in late October 2020 for the Finance and Procurement Department which is renamed to Financial Strategy and exclude Procurement which has moved to Governance. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i></p>		

Business Area	Description of Services provided	Net Cost Actual \$000 Budget \$000
		Variance \$000
Innovation and Technology	The Innovation and Technology Department leads innovation, technology and corporate information management practices.	\$2,822
		\$2,671
	The Department comprises:	\$151
	<ul style="list-style-type: none"> <li>Innovation and Technology, incorporates information technology strategy, policy, planning, process mapping, project development and delivery, systems management and on-going management of hardware and software; and</li> <li>Corporate Information Management incorporates strategy, policies, systems' coordination and operational support to capture, manage and archive corporate records.</li> </ul>	
People and Culture	The People and Culture Department ensure our people are developed and supported so they have the opportunity to deliver services to the best of their ability for the benefit of the community.	\$172
		\$1,014
	The team's contribution to employee and organisation success is achieved through partnerships with Directorates using people and culture processes and systems; developing employee work environment, mindset and culture; providing people and culture expertise in role, work design, staffing, professional development, performance, remuneration, recognition, OHS, return to work, and wellbeing.	\$842
	<p><i>Note: Structure realignment occurred in late October 2020 for the People and Culture department which moved from reporting to the Chief Executive Officer to the Director Performance and Innovation. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i></p> <p><i>Note: Major variance versus 2020/21 budget was grant revenue received as part of the Victorian Government - Working for Victoria Program of \$1.3 million.</i></p>	
Community Information	The Community Information Department plays a pivotal role in raising community awareness of Council services and strategic directions. It creates a working interface between Council, Council Departments and the community through customer services, media management, publishing material, social media, website management and internal liaison.	\$866
		\$830
		(\$36)
	<p><i>Note: Structure realignment occurred in late October 2020 for the Community Information team which is renamed to Customer Information and Advocacy. For reporting purposes this budget has remained in its original position as per 2020/21 Annual Budget.</i></p>	



# SERVICES PERFORMANCE INDICATORS



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

Local Government Service Performance Indicators					
Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>GOVERNANCE</b>					Twenty-five per cent of all Council resolutions were in closed session. The vast majority of these closed matters (61 per cent) were commercial contracts. Other matters that were closed were personal information or information that would prejudice Council's position in commercial negotiations.
<b>Transparency</b>					
<i>Council decisions made at meetings closed to the public</i>  [Number of Council resolutions made at ordinary or special meetings of Council, or at meeting 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] x 100	4%	17%	15%	25%	
<b>Consultation and engagement</b>					Community consultation and principles have been reviewed to ensure Council is engaging appropriately with community members. The outcome demonstrates an improvement in this area compared to the large decline in results in 2019.
<i>Satisfaction with community consultation and engagement</i>  [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	48	40	41	44	
<b>Attendance</b>					Councillor attendance at open and additional meetings for the financial year improved with 96 per cent in attendance.
<i>Councillor 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)] x 100	87%	76%	92%	96%	

## Local Government Service Performance Indicators

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Service cost</b>					
<i>Cost of elected representation</i> [Direct cost of governance service / Number of Councillors elected at the last Council general election]	\$48,543	\$49,514	\$192,132	\$155,586	<p>The Cost of elected representation remains skewed significantly this year compared to the 2019 results due to the difference from nine Councillors in 2019 down to three Administrators in 2020 and 2021. The 2021 costs are lower than 2020 cost that had included recruitment costs of \$60,659 for the Chief Executive Officer.</p> <p>The costs are averaged over the number of elected members, so they will always be higher with only three Administrators in place, compared to the previous nine Councillors.</p>
<b>Satisfaction</b>					
<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]	42	35	37	46	<p>Council has continued to build trust in decisions made while under Administration. Community satisfaction with Council decision making has regained significant ground compared to the decline in 2019. Further work will continue moving forward with the newly elected Council at the end of 2021.</p>

# SECTION

## Governance Overview



### Section 3 Governance Overview

3.1	Council's Information	110
3.2	Governance Information	112
3.3	Auditing Framework	123
3.4	Risk and OH&S Management	126
3.5	Statutory Information	128
3.6	Governance Management Checklist	134

## 3.1

# COUNCIL'S INFORMATION

## COUNCIL UNDER ADMINISTRATION

On 21 June 2019, the *Local Government (South Gippsland Shire Council) Act 2019* (SGSC Act) received Royal Assent and came into operation on 22 June 2019. The 2016-2019 Council was dismissed by the State Government.

On 23 July 2019, a Panel of Administrators were appointed by the Minister for Local Government. Julie Eisenbise was appointed as the Administrator Chair, Christian Zahra as the Deputy Chair and Rick Brown as Administrator, to form the new South Gippsland Shire Council through to the next Council election in October 2021.

In this role the Administrators have been appointed to perform all the powers, functions and duties of the Council which must be treated as if they were performed by the Council.

ADMINISTRATOR TERM	YEARS APPOINTED
Julie Eisenbise <i>Chair Administrator</i>	2019 2020 2021
Christian Zahra <i>Deputy Chair Administrator</i>	2019 2020 2021
Rick Brown <i>Administrator</i>	2019 2020 2021

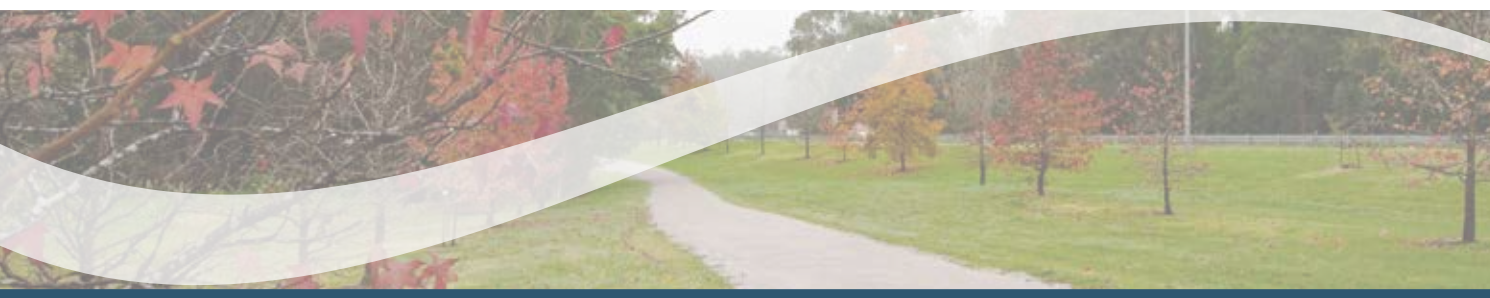


Photo: Koonwarra

During the period of administration the Council is required to:

### **1. Develop and deliver an extensive community leadership development program.**

Council's *Community Leadership Development Program* developed and implemented. First intake of the Program was completed in March 2021 and the second intake was on schedule to begin in July 2021. This program encourages and supports:

- widespread participation in community and civic life in the municipality;
- the development of community leadership skills; and
- the improvement in the relationship between the Council and its community.

Council's *Youth Leadership Program* experienced delays due to COVID-19 Pandemic restrictions, however, was underway towards the end of the 2020/21 financial year. This program was on schedule to be completed by October 2021 and anticipated the participation of approximately 120 students in Year's Eight and Nine.

### **2. Review and implement improved council policies and processes, with a focus on councillor induction and training, the Councillor Code of Conduct and meeting procedures.**

These are to be developed with regular progress reports provided to the community.

As the Administrators come towards the end of their term in October 2021, they have effectively addressed each of these requirements. That include:

- *Community Engagement Policy* and *Community Engagement Strategy* adopted and implemented;

- Community engagement activities broadened significantly, including the following activities as examples:
  - Advisory Committees established to inform the development of the *Economic Development Strategy 2021-2031*, the *Visitor Economy Strategy 2021-2031* and the *Community and Economic Infrastructure Blueprint*;
  - A range of Council strategies and plans developed and implemented following extensive community consultation;
  - Planning hearing sessions held in advance of Council meetings;
  - 'Community Days' established for the fourth week of each month, along with sessions held with various segments of the community have improved and built on the relationships between Council and the community;
- Governance Policies reviewed, adopted where applicable or revoked where deemed no longer required. Including but not limited to:
  - *Governance Rules, Election Period Policy* and *Local Law No.2 2020*, adopted and implemented;
  - *Public Transparency Policy*;
  - *Councillor Gifts, Benefits and Hospitality Policy*;
  - *Councillor Self-Assessment Policy (C84)*, including the supporting survey and procedures adopted and implemented;
  - *Councillor Support and Expenditure Policy*;
  - *Councillor Code of Conduct* drafted ready for consideration by Council in August 2021; and
  - Revised the *Customer Service Charter* and implemented the *Customer First Project*.



# GOVERNANCE INFORMATION

**South Gippsland Shire Council is constituted under the *Local Government Act 2020, Local Government (South Gippsland Shire Council) Act 2019 (SGSC Act)* and under remaining sections of the *Local Government Act 1989* not yet repealed.**

**The *Local Government Act 2020* outlines that all Victorian Councils have the functions and the powers the Parliament considers are necessary to ensure the peace, order and good government of Council's municipal district.**

4. If it is necessary to do so for the purpose of performing its role, a Council may perform a function outside its municipal district.

Council performs these roles by:

- Responsibly taking into account the diverse needs of the local community in decision making;
- Providing leadership by establishing the policy direction of Council, setting strategic objectives to be achieved and monitoring progress;
- Achieving good governance through delegations of authority and establishing frameworks for the management of advisory committees and formally appointed *Community Asset Committees*;
- Advocating the interests of local communities to other levels of Government, including seeking external funding to supplement Council and community funded projects;
- Ensuring resources are managed in a responsible, accountable and sustainable manner; and
- Fostering community cohesion and encouraging active participation and engagement in civic life and decision making.
- Active participation and engagement in civic life and decision making.

## ROLES AND RESPONSIBILITIES

The role of a Council is provided under Section 8 - *the Role of a Council* of the *Local Government Act 2020*, as follows:

1. The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.
2. A Council provides good governance if Councillors perform their roles in accordance with Section 9 and Section 28.
3. In performing its role, a Council may:
  - a) perform any duties or functions or exercise any powers conferred on a Council by or under this Act or any other Act; and
  - b) perform any other functions that the Council determines are necessary to enable the Council to perform its role.

# GOOD GOVERNANCE FRAMEWORK

**Local Government is underpinned by good governance, visionary leadership and teamwork, by lived values and ethics, by respect at Administrator/Councillor and organisation levels and between each.**

**It is underpinned by a shared commitment to plan, work, advocate for and achieve the best possible outcomes for the whole Shire and community.**

**The Good Governance Framework (Framework), adopted on 18 December 2019, is focusing the organisation on addressing gaps and strengthening many of the components that form the eight pillars of good governance.**

**A summary of the framework is indicated on the next page.**

The implementation of the Framework has commenced with a review of Council's policies. This review has been aided by the *Local Government Act 2020*, that received Royal Assent in February 2020. The review of the policies refines their content and purpose and aligns them to the *Local Government Act 2020*. It also allows their currency, on-going strategic value and requirement to be considered. While some policies have been updated and adopted to meet contemporary practice, others have been revoked. The review of policies will be an on-going component of the Framework.

Various strategies and plans included in the Framework have also been revised and updated throughout the year. These documents set the medium to longer term strategic direction for Council and guide resource allocation.

Structural changes have been made to the Council meeting and briefing cycles, with Council Meetings now held on the third Wednesday of each month. The fourth week of each month is now utilised for 'Community Days' designed to allow greater interactions between Administrators and community members across the Shire. The changes also allow dedicated hearings to be held on planning matters at the beginning of each month to provide greater consideration of factors raised well in advance of the Council Meeting.

# GOOD GOVERNANCE FRAMEWORK

## Outcomes of Good Governance

Sustainable Outcomes Achieved	Shire Health, Wellbeing and Economy Strengthened	Efficient (Quality) Community Services	Council Directions and Priorities Achieved	Informed Decisions Made
-------------------------------	--	--	--	-------------------------

Drives Outcomes

### Pillars that Drive the Achievement of Outcomes

1	Direction and Leadership	5	Communications and Community Engagement
2	Culture and Behaviour	6	Capability
3	Decision Making	7	Risk and Compliance
4	Structure Systems and Policies	8	Monitoring and Performance Review

### Principles and Behaviours of Good Governance

Good Governance is...

accountable	equitable and inclusive	good relationships
transparent	effective and efficient	trust
the rule of law	participatory	appropriate decision making
responsive	diversity	acting with integrity and impartiality

## Key Performance Indicators

Legislated measures required under Local Government Performance and Reporting Framework	External measures required by Government or auditing requirements	Council measures required under Community Vision and Council Plan
Corporate measures based on SGSC data for internal and external organisational management	Department measures based on SGSC data for service standards, performance and team based requirements	Individual measures based on personal work plans



# COMMUNITY ENGAGEMENT

**Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring the Council and its administration address community priorities.**

The community has many opportunities to provide input into Council decision-making processes including community consultation and engagement activities, attending community workshops/forums and the ability to make formal submissions to major strategic directions.

Community members and groups are also able to speak directly to Administrators, submit petitions and public questions for consideration at Council Meetings.

Council's formal decision making processes are conducted through scheduled (ordinary) and additional (special) Council Meetings. Council delegates its administrative decision making to the Chief Executive Officer and under some specific pieces of legislation directly to staff. Council also delegates decision making for specific facilities/ reserves to the community through *Community Asset Committees*. The Chief Executive Officer has the authority to sub-delegate decision making to staff.

Council Meetings are held on the third Wednesday of each month and are open to the public. These meetings are live-streamed on the internet. COVID-19 Pandemic restrictions have required many meetings to be held virtually this financial year. The livestream provides the ability for Council Meetings to be made open to the public.

The safety of the community and staff and the continuation of vital services remained Council's highest priorities in applying these requirements.

# COUNCILLOR CODE OF CONDUCT

The *Councillor's Code of Conduct* (the Code) provides the foundation of core principles, values and behaviours Councillors are required to demonstrate, as they work together to achieve Council's vision for the Shire.

The former Council reviewed, updated and signed the current Code on 22 February 2017, in accordance with the *Local Government Act 1989*. The Administrator(s) signed and declared that they would abide by the *Code of Conduct* at the time of making their Oath or Affirmation. The Code is designed to:

- Assist Councillors/Administrators to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter;
- Attract the highest level of confidence from Council's stakeholders; and
- Assist the Mayor/Administrator Chair and Councillors/Administrators to discharge the responsibilities of their public office appropriately.

The *Councillor Code of Conduct Principles* outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest;
- Roles and relationships; and
- Dispute resolution procedures.

The Administrators have prepared a new *Councillor Code of Conduct*, aligned with the *Local Government Act 2020*, that is to be presented to Council for consideration in August 2021.

The Code contains new principles and commitments that seek to support the new Council to be a successful team. The principles require Councillors:

- To serve our community;
- To be accountable;
- To be respectful;
- To make informed decisions; and
- To seek excellence.





# CONFLICT OF INTEREST

Administrators have been appointed by the Minister for Local Government to act in the best interests of the whole community.

This is a position of trust that requires Administrators to put aside personal interests to make decisions in the public interest. When Council delegates its powers to a Council Officer or a Committee of Council, the Committee and Officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability of an Administrator, Committee of Council or Officer to act in the public interest.

A conflict of interest exists even if no improper act results from it. Declaration of a conflict of interest is a standard agenda item for all Council, Committee and briefing meetings.

Council has comprehensive procedures in place to accommodate the disclosure of a conflict of interest. In general, the declaration is made in a particular way, captured in writing and then the individual steps aside from the relevant decision-making process, or exercise of the public duty.

A register is maintained to record all disclosed conflicts of interest for Administrators. During 2020/21, there were no conflict of interests declared at Council Meetings.

# COUNCIL MEETINGS

Council aims to ensure its decision making is informed; having considered the legislative requirements it must meet and the diverse needs and opinions of the community. Administrators/ Councillors meet in open and closed briefing sessions to gather the background information they require to make efficient and effective decisions. The topics covered and Councillors attending these sessions are reported in each scheduled Council meeting agenda.

Public Questions may be submitted for consideration and response at Council Meetings. Details on how to submit a question is available on Council's website.

# ATTENDANCE AT MEETINGS

Administrators meet in open and closed briefing sessions to gather the background information they require to make efficient and effective decisions. The topics covered and Administrators attending these sessions are reported in each scheduled Council Meeting agenda, along with any declared conflicts of interest.

Community members are encouraged to register an Expression of Interest if they are interested in meeting with Council on matters of community interest. Depending on the request, appropriate arrangements are put in place for the community member to meet with Administrators, the Chief Executive Office and Administrator Chair and/or with Council Officers who can assist them. Where practicable, these can be incorporated into Council's 'Community Days'. Details on how to submit an Expressions of Interest are available on Council's website.

Hearings for planning matters and other formal submission hearings are organised in advance of Council Meetings, so that Administrators have sufficient time to consider the various matters before called upon to decide.

Council Meetings also provide the opportunity for community members to submit up to three questions via Council's website prior to the Council Meeting or at the Council Meeting. Those submitted several days in advance will normally have a response provided at the Council Meeting. Those received on the day of the meeting may be taken-on-notice and provided with a subsequent response.

Questions submitted are read out by the Chief Executive Officer at the Council Meeting. Petitions are also able to be tabled at Council meetings. Guidance is provided on Council's website to assist with preparing a valid petition and questions to Council.

The below tables provide a summary of the number of Council and Additional Council Meetings and Administrator attendance for 2020/21 financial year.

TYPE OF MEETING	2020/21
Council Meeting	11
Confidential Meeting	10
Additional Council Meeting	6
Additional Confidential Meeting	1

ADMINISTRATOR ATTENDANCE	Council Meeting	Additional Meeting	Total Meetings
Julie Eisenbise (Chair Administrator)	11 of 11 meetings	6 of 6 meetings	17 of 17 meetings
Christian Zahra (Deputy Administrator)	10 of 11 meetings	5 of 6 meetings	15 of 17 meetings
Rick Brown (Administrator)	11 of 11 meetings	6 of 6 meetings	17 of 17 meetings

# COMMUNITY ASSET COMMITTEES

At the 22 July 2020 Council Meeting, Council resolved to re-form existing *Section 86 Committees* established under Section 86 of the *Local Government Act 1989* as *Community Asset Committees* pursuant to changes made in Section 65 of the *Local Government Act 2020*.

Council's *Asset Community Committees* are formed to manage a range of community facilities and assets on the community's behalf, and make an important and valued contribution to community life in South Gippsland. These Committees have limited delegations, including minor financial delegations for site specific facilities/ areas of responsibility.

At the 26 August 2020 Council Meeting, Council resolved to establish the membership of the newly formed *Community Asset Committees* under Section 65 of the *Local Government Act 2020*. The following table contains a list of all Section 65 Committees established by Council that are in operation and the purpose for which each was established:

COMMUNITY ASSET COMMITTEES	PURPOSE OF THE COMMITTEE
Sandy Point Community Centre and T P Taylor Reserve Community Asset Committee	To manage the Sandy Point Community Centre and T P Taylor Reserve
Dumbalk Hall Community Asset Committee	To manage the Dumbalk Hall
Leongatha Courthouse Community Asset Committee	To manage the Leongatha Courthouse
Foster Stockyard Gallery Community Asset Committee	To manage the Foster Stockyard Gallery
Mirboo North Hall Community Asset Committee	To manage the Mirboo North Hall
Korumburra Botanic Park Community Asset Committee	To manage the Korumburra Botanic Park
Meenyan Sports Stadium Community Asset Committee	To manage the Meenyan Sports Stadium
Allambee South Community Hall Community Asset Committee	To manage the Allambee South Community Hall

COMMUNITY ASSET COMMITTEES	PURPOSE OF THE COMMITTEE
John Terrill Memorial Park and Fish Creek Recreation Reserve Community Asset Committee	To manage the John Terrill Memorial Park and Fish Creek Recreation Reserve
Foster War Memorial Arts Centre and Senior Citizens Centre	To manage the Foster War Memorial Arts Centre and Senior Citizens Centre
Korumburra Recreation Reserve Community Asset Committee	To manage the Korumburra Recreation Reserve
Foster Showgrounds Community Asset Committee	To manage the Foster Showgrounds
Walter J Tuck Reserve Community Asset Committee	To manage the Walter J Tuck Reserve
Port Welshpool and District Maritime Museum Community Asset Committee	To manage the Port Welshpool and District Maritime Museum Community Asset Committee



*Photo: Sandy Point Community Centre*

# ADMINISTRATORS

## REMUNERATION AND EXPENSES

The appointment of Administrators by the Minister for Local Government included a mandatory remuneration for the Administrator Chair and Administrators with the Administrator Chair receiving a higher remuneration. Council is also required to reimburse Administrators for expenses incurred whilst performing their duties and adopt and maintain a policy in relation to this.

The *Councillor Support and Expenditure Policy* was reviewed and adopted by Council at the 20 November 2019 Council meeting. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Administrators to enable them to conduct their duties.

The following table contains a summary of the Administrators remuneration and expenses for 2020/21:

ADMINISTRATOR ALLOWANCES	Allowance including Superannuation	Travel and Vehicle Expenses*	Accomm. and Meals	Conference, Training and Development	Printing/ Sound Recording Transcripts	Other	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Julie Eisenbise	\$182,617	\$4,134	\$1,439	\$5,001	\$286		\$193,477
Christian Zahra	\$91,308	\$5,373	\$1,791	\$5,001	\$33	\$153	\$103,658
Rick Brown	\$91,308	\$1,473	\$367	\$5,001		\$45	\$98,193
Total	\$365,233	\$10,980	\$3,597	\$15,003	\$319	\$198	\$395,330

\* Car operating costs are for the twelve months ended 30 June 2021 and includes depreciation, insurance and notional interest

\*\* Travelling expenditure for Administrators using private vehicles is at the prescribed rate of reimbursement and only includes claims processed up to 30 June 2021

\*\*\* Administrator Julie Eisenbise used a Council Car as of 29 July 2020 and returned it as of 25 October 2020

\*\*\*\* Administrator Christian Zahra used a Council Car for the period 1 July 2020 to 30 June 2021



# EXPENSE CATEGORIES

## **Administrator Allowance**

The Administrators have received a remuneration, including the required superannuation allocation, for their services to the Shire. These mandatory remuneration levels were set by the Minister for Local Government.

## **Travel and Vehicle Expenses**

Council's *Councillor Support and Expenditure Policy* – 20 November 2019 and *Councillor Vehicle Policy* - 3 November 2016, provide for the reimbursement of travel costs, depreciation, insurance and/or use of private vehicles while conducting Council business.

Administrators' use of private vehicles is at the prescribed Australian Tax Office rate of reimbursement. Reimbursements also include parking fees and public transport costs. Two of the Administrators monitored their private travel expenses and recognised that overall costs to Council would be reduced through the use of a Council car. Transitions between Council and personal car use has occurred throughout the year. These changes have been influenced by the changing travel requirements created by the COVID-19 Pandemic restrictions.

## **Accommodation and Meals**

This category covers costs associated with the Administrators requirement to attend Council on consecutive days. These costs include accommodation and meals where applicable.

## **Training and Professional Development**

This category covers the costs associated with Administrator attendance to conferences, training and professional development courses.

These include accommodation, conference, parking-related expenses and airfares where applicable.

## **Telephone and Communication Support**

Administrators are supplied with mobile devices, including a mobile phone with data plan and a Surface Pro laptop. The cost of providing these services is paid by Council.

## **Printing, Sound Recording and Transcript Request**

Council provides access to fax, photocopying and printing, which is normally made available at Council offices. COVID-19 restrictions have required a greater requirement for some printing to be done remotely. Printing and audio recording transcription costs have been included where applicable.

# AUDITING FRAMEWORK

**Council has implemented a number of statutory and better practice items to strengthen its management framework. Having a strong governance and management framework supports better decision making by Council.**

**The Act requires Council to undertake an assessment of its governance against the prescribed Governance and Management Checklist and include this in its Report of Operations in the Annual Report. The following items have been highlighted as important components of the management framework.**

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is an independent Advisory Committee of Council established under Section 139 of the *Local Government Act 1989*. In transitioning to the *Local Government Act 2020*, as per Sections 53 and 54, councils are required to establish an *Audit and Risk Committee* to set out the requirements and responsibilities of the Committee's membership. The deadline of this requirement was to be completed by 1 September 2020.

Council reviewed and adopted the revised *Audit and Risk Committee Charter* at the 26 August 2020 Council Meeting. In addition to this, Council also prepared and adopted the *Audit and Risk Committee Charter Policy* as required in Section 54 of the Act.

The role of the Audit and Risk Committee is to oversee and monitor Council's effectiveness in carrying out its responsibilities for accountable financial management, corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

The Audit and Risk Committee consists of three independent members, who consists of two existing members Mr Chris Badger and Mr Homi Burjorjee and Ms Jennifer Johanson appointed by Council at the 28 October 2020 Council Meeting, commencement date 1 November 2020. This appointment occurred after the resignation of Dr John (AJ) Purcell (Chair). Mr Chris Badger was appointed Chair of the Committee by Council at the 26 August 2020 Council Meeting for the rest of the calendar year. An extension for a further twelve months was endorsed by Council at the 24 February 2021 Council Meeting, up until February 2022.

The Audit and Risk Committee met four times in 2020/21 on 8 September 2020, 8 December 2020, 9 March 2021 and 8 June 2021.

The attendance at the 8 September 2021 meeting included Mr. Chris Badger (Chair) and Mr Homi Burjorjee and one Administrator member, Mr. Rick Brown. At the 8 December 2020, 9 March 2021 and 8 June 2021 meetings, the attendance included Mr. Chris Badger (Chair), Mr Homi Burjorjee, Ms Jennifer Johanson and one Administrator member, Mr. Rick Brown.

Administrator Julie Eisenbise also attended Audit and Risk Committee meetings (excluding the 9 March 2021 meeting) as an observer; maintaining an interest in the audit and risk functions of Council.

Independent members are appointed for a three-year term, with a maximum of two consecutive terms. The Chair is elected from amongst the independent members.

The Internal Auditor, Richmond Sinnott and Delahunty (RSD) Chartered Accountants and Chief Executive Officer (or Acting CEO) attended all Audit and Risk Committee meetings. Other management representatives attended as required to present reports.

## EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General Office (VAGO). For the 2020/21 financial year the annual external audit of Council's Financial Statements and Performance Statement was conducted by VAGO. External auditors from VAGO attended the 9 September 2020, 9 March 2021 and 8 June 2021 meetings to present the audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

ATTENDEES	2020/21 MEETINGS ATTENDED
INDEPENDENT MEMBERS	
Mr Chris Badger	4 of 4 meetings
Mr Homi Burjorjee	4 of 4 meetings
Ms Jennifer Johnson <i>(commenced 1 November 2021)</i>	3 of 3 meetings
COUNCIL MEMBERS	
Rick Brown (Administrator)	4 of 4 meetings
AUDITORS	
Internal Auditor (RSD Chartered Accountants)	4 of 4 meetings
External Auditors (Victorian Auditor-General Office)	3 of 4 meetings

# INTERNAL AUDIT

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to RSD Chartered Accountants, who were appointed on 1 July 2016 following a public tender, for an initial term of three years, which concluded on 30 June 2019.

Following consultation with the Audit and Risk Committee, the Council exercised the first and final three-year extension under the contract with RSD which will conclude on 30 June 2022.

A risk based Internal Audit Program (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's Risk Management Framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit outcomes and management input. The IAP is reviewed and approved by the Audit and Risk Committee annually.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the IAP, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible Director for each area reviewed attends the Audit and Risk Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked in Council's Internal Audit Action Plan.

The IAP for 2020/21 was completed with the following reviews conducted:

- Data Analysis - Fraud Risk and Procurement
- Fraud and Corruption Control
- IT General Controls
- Management of Waste Fees and Charges

# RISK AND OHS MANAGEMENT

**In February 2021, Council adopted a *Risk Management Framework and Risk Management Policy* in line with best practice in the management of business enterprise risks and current International Risk Management Standard AS/NZ ISO 31000 guidelines.**

During 2020/21 financial year, Council conducted a review of its *Risk Management Framework* and *Risk Management Policy* which were adopted at the 24 February 2021 Council Meeting.

**The *Risk Management Framework and Policy* addresses items such as:**

- Setting the strategic direction and policy in relation to risk management;
- Fostering and promoting a strong Risk Management Culture;
- Communication and training;
- Best practice in risk management;
- Responsibilities of and to internal and external stakeholders;
- Risk registers; and Business Continuity Plan review.

**Council's risk management objectives are to:**

- Ensure that we achieve our strategic objectives as set out in the Council Plan;
- Highlight which areas of Council's risk profile have the capacity to deliver the maximum benefit or maximum harm and to identify those areas which should receive priority action;

- Establish a reliable basis for decision making and ensure that risk is included as a fundamental component in the planning process;
- Ensure the effective allocation of resources;
- Determine how risk should be reported to Council, Auditors, Audit and Risk Committee;
- Foster an organisational culture which promotes proactive behaviour regarding the identification and treatment of risk;
- Identify and prepare for emerging risks, future events and change; and
- Improve stakeholder confidence and trust.

Implementation of the *Risk Management Framework* commenced through the year including workshops to inform and engage Administrators, Audit and Risk Committee Members, Council's Chief Executive Officer, Directors and Managers in the development of Strategic and Operational Risks in accordance with the Framework.



# OCCUPATIONAL HEALTH AND SAFETY

**Council continues to focus on ensuring the health, safety and wellbeing of all employees, contractors, volunteers and other people who may be affected by their operations.**

This is being achieved through:

- Proactive identification and management of health and safety hazards and risks;
- Developing the health and safety knowledge and capability of recently elected Health and Safety Representatives;
- Active post incident reviews and the implementation of safe work practices and engineering to prevent recurrence; and
- Sharing the knowledge and lessons learned.

In addition to continuance of our *MAV Workcare OHS Improvement Program* and review of incidents and performance, we have reinvigorated the Health and Safety Committee, with new Health and Safety Representatives elected, trained, and active in their Designated Workgroups.

## **Training and Development**

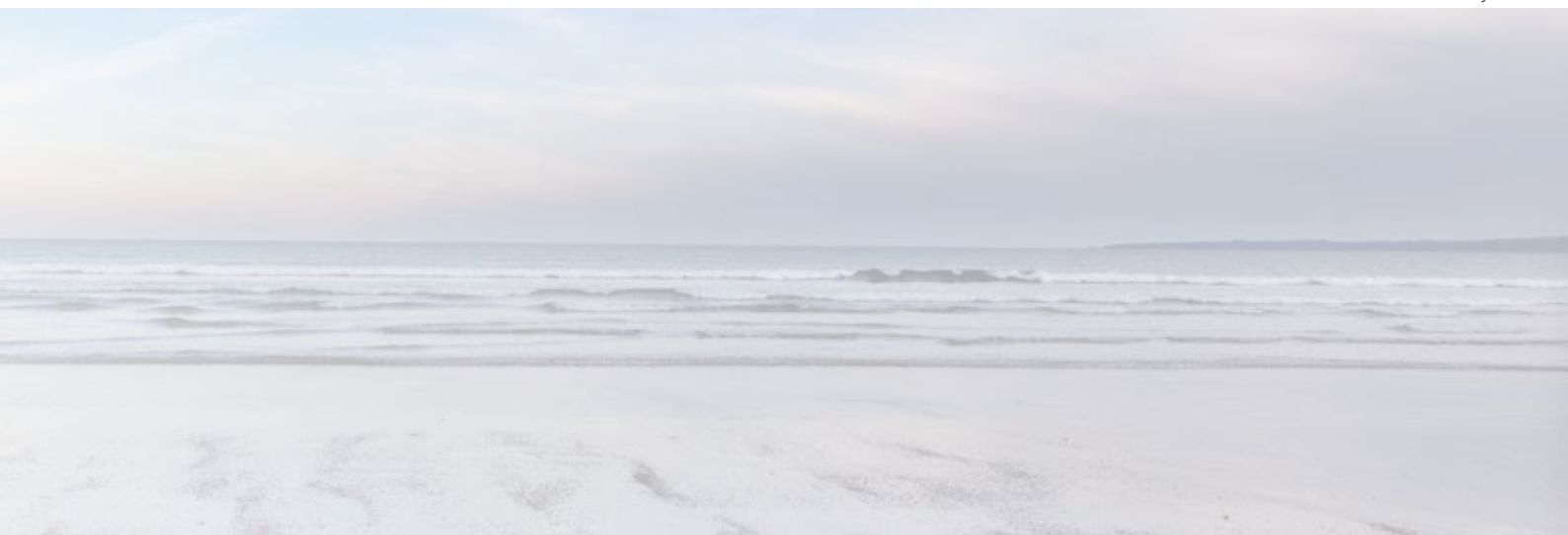
Training and the personal development of all employees remains a priority to Council. Training continues with numerous regulatory and development training for employees on an as required basis. Specific training is offered to employees who will use these skills within the workplace.

Training delivered includes:

- Occupational Health and Safety
- Manual Handling
- Traffic Management
- First Aid
- Confined Space
- Chainsaw operation
- Working at heights
- Conflict resolution
- Effective Assertive Communication

Council continues to invest in internal education sessions, OHS inductions and training for new staff and new Assets (equipment and machine) inductions and operation is provided by the distributor.

*Photo: Waratah Bay*



# STATUTORY INFORMATION

## DOCUMENTS AVAILABLE FOR Public Inspection

**The following information is provided in accordance with legislative and other requirements applying to Council.**

In accordance with regulation 12 of the *Local Government (General) Regulations 2015*, the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of Section 222 of the Act at 9 Smith Street, Leongatha, Victoria:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months.
- The agendas for, and minutes of scheduled and additional Council Meetings held in the previous twelve months which are kept under Section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- The minutes of meetings of special committees established under Section 86 of the Act and held in the previous twelve months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Act.
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under Section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by the Council in the previous twelve months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

# BEST VALUE

**In accordance with Section 208B(f) of the Act, Council is required to report annually to its community on its initiatives carried out in relation to the *Best Value Principles*.**

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation.

Process mapping has been undertaken within many departments looking for ways to streamline the operations, improve customer service and improve efficiencies and/or reduce costs.

Outcomes achieved from these activities include:

- Completion of three service reviews to assess and improve the capabilities within Council to provide best value for the community;
- Developed a three-year plan to deliver service reviews across key services within Council;
- Reviewed Council's project delivery process and introduced a refreshed framework, methodology, and technology implemented for the framework;
- Review of processes and procedures relating to Council agenda and minutes to streamline reporting and efficiencies to Council;
- Customer and Councillor request correspondence centralised project – established a service review of how customer and Councillor request correspondence are received and how to plan and implement change via a centralised system and approach, which will lead into the next financial year for completion;
- Customer First Project - designed to be a whole-of-organisation Program that aims to improve the way that Council officers provide services to the community and aims to address known customer service issues; and
- Progress work has been conducted on the process mapping of the management of complaints and complaints handling.

# CARERS RECOGNITION

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of this Act.

Council has promoted the principles of the Act to people in care relationships who receive Council services and to the wider community by:

- Distributing printed material through relevant Council services;
- Providing information to organisations represented in Council/community networks.

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 Act by including information on the care relationship in:

- Council induction and training programs for staff working in Regional Assessment Service, Community Services and front-line positions with the general community; and
- Induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship.

The Intake and Assessment Team continue to work with carers and recognise the significant role they play in supporting loved ones. With consent, carers are supported to link in with services and supports that may be helpful to assist them with the important role they do and to look after their own health and wellbeing.

# DISABILITY ACTION PLAN

In accordance with Section 38 of the *Disability Act 2006*, Council is required to prepare a Disability Action Plan, and must report on its implementation in the Annual Report.

The *Disability Action Plan 2018-2021* was adopted at the Council Meeting 30 May 2018. The *Disability Action Plan* outlines Council's approach to building a more inclusive community and to meet both Council's obligations and community aspirations in doing so.

Actions that have been completed or that are completed on an ongoing basis are outlined below:

- Development and implementation of an inclusive drama project, called *(it's no) drama*;
- Council business is now more accessible: an improved website, focus on communication access and Council meetings being available via live stream;
- Access auditing of Council's community assets, including buildings and reserves, and designated accessible parking, undertaken on a priority basis;
- Implementation of the *South Gippsland Municipal Health and Wellbeing Plan*;
- Information guides on improving access for people of all abilities;
- Implementation of Council's *Volunteer Policy*;
- Promotion of events such as Carer's week; and
- Provision of advice, support and professional development to early years services working with children with additional needs.

# DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with Section 68A of the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan (DAMP) at four-yearly intervals and evaluate its implementation in the Annual Report.

The DAMP 2017-2021 was adopted at the Council Meeting of 27 September 2017 and outlines the services, programs and policies established to address the administration of the Act and the management of dog and cat issues in the community.

Actions that have been completed or that are conducted on an ongoing basis are outlined below:

- Introduced 'lifetime tags' for animal identification;
- Developed an enforcement follow up process;
- Preliminary investigations conducted into the financial viability of appointing consultants to conduct animal registration compliance audits;
- Developed an 'infringement matrix' for issuing domestic animal infringement notices to ensure consistency;
- Animal information articles provided for the public on a quarterly basis and made available via press releases, Facebook and Council's website;
- Lost/found dogs and cats advertised on Council's website, Facebook and local newspapers;
- Annual audits undertaken of premises where declared menacing, dangerous and restricted breed dogs are housed;
- Annual audits of properties housing excess domestic animals via Local Law permits;

- Animal registration database used to identify unregistered Domestic Animal Businesses;
- Press releases prepared and issued for successful dog attack prosecutions;
- Menacing, dangerous and restricted breed dog legislation actively enforced;
- Training register maintained for individual officers;
- Officers attend at least one training/networking session per year; and
- Officers provided with access to the Bureau of Animal Welfare extranet site.

The twelve month extension of the 2017-2021 DAMP and the associated 2020/21 Action Plan was on schedule to be presented at the 15 September 2021 Council Meeting.

A full review of the DAMP will take place in 2022 which will develop the next four year 2022-2026 DAMP for implementation.

## FOOD ACT MINISTERIAL DIRECTIONS

In accordance with Section 7E(6) of the *Food Act 1984*, if a Council, or the Chief Executive Officer of a Council, is given a direction under subsection (1), a copy of the direction must be published in the Annual Report under Section 131 of the Act. No such Ministerial Directions were received by Council during this financial year.



# FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (the FOI Act) gives the community a legally enforceable right to apply for access to documents held by Council. This access is limited only by the application of exceptions and exemptions provided for under the legislation.

A valid request for access to the documents must be obtained in writing, be accompanied by payment of the application fee and must provide enough information to enable the documents to be identified. Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Council's Freedom of Information Officer assists the applicant in accordance with the provisions of the FOI Act and handles all requests for FOI access.

Further information regarding FOI can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) and on Council's website.

FOI requests can be lodged online via Council's website or in writing and addressed to the:

**Freedom of Information Officer**  
**South Gippsland Shire Council**  
**9 Smith Street (Private Bag 4)**  
**Leongatha, Victoria 3953**  
**[www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)**

There were 16 applications under the FOI Act in 2020/21. Access was granted (in full or in part) for seven requests. A further four applications were deemed to be enquiries only and one application was processed outside the FOI Act. Three applications resulted with nil documents discovered. Four applications were not proceeded with and one application had not been finalised before the end of the financial year and will be completed in the next financial year. There were three applications carried through from the previous financial year.

FREEDOM OF INFORMATION APPLICATIONS	2020/21	2019/20
Enquiries Only	4	8
Access Granted (in full or in part)	7	2
Nil Documents	3	2
Not Proceeded	4	9
Application Processed outside of the <i>FOI Act 1982</i>	1	0
Carried over from previous financial year	0	3
Incomplete at end of financial year	1	11
<b>Total Applications</b>	<b>16</b>	<b>27</b>

# PROTECTED DISCLOSURE PROCEDURES

On 1 January 2020, the *Protected Disclosures Act 2012* became the *Public Interest Disclosures Act 2012*. A council must include in their Annual Report information about how to access procedures established by the Council under Part 9 of this Act. It provides the way for people to make a disclosure of improper conduct and detrimental action by Councillors/Administrators and Council staff. It is required by Council to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

Council takes seriously its responsibilities to those persons who may make a disclosure about improper conduct. Council has established guidelines to ensure the confidentiality of the identity of the person making the disclosure, and their welfare, are protected, and has established a system for matters of improper conduct to be investigated.

During the 2020/21 financial year, there were no disclosures received by Council's Officers appointed to receive disclosures to which the Public Interest Disclosure Guidelines applied. As such there were no assessable disclosures referred to the Independent Broad-based Anti-corruption Commission (IBAC) for assessment.

# CONTRACTS

During the 2020/21 financial year, Council did not enter into contracts valued at \$150,000 (incl. GST) or more for goods and services or \$200,000 (incl. GST) or more for works or more of a kind specified in Section 186(5)(a) and (c) of the *Local Government Act 1989* without engaging in a competitive process as required by Section 186 of the Act.

# NATIONAL COMPETITION POLICY

Council has a *National Competition Policy* and Council. To the best of its knowledge, Council, has not undertaken any anti-competitive behaviour and has complied with the requirements of Council's *National Competition Policy* during 2020/21.

# ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the *Road Management Act 2004*, 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 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 a Council's Annual Report.

There were no infrastructure and development contributions disclosed for this financial year for South Gippsland Shire Council.

# GOVERNANCE MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist:

Item No.	Government and Management Items	ASSESSMENT
1	<b>Community Engagement Policy</b> (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act - <i>Communication and Engagement Policy</i>  Date of adoption: 24 February 2021
2	<b>Community Engagement Guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Plan and Toolkit guidelines incorporated into the plan were endorsed by the Executive Leadership Team  Date of adoption: February 2017  <i>Community Engagement Strategy 2020-2024</i>  Date of adoption: 19 May 2021
3	<b>Financial Plan</b> (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Adopted in accordance with section 91 of the Act  Financial Plan 2021/22 - 2030/31  Date of adoption: 23 June 2021
4	<b>Asset Plan</b> (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next ten years)	No Ten-Year Asset Plan  South Gippsland Shire Council's general election is occurring in October 2021.  As per section 92(4) of the Act, a Council must develop or review Council's Asset Plan in accordance with its deliberative engagement practices and adopt the Asset Plan by 31 October in the year following a general election. These plans will be developed in 2022, following the election.  The Asset Management Plans remain in operation under the <i>Local Government Act 1989</i> as of 1 July 2020:  1. Buildings 2. Roads Infrastructure (includes bridges, footpaths, cycle-ways, and storm water drainage), 3. Open Space (formally Parks, Gardens and Reserves)

Item No.	Government and Management Items	ASSESSMENT
5	<b>Revenue and Rating Plan</b> (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	No Revenue and Rating Plan  As per section 93 of the Act, a Council must prepare and adopt a <i>Revenue and Rating Plan</i> by the next 30 June after a general election for a period of at least the next four financial years. Council's general election is to take place in October 2021. Council's current <i>Rating Strategy 2019-2022</i> is in place.  Date of adoption: 24 July 2019
6	<b>Annual Budget</b> (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act <i>2021/22 Annual Budget</i>  Date of adoption: 23 June 2021
7	<b>Risk Policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<i>Risk Management Policy</i>  Date of adoption: 24 February 2021
8	<b>Fraud Policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	<i>Fraud and Corrupt Conduct Policy</i>  Date of adoption: 19 May 2021
9	<b>Municipal Emergency Management Plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency mitigation, response and recovery)	<i>2018-2021 South Gippsland Municipal Emergency Management Plan</i> was prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>  Date of approval: 24 October 2018
10	<b>Procurement Policy</b> (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	<i>Procurement Policy</i> prepared and adopted in accordance with section 186A of the <i>Local Government Act 1989</i> .  Date of adoption: 24 June 2020  Note: Council's <i>Procurement Policy</i> required under the <i>Local Government Act 2020</i> to be adopted within six months of 1 July 2021, was on schedule to be adopted at the 14 July 2021 Council Meeting.
11	<b>Business Continuity Plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	The Business Continuity Plans - Part A and Part B including Council's <i>Business Continuity Management Policy</i> was endorsed by the Audit and Risk Committee.  Date of endorsement: 8 June 2021
12	<b>Disaster Recovery Plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Endorsed by the Strategic Risk Committee  Date of adoption: February 2019  Review last updated in May 2020

Item No.	Government and Management Items	ASSESSMENT
13	<b>Risk Management Framework</b> (framework outlining Council's approach to managing risks to the Council's operations)	<i>Risk Management Framework</i> Date of adoption: 24 February 2021
14	<b>Audit and Risk Committee</b> (advisory committee of Council under section 53 and 54 of the Act)	The <i>Audit and Risk Committee</i> established in accordance with section 53 of the Act. Date of establishment: 26 August 2020 <i>South Gippsland Shire Council Audit and Risk Committee Charter</i> was adopted by Council 26 August 2020 in accordance with section 54 of the Act.
15	<b>Internal Audit</b> (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 of engagement of current provider: 1 July 2016
16	<b>Performance Reporting Framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i> )	Performance Reporting Framework is set out in the <i>Council Plan 2020-2024</i> and the <i>2020/21 Annual Budget</i> Date of adoption: 24 June 2020
17	<b>Council Plan Report</b> (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)	<i>Council Plan 2020-2024</i> Date of adoption: 24 June 2020 Council Plan and Annual Plan reporting is provided in <i>Organisational Performance Reports</i> to Council conducted quarterly. Date of reports: <ul style="list-style-type: none"> <li>• Full Year 2019/20 compiled for the Annual Report based on the <i>2017-2021 Council Plan</i> and <i>2019/20 Annual Initiatives</i> - adopted 23 September 2020</li> <li>• 2020/21 First Quarter report adopted: Council Meeting - 25 November 2020</li> <li>• 2020/21 Half Year report adopted: Council Meeting - 24 February 2021</li> <li>• 2020/21 Three Quarter report adopted: Council Meeting - 19 May 2021</li> </ul>



## Item No. Government and Management Items

## ASSESSMENT

18

### Financial Reporting

(quarterly statements to Council under section 138(1) of the *Local Government Act 1989* comparing budgeted revenue and expenditure with actual revenue and expenditure)

Reports presented to Council in accordance with section 138(1) of the *Local Government Act 1989*.

Long Term Financial Strategy

Date of adoption: 28 November 2018

Financial reporting provided in Quarterly Performance Reports to Council.

Date reports presented:

First Report: 1 July 2020 to 30 September 2020

- Council Meeting - 28 October 2020

Second Report: 1 July 2020 to 31 December 2020

- Council Meeting - 17 March 2021

Third Report: 1 July 2020 to 31 March 2021

- Council Meeting - 19 May 2021

19

### Risk Reporting

(six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)

Audit and Risk Committee review of the Strategic Risk Register was presented on 9 March 2021 as a part of the Quarterly Risk Management Report and an extra meeting was held with Administrators, Audit and Risk Committee Members and the Executive Leadership Team on 19 May 2021 to identify and provide guidance on strategic risks.

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 *Local Government Act 1989*)

The *Council Plan 2020-2024* and the *2020/21 Annual Initiatives* are reported quarterly in Council's *Organisational Performance Reports* as follow:

First Report: 1 July 2020 to 30 September 2020

- Council Meeting - 25 November 2020
- Audit and Risk Committee - 8 December 2020

Second Report: 1 July 2020 to 31 December 2020

- Council Meeting - 24 February 2021
- Audit and Risk Committee - 9 March 2021

Third Report: 1 July 2020 to 31 March 2021

- Council Meeting - 19 May 2021
- Audit and Risk Committee - 8 June 2021

Separate quarterly reports on LGPRF performance indicators are also presented to the Audit and Risk Committee and is considered and reviewed by the Executive Leadership Team prior.

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 and performance statements)

The 2019/20 Annual Report was adopted by Council on 23 September 2020.

The final version after being presented to the Minister for Local Government was adopted by Council on 28 October 2020.

22

### Councillor Code of Conduct

(code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)

The revised *Councillor Code of Conduct* was reviewed in accordance with section 76C of the *Local Government Act 1989*

Date of adoption: 22 February 2017

Under section 139 of the *Local Government Act 2020*, Council must review and adopt a revised Councillor Code of Conduct - setting out the standards of conduct within the period of four months after a general election. South Gippsland Shire Council election is scheduled to be held in October 2021.

## Item No. Government and Management Items

## ASSESSMENT

23

### Delegations

(documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)

The delegations were reviewed in accordance with section 11(7) of the Act and a register kept in accordance with section 11(8) and 47(7) of the Act.

The delegations were signed by the CEO on:

- Council to CEO (S5) - 24 June 2020
- Council to Staff (S6) – 16 June 2021
- Sub-delegation by CEO to Staff (S7) – 15 June 2021
- Sub-delegation by CEO to Staff (S7A) - under *Local Government Act 1989* and *Local Government Act 2020* – 2 September 2020
- Sub-delegation by CEO to Staff (S7A) – Miscellaneous Delegations – 2 September 2020
- Municipal Building Surveyor to Staff (S12) – 26 May 2021
- CEO Powers, Duties and Functions to Staff (S13) – 15 June 2021
- Sub-delegation by CEO Powers, Duties and Functions to Staff (S13A) - 10 June 2020
- CEO to Staff (VICSmart Applications) under the *Planning and Environment Act 1987* (S14) – 2 September 2020
- S16 - CEO to Staff (Bushfire Reconstruction Application under the *Planning and Environment Act 1987*) - 26 April 2021

24

### Meeting procedures

(Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)

Meeting procedures local law made in accordance with *Local Government Act 1989* and *Local Government Act 2020*

Date of Local Law made: 23 September 2020

*Governance Rules* adopted in accordance with section 60 of the *Local Government Act 2020*

Date of adoption: 26 August 2020

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



Kerryn Ellis

**Chief Executive Officer**

**Dated:** 15 September 2021

*Leongatha*



Julie Eisenbise

**Administrator (Chair)**

**Dated:** 15 September 2021

*Leongatha*

# SECTION

## Performance Overview

### Section 4 Performance Overview

- 4.1 Performance Statement and Certification from  
Victorian Auditor General's Audit Report 144
- 4.2 Financial Statement and Certification from  
Victorian Auditor General's Audit Report 154

## 4.1

# PERFORMANCE STATEMENT

## DESCRIPTION OF MUNICIPALITY

**South Gippsland Shire was formed in 1994 from the amalgamation of four municipalities. Located 90 minutes south east of Melbourne, the Shire has an expanding population of 30,248 (ABS estimated resident population March 2021).**

**The Council covers an area of 3,308 square kilometres with substantial coastal frontage. South Gippsland Shire is a spectacular region, with communities nestled among the rolling green hills, and along the coast, linking the mountains to the sea.**

The Shire's major centres are Leongatha, Korumburra, Mirboo North and Foster. Other townships include Dumbalk, Fish Creek, Loch, Meeniyan, Nyora, Poowong, Port Welshpool, Sandy Point, Tarwin Lower, Toora, Venus Bay and Welshpool. There are also a number of other smaller rural communities.

Key industry sectors by employment in the South Gippsland Shire at the last census in 2016 were Agriculture, Forestry and Fishing, Health Care and Social Assistance, Retail Trade, and Construction.

## Impact of COVID-19 Pandemic on South Gippsland Shire Council

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the Pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:

- In response to government directive amidst the COVID-19 outbreak, the leisure centre facilities, Yanakie Caravan Park, Long Jetty Caravan Parks and Coal Creek Historical Village were closed due to COVID-19 restriction in 2020/21 financial year. These closures resulted in a decrease in Council user fee revenue by \$452,000 and also decreased associated expenses by \$279,000 based on 2019/20 results.
- Council suspended rent payments for rent agreements of impacted businesses from April 2020, including Korumburra Tourist Park and Waratah Bay Caravan Park. This resulted in decreased rent revenue of \$16,000 and \$75,000 based on 2019/20 results.
- Council endorsed a \$2 million *COVID-19 Community Support Package* at the 20 April 2020 Council Meeting. This Program has provided around \$1.3 million to support local business and community groups to continue their operations through the Pandemic, through the provision of grants, fee waivers and other similar relevant forms of assistance. \$500,000 as a final phase of this Program has been carried forward to the 2021/22 budget.

# SUSTAINABLE CAPACITY INDICATORS

for the year ended 30 June 2021

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Population</b>	\$2,124	\$2,223	\$2,462	\$2,127	A one off non-cash impairment expense of \$11.4 million for a change in the valuation method to land under roads was included in the 2019/20 accounts which significantly impacted the Expenses for that year. With no such expense in the 2020/21 year, the indicator has dropped accordingly.
<i>Expenses per head of municipal population</i>					
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$15,228	\$15,855	\$16,160	\$16,664	No material variation
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>					No material variation
[Municipal population / Kilometres of local roads]	14	14	14	14	
<b>Own-source revenue</b>					No material variation
<i>Own-source revenue per head of municipal population</i>	\$1,672	\$1,671	\$1,687	\$1,673	
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>					This indicator is volatile based on the level of grants received each year. Population does not change very much but the higher the level of grants received in a year, the higher the ratio and conversely, the lower the level of grants in a year, the lower the ratio. Although there is a decrease in grants classified as recurrent, overall grant funds received increased from \$20.015 million in 2019/20 to \$24.749 million in 2020/21.
<i>Recurrent grants per head of municipal population</i>	\$520	\$469	\$482	\$456	
[Recurrent grants / Municipal population]					



Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Disadvantage</b>	5	5	5	5	No material variation
<i>Relative Socio-Economic Disadvantage</i>					
[Index of Relative Socio-Economic Disadvantage by decile]					
<b>Workforce turnover</b>	12.0%	24.6%	12.8%	12.5%	No material variation
<i>Percentage of staff turnover</i>					
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100					

## Definitions

"Adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"Infrastructure" means non-current property, plant and equipment excluding land

"Local road" means a sealed or unsealed road for which the Council is the responsible road authority under the *Road Management Act 2004*

"Population" means the resident population estimated by Council

"Own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)

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

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

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

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Aquatic Facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5	5	4	2	Visitation to all aquatic facilities in the Shire was down by 29 per cent compared to 2019/21. Mainly due to the Victorian Government COVID-19 Pandemic restrictions.  <i>Note: one outdoor aquatic facility was closed for the season due to major redevelopment which impacted the overall number of visits.</i>
<b>Animal management</b>					No material variation
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100%	100%	<i>Note: indicator is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion.</i>
<b>Food Safety</b>					No material variation
<b>Health and safety</b>					
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100	100%	100%	100%	100%	
<b>Governance</b>					
<b>Satisfaction</b>					
<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]	42	35	37	46	Council has continued to build trust in decisions made while under Administration. Community satisfaction with Council decision making has regained significant ground compared to the decline in 2019. Further work will continue moving forward with the newly elected Council at the end of 2021.

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Libraries</b> <b>Participation</b> <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / the sum of the municipal population for the last three years] x 100	17%	16%	16%	15%	Active borrowers is down due to all South Gippsland Libraries being closed throughout certain periods of the year as a result of the Victorian Government COVID-19 Pandemic restrictions.  <i>Note: indicator is replacing previous 'Active library members' indicator.</i>
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <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] x 100	76%	75%	76%	76%	No material variation
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	58%	63%	83%	70%	Reasons for non-attendance could be a result of deciding not to utilise the service or deciding to attend a different Maternal and Child Health Service in another council.
<b>Roads</b> <b>Satisfaction</b> <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]	46	48	47	43	The <i>Community Satisfaction Survey</i> demonstrated that residents main concern was the condition of the sealed road network. Preliminary condition data has indicated that the sealed network has decreased in condition but is still within service levels. A significant contributor to the decline was the failure of a rock product that was used as part of the reseal program. Rectification works have been undertaken to address the impact of this product along with a review of the sealed road drainage program.

Service	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Statutory Planning</b>					Five of the ten Planning Permits that were appealed to VCAT had decisions that were upheld (supported).
<b>Decision making</b>					
<i>Council planning decisions upheld at VCAT</i>	80%	80%	71%	50%	
[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] x 100					
<b>Waste Collection</b>					Council continues to remain consistent year on year with waste diverted from landfill by providing services that suit the needs of the Shire.
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i>	51%	52%	53%	52%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100					

## Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*

"Active library borrower" means a member of a library who has borrowed a book from the library

"Annual report" means an annual report prepared by a Council under section 98 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

"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 authorised 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 authorised 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













Retired Measures Service/Indicator/Measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variation
<b>Animal management</b>					No material variation
<b>Health and safety</b>					
Animal management prosecutions [Number of successful animal management prosecutions]	19	9	Retired in 2020	Retired in 2020	Note: indicator is discontinued from 1 July 2019 and has been replaced by 'AM7 - Animal management prosecutions' which is now a measure of proportion, not number.
<b>Efficiency</b>					No material variation
<b>Revenue level</b>					
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,811	\$1,834	Retired in 2020	Retired in 2020	Note: indicator is discontinued from 1 July 2019 and has been replaced by 'E4 - Average rate per property assessment'.
<b>Obligations</b>					No material variation
<b>Asset renewal</b>					
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x 100	98.04%	81.02%	Retired in 2020	Retired in 2020	Note: indicator is discontinued from 1 July 2019 and has been replaced by 'O5 - Asset renewal and upgrade compared to depreciation'.
<b>Definitions</b>	other than revenue that is not under the control of Council (including government grants)				
"Adjusted underlying revenue" means total income other than:					
(a) non-recurrent grants used to fund capital expenditure; and					
(b) non-monetary asset contributions; and					
(c) contributions to fund capital expenditure from sources other than those referred to above					
"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					
2020/21 Annual Report 151					



# OTHER INFORMATION

for the year ended 30 June 2021

## 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 2014* (as per the transitional provisions of the *Local Government Act 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 *2020-2024 Strategic Resource Plan*. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The four-year forecast figures included in the Performance Statement are those adopted by Council in its Budget on 23 June 2021. The forward look budget is 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 and Council Plan can be obtained by contacting Council or available on Council's website.

# CERTIFICATION

## OF THE PERFORMANCE STATEMENT

### for the year ended 30 June 2021

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*.



---

Melissa Baker, CPA  
**Principal Accounting Officer**  
**Date:** 15 September 2021

*Leongatha*

In our opinion, the accompanying statement of the South Gippsland 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 the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



---

Julie Eisenbise  
**Administrator (Chair)**  
**Date:** 15 September 2021

*Leongatha*



---

Rick Brown  
**Administrator**  
**Date:** 15 September 2021

*Leongatha*



---

Kerryn Ellis  
**Chief Executive Officer**  
**Date:** 15 September 2021

*Leongatha*

# Independent Auditor's Report

## To the Councillors of South Gippsland Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of South Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of the municipality for the year ended 30 June 2021</li> <li>• sustainable capacity indicators for the year ended 30 June 2021</li> <li>• service performance indicators for the year ended 30 June 2021</li> <li>• financial performance indicators for the year ended 30 June 2021</li> <li>• other information for the year ended 30 June 2021 (basis of preparation) and</li> <li>• the the certification of the performance statement.</li> </ul> <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>
<b>Basis for Opinion</b>	<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>
<b>Councillors' responsibilities for the performance statement</b>	<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>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<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</p>

---

Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

- identify and assess the risks of material misstatement of 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  
30 September 2021



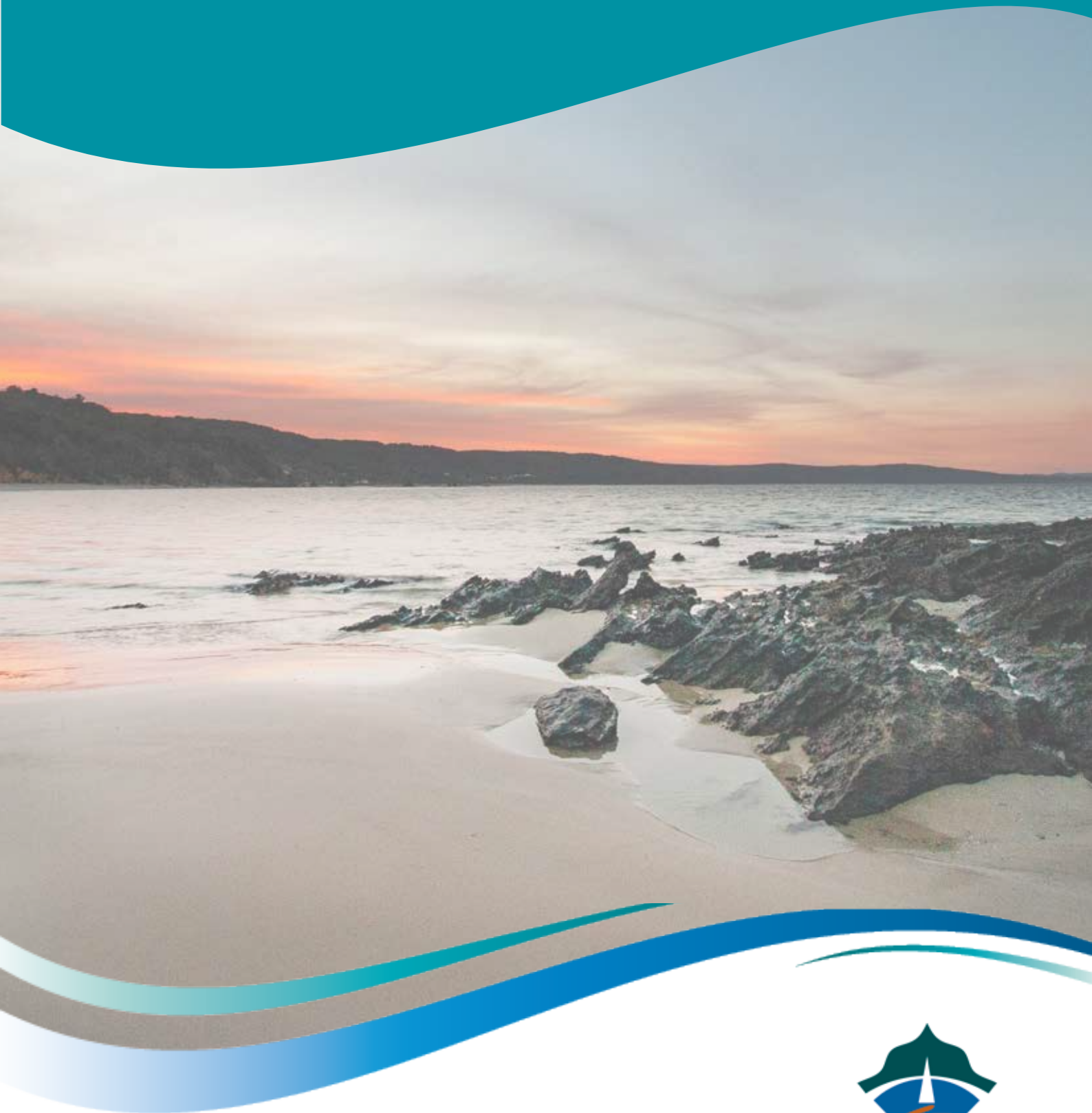
Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

SOUTH GIPPSLAND SHIRE COUNCIL

# Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2021



*South Gippsland  
Shire Council*



# Contents

<b>Financial Report</b>	
Certification of the Financial Statements	5
Victorian Auditor-General's Audit Report	6
<b>Financial Statements</b>	
Comprehensive Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flow	11
Statement of Capital Works	12
<b>Overview</b>	13
<b>Notes to the Financial Statements</b>	13
Note 1 Performance against budget	14
1.1 Income and expenditure	14
1.2 Capital Works	16
Note 2 Analysis of Council results by program	17
Note 3 Funding for the delivery of our services	21
3.1 Rates and charges	21
3.2 Statutory fees and fines	21
3.3 User fees	21
3.4 Funding from other levels of government	21
3.5 Contributions	22
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	22
3.7 Other income	23
Note 4 The cost of delivering services	23
4.1 Employee costs	23
4.2 Materials and services	23
4.3 Depreciation	23
4.4 Amortisation - Intangible Assets	23
4.5 Amortisation - Right of Use Assets	23
4.6 Bad and doubtful debts	24
4.7 Borrowing costs	24
4.8 Finance Costs - Leases	24
4.9 Other expenses	24

# Contents

Note 5	Our financial position	24
	5.1 Financial assets	24
	5.2 Non-financial assets	26
	5.3 Payables	26
	5.4 Interest bearing liabilities	27
	5.5 Provisions	27
	5.6 Financing arrangements	28
	5.7 Commitments	29
	5.8 Leases	29
Note 6	Assets we manage	31
	6.1 Property infrastructure plant and equipment	31
	6.2 Investments in associates, joint arrangements and subsidiaries	38
	6.3 Investment property	39
Note 7	People and relationships	40
	7.1 Council and key management remuneration	40
	7.2 Related party disclosure	41
Note 8	Managing uncertainties	42
	8.1 Contingent assets and liabilities	42
	8.2 Change in accounting standards	43
	8.3 Financial instruments	43
	8.4 Fair value measurement	45
	8.5 Events occurring after balance date	46
Note 9	Other matters	47
	9.1 Reserves	47
	9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	48
	9.3 Superannuation	48
Note 10	Change in accounting policy	50

# Certification of the Financial Statements

For the Year Ended 30 June 2021

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.



Melissa Baker, CPA

**Principal Accounting Officer**

**Date:** 15 September 2021

*Leongatha*

In our opinion, the accompanying financial statements present fairly the financial transactions of South Gippsland 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.

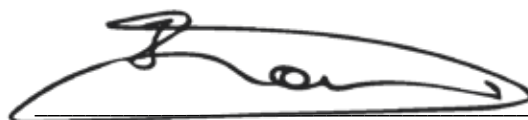


Julie Eisenbise

**Administrator (Chair)**

**Date:** 15 September 2021

*Leongatha*



Rick Brown

**Administrator**

**Date:** 15 September 2021

*Leongatha*



Kerryn Ellis

**Chief Executive Officer**

**Date:** 15 September 2021

*Leongatha*

# Independent Auditor's Report

## To the Councillors of South Gippsland Shire Council

<b>Opinion</b>	<p>I have audited the financial report of South Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2021</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• statement of capital works for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <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>
<b>Basis for Opinion</b>	<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 APES 110 <i>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>
<b>Councillors' responsibilities for the financial report</b>	<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  
30 September 2021



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*



# Comprehensive Income Statement

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	45,338	43,908
Statutory fees and fines	3.2	1,087	867
User fees	3.3	3,813	3,971
Grants - operating	3.4	14,408	15,467
Grants - capital	3.4	10,341	4,548
Contributions - monetary	3.5	1,416	205
Contributions - non monetary	3.5	3,598	188
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,164)	(68)
Fair value adjustments for investment property	6.3	(5)	33
Share of net profits (or loss) of associates and joint ventures	6.3	130	113
Other income	3.7	1,403	1,565
<b>Total income</b>		<b>80,365</b>	<b>70,797</b>
<b>Expenses</b>			
Employee costs	4.1	27,876	25,634
Materials and services	4.2	20,930	21,005
Depreciation	4.3	11,915	11,996
Amortisation - intangible assets	4.4	240	240
Amortisation - right of use assets	4.5	93	88
Assets impaired	6.1	-	11,419
Bad and doubtful debts	4.6	(4)	8
Borrowing costs	4.7	9	49
Finance costs - leases	4.8	6	9
Other expenses	4.9	3,279	3,111
<b>Total expenses</b>		<b>64,344</b>	<b>73,559</b>
<b>Surplus/(deficit) for the year</b>		<b>16,021</b>	<b>(2,762)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	6.1	14,016	7,285
Share of other comprehensive income of associates and joint ventures	6.2	18	70
<b>Total comprehensive result</b>		<b>30,055</b>	<b>4,593</b>

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

# Balance Sheet

As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	10,567	7,792
Trade and other receivables	5.1	5,885	5,676
Other financial assets	5.1	32,279	30,000
Inventories	5.2	210	208
Other assets	5.2	240	218
<b>Total current assets</b>		<b>49,181</b>	<b>43,894</b>
<b>Non-current assets</b>			
Other financial assets	5.1	-	1,000
Non-current assets held for sale	6.2	1,691	1,541
Property, infrastructure, plant and equipment	6.1	587,373	555,163
Right-of-use assets	5.8	86	179
Investment property	6.3	615	620
Intangible assets	5.2	294	479
<b>Total non-current assets</b>		<b>590,059</b>	<b>558,982</b>
<b>Total assets</b>		<b>639,240</b>	<b>602,876</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	2,944	2,762
Trust funds and deposits	5.3	1,527	1,332
Unearned income	5.3	4,951	2,585
Provisions	5.5	6,617	5,919
Interest-bearing liabilities	5.4	349	-
Lease liabilities	5.8	94	89
<b>Total current liabilities</b>		<b>16,482</b>	<b>12,687</b>
<b>Non-current liabilities</b>			
Provisions	5.5	4,645	4,274
Interest-bearing liabilities	5.4	3,049	812
Lease liabilities	5.8	-	94
<b>Total non-current liabilities</b>		<b>7,694</b>	<b>5,180</b>
<b>Total liabilities</b>		<b>24,176</b>	<b>17,867</b>
<b>Net assets</b>		<b>615,064</b>	<b>585,009</b>
<b>Equity</b>			
Accumulated surplus		243,339	227,587
Reserves	9.1	371,725	357,422
<b>Total Equity</b>		<b>615,064</b>	<b>585,009</b>

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

# Statement of Changes in Equity

For the Year Ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021</b>					
Balance at beginning of the financial year		585,009	227,587	357,148	274
Impact of change in accounting policy - AASB 1059: Service concession arrangements: grantors	10	-	-	-	-
Adjusted Opening balance		585,009	227,587	357,148	274
Surplus/(deficit) for the year		16,021	16,021	-	-
Net asset revaluation increment/(decrement)	6.1/6,2	14,034	-	14,034	-
Transfers to other reserves	9.1	-	(1,161)	-	1,161
Transfers from other reserves	9.1	-	892	-	(892)
		615,064	243,339	371,182	543
<b>Balance at end of the financial year</b>		<b>615,064</b>	<b>243,339</b>	<b>371,182</b>	<b>543</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2020</b>					
Balance at beginning of the financial year		582,430	227,658	349,793	4,979
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers		(33)	(33)	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities		(1,981)	(1,981)	-	-
Impact of change in accounting policy - AASB 16 Leases		-	-	-	-
Adjusted Opening balance		580,416	225,644	349,793	4,979
Surplus/(deficit) for the year		(2,762)	(2,762)	-	-
Net asset revaluation increment/(decrement)	6.1/6,2	7,355	-	7,355	-
Transfers to other reserves	9.1	-	(1,419)	-	1,419
Transfers from other reserves	9.1	-	6,124	-	(6,124)
		4,593	1,943	7,355	(4,705)
<b>Balance at end of the financial year</b>		<b>585,009</b>	<b>227,587</b>	<b>357,148</b>	<b>274</b>

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

# Statement of Cash Flows

For the Year Ended 30 June 2021

		2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		45,545	43,469
Statutory fees and fines		1,087	867
User fees		3,812	4,201
Grants - operating		14,212	15,173
Grants - capital		12,903	5,371
Contributions - monetary		1,416	205
Interest received		414	533
Trust funds and deposits taken		425	575
Other receipts		574	1,038
Net GST refund/payment		3,909	3,070
Employee costs		(26,905)	(24,678)
Materials and services		(23,624)	(24,949)
Short-term, low value and variable lease payments		-	(10)
Trust funds and deposits repaid		(276)	(268)
Other payments		(4,192)	(2,790)
<b>Net cash provided by/(used in) operating activities</b>	9.2	<b>29,300</b>	<b>21,807</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.1	(28,673)	(16,069)
Proceeds from sale of property, infrastructure, plant and equipment		980	480
Payments for investments		(1,279)	(2,727)
<b>Net cash provided by/(used in) investing activities</b>		<b>(28,972)</b>	<b>(18,316)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(44)	(68)
Proceeds from borrowings		2,788	812
Repayment of borrowings		(202)	(3,350)
Interest paid - lease liability		(6)	(9)
Repayment of lease liabilities		(89)	(84)
<b>Net cash provided by/(used in) financing activities</b>		<b>2,447</b>	<b>(2,699)</b>
Net increase (decrease) in cash and cash equivalents		2,775	792
Cash and cash equivalents at the beginning of the financial year		7,792	7,000
<b>Cash and cash equivalents at the end of the financial year</b>		<b>10,567</b>	<b>7,792</b>
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.

# Statement of Capital Works

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Property</b>			
Land		-	735
<b>Total land</b>		-	735
Buildings		1,286	1,542
<b>Total buildings</b>		1,286	1,542
<b>Total property</b>		1,286	2,277
<b>Plant and equipment</b>			
Plant, machinery and equipment		2,884	2,140
Computers and telecommunications		948	404
<b>Total plant and equipment</b>		3,832	2,544
<b>Infrastructure</b>			
Roads		10,225	6,429
Bridges		522	534
Major Culverts		503	46
Footpaths and cycleways		2,283	878
Drainage		36	152
Car Park		2	-
Land stabilisation		41	1
Waste management		20	-
Other infrastructure		9,923	3,208
<b>Total infrastructure</b>		23,555	11,248
<b>Total capital works expenditure</b>		28,673	16,069
<b>Represented by:</b>			
New asset expenditure		-	-
Asset renewal expenditure		25,939	13,890
Asset expansion expenditure		1,259	1,887
Asset upgrade expenditure		1,475	292
<b>Total capital works expenditure</b>		28,673	16,069

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 South Gippsland Shire Council was established by an Order of the Governor in Council on 2nd December 1994 and is a body corporate.

The Council's main office is located at 9 Smith Street, Leongatha.

### 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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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

#### (b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:

- - In response to government directive amidst the COVID-19 outbreak, the leisure centre facilities, Yanakie Caravan Park, LJ caravan parks and Coal Creek Historical Village were closed due to Covid-19 restriction in financial year 2020/21. These closures resulted in a decrease in council user fee revenue by \$452K and also decreased associated expenses by \$279K based on 2019/20 results.
- - Council suspended rent payments for rent agreements of impacted businesses from April 2020, including Korumburra Tourist Park and Waratah Bay Caravan Park. This resulted in decreased rent revenue of \$16K and \$75K based on 2019/20 results.
- - Council incurred additional cost of \$1.2 million to cover the cost of Covid-19, while the original budget of Covid-19 was \$2 million and forecast of Covid-19 was \$1.3 million. \$500K has been carried forward to 2021/22.
- - The Working for Victoria initiative is part of the Victorian Government's \$1.7 billion Economic Survival Package. The Working for Victoria Fund is designed to connect workers with new opportunities that will help our community and contribute to Victoria's ability to respond to the pandemic. Council received \$1.3 million in funding which provided for the employment of 43 full time equivalent staffs during the 2020/21 financial year.



# Notes to the Financial Report

For the Year Ended 30 June 2021

## Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 5% percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 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
<b>Income</b>					
Rates and charges	45,252	45,338	86	0%	
Statutory fees and fines	960	1,087	127	13%	1
User fees	4,387	3,813	(574)	-13%	2
Grants - operating	7,862	14,408	6,546	83%	3
Grants - capital	9,617	10,341	724	8%	4
Contributions - monetary	896	1,416	520	58%	5
Contributions - non monetary	404	3,598	3,194	791%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	257	(1,164)	(1,421)	-553%	7
Fair value adjustments for investment property	-	(5)	(5)	100%	8
Share of net profits/(losses) of associates and joint ventures	-	130	130	100%	9
Other income	1,771	1,403	(368)	-21%	10
<b>Total income</b>	<b>71,406</b>	<b>80,365</b>	<b>8,960</b>	<b>13%</b>	
<b>Expenses</b>					
Employee costs	26,330	27,876	(1,546)	-6%	11
Materials and services	23,475	20,930	2,545	11%	12
Depreciation	11,917	11,915	2	0%	
Amortisation - Intangible assets	225	240	(15)	-7%	13
Amortisation - Right of use assets	87	93	(6)	-7%	14
Bad and doubtful debts	-	(4)	4	100%	
Borrowing costs	37	9	28	76%	15
Finance costs - Leases	-	6	(6)	100%	
Other expenses	2,864	3,279	(415)	-14%	16
<b>Total expenses</b>	<b>64,935</b>	<b>64,344</b>	<b>591</b>	<b>1%</b>	
<b>Surplus/(deficit) for the year</b>	<b>6,471</b>	<b>16,021</b>	<b>9,551</b>	<b>148%</b>	

#### (i) Explanation of material variations

1	Statutory fees and fines	Statutory fees were higher than original budget predominantly due to a higher increase in statutory planning activities than anticipated.
2	User fees	COVID-19 caused closures in the two Council run caravan parks causing lower than anticipated revenue at Yanakie (\$242K) and Long Jetty (\$20K). Also impacted by COVID-19 was the closure of Coal Creek Heritage Park (\$89K). Part of Council's response to the pandemic was to exempt some fees originally budgeted in Environmental Health (\$90K) and Local Laws (\$42K).
3	Grants - operating	The major contributor was receiving 50% of the 2021/22 Victorian Grants Commission allocation which was paid early in June (\$5.4M). In addition, a new, "Working for Victoria" program was established during the year which attracted grant funds of \$1.29M not originally budgeted.

# Notes to the Financial Report

For the Year Ended 30 June 2021

4	Grants - capital	Grants received that were not budgeted for included: Bair Street Project (\$250K), Foster Indoor Stadium Redevelopment (\$2M), Clancey's Road (\$685K), Toora Jetty Pontoon (\$210K) and Transfer Station Upgrades (\$349K). These grants were largely offset by deferring unearned grant revenue (\$3.4M).
5	Contributions - monetary	Largely due to open space contributions being significantly above budget by \$325K. It is due to the increased number of subdivisions with public open space contributions.
6	Contributions - non-monetary	Value of assets recognised through completion of subdivision was greater than what was anticipated. Original budget was consistent with 2019/20 non-monetary contributions and no developments competed in that year. Developments are completed in 2020/21.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The increase in net loss on disposal of property, infrastructure, plant and equipment was due to the disposal of infrastructure assets (\$1.4m), but it was offset by the gain from land sales (\$142K). The rest of gain/loss on disposal was due to the disposal of motor vehicles and plants.
8	Fair value adjustments for investment property	Fair value adjustments for investment property were not budgeted for.
9	Share of net profits/(losses) of associates and joint ventures	Council share of surplus or deficit were not budgeted for.
10	Other income	Other income relates to a range of items such as interest received, reimbursements, rental income, cost recoups and other miscellaneous income items. The lower other income was mainly due to the reduced interest received by \$260K due to lower than anticipated interest rates and impacts of COVID-19 closures to caravan parks and Coal Creek Heritage village.
11	Employee Costs	A new government incentive program, "Working for Victoria" employing up to 45 part time staff was not included in the original budget and cost \$955K. In addition, there were a number of new positions not originally budgeted for.
12	Materials and services	Council budgeted for a \$2 million Covid-19 relief package to assist the community and business against additional costs and loss of income. The actual Covid-19 cost incurred was \$1.2 million, which contributes to the favourable variance of \$800K. Other areas where actual materials and services were lower than budget included Gravel Roads - New Initiative (\$428K), Resheets (\$260K), Corporate Planning and Council Business (\$254K), Community Strengthening Coordination (\$237K) and swimming pools (233K).
13	Amortisation - Intangible assets	Amortisation of Intangible assets was not budgeted for.
14	Amortisation - Right of use assets	Amortisation of Right of use assets were not budgeted for.
15	Borrowing Costs	The borrowing costs are the interest payment of new construction drawdown to fund completion of the Mirboo North Pool project. The low borrowing costs are due to favourable loan rate from Treasury Corporation Victoria and an interest rate subsidy received by Council from Sport and Recreation Victoria (SRV).
16	Other expenses	Other expenses includes \$550K from Council's COVID-19 relief package which were budgeted in total under the materials and services line. Offsetting this was savings from a number of areas such as Executive Services Management (\$75K), Accounting (\$63K), Corporate Information Management (\$54K), Strategic Planning (\$53K), Recreation Facilities (\$50K), and Youth Development (\$33K).

# 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
<b>Property</b>					
Buildings	7,031	1,286	(5,745)	-82%	1
<b>Total buildings</b>	7,031	1,286	(5,745)	-82%	
<b>Total property</b>	7,031	1,286	(5,745)	-82%	
<b>Plant and equipment</b>					
Plant, machinery and equipment	3,659	2,884	(775)	-21%	2
Fixtures, fittings and furniture	763	948	185	24%	3
<b>Total plant and equipment</b>	4,422	3,832	(590)	-13%	
<b>Infrastructure</b>					
Roads	10,325	10,225	(100)	-1%	4
Bridges	974	522	(452)	-46%	5
Major Culverts	686	503	(183)	-27%	6
Footpaths and cycleways	4,053	2,283	(1,770)	-44%	7
Drainage	86	36	(50)	-58%	8
Car Park	-	2	2	100%	9
Land stabilisation	-	41	41	100%	10
Waste management	-	20	20	100%	11
Other infrastructure	12,052	9,923	(2,129)	-18%	12
<b>Total infrastructure</b>	28,176	23,555	(4,621)	-16%	
<b>Total capital works expenditure</b>	39,629	28,673	(10,956)	-28%	
<b>Represented by:</b>					
New asset expenditure	-	-	-	-	
Asset renewal expenditure	33,543	25,939	(7,604)	-23%	
Asset expansion expenditure	5,159	1,259	(3,900)	-76%	
Asset upgrade expenditure	927	1,475	548	59%	
<b>Total capital works expenditure</b>	39,629	28,673	(10,956)	-28%	

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Expenditure on Community Hub - Korumburra (\$5.35M) and the Buildings Renewal Program (\$1.01M) have been deferred and carried forward to 2021/22.
2	Plant, machinery and equipment	Less purchases due to limited kms travelled by fleet, which increase the asset useful life and a number of planned purchases have been pushed out to future years. Plant purchases carried to next year total \$485K and fleet purchases
3	Fixtures, fittings and furniture	Projects and purchases of various items have been deferred to 2021/22..
4	Roads	Due to Roads - Sealed Rehabilitation Program was under budget by \$2.1M and the remaining fund have been requested to carry forward to 2021/22. However, the under budget was offset by the expenditure of Flood Event - August 2019 - Capital that was not budgeted for (\$2.7M).
5	Bridges	Works on Bass Valley Road (KB080) and (KB090), have been deferred and carried forward to 2021/22 - (\$414K).
6	Major culverts	Renewal program is delayed due to weather constraints and will be carried forward to 2021/22.
7	Footpaths and cycleways	Delayed works on the Great Southern Rail Trail Capital (\$1.772M) because of the delays to the removal of rail assets due to action by National Rail Safety
8	Drainage	Upgrade Works at the Walkerville Retarding Basin has been deferred and carried forward to 2021/22 (\$85K).
9	Car Park	Jones Street, Foster (\$2K) was not budgeted for.
10	Land stabilisation	Landslips 2020 (\$41K) was not budgeted for.
11	Waste management	Koonwarra Landfill Cells 1, 2 and 3 Cap - (\$19K) was not budgeted for.
12	Other infrastructure	Leongatha Business Precinct Project - Bair Street (\$521K) and Venus Bay Activity Centre Projects (\$596K) and Yanakie Caravan Park (\$487K) behind schedule and carried forward to 2021/22.

# 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 through the following programs. During the 2020/21 financial year, there was a realignment of activities across various departments. Therefore, the program names used in the Note 2 (b) have changed from 2020.

### **2 (a) Performance & Innovation**

The Performance & Innovation Directorate provides services including:

- Financial Services;
- Innovation & Technology;
- People & Culture;
- Governance Services; and
- Library Board representation

#### **Financial Strategy**

The Financial Strategy Department delivers financial planning, budget management, legislative compliance, rates and valuation services and internal support to departments, teams and individuals in relation to finance functions.

#### **Innovation & Technology**

The Innovation and Technology Department work across all areas of Council to provide cost-effective technology and services. It aims to deliver the best quality services to the Community and provide contemporary tools for staff to operate efficiently. The team consists of Information systems, Information Management, and Innovation.

#### **People & Culture**

The People & Culture Department strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally. It manages recruitment, workplace relations and industrial relations, gender equity & diversity and inclusion, organisational learning & development, occupational health, safety & wellbeing, human resources & performance management, workers compensation and return to work management and payroll.

#### **Governance**

The Governance Department delivers services from the Risk, Procurement and Council Business teams to the community, Councillors and staff. It provides support for Council meetings, briefings and hearings, is responsible for contract management, risk and insurance, Freedom of Information and Privacy, internal audit, regulatory compliance, tendering, corporate planning, monitoring and reporting, including development of the Council Plan and Annual Report. It leads policy review and provides reform support including the Local Government Act.

# Notes to the Financial Report

For the Year Ended 30 June 2021

## **Sustainable Infrastructure**

The Infrastructure Services Development Directorate provides services including:

- Infrastructure Planning;
- Infrastructure Delivery;
- Infrastructure Maintenance; and
- Open Space & Environment

### **Infrastructure Planning**

The Infrastructure Planning Department plans and manages Council's asset portfolio, including the development of sustainable and cost effective maintenance and capital programs. It delivers asset management services such as waste management, and sourcing external grant funding for major projects. It promotes a sustainable environment and solutions, including the delivery of projects through Council's Revolving Sustainability Fund.

### **Infrastructure Delivery**

The Infrastructure Delivery Department delivers Council's civil and building capital works program, building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.

### **Infrastructure Maintenance**

The Infrastructure Maintenance Department provides a safe and trafficable road network by maintaining Council and associated gravel and sealed roads, and road infrastructure assets including roads, drainage, bridges, culverts, footpaths, and waterway assets. It delivers construction projects and provides a rapid response and afterhours call out service to maintain Council's roads and associated road infrastructure assets.

### **Open Space & Environment**

The Open Space & Environment Department manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban / rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.

# Notes to the Financial Report

For the Year Ended 30 June 2021

## **Economic & Community**

The Economic & Community Development Directorate provides services including:

- Economy, Arts and Tourism;
- Planning Services;
- Community Safety; and
- Community Services

## **Economy, Arts & Tourism**

The Economy, Arts and Tourism Department strategically leads, and responsively plans economic and cultural activities to support:

- investment and growth of key industries;
- tourism development and increased visitation;
- enhanced liveability;
- increased capacity and capabilities within the creative industries.

## **Planning Services**

The Planning Services Department undertakes strategic planning to prepare long-term landuse planning policies and planning schemes, aligned to State Government requirements, to address a range of environments, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits.

## **Community Safety**

The Community Safety Department provides services to the community including animal management, building/planning enforcement, fire prevention, local laws development/ enforcement, litter prevention, permits for places of public entertainment, parking control, registration of food, health and accommodation premises, report and consent applications for new buildings, school crossings and wastewater.

## **Chief Executive Office**

The Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council. It also provides services including:

- Community Information & Advocacy which encompasses
- Communications; and
- Customer Service

## **Community Information & Advocacy**

The Customer Information and Advocacy Department services to the community include phone-based customer service, website maintenance, social media, front-desk customer service, media liaison, coordination of Council Noticeboard and the Administrators' Message, advocacy materials to support Council's key projects, maintenance of the online Community Directory, production and distribution of the e-newsletter 'In The Know', Australia Day Awards and ceremonies.

## **Community Services**

The Community Services Department supports, connects, engages and advocates for communities, children, families and individuals in South Gippsland:

- Children and Family Services including Maternal & Child Health
- Community Strengthening
- Regional Assessment Service
- Social Planning



# Notes to the Financial Report

For the Year Ended 30 June 2021

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

Council delivers its functions and activities through the following programs. Due to the realignment of activities across various departments, the program names used in the Note 2 (b) have changed in 2021.

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Performance & Innovation	-	1,769	(1,769)	-	-
Financial Strategy	48,495	19,971	28,524	1,493	49,586
Innovation & Technology	99	2,921	(2,822)	4,069	1,172
People & Culture	1,545	1,717	(172)	99	-
Governance	2	2,408	(2,406)	-	-
Sustainable Infrastructure	-	290	(290)	437	-
Infrastructure Planning	6,571	8,885	(2,314)	-	577,836
Infrastructure Delivery	13,242	3,240	10,002	629	8,955
Infrastructure Maintenance	4,614	8,411	(3,797)	-	-
Open Space & Environment	189	3,648	(3,459)	21	-
Economic & Community Development	-	274	(274)	1,300	-
Economy, Arts & Tourism	1,149	2,357	(1,208)	-	-
Planning Services	1,068	1,412	(344)	305	-
Community Safety	1,677	2,683	(1,006)	12,268	-
Chief Executive Office	176	600	(424)	4,013	-
Community Information & Advocacy	21	887	(866)	116	-
Community Services	1,517	2,871	(1,354)	-	1,691
	<b>80,365</b>	<b>64,344</b>	<b>16,021</b>	<b>24,750</b>	<b>639,240</b>

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
Corporate and Community Services	-	1,678	(1,678)	-	1,541
Community Services	1,526	3,438	(1,912)	1,433	-
Finance, Risk & Procurement	47,313	31,229	16,084	6,358	45,306
Innovation & Council Business	-	2,409	(2,409)	-	865
Development Services Management	-	159	(159)	-	-
Economic Development & Tourism	1,013	2,089	(1,076)	13	-
Planning	819	1,495	(676)	216	-
Regulatory Services	1,106	1,707	(601)	71	-
Executive Services	-	548	(548)	-	-
Community Information	-	795	(795)	-	-
People & Culture	216	1,168	(952)	-	-
Infrastructure Management	-	274	(274)	-	-
Infrastructure Planning	6,226	9,162	(2,936)	359	547,387
Infrastructure Delivery	6,549	4,250	2,299	6,244	-
Operations	6,029	13,158	(7,129)	5,321	7,777
	<b>70,797</b>	<b>73,559</b>	<b>(2,762)</b>	<b>20,015</b>	<b>602,876</b>

# Notes to the Financial Report

For the Year Ended 30 June 2021

## Note 3 Funding for the delivery of our services

### 3.1 Rates and charges

2021  
\$'000

2020  
\$'000

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The capital value of a property is the value that it could be reasonably expected to sell for on the open market.

The valuation base used to calculate general rates for 2020/21 was \$9,469 million (2019/20 \$8,876 million).

General rates	41,421	39,966
Waste management charge	3,204	3,261
Special rates and charges	7	7
Supplementary rates and rate adjustments	289	305
Interest on rates and charges	224	179
Revenue in lieu of rates	193	190
<b>Total rates and charges</b>	<b>45,338</b>	<b>43,908</b>

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

Land information certificates	48	36
Local laws	61	109
Building services	272	177
Statutory planning	638	460
Supervision fees	57	72
Others	11	13
<b>Total statutory fees and fines</b>	<b>1,087</b>	<b>867</b>

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

Aged and health services	210	306
Leisure centre and recreation	1	22
Local Laws	468	439
Waste management services	2,357	2,261
Caravan parks	695	826
Other fees and charges	82	117
<b>Total user fees</b>	<b>3,813</b>	<b>3,971</b>
<b>User fees by timing of revenue recognition</b>		
User fees recognised over time	695	826
User fees recognised at a point in time	3,118	3,145
<b>Total user fees</b>	<b>3,813</b>	<b>3,971</b>

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.

### 3.4 Funding from other levels of government

Grants were received in respect of the following :

#### Summary of grants

Commonwealth funded grants	16,822	15,142
State funded grants	7,928	4,873
<b>Total grants received</b>	<b>24,750</b>	<b>20,015</b>

#### (a) Operating Grants

##### Recurrent - Commonwealth Government

Financial Assistance Grants	10,016	10,603
Immunisation	2	3
Home & Community Care	264	263

##### Recurrent - State Government

Valuation Services	170	165
Family and children	243	221
Home & Community Care	96	95
Youth Services	-	66
School crossing supervision	66	68
Community building	-	63
Community health	8	3
Immunisation	10	13
Maternal & child health	536	475
Other	8	4
<b>Total recurrent operating grants</b>	<b>11,419</b>	<b>12,042</b>

# Notes to the Financial Report

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Non-recurrent - Commonwealth Government</b>		
Local Roads & Infrastructure	-	972
Recreation & Leisure	-	7
<b>Non-recurrent - State Government</b>		
Families & Children	22	48
Home & Community Care	105	32
Youth Services	47	45
Maternal & child health	-	25
Fire Services Levy Administration	52	51
Sustainability	292	84
Community Building	49	42
Natural Disasters	347	1,214
Recreation & Leisure	269	545
Working for Victoria	1,300	-
Other	507	360
<b>Total non-recurrent operating grants</b>	<b>2,990</b>	<b>3,425</b>
<b>Total operating grants</b>	<b>14,409</b>	<b>15,467</b>
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	2,385	2,385
<b>Total recurrent capital grants</b>	<b>2,385</b>	<b>2,385</b>
<b>Non-recurrent - Commonwealth Government</b>		
Roads	2,143	400
Bridges	-	309
Other Structures	2,012	200
<b>Non-recurrent - State Government</b>		
Roads	1,898	30
Building	626	449
Bridges	208	198
Other Structures	1,068	577
<b>Total non-recurrent capital grants</b>	<b>7,957</b>	<b>2,163</b>
<b>Total capital grants</b>	<b>10,341</b>	<b>4,548</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
<b>Operating</b>		
Balance at start of year	310	890
Received during the financial year and remained unspent at balance date	552	102
Received in prior years and spent during the financial year	- 94	- 682
Balance at year end	<b>768</b>	<b>310</b>
<b>Capital</b>		
Balance at start of year	827	1,101
Received during the financial year and remained unspent at balance date	2,156	714
Received in prior years and spent during the financial year	- 451	- 988
Balance at year end	<b>2,532</b>	<b>827</b>

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	1,416	205
Non-monetary	3,598	188
<b>Total contributions</b>	<b>5,014</b>	<b>393</b>

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

Roads	1,325	2
Drains	1,349	34
Kerb & channels	369	-
Footpaths	555	7
Waterway infrastructure	-	145
<b>Total non-monetary contributions</b>	<b>3,598</b>	<b>188</b>

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	980	480
Written down value of assets disposed	(2,144)	(548)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,164)</b>	<b>(68)</b>

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

## 3.7 Other income

	2021 \$'000	2020 \$'000
Interest	290	527
Investment property rental	230	198
Other rent	46	7
Fuel tax credits	98	139
Sales	22	109
Workcover reimbursements	245	216
Other reimbursements	350	235
External private works	1	17
Other	121	117
<b>Total other income</b>	<b>1,403</b>	<b>1,565</b>

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	24,704	22,837
WorkCover	759	661
Superannuation	2,393	2,106
Fringe benefits tax	20	30
<b>Total employee costs</b>	<b>27,876</b>	<b>25,634</b>

### (b) Superannuation

Council made contributions to the following funds:

#### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	87	88
	<b>87</b>	<b>88</b>
Employer contributions payable at reporting date.	3	1

#### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,306	2,018
	<b>2,306</b>	<b>2,018</b>
Employer contributions payable at reporting date.	93	20

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

### 4.2 Materials and services

Waste Management	4,056	4,049
Leisure Centre Operations	815	1,012
Contractors General	3,436	4,430
Software Maintenance	1,564	963
Landfill Rehabilitation	65	(142)
COVID-19 - Material	70	43
COVID-19 - Maintenance	25	-
Natural disasters	614	644
Materials General	4,555	4,967
Fuel & Oils	749	784
Advertising & Promotion Costs	391	197
Utilities	902	943
Subscriptions, affiliations and conferences	234	171
Leases & Rentals	64	73
Legal Fees	339	247
Consultancies and projects	861	493
Insurance Premiums	964	820
Plant & Equipment Registrations	113	133
Training expenses	233	291
State levies	876	886
Gippsland Group Training / Labour Hire	4	1
<b>Total materials and services</b>	<b>20,930</b>	<b>21,005</b>

### 4.3 Depreciation

Property	3,842	3,518
Plant and equipment	1,542	1,891
Infrastructure	6,531	6,587
<b>Total depreciation</b>	<b>11,915</b>	<b>11,996</b>

Refer to note 5.2( c ), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 4.4 Amortisation - Intangible assets

Landfill air space	240	240
<b>Total Amortisation - Intangible assets</b>	<b>240</b>	<b>240</b>

### 4.5 Amortisation - Right of use assets

Property	93	88
<b>Total Amortisation - Right of use assets</b>	<b>93</b>	<b>88</b>

# Notes to the Financial Report

For the Year Ended 30 June 2021

## 4.6 Bad and doubtful debts

	2021 \$'000	2020 \$'000
General debtors provision	(4)	8
<b>Total bad and doubtful debts</b>	<b>(4)</b>	<b>8</b>

### Movement in provisions for doubtful debts

Balance at the beginning of the year	161	160
New provisions recognised during the year	8	10
Amounts already provided for and written off as uncollectible	-	(3)
Amounts provided for but recovered during the year	(11)	(6)
<b>Balance at end of year</b>	<b>158</b>	<b>161</b>

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.

## 4.7 Borrowing costs

Interest - Borrowings	9	49
<b>Total borrowing costs</b>	<b>9</b>	<b>49</b>

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.

## 4.8 Finance Costs - Leases

Interest - Lease Liabilities	6	9
<b>Total finance costs</b>	<b>6</b>	<b>9</b>

## 4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	59	58
Auditors' remuneration - Internal	38	45
Other allowances	-	3
Library contributions	1,472	1,410
Community & Sporting grants	1,324	840
Bank Fees & Charges	185	207
Infrastructure assets and work in progress written-off	-	548
Other	201	-
<b>Total other expenses</b>	<b>3,279</b>	<b>3,111</b>

## Note 5 Our financial position

### 5.1 Financial assets

#### (a) Cash and cash equivalents

Cash on hand	3	3
Cash at bank	7,369	4,069
Money market call accounts	3,195	3,441
Term deposits	-	279
<b>Total cash and cash equivalents</b>	<b>10,567</b>	<b>7,792</b>

#### (b) Other financial assets

Term deposits - current	32,279	30,000
Term deposits - non-current	-	1,000
<b>Total other financial assets</b>	<b>32,279</b>	<b>31,000</b>
<b>Total financial assets</b>	<b>42,846</b>	<b>38,792</b>

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

- Trust funds and deposits (Note 5.3)	1,527	1,332
<b>Total restricted funds</b>	<b>1,527</b>	<b>1,332</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>9,040</b>	<b>6,460</b>

### Intended allocations

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

- cash held to fund carried forward capital works	23,546	18,059
- grants recognised as revenue and obtained on the condition that they be expended in a specified manner that had not occurred at balance date (Note 3.4c)	3,300	1,137
- reserve funds allocated for specific future purpose (Note 9.1b)	543	274
<b>Total funds subject to intended allocations</b>	<b>27,389</b>	<b>19,470</b>

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

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

# Notes to the Financial Report

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	3,638	3,473
Special rate assessment	55	5
Net GST receivable	771	461
<i>Non statutory receivables</i>		
Grants receivable	-	42
Other debtors	1,579	1,856
Provision for doubtful debts - other debtors	(158)	(161)
<b>Total current trade and other receivables</b>	<b>5,885</b>	<b>5,676</b>

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)	569	788
Past due by up to 30 days	270	257
Past due between 31 and 180 days	41	653
Past due between 181 and 365 days	94	45
Past due by more than 1 year	185	10
<b>Total trade and other receivables</b>	<b>1,159</b>	<b>1,753</b>

## (e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$148K (2020: \$145K) were impaired. The amount of the provision raised against these debtors was \$158K (2020: \$161K). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	148	145
<b>Total trade &amp; other receivables</b>	<b>148</b>	<b>145</b>



# Notes to the Financial Report

For the Year Ended 30 June 2021

## 5.2 Non-financial assets

### (a) Inventories

	2021 \$'000	2020 \$'000
Inventories held for distribution	210	208
<b>Total inventories</b>	<b>210</b>	<b>208</b>

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	240	218
<b>Total other assets</b>	<b>240</b>	<b>218</b>

### (c) Intangible assets

Landfill air space	294	479
<b>Total intangible assets</b>	<b>294</b>	<b>479</b>

#### Landfill \$'000

#### Gross carrying amount

Balance at 1 July 2020	1,362
Other additions	55
Balance at 1 July 2021	<b>1,417</b>

#### Accumulated amortisation and impairment

Balance at 1 July 2020	883
Amortisation expense	240
Balance at 1 July 2021	<b>1,123</b>

Net book value at 30 June 2020	<b>479</b>
Net book value at 30 June 2021	<b>294</b>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

## 5.3 Payables

### (a) Trade and other payables

	2021 \$'000	2020 \$'000
Trade payables	2,214	355
Accrued expenses	730	2,407
<b>Total trade and other payables</b>	<b>2,944</b>	<b>2,762</b>

### (b) Trust funds and deposits

Refundable deposits	203	125
Fire services levy	662	616
Retention amounts	258	130
Other refundable deposits	403	461
<b>Total trust funds and deposits</b>	<b>1,527</b>	<b>1,332</b>

### (c) Unearned income

Grants received in advance - operating	117	219
Grants received in advance - capital	4,834	2,272
Other	-	94
<b>Total unearned income</b>	<b>4,951</b>	<b>2,585</b>

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.

Other refundable deposits - Other deposits held in trust.

# Notes to the Financial Report

For the Year Ended 30 June 2021

## 5.4 Interest-bearing liabilities

### a) Interest-bearing loans

#### Current

Borrowings - secured

2021 \$'000	2020 \$'000
349	-
<b>349</b>	<b>-</b>

#### Non-current

Borrowings - secured

3,049	-
<b>3,049</b>	<b>-</b>

#### Total

<b>3,398</b>	<b>-</b>
--------------	----------

Borrowings are secured by the General Rates of the Council.

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

Not later than one year

Later than one year and not later than five years

Later than five years

349	-
1,454	-
1,595	-
<b>3,398</b>	<b>-</b>

### b) Interest-bearing construction drawdown facility

#### Current

Borrowings - secured

-	-
<b>-</b>	<b>-</b>

#### Non-current

Borrowings - secured

-	812
<b>-</b>	<b>812</b>

#### Total

<b>-</b>	<b>812</b>
----------	------------

Council has a construction drawdown facility that is interest-only until the final drawdown has occurred. At the time of the final drawdown the facility will convert to a 10 year principal & interest loan.

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 \$ '000	Landfill restoration \$ '000	Total \$ '000
<b>2021</b>			
Balance at beginning of the financial year	7,138	3,055	10,193
Additional provisions	3,433	87	3,521
Amounts used	(2,453)	(100)	(2,553)
Change in the discounted amount arising because of time and the effect of any change in the discount	(11)	113	101
Balance at the end of the financial year	<b>8,107</b>	<b>3,155</b>	<b>11,262</b>

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
<b>2020</b>			
Balance at beginning of the financial year	6,388	3,175	9,563
Additional provisions	3,158	43	3,201
Amounts used	(2,466)	(105)	(2,571)
Change in the discounted amount arising because of time and the effect of any change in the discount	58	(58)	-
Balance at the end of the financial year	<b>7,138</b>	<b>3,055</b>	<b>10,193</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12</b>		
Annual leave	1,865	1,649
Purchased leave	275	230
Rostered days	409	378
Long service leave	362	348
	<b>2,911</b>	<b>2,605</b>
<b>Current provisions expected to be wholly settled after 12</b>		
Annual leave	917	640
Long service leave	2,707	2,594
	<b>3,624</b>	<b>3,234</b>
Total current employee provisions	<b>6,534</b>	<b>5,839</b>
<b>Non-current</b>		
Long service leave	1,573	1,299
Total non-current employee provisions	<b>1,573</b>	<b>1,299</b>
Aggregate carrying amount of employee provisions:		
Current	6,534	5,839
Non-current	1,573	1,299
Total aggregate carrying amount of employee provisions	<b>8,107</b>	<b>7,138</b>

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, 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 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

## Key assumptions:

- discount rate	0.183%	0.293%
- index rate	2.950%	3.000%

	2021 \$'000	2020 \$'000
<b>(b) Landfill restoration</b>		
Current	83	80
Non-current	3,072	2,975
	<b>3,155</b>	<b>3,055</b>

Council is obligated to restore landfill site 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:

- discount rate	0.944%	0.717%
- index rate	2.383%	1.470%

## 5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021.

Bank overdraft	500	500
Credit card facilities	350	350
Other facilities	951	3,600
Total facilities	<b>1,801</b>	<b>4,450</b>
Used facilities	(1,226)	(866)
Unused facilities	<b>575</b>	<b>3,584</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## 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.

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
<b>Operating</b>					
Transfer Stations	311	-	-	-	311
Litter Bins	13	-	-	-	13
Kerbside Garbage	1,337	-	-	-	1,337
Libraries	1,472	-	-	-	1,472
General Materials & Services	1,163	107	271	-	1,541
Maintenance Contracts	1,247	-	-	-	1,247
Construction Contracts	272	16	-	-	288
Total	5,815	123	271	-	6,209
<b>Capital</b>					
Roads	529	-	-	-	529
Computers and telecomms	133	-	-	-	133
Plant, machinery and equipment	573	-	-	-	573
Other Structures	1,307	-	-	-	1,307
Buildings	2,117	-	-	-	2,117
Footpaths	2,543	-	-	-	2,543
Major Culverts	399	-	-	-	399
Total	7,601	-	-	-	7,601
<b>2020</b>					
<b>Operating</b>					
Transfer Stations	20	-	-	-	20
Kerbside Garbage	1,320	-	-	-	1,320
Libraries	1,472	-	-	-	1,472
General Materials & Services	1,013	233	475	22	1,743
Equipment Hire	8	-	-	-	8
Maintenance Contracts	1,304	-	-	-	1,304
Construction Contracts	111	-	-	-	111
Total	5,248	233	475	22	5,978
<b>Capital</b>					
Buildings	360	-	-	-	360
Plant, machinery and equipment	731	-	-	-	731
Computer and Telecommunications	114	-	-	-	114
Bridges	398	-	-	-	398
Roads	32	-	-	-	32
Footpaths	668	-	-	-	668
Drainage	-	-	-	-	-
Other Structures	5,833	51	-	-	5,884
Total	8,136	51	-	-	8,187

## 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

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.

## **Right-of-Use Assets**

	Property \$'000
Balance at 1 July 2019	254
Additions	13
Amortisation charge	(88)
Balance at 30 June 2020	<u>179</u>

## **Right-of-Use Assets**

	Property \$'000
Balance at 1 July 2020	179
Additions	-
Amortisation charge	(93)
Balance at 30 June 2021	<u>86</u>

## **Lease Liabilities**

	2021 \$'000	2020 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	94	89
One to five years	-	94
Total undiscounted lease liabilities as at 30 June:	<u>94</u>	<u>183</u>

Lease liabilities included in the Balance Sheet at 30 June:

	2021 \$'000	2020 \$'000
Current	94	89
Non-current	-	94
Total lease liabilities	<u>94</u>	<u>183</u>

## **Short-term and low value leases**

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 \$'000	2020 \$'000
<b>Expenses relating to:</b>		
Short-term leases	-	10
Leases of low value assets	-	-
<b>Total</b>	<u>-</u>	<u>10</u>

Variable lease payments (not included in measurement of lease liabilities)

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## 6.1 Property, infrastructure, plant and equipment

### Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020 \$'000	Additions \$'000	Contributions \$'000	Found Assets	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2021 \$'000
Property	124,212	49	-	-	13,770	(3,842)	-	-	-	134,189
Plant and equipment	8,434	-	-	-	-	(1,542)	(791)	-	3,816	9,917
Infrastructure	414,717	-	3,176	422	246	(6,531)	(1,370)	-	14,833	425,493
Work in progress	7,800	28,624	-	-	-	-	-	-	(18,649)	17,774
	555,163	28,673	3,176	422	14,016	(11,915)	(2,161)	-	-	587,373

### Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	818	1,203	-	-	2,021
Plant and equipment	173	3,886	-	(3,816)	243
Infrastructure	6,809	23,535	-	(14,833)	15,511
Total	7,800	28,624	-	(18,649)	17,775



# Notes to the Financial Statements

For the Year Ended 30 June 2021

## (a) Property

	Land - specialised	Land under roads	Land - non specialised	Total Land	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	49,247	16,625	5,891	71,763	6,351	145,385	7,424	159,160	818	231,741
Accumulated depreciation at 1 July 2020	-	-	-	-	(4,364)	(96,305)	(6,042)	(106,711)	-	(106,711)
	49,247	16,625	5,891	71,763	1,987	49,080	1,382	52,449	818	125,030
<b>Movements in fair value</b>										
Additions	-	-	-	-	-	49	-	49	1,203	1,252
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluation	9,806	1,756	-	11,562	39	5,370	187	5,596	-	17,158
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	9,806	1,756	-	11,562	39	5,419	187	5,645	1,203	18,410
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	-	(102)	(3,588)	(152)	(3,842)	-	(3,842)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	(27)	(3,282)	(79)	(3,388)	-	(3,388)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(129)	(6,870)	(231)	(7,230)	-	(7,230)
At fair value 30 June 2021	59,053	18,381	5,891	83,325	6,390	150,804	7,611	164,805	2,021	250,151
Accumulated depreciation at 30 June 2021	-	-	-	-	(4,493)	(103,175)	(6,273)	(113,941)	-	(113,941)
	59,053	18,381	5,891	83,325	1,897	47,629	1,338	50,864	2,021	136,210

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## (b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work in Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2020	15,032	204	3,682	173	19,091
Accumulated depreciation at 1 July 2020	(7,463)	(178)	(2,843)	-	(10,484)
	7,569	26	839	173	8,607
<b>Movements in fair value</b>					
Additions	-	-	-	3,886	3,886
Contributions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposal	(1,907)	-	-	-	(1,907)
Write-off	-	-	-	-	-
Transfers	3,057	-	759	(3,816)	-
Prior period error	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
	1,150	-	759	70	1,979
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(1,090)	(5)	(447)	-	(1,542)
Accumulated depreciation of disposals	1,116	-	-	-	1,116
Prior period error	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	26	(5)	(447)	-	(426)
At fair value 30 June 2021	16,182	204	4,441	243	21,070
Accumulated depreciation at 30 June 2021	(7,437)	(183)	(3,290)	-	(10,910)
	8,745	21	1,151	243	10,160

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## (c) Infrastructure

	Roads	Bridges	Major culverts	Footpaths & cycleways	Kerb & channel	Off street car parks	Drainage	Waterway Infrastructure	Land Stabilisation	Waste Management	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	366,087	57,950	14,596	17,003	26,661	6,944	40,512	1,106	6,060	4,303	12,494	6,809	560,525
Accumulated depreciation at 1 July 2020	(46,414)	(41,103)	(9,535)	(2,366)	(4,936)	(4,210)	(19,241)	(574)	(1,268)	(2,568)	(6,784)	-	(138,999)
	319,673	16,847	5,061	14,637	21,725	2,734	21,271	532	4,792	1,735	5,710	6,809	421,526
<b>Movements in fair value</b>													
Additions	-	-	-	-	-	-	-	-	-	-	-	23,535	23,535
Contributions	1,031	-	-	511	331	-	1,303	-	-	-	-	-	3,176
Found Assets	294	-	-	44	38	-	46	-	-	-	-	-	422
Revaluation	-	-	-	246	-	-	-	-	-	-	-	-	246
Disposal	(2,026)	-	-	(13)	(152)	(13)	(40)	-	-	-	-	-	(2,244)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	5,352	711	158	1,213	219	3	67	-	42	-	7,068	(14,833)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,651	711	158	2,001	436	(10)	1,376	-	42	-	7,068	8,702	25,135
<b>Movements in accumulated depreciation</b>													
Depreciation and amortisation	(3,337)	(407)	(122)	(247)	(212)	(442)	(349)	(18)	(121)	(465)	(811)	-	(6,531)
Accumulated depreciation of disposals	848	-	-	3	9	8	6	-	-	-	-	-	874
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2,489)	(407)	(122)	(244)	(203)	(434)	(343)	(18)	(121)	(465)	(811)	-	(5,657)
At fair value 30 June 2021	370,738	58,661	14,754	19,004	27,097	6,934	41,888	1,106	6,102	4,303	19,562	15,511	585,660
Accumulated depreciation at 30 June 2021	(48,903)	(41,510)	(9,657)	(2,610)	(5,139)	(4,644)	(19,584)	(592)	(1,389)	(3,033)	(7,595)	-	(144,656)
	321,835	17,151	5,097	16,394	21,958	2,290	22,304	514	4,713	1,270	11,967	15,511	441,004

# Notes to the Financial Statements

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	-	No Threshold
land improvements	-	10
Buildings		
heritage buildings	100 years	15
buildings	20 to 50 years	15
building and leasehold improvements	20 to 50 years	15
Plant and Equipment		
plant, machinery and equipment	1 to 20 years	No Threshold
fixtures, fittings and furniture	1 to 5 years	15
computers, software and telecommunications	1 to 5 years	15
Infrastructure		
roads - pavements and substructure	130 years	No Threshold
roads - seals	15 to 25 years	No Threshold
roads - formation and earthworks	-	No Threshold
roads - kerb and channel	120 years	15
bridges	150 years	15
major culverts	120 years	15
footpath and cycleways	90 years	15
off street car parks pavement	130 years	15
off street car parks seal	15 years	15
drainage	120 years	15
waterway infrastructure	60 years	15
land stabilisation	50 years	15
waste management	4 to 50 years	15
other structures	10 to 40 years	15
Intangible assets		
landfill air space	4 to 6 years	No Threshold
Right-of-use assets		
building	3 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## **Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified valuer Joshua Kilgour, FAPI (council employee). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

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
Land	-	5,891	-	30-Jun-21
Specialised land	-	-	77,434	30-Jun-21
Heritage buildings	-	-	1,897	30-Jun-21
Buildings - non specialised	-	1,338	-	30-Jun-21
Buildings - specialised	-	-	47,629	30-Jun-21
Total	-	7,229	126,960	

## **Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Tony Peterson, BE Civil Engineering (Council employee).

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

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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
Roads	-	-	321,835	30-Jun-21
Bridges	-	-	17,151	30-Jun-21
Major culverts	-	-	5,097	30-Jun-21
Footpaths and cycleways	-	-	16,394	30-Jun-21
Kerb & channel	-	-	21,958	30-Jun-21
Off street car parks	-	-	2,290	30-Jun-21
Drainage	-	-	22,304	30-Jun-21
Seawalls	-	-	514	30-Jun-21
Land stabilisation	-	-	4,713	30-Jun-21
Other infrastructure	-	-	11,967	30-Jun-21
Total	-	-	424,223	

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## **Description of significant unobservable inputs into level 3 valuations**

**Land:** is valued using a market based direct comparison approach. Significant unobservable inputs include the extent and impact of restriction of use (CSO) and the market cost of land per square metre. CSO is an adjustment for the difference in value between unrestricted assets (e.g. freehold land) and assets held by the public sector, considering any legal, financial or physical restrictions imposed on the use or sale of the asset (e.g. restricted land due to a legal restraint). The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 10% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$648 per square metre prior to a CSO adjustment.

**LAND UNDER ROADS:** Valuation of Land under Roads (LUR) has been undertaken under the provisions of AASB 116 Property, Plant and Equipment (June 2014), AASB 1051 Land Under Roads (December 2013), FRD 103F Non-Financial assets (June 2015) and FRD 118C Land Under Declared Roads (June 2016).

The 'fair value' methodology applied requires application of the average statutory land value (100%) less adjustments for a reasonable englobo estimate (60%), access and carriageway rights (15%) and infrastructure assets (10%). The Average Site Value Rate is determined by dividing the total rateable Site Value for the relevant municipal district by the total land area of all rateable land.

**Non-specialised buildings:** Non-specialised properties are valued by reference to direct market evidence and general valuation principles apply. Eight (8) properties are classified as Category 2 improved and have been valued by direct comparison to comparable sales or capitalisation of the net rental.

**Specialised buildings:** are buildings designed for a specific limited purpose which may include schools, hospitals, courthouse and emergency services buildings, specialised buildings to house specialised infrastructure assets and some heritage and historic properties.

These special buildings have no or limited feasible alternative use because of a legal mandate to provide goods or services, or community obligations that the building permits. When there is no available market-based evidence, DRC would be regarded as the most appropriate method of valuation.

Specialised buildings are valued using a depreciated replacement cost approach. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$1 to \$9,350 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2021	2020
	\$'000	\$'000
<b>Reconciliation of specialised land</b>		
Land under roads	18,381	16,625
Parks and reserves	59,053	49,247
<b>Total specialised land</b>	<b>77,434</b>	<b>65,872</b>



# Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>6.2 Non-current assets held for sale</b>		
<b>(a) Investments in associates</b>		
- West Gippsland Regional Library Corporation	1,691	1,541
<b>West Gippsland Regional Library Corporation</b>		
<i>Background</i>		
Council has a 30.55% equity interest in the West Gippsland Regional Library Corporation in 2019/20 (30.55% in 2019/20). The equity interest is calculated based on the proportion it contributes to the operating costs of the services.		
<b>Fair value of Council's investment in West Gippsland Regional Library Corporation</b>	<b>1,691</b>	<b>1,541</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	1,197	1,046
Reported surplus(deficit) for year	130	113
Transfers (to) from reserves	124	38
Council's share of accumulated surplus(deficit) at end of year	<b>1,452</b>	<b>1,197</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	344	312
Asset revaluation	18	70
Transfers (to) from reserves	(124)	(38)
Council's share of reserves at end of year	<b>238</b>	<b>344</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	1,541	1,358
Share of surplus(deficit) for year	130	113
Share of asset revaluation	18	70
Carrying value of investment at end of year	<b>1,691</b>	<b>1,541</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	38	6
Capital commitments	-	-
Council's share of expenditure commitments	<b>38</b>	<b>6</b>

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Plan to dispose of West Gippsland Regional Library: the original Library Agreement is taken to be terminated with effect at 11:59pm on 30 June 2022. Agreeing to the dissolution and winding up of West Gippsland Regional Library Corporation, with the Gift and Transfer Deed constituting the distribution of assets and liabilities in full and final satisfaction of dissolution and winding up clause, 13.2, of the Library Agreement. We refer note 8.5 Events occurring after balance date for further details of the transaction. Impacts of the events will be presented in the 2022 Financial Statements. In addition, the assets are reclassified as non-current assets as held for sale.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## 6.3 Investment property

Balance at beginning of financial year	620	587
Fair value adjustments	(5)	33
Balance at end of financial year	<u>615</u>	<u>620</u>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by 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 Joshua Kilgour, FAPI (council employee) 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 Statements

For the Year Ended 30 June 2021

## Note 7 People and relationships

### 7.1 Council and key management remuneration

#### (a) Related Parties

##### Parent entity

South Gippsland Shire Council is the parent entity.

##### Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

#### (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.
<b>Administrators</b>	Julie Eisenbise	1	1
	Christian Zahra AM	1	1
	Rick Brown	1	1
<b>Chief Executive Officer and other Key Management Personnel</b>	Chief Executive Officer - Kerry Ellis	1	1
	Acting Director - Corporate & Community - Tracey Costello (1 July 2020 to 3 November 2020)	1	1
	Director - Performance and Innovation - Allison Jones	1	
	Director - Sustainability Infrastructure - Anthony Seabrook	1	1
	Director - Economic and Community - Renae Littlejohn (from 12 April 2021)	1	
	Director - Development Services - Bryan Sword (to 1 February 2021)	1	1

<b>Total Number of Administrators</b>	3	3
---------------------------------------	---	---

<b>Total Number of Councillors</b>	6	6
------------------------------------	---	---

<b>Total of Chief Executive Officer and other Key Management Personnel</b>	1	1
--	---	---

<b>Total Number of Key Management Personnel</b>	9	9
---	---	---

#### (c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2021 \$	2020 \$
Short-term benefits	1,242	1,204
Long-term benefits	27	17
Post employment benefits	179	116
<b>Total</b>	<b>1,448</b>	<b>1,337</b>

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

	2021 No.	2020 No.
\$40,000 - \$49,999		
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999		
\$70,000 - \$79,999	1	
\$80,000 - \$89,999	2	2
\$100,000 - \$109,999		1
\$150,000 - \$159,999		
\$160,000 - \$169,999	1	3
\$170,000 - \$179,999	1	
\$230,000 - \$239,999		1
\$240,000 - \$249,999	2	
\$290,000 - \$299,999		1
\$310,000 - \$319,999	1	
<b>Total</b>	<b>9</b>	<b>9</b>

#### (d) Senior Officer Remuneration

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

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

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

Income Range:	2021 No.	2020 No.
Below \$151,000	10	7
\$151,000 - \$159,999	3	2
\$160,000 - \$169,999	2	3
\$170,000 - \$179,999		
\$180,000 - \$189,999	1	1
<b>Total</b>	<b>16</b>	<b>13</b>

<b>Total Remuneration for the reporting year for Senior Officers included above, amounted to:</b>	<b>1,781</b>	<b>1,513</b>
---	--------------	--------------

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## 7.2 Related party disclosure

### (a) Transactions with related parties

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

Council made contributions to West Gippsland Regional Library Corporation in 2021 of \$1.5M (2020 - \$1.4M).

Administrator Julie Eisenbise is a member of the Victorian Local Government Grants Commission. Council received \$10.0M in 2021 in Financial Assistance grants allocated by commission.

Chief Executive Officer - Kerryn Ellis is a member of Destination Gippsland Limited. As a shareholder member of this organisation, Council pays an annual subscription (\$38,267) plus other amounts on a fee for service basis when required.

Chief Executive Officer - Kerryn Ellis is a member of Local Government Professionals. Council pays an annual corporate membership fee (\$2,440), and various amounts for training and professional development on a fee for service basis.

All transactions are in line with normal commercial practice.

### (b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

### (c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

### (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 was \$1.5M (2020 - \$1.5M) in relation to the West Gippsland Regional Library Corporation.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## Note 8 Managing uncertainties

### 8.1 Contingent assets and liabilities

#### (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 \$'000	2020 \$'000
Not later than one year	225	268
Later than one year and not later than five years	394	556
Later than five years	267	275
	<u>886</u>	<u>1,099</u>

As a result of COVID-19, Council has suspended rent on a month-to-month basis for a number of properties that is ongoing and will reduce the future minimum rentals actually received.

#### (b) Contingent 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.

##### **Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

##### **Landfill**

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date, Council has made necessary provisions for rehabilitation of Landfills that are currently in operation. However, the estimates of provision required is dependent on the accuracy of the forecast, timing of work, work required and related costs.

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

##### **Liability Mutual Insurance**

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.

South Gippsland Shire 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## (c) Guarantees for loans to other entities

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

Council has the following bank guarantees with Commonwealth Bank of Australia for contract performance and security deposits.

Description	Favouree	Amount
Security Deposit Guarantee	Environment Protection Authority	\$425,000
Security Deposit Guarantee	Environment Protection Authority	\$451,296
<b>Total</b>		<b>\$876,296</b>

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

## 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 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 Statements

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 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

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

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

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

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

## **(e) Sensitivity disclosure analysis**

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 0.7%.

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 Statements

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; and

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

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

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

### **Revaluation**

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis every 2 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## 8.5 Events occurring after balance date

### Asset Transferred to West Gippsland Regional Library Corporation

The change to the Local Government Act 2020 (VIC) has required that existing Regional Library Boards be wound up within 10 years from 1 July 2021. On 25th June 2021, it was recommended to the Council that they participate in the formation of a beneficial enterprise to be known as; and become a founding member of Myli – My Community Library Ltd being:

- i. a public company limited by guarantee;
- ii. a not-for-profit and charitable institution to be registered with the Australian Charities and Not-for-profits Commission;
- iii. a public library recognised by the Australian Taxation Office; and
- iv. on the terms of the Myli – My Community Library Ltd constitution.

The Member Councils will enter into a deed of novation and variation (Novation Deed) in relation to the existing West Gippsland Regional Library Corporation Agreement from 1 July 2022. The existing Library Agreement continues as an agreement between Bass Coast Shire Council, Baw Baw Shire Council, South Gippsland Shire Council and Myli – My Community Library Ltd on its current funding and commercial terms (Novated Library Agreement) and in the Novated Library Agreement.

The Member Councils will also enter into a gift and transfer deed between West Gippsland Regional Library Corporation and Myli – My Community Library Ltd (Gift and Transfer Deed) which provides in general terms, the restructure of West Gippsland Regional Library Corporation and replace it with Myli – My Community Library Ltd. Member Councils will gift their interests in West Gippsland Regional Library Corporation Ltd, and therefore their interests in West Gippsland Regional Library Corporation's business, assets and liabilities, to Myli – My Community Library Ltd. The transfer of West Gippsland Regional Library Corporation's business, assets and liabilities will occur in specie to Myli – My Community Library Ltd on 30 June 2022.

The Council on 21 July 2021, subject to giving full effect to the Novation Deed and the Gift and Transfer Deed, agreed that its intention is that the original Library Agreement is taken to be terminated with effect at 11:59pm on 30 June 2022. Therefore, agreed to the dissolution and winding up of West Gippsland Regional Library Corporation, with the Gift and Transfer Deed constituting the distribution of assets and liabilities in full and final satisfaction of dissolution and winding up clause, 13.2, of the Library Agreement.

Other Member Councils made their decisions to transition on the following dates:

- Bass Coast Council on 21 July 2021
- Baw Baw Shire Council on 28 July 2021

The Council does not consider that the decision to transition the operations, assets, and liabilities from West Gippsland Regional Library Corporation to Myli – My Community Library Ltd affects the measurement of the assets or liabilities of West Gippsland Regional Library Corporation at the end of the financial year.

As a result of the impending transition, all assets, liabilities and commitments have been classified as current on the basis that the transition will occur on 30 June 2022, being less than 12 months from the preparation of these financial statements.

### Impact of lockdown 6 after year end

As Melbourne continues to record new Covid cases, Victoria has announced a statewide lockdown 6 from 5th August 2021. Council has received the grants revenue of Working for Victoria \$433,208 for the first quarter and budgeted the Covid-19 cost of \$500,000 to cope with the lockdown 6. As the caravan parks were closed down according to the restriction, the estimated revenue loss is approximately \$90,000.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## Note 9 Other matters

### 9.1 Reserves

#### (a) Asset revaluation reserves

##### 2021

##### Property

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of Buildings by an associate \$'000	Balance at end of reporting period \$'000
Land & land improvements	40,477	9,806	-	50,283
Land under roads	-	1,756	-	1,756
Investment in associates	194	-	-	194
Buildings	37,568	2,196	18	39,782
Heritage buildings	1,375	12	-	1,387
Plant & Equipment	386	-	-	386
	80,000	13,770	18	93,788

##### Infrastructure

Roads	236,764	-	-	236,764
Bridges	3,240	-	-	3,240
Major Culverts	1,597	-	-	1,597
Drainage	8,140	-	-	8,140
Footpaths and cycleways	4,719	246	-	4,965
Kerb & Channel	16,989	-	-	16,989
Car parks	1,809	-	-	1,809
Land Stabilisation	2,079	-	-	2,079
Other infrastructure	1,811	-	-	1,811
	277,148	246	-	277,394

#### Total asset revaluation reserves

	357,148	14,016	18	371,182
--	---------	--------	----	---------

##### 2020

##### Property

Land & land improvements	34,189	6,288	-	40,477
Land under roads	7,109	(7,109)	-	-
Investment in associates	194	-	-	194
Buildings	28,240	9,258	70	37,568
Heritage buildings	727	648	-	1,375
Plant & Equipment	386	-	-	386
	70,845	9,085	70	80,000

##### Infrastructure

Roads	234,248	2,516	-	236,764
Bridges	2,983	257	-	3,240
Major Culverts	4,727	(3,130)	-	1,597
Drainage	10,957	(2,817)	-	8,140
Footpaths and cycleways	5,743	(1,024)	-	4,719
Kerb & Channel	12,339	4,650	-	16,989
Car parks	5,033	(3,224)	-	1,809
Land Stabilisation	685	1,394	-	2,079
Other infrastructure	2,233	(422)	-	1,811
	278,948	(1,800)	-	277,148

#### Total asset revaluation reserves

	349,793	7,285	70	357,148
--	---------	-------	----	---------

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

#### (b) Other reserves

##### 2021

Public Open Space	106	384	(115)	375
Caravan Parks Reserve	-	777	(777)	-
Corner Inlet Reserve	18	-	-	18
Venus Bay Surf Life Saving Club	150	-	-	150
Total Other reserves	274	1,161	(892)	543

##### 2020

Public Open Space	13	93	-	106
Caravan Parks Reserve	-	922	(922)	-
General Reserve	1,448	404	(1,852)	-
Corner Inlet Reserve	18	-	-	18
Loan Reserve	3,350	-	(3,350)	-
Venus Bay Surf Life Saving Club	150	-	-	150
Total Other reserves	4,979	1,419	(6,124)	274

#### Public Open Space

Statutory reserve to be used for the future development of land for public purposes.

#### Caravan Parks Reserve

Reserve created for future funding of Caravan Parks projects

#### General Reserve

Reserve to provide for likely defined benefit superannuation funding calls and unforeseen and unavoidable future costs.

#### Loan Reserve

Reserve created to repay outstanding Loan at the end of its term.

#### Corner Inlet Reserve

Reserve for maintenance of a seawall to protect private lands from flooding.

#### Venus Bay Surf Life Saving Club

Reserve to hold funds from a community capital works allocation to allow the club time to attract further funding from other agencies.

# Notes to the Financial Statements

For the Year Ended 30 June 2021

<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Surplus/(deficit) for the year	16,021	(2,762)
Depreciation/amortisation	12,248	12,324
Borrowing costs	15	58
Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,164	68
Write-off on disposal of infrastructure assets and work in progress	-	548
Impairment losses	-	11,419
Investment in associates	(130)	(113)
Fair value adjustments for investment property	5	(33)
Contributions - Non-monetary assets	(3,598)	(188)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(332)	(126)
(Increase)/Decrease in prepayments	94	(160)
(Increase)/decrease in inventories	(2)	32
Increase/(decrease) in trust funds and deposits	148	307
Increase/(decrease) in trade and other payables	231	(722)
Increase/(decrease) in unearned income	2,366	539
Increase/(decrease) in employee entitlements	971	750
Increase/(decrease) in landfill provision	100	(134)
Net cash provided by/(used in) operating activities	<b>29,300</b>	<b>21,807</b>

## 9.3 Superannuation

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

### Accumulation

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

### Defined Benefit

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

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

### Funding arrangements

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

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which South Gippsland Shire Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

- Net investment returns 5.6% pa
- Salary information 2.5% pa for two years and 2.75% pa thereafter
- Price inflation (CPI) 2.0% pa.

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

Vision Super has advised that the estimated VBI at 30 June was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### Employer contributions

#### Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

# Notes to the Financial Statements

For the Year Ended 30 June 2021

## **Funding calls**

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

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

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

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

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

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

## **The 2020 triennial actuarial investigation surplus amounts**

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

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

	<b>2020 (Triennial) \$m</b>	<b>2019 (Interim) \$m</b>
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

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

## **The 2021 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

## **Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

<b>Scheme</b>	<b>Type of Scheme</b>	<b>Rate</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Vision super	Defined benefit	9.50%	87	88
Vision super	Accumulation fund	9.50%	2,306	2,018

There were \$115K contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$58K.



# Notes to the Financial Statements

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 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

#### **a) AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector) - Impact of adoption**

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) applies to public sector agencies that are grantors in a service concession arrangement. AASB 1059 defines a service concession as an arrangement that involves an operator:

- Providing public services related to a service concession asset on behalf of the grantor; and
- Managing at least some of those public services at its (i.e. the operator's) own discretion, rather than at the direction of the grantor.

AASB 1059 sets out how to account for service concession arrangements where the service concession asset (or assets) is (or are) controlled by the grantor, and not by the operator.

Council applies AASB 1059 retrospectively to each prior period presented in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Retrospective application requires the derecognition or adjustment of any service concession assets and liabilities recognised under previous accounting policies or the initial recognition of service concession assets and liabilities. To the extent that the existing values are similar to those that would need to be recognised under AASB 1059, only a reclassification adjustment will be required. The effect of this is that it has been applied as if it has always been in effect. Where applicable, comparatives have been restated and retained earnings adjusted at 1 July 2020 to reflect the impact of the standard.

Any net adjustment on initial application of AASB 1059 is recognised as an adjustment to the opening balance of accumulated surplus (deficiency). When the grantor applies the revaluation model in AASB 116 as its accounting policy, the net adjustment is included in accumulated surplus (deficiency) and not revaluation surplus.

#### **b) Transition impacts**

The service concession agreements are contracts between a grantor and an operator in which:

- a. the operator has the right of access to the service concession asset to provide public services on behalf of the grantor for a specified period of time;
- b. the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor; and
- c. the operator is compensated for its services over the period of the service concession arrangement.

The Council has reviewed all of its arrangements to assess whether AASB 1059 applies and determined that none of these are within the scope of AASB 1059. Hence, it is not expected that these standards will have any significant impact on council in current financial year.

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

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

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

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

30  
PARK  
AVE



9 Smith Street (Private Bag 4)

Leongatha VIC 3953

Phone: 5662 9200

Fax: 5662 3754

Email: [council@southgippsland.vic.gov.au](mailto:council@southgippsland.vic.gov.au)

Websites: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au) [www.visitpromcountry.com.au](http://www.visitpromcountry.com.au)

Facebook: [www.facebook.com/southgippslandshirecouncil](http://www.facebook.com/southgippslandshirecouncil)