

SURF COAST SHIRE COUNCIL



Annual Report 2021-22



Acknowledgement of Country

Surf Coast Shire Council Acknowledges the Wadawurrung People, and Gulidjan and Gadubanud Peoples of the Eastern Maar, their Elders and leaders past, present and emerging as the Traditional Owners of the skies, land, waters and sea country across our municipality.

We acknowledge their care and custodianship for more than 60,000 years, which continues today. We walk with them as we respectfully care for and tread lightly on these lands.

We also extend that respect to all First Nations people who are part of the community.



Staff Walk on Country guided by Wadawurrung elder Corrina Eccles



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Report overview

About our annual report

About Surf Coast Shire

CEO and Mayor's message



Aireys Inlet Community Hall Hooded Plovers mural by Geoffrey Carran

About our annual report

The Surf Coast Shire Council Annual Report 2021-22 tells the story of the work, achievements and performance of the past financial year.

The annual report highlights Council's performance against the four-year council plan and the annual budget. It details the breadth of our services and operations, our financial performance, our governance and management processes, and the responsibilities fulfilled by our councillors, executive management team and employees.

The report highlights achievements and challenges in key operational areas, provides comprehensive information about our democratic and corporate governance and presents our audited financial statements and performance statement.

Case studies are included throughout the report to highlight various initiatives and projects that Council is proud to have carried out throughout the year.

This report also includes statutory reporting and legislative information that fulfils Council's responsibilities under the Local Government Act 2020 and other legislation.

In presenting this year's annual report, we aim to provide our residents, ratepayers, state and federal governments, and other key stakeholders with an open and accurate account of our performance during 2021-22.

How to read this report

Our annual report is divided into six broad sections:

Report overview

This section contextualises the annual report, provides a snapshot of the shire and provides an overview of the year.

Our performance - an overview

This is a financial update and details information about Council's major capital works. This section also reviews progress towards achieving the objectives outlined in our council plan.

Our organisation

This provides an overview of our organisational structure, staff and councillors.

Our performance

This section is grouped in accordance with the seven council plan themes. It outlines our performance in a range of activities and includes a review of our budget-funded services and prescribed performance measures.

Our highlights and challenges are also contained in this section.

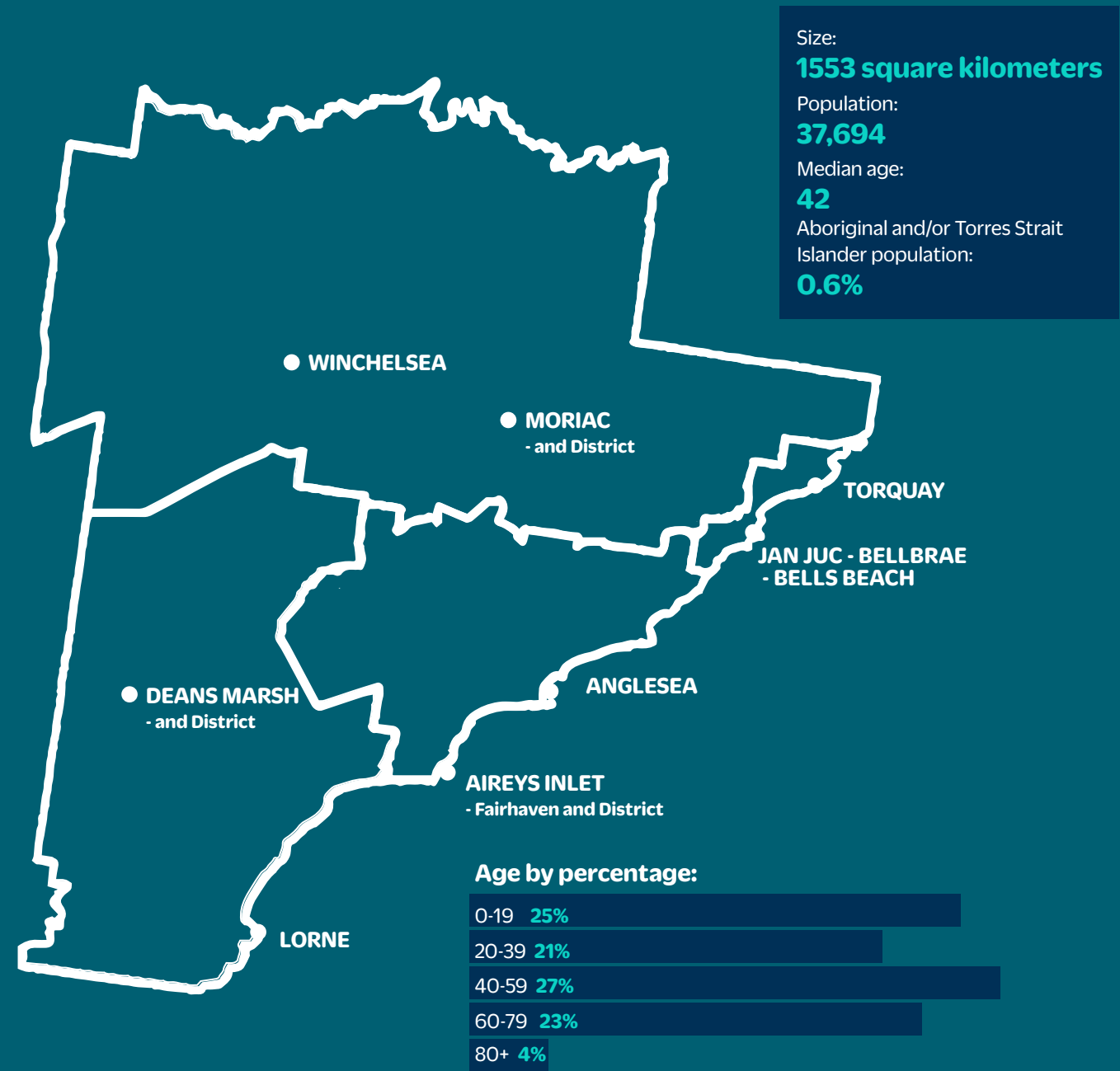
Our governance

This section outlines our legislative obligations and details our democratic and internal governance practices. This section also includes statutory information required by various pieces of legislation.

Financial statements and performance statement

These have been prepared in accordance with the *Local Government Act 2020* and audited by the Victorian Audit-General's Office (VAGO).

About Surf Coast Shire



Working population
61%



Median weekly household income:
\$2,088



Number of dwellings:
20,634



Occupied:
13,270



Unoccupied:
6,255



People born overseas:
17.1%



Volunteers:
21%



People completing tertiary education:
18.7%

Average number of people per household:
2.6

Source: Australian Bureau of Statistics (including 2021 Census data)

Community vision

From the hinterland to the coast, from the First Peoples to the children of the future, we are an active, diverse community that lives creatively to value, protect and enhance the natural environment and our unique neighbourhoods. We will leave the Surf Coast better than we found it.

Our purpose

We exist to help our community and environment to thrive.

Our direction

Our organisation will be an innovative and flexible leader, and a constructive partner, that values the strengths of others; a place where people can do their best and be proud of their achievements.

Our approach

- We do what we say
- We work together
- We see opportunity
- We make a difference

The Surf Coast Shire is located in south-western Victoria, 120 kilometres from Melbourne and 21 kilometres south of Geelong.

The landscape is a mix of coast, natural forest, urban settled areas and rural environments including land dedicated to agricultural production. The region's natural beauty and easy access make it a popular destination for tourists and day-trippers. The Great Ocean Road is acknowledged as one of the nation's top destinations for international and domestic visitors. Other attractions include the Great Otway National Park and Bells Beach which is the best known of many outstanding surf breaks in the shire.

Surf Coast Shire comprises many individual townships, including Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each is a unique community with a sense of its own identity and a strong desire to protect what they cherish, including township character and the natural environment.

Our planning and accountability framework

The Local Government Act 2020 requires councils to design, implement and monitor a suite of strategic documents underpinned by a deliberative engagement process. These plans must be integrated and be able to demonstrably contribute to the achievement of a long-term community vision.

Council recognises the strategic value of investing in an evidence-based and inclusive planning process. Accordingly, we designed and implemented the People Place Future community engagement program.

The engagement program included three phases of community engagement to ensure that the insights of shire communities informed the design of an integrated program of work that measurably contributes to the delivery of our community's long-term vision.

Council plan

Council adopted its Council Plan, Incorporating the Health and Wellbeing Plan 2021-25 on 28 September 2021. The council plan sets out Council's strategic direction until 2024. It describes the goals we have for the term of the current Council and provides a road map for how we will achieve these goals.

The council plan contains seven themes that represent the top strategic focus areas for the Council during its four-year term.

The seven themes are:

- First Nations reconciliation
- A healthy connected community
- Environmental leadership
- Sustainable growth
- A robust and diverse economy
- Arts and creativity
- Accountable and viable Council

Supporting the themes are 19 strategies that summarise what Council will do to achieve the goal attached to each theme.

The Council Plan 2021-25 is available on our website - surfcoast.vic.gov.au/Council-Plan

Annual action plan

The Monitoring and Evaluation Framework and Action Plan sets out a cohesive and comprehensive program of work that will demonstrably achieve the council plan's strategic objectives.

The 2021-22 Action Plan outlines courses of action and deliverables intended to contribute to the achievement of each council plan strategy.

Annual budget

Council prepares an annual budget each financial year that seeks to meet important demands for services and infrastructure, yet remain affordable for our community. It outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the council plan.

The Budget Report 2021-22 is available on our website - surfcoast.vic.gov.au/Budget

Annual report

The annual report includes a range of information about each of the council plan themes. It reports on the implementation of strategies and actions outlined in the plan, along with financial information that relates to initiatives and services necessary to deliver the plan. This information sits alongside prescribed performance measures and other commentary to present an open and accurate account of our performance during 2021-22.

The following diagram shows the relationship between the key planning and reporting documents that make up the local government integrated strategic planning and reporting framework.

Integrated strategic planning and accountability framework



Mayor's message



I am proud to present Surf Coast Shire Council's 2021-22 Annual Report.

It reflects on a year of meaningful achievement across our beautiful municipality despite ongoing challenges presented by the COVID-19 pandemic.

I would like to acknowledge the work and achievements of my fellow councillors across the year and thank them for their good faith in my election in November for a second term as Mayor, alongside Deputy Mayor Cr Liz Pattison.

Together as a Council we have worked hard to respond to our community's needs, while striving to realise the goals and strategic direction set out in our four-year Council Plan, which was adopted in September following extensive community engagement.

In March 2022 I was delighted to join other councillors returning to in-person Council meetings, after having chaired 19 meetings online due to COVID-19 protocols. One of the best aspects of our return was again being able to welcome members of our community back to the chambers.

Council maintained a healthy financial position for the year and initiated, progressed and finalised many important projects and works across the year, with openings of Lorne Stribling Reserve Pavilion, Winchelsea's refurbished Shire Hall, the Deans Marsh Festival Stand and Jan Juc's Yellow Gums Performance Space among many highlights.

Council also adopted concept plans for the Surf Coast Cultural Centre, and Surf Coast Aquatic and Health Centre and mobilised advocacy campaigns seeking funding for both.

First Nations Reconciliation is the first theme in our Council Plan and our vision is to promote unity, respect and understanding in order to walk together with Aboriginal and Torres Strait Islander Peoples to achieve genuine Reconciliation in our community.

Council has started a journey in Reconciliation, and our public 'Be Brave, Make Change' Reconciliation Week event in Council chambers in May was one of my highlights of the year.

Proud Worimi man and artist Gerard Black and Adnyamathanha woman Marsha Uppill generously shared powerful reflections on their lived experiences, and hopes, and what Reconciliation means to them.

Council also celebrated NAIDOC Week with a successful Show Up! exhibition at Anglesea Art Space. Works reflected deep stories from Country and helped to elevate the week's messages of cultural recognition and celebration.

Council staff have also embraced First Nations cultural learning through participation in workshops focusing on areas including the Heart of Reconciliation, unconscious bias and privilege and cultural heritage management, as well as joining walks on Wadawurrung Country with Traditional Owners, visiting key sites of cultural significance.

Councillors were privileged to join a moving and deeply insightful walk on Wadawurrung Country last November.

Environmental Leadership is another of our key Council Plan themes, and our highlights for the year included marking further progress on our Climate Emergency Response Plan 2021-31 objectives.

The 2021-22 year qualified as Council's first full year as carbon neutral for corporate operations under the national Climate Active Carbon Neutral Standard – a great achievement.

We also marked our first full year using renewable power for Council buildings and street lights, meaning significant savings on emissions and costs.

Other highlights included Council's adoption of an emissions reduction target of zero by 2030 for our corporate operations excluding Anglesea landfill, and staging of our first Climate Emergency Grants Pitch Fest which provided \$5000 grants to enable two community projects.

Council's many significant decisions for the year included a resolution to seek urgent investigation into the health of Anglesea River, and the impacts of groundwater extraction, land use and climate change on its catchment.

Council was proud to adopt an Affordable Accommodation Action Plan in January, following declaration of key worker accommodation crisis and adoption of our Social Housing Policy 2021.

And our resolution to no longer participate in celebratory events on 26 January, and to fly Aboriginal and Torres Strait Island flags at half mast, acknowledged past hurt for First Nations peoples, and our commitment to Reconciliation.

I congratulate our CEO Robyn Seymour for her many achievements during her first full year with Council, including overseeing significant organisational structure changes which have enhanced our operations.

I thank all of our staff for their continued devotion to helping our community and environment to thrive, and once again I thank everyone in our community for making Surf Coast Shire such a wonderful place to live, work and play.

A handwritten signature in black ink, reading 'L. Stapleton'.

Cr Libby Stapleton
Mayor

CEO's message



It is a privilege to join Mayor Libby Stapleton and Council in presenting this 2021-22 Annual Report, as we look back on a challenging, dynamic and productive year.

We can be proud of many achievements, having worked hard to meet community aspirations and expectations with responsible delivery of important services, projects and initiatives within budget constraints, while at the same time negotiating the demands and restrictions imposed by the pandemic.

We understand how important finding this responsible balance is to our community, and looking forward Council needs to continue to carefully monitor and manage its financial sustainability and performance in light of economic conditions.

Having a growing population means dealing with growing demands. We are committed to listening and responding where possible within our limitations.

Council maintained a positive financial position during 2021-22 recording a surplus of \$4.7m, with cash and investments of \$89.1m up from \$82.6m the previous year.

Much of the cash held by Council is allocated to specific purposes such as capital projects, rehabilitation and aftercare of Council's landfill site, and delivering projects under developer contribution plans.

During 2021-22, Council continued to deliver its COVID-19 Recovery Program and played a supporting role to Victorian and Australian governments in implementing initiatives to support the local community.

Initiatives included the Business Concierge and Hospitality Support Program, Outdoor Activation Program enabling businesses to utilise outdoor spaces, general business support and new infrastructure projects under the Local Roads and Community Infrastructure Program.

Importantly Council also provided strong support to our arts and creative industry, which is one of our largest employment sectors and has been among our hardest hit by the pandemic.

Costs to deliver our waste services continued to rise with significant increases to Environment Protection Authority royalties and waste processing costs.

Part of the processing cost increase was due to the volume of food organics and garden organics being collected, with the organics service in full shire-wide operation.

This service doubles as a good news story through its diversion of products from landfill to recycling. Waste to landfill was reduced by more than 1000 tonnes, or 32 per cent.

Our Surf Coast Rubbish and Recycling App, SCRRApp, continued to be an outright hit, reaching 10,000 downloads in May.

Being a growth Council brings challenges maintaining and renewing an ever-increasing asset base.

During 2021-22, \$11.3m of contributed assets were handed to Council from developers, in addition to \$9.1m of new assets from the Capital Works Program.

Council delivered a capital works program of \$17.4m, with 48 per cent of works relating to renewal of existing assets.

Events are key to our shire economy, attracting more than 240,000 participants in 'normal' years, injecting an estimated \$100 million into our economy and being viewed by millions of people around the world.

Significant loss of events and visitation during the pandemic brought challenges for many people and businesses in our community, so with easing of restrictions we were pleased to see their careful return later in the year.

Along with the return of major events such as the Bells Beach Rip Curl Pro, Lorne Sculpture Biennale, the Great Ocean and Otway Classic Ride and Great Ocean Road Running Festival it was also heartening to see many smaller events such as markets, concerts and exhibitions back on calendars.

They are so important to creating the sense of community and connection that we love in Surf Coast Shire.

Transitioning to a new organisational structure from late 2021 was among our key internal achievements for the year, putting in place three management divisions – Community Life, Strategy and Effectiveness, and Placemaking and Environment.

The new structure has created a more intuitive organisational framework which is better placed to align with the priorities that our community has told us matter most: Responsible financial management with effective delivery of services; caring for our environment and making places where we love to live, work and play; and supporting and enabling people to make the most of their lives in Surf Coast Shire.

Transition to the new structure involved some of our teams merging or shifting divisions and I thank and commend staff for having adjusted so seamlessly.

While continually proud of the work of all of our Council teams, I was especially pleased to see some celebrated with major awards during the year.

Our delivery of the Kerbside 2021 Waste Transformation Project won Victorian honours in the Australian Institute of Project Management Council awards, and our focus on workplace health and wellbeing was acknowledged with the Martin Seligman Health and Wellbeing Award in the Australian Human Resources Institute Awards.

I thank and congratulate all of our staff for their contributions and achievements during 2021-22 and look forward to further supporting their work for and with our wonderful community.

And I particularly thank and congratulate our councillors for their achievements and continued, dedicated commitment to our community, and for their great advocacy and support for our organisation.

Robyn Seymour
Chief Executive Officer

Our performance – an overview

Financial overview

Major capital works

Performance against the council plan



Wurdi Baierr Kinder program

Financial overview

Surf Coast Shire Council maintained a healthy financial position in 2021-22 despite the impacts of the COVID-19 pandemic. This is evidenced by:

- Cash and investments of \$89.1m (up from \$82.6m last year)
- \$102.8m in revenue (up from \$99.8 last year)
- \$16.9m in borrowings (\$19.0m last year)
- Income statement surplus of \$4.7m (\$13.0m last year)
- Accumulated unallocated cash reserve balance of \$4.4m (\$3.5m last year)

Detailed information relating to Council's financial performance is included in the Annual Financial Report and Performance Statement included at the end of this report.

Economic or other factors impacting on Council's performance

Council continued to adapt to the ongoing pandemic environment playing a supporting role to the state and federal governments in implementing initiatives to support the local community. The initiatives included the Business Concierge and Hospitality Support Program, Outdoor Activation Program (enabling businesses to utilise outdoor spaces), general business support and new infrastructure projects under the Local Roads and Community Infrastructure Program. Council also continued to deliver Council's COVID-19 Recovery Program.

The operating environment resulted in service revenue challenges due to restricted community, businesses and tourism movements. This impacted waste services landfill disposal income, Visitor Information Centres and Australian National Surfing Museum admission/retail sales, Council's ability to operate sporting programs, along with reduced facility hire and infringement revenue. Such impacts to operating revenue saw Council's financial performance and position managed via a reduction in internal learning and development training expenditure, reduced spend on cancelled events, facility utilities and reactive facility maintenance due to the limited facility usage.

Inflationary pressures are being felt locally with the effects of global supply chain challenges. The Reserve Bank of Australia monetary policy decisions and their impact on economic conditions will continue to be monitored by Council in relation to delivery of Council's recurrent operations and projects.

Council declared a rate increase of 1.5% for the 2021-22 year in line with the state government's Fair Go Rates legislation. A cap on rates represents a significant financial constraint to Council with rates being the largest revenue stream for Council making up more than 50% of total income and government grants being the second largest revenue stream.

Costs to deliver waste services continue to rise with significant increases to EPA royalties and waste processing costs. Part of the processing costs increase are due to the volumes of food organics, garden organics with the full year service. This is also a good news story with diverting products from landfill to recycling.

Being a growth Council brings challenges with maintaining and renewing an ever-increasing asset base. During 2021-22, \$11.3 million of contributed assets were handed to Council from developers in addition to the new assets from the capital works program of \$17.4 million.

Cost shifting from the state and federal government continues to be a drain on Council's resources. Cost shifting occurs when local governments provide a service to the community on behalf of the state or federal government, and over time, the funds received by local governments do not increase in line with real cost increases. An example of this is maternal and child health which has grown from a 50-50 funding split between Council and the state government, to Council now contributing 60% over the past few years.

Council continues to invest in initiatives to mitigate these challenges, including our Business Improvement Program, Business Case Initiatives, the establishment of the Program Management Office and the Digital Transformation Program.

Operating performance

Council's operations delivered a net surplus of \$4.7m, \$2.4m higher than budget. An explanation of material variances can be found in Note 2.1.1 in the Notes to the Financial Report included at the end of this report.

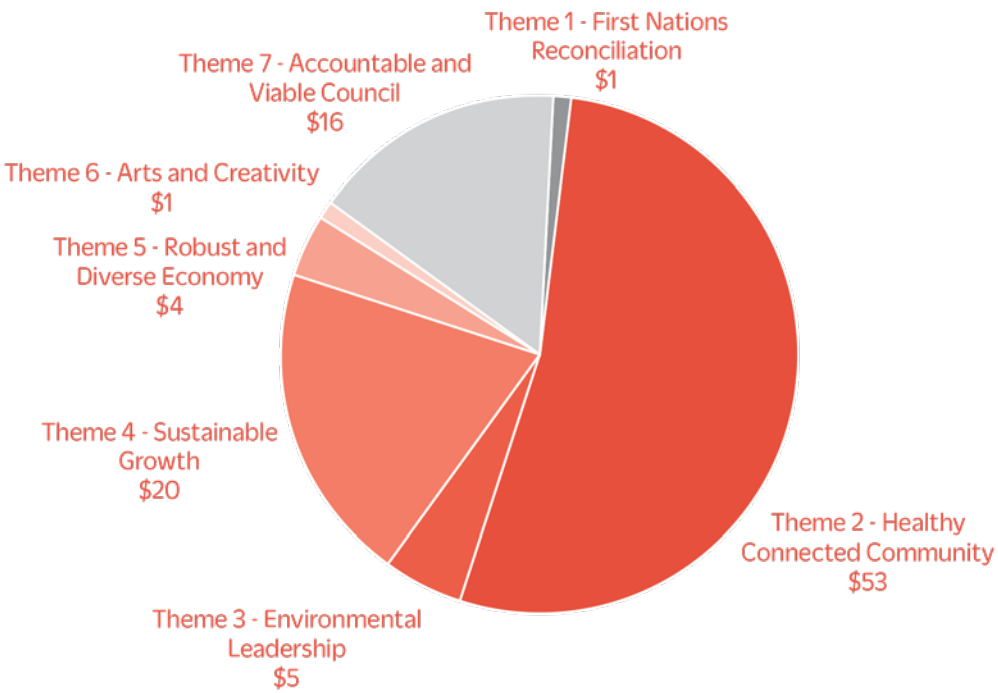
The net surplus is generated to fund non-operating activities, including the provision of new infrastructure and the renewal of existing community assets. The net surplus also includes funds tied to specific purposes, such as our waste and recycling programs, operating projects and non-cash items such as depreciation and assets handed over to Council by developers.

Council remains heavily dependent on rates as its major revenue source, with ratepayers contributing 58% of Council's total income in 2021-22.

Key results for 2021-22

	Budget \$'000	Actual \$'000	Variance Fav/(unfav) \$'000	% Variance
Revenue	95,491	102,757	7,266	8%
Expenditure	93,250	98,087	(4,837)	(5%)
Net Surplus	2,241	4,670	2,429	108%
Cash and Investments	50,109	89,080	38,971	78%
Borrowings	16,871	16,871	-	-
Net Assets	868,186	1,029,743	161,557	19%
Rates and Charges revenue	58,950	59,205	255	0.4%
Capital Expenditure	26,925	17,345	9,490	35%
Accumulated unallocated Cash	2,884	4,364	1,480	51%

How we spent \$100 of rates revenue in 2021-22



Working capital

Working capital ratio (current assets/current liabilities) is an indicator of an organisation's ability to meet its financial commitments over the coming 12 months. The working capital ratio at the end of the financial year was 227 per cent, which is higher than the budgeted position of 208 per cent. This variance is mainly driven by additional cash holdings due to the \$9.4m underspend in the capital program.

Borrowings

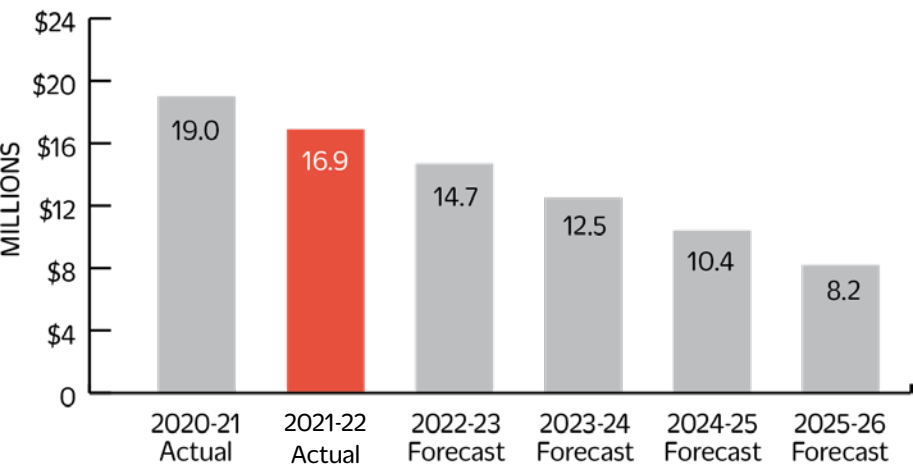
No new borrowings occurred in 2021-22. Council continues to maintain a responsible debt level relative to its rate revenue base. Council's four-year debt strategy is outlined in the 2022-23 Annual Budget. Council continues to maintain a manageable level of debt with borrowing levels well within the local government prudential guidelines.

No new borrowings have been budgeted in the 2022-23 financial year.

Debt ratios

2021-22 Loans and Borrowings Performance Indicator	Budget	Actual
Interest bearing loans and borrowings / rate revenue	28.62%	28.5%
Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4.29%	4.26%

Debt level 2020-21 to 2025-26



Cash position

Council's cash and investment balance of \$89.1 million is presented in the table below. \$17.7 million is restricted for either statutory or contractual reasons, \$46.9 million is allocated for special purposes by Council and \$4.4 million is available as unallocated cash.

Cash position compared to budget

	Budget (\$'000)	Actual (\$'000)
Cash flows from operating activities	19,616	26,423
Cash flows from investing activities	(21,285)	(33,706)
Cash flows from financing activities	(2,954)	(2,939)
Net increase (decrease) in cash and cash equivalents	(4,624)	(10,222)
Cash and investments at end of year	50,109	89,080

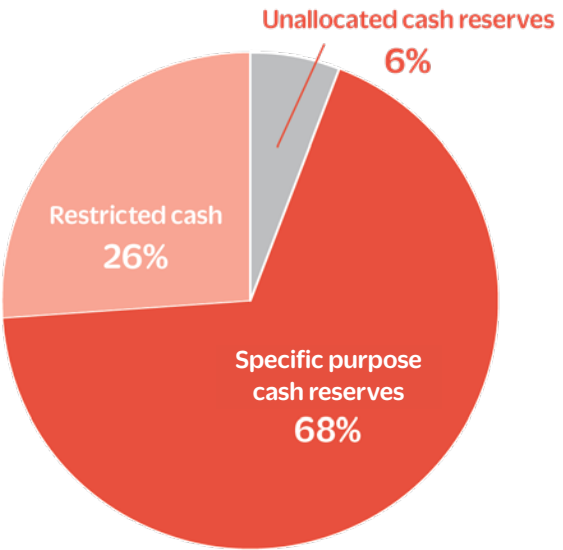
Cash position as at 30 June 2022

The cash and investments increase of \$39.0 million compared to budget is mainly driven by:

- Favourable variances of the budgeted opening balance being lower than actual \$22.9 million.
- Additional grant funding (project funding and additional early payment of federal assistance grant) of \$11.3 million.
- Underspend of capital works \$10.5 million (incl. GST); partially offset by unfavourable variances of repayment of trust fund monies \$2.5 million.

Our specific purposes and restricted reserves cater for items such as:

- Anglesea Landfill works including capital works, site rehabilitation and aftercare to comply with EPA standards after the landfill has reached capacity;
- unspent funding for projects that are yet to be completed; and
- renewal programs for our assets.



Major capital works

Council delivered a significant capital works program in 2021-22. Capitalised expenditure on significant projects in 2021-22 include:

Project	Description	Expenditure
Stribling Reserve Pavilions redevelopment	Design and construction of new pavilion.	\$3.9m
Grant Pavilion extension	Development of social space and elevated tiered seating with viewing of all three soccer pitches at Banyul Warri Fields.	\$1.63m
Mt Duneed Road (Geelong Rail Bridge)	Road safety improvements to rail bridge underpass.	\$0.83m
Barwon Park Road shoulder widening and reconstruction	Shoulder sealing and re-shaping of road to improve safety.	\$0.7m
Modewarre Netball and Tennis Pavilion	Detailed design and redevelopment of the Modewarre Netball and Tennis Pavilion to provide new change spaces, social space, umpire amenities, accessible amenities, administration, kitchen, storage, deck and access.	\$0.67m
Connecting Torquay Town Centre - Fischer Street parking	Formalised car parking in Fischer street alongside Taylor Park.	\$0.37m
Winchelsea Industrial Estate road seal	Sealing of gravel road adjacent to Winchelsea Industrial Estate.	\$0.28m
Coogoorah Park playground renewal	Renewal of the pirate ship themed playground in Coogoorah Park.	\$0.28m
Re-sheet and drainage works Benwerrin-Mt Sabine Road - Norman Track to Erskine Falls Road	Component of the larger re-sheet program.	\$0.25m
Multi Arts Centre redevelopment	Further improvement of facilities in the Multi Arts Centre in Beach Road, Torquay to host a range of arts disciplines and community events focussed on improved acoustics and functionality of the Shoestring Playhouse and Hoop Gallery.	\$0.25m
Heavy Plant - Hino truck and prime mover tray (with water tank)	Part of the standard annual program that renews heavy plant.	\$0.24m
Winchelsea Transfer Station backhoe	Part of the standard annual program that renews heavy plant.	\$0.22m
Ondit Road - Princes Highway to Mirnee School Rd	Part of the shoulder re-sheeting program.	\$0.22m

Projects to be completed

A number of significant ongoing capital projects that will continue into 2022-23 are listed below. For all ongoing projects, unspent expenditure or income yet to be received are carried forward to the 2022-23 financial year.

Project	Description	Budget
Surf Coast Aquatic and Health Centre Project	Design and construction of new Aquatic and Health Centre.	\$34.4m
Surf Coast Highway/Coombes Road intersection	Design and installation of traffic signals at the intersection of Surf Coast Highway and Coombes Road.	\$2.6m
Cape Otway Road East - Considines Road to Hendy Main Road	Shoulder sealing and road safety improvements, including a guardrail.	\$2.2m
Lorne Transfer Station upgrade	Lorne Transfer Station reconstruction as per review conducted in 2019-20.	\$1.8m
Digital Transformation	Budget allocated to future digital transformation projects.	\$1.8m
Multi Arts Centre redevelopment	Delivery of the first dedicated multi-arts facility in Surf Coast Shire. This facility will be a temporary, community-led arts facility for several years.	\$1.4m
Anglesea Netball Pavilion redevelopment	Replace the existing ageing netball clubrooms with a new purpose built, multi-use facility.	\$1.3m
Anglesea Landfill stage 3E liner	Extension of landfill liner to allow full utilisation of the site.	\$1.2m
Grays Road upgrade Paraparap	Shoulder sealing and safety improvements.	\$1.1m
Horseshoe Bend Road/Blackgate Road intersection	Design and construction of roundabout.	\$0.8m
Point Roadknight drainage outfall	Clearing and structurally lining the outlet pipes to fully renew their condition and allow for better maintenance, which would result in less frequent and less severe local flooding events.	\$0.7m
Anglesea Transfer Station e-Waste facility	Design and construct Anglesea e-waste shed and problem material facility.	\$0.5m
Barwon Park Road shoulder widening and reconstruction	Shoulder sealing and re-shaping road to improve safety.	\$0.5m
Barwon River adventure play space	Detailed design and development of the Barwon River Adventure Playspace including a new older-children focus playground, youth spaces and accessible items. The playspace will highlight the local indigenous heritage and involve art projects with local students.	\$0.5m

Performance against the Council Plan

Capital spend by expenditure type

The actual capital spend is \$9.5 million under the budgeted spend. Factors effecting the delivery of capital works include availability of project managers and contractors, rescheduling of delivery to align timing with compatible future works, global supply chain issues, scope review due to price escalations and COVID-19 impacts.

Capital Spend Type	Budget (\$'000)	Actual (\$'000)
New assets	5,263	2,626
Renewal of existing assets	11,236	8,346
Expansion of existing assets	1,757	2,560
Upgrade of existing assets	8,669	3,903
Total	26,925	17,435

Strategic indicators

Strategic indicators help us understand what is important to measure and will tell us the difference that four years of implementation of the council plan has made. Baselines for each indicator will ultimately act as a tool to measure the extent to which we have achieved the council plan's strategic objectives.

At the time of this reporting period, the organisation continues to work towards determining meaningful strategic indicators and baselines that will prove helpful in analysing our progress towards achieving the strategic outcomes in the council plan. Whilst some indicators have been identified, officers will continue to explore data sets and measures that help to describe change and achievement over time, that are meaningful, affordable and practical. These will be reported in progress reports that will be presented to Council in the future.

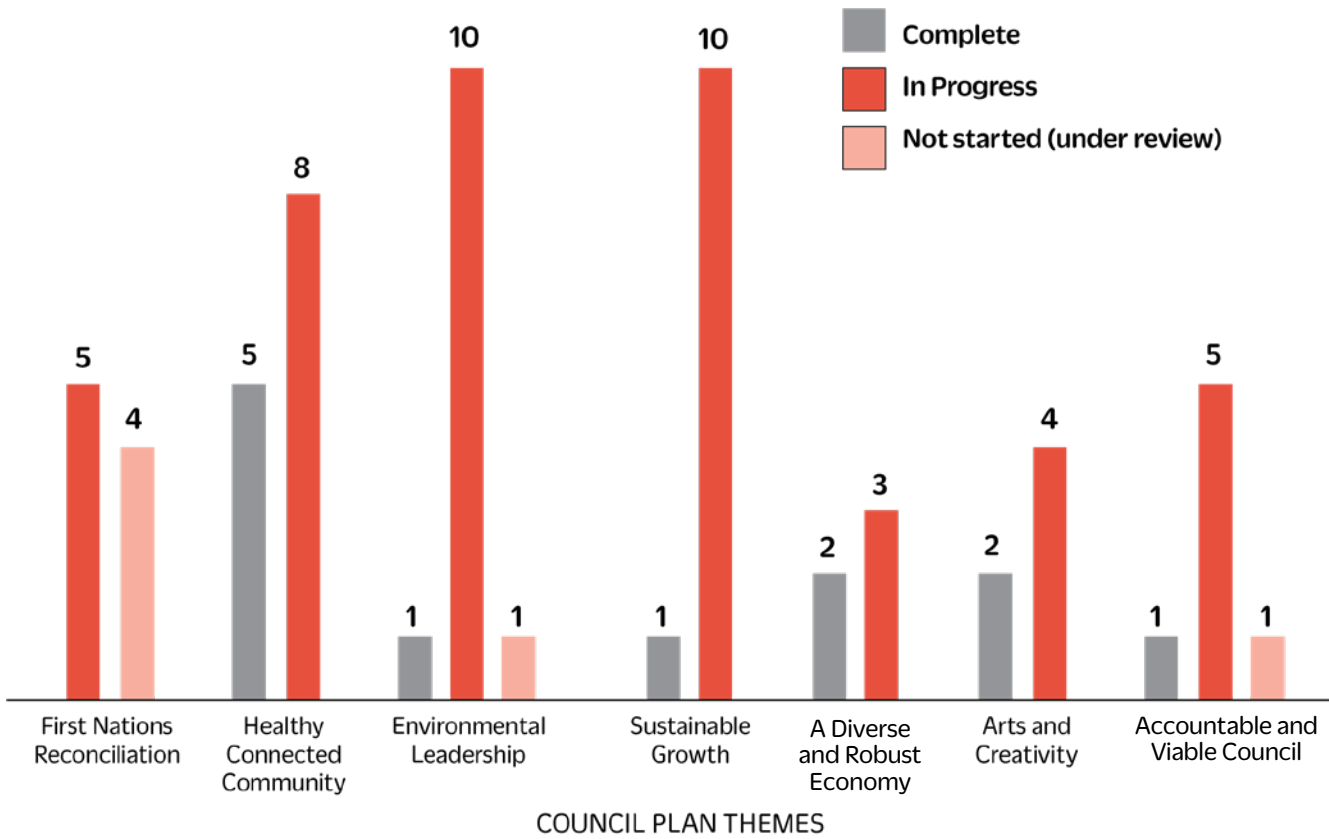
Actions

Actions are determined each year through an annual action plan. Each years' actions outline specific projects or deliverables that are intended to be completed during the financial year to support the council plan outcomes.

Council, in the adopted Monitoring and Evaluation Framework and Action Plan, set out 60 council plan actions for 2021-22. Out of the 60 actions identified in the plan, 12 are complete, 45 have been initiated with implementation ongoing and three are not started and under review.

Progress of end of year performance for the 2021-22 actions is outlined below.

Council plan year one actions - at 30 June 2022



Our organisation

Our councillors

Our organisational structure

Our executive

Our people



Paul Elshaug and Cr Mike Boddsworth at the staff tree planting day

Our councillors

Councillors are elected in Victoria every four years to represent their communities. In 2020, the Surf Coast Shire community elected this council for a four-year term. The municipality is divided into four wards, however, the nine councillors are the elected representatives of all residents and ratepayers across the shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

Anglesea ward



Cr Libby Stapleton
(Mayor 2021)



Cr Mike Bodsworth
Elected 2020

Lorne ward



Cr Gary Allen
Elected 2020

Torquay ward



Cr Liz Pattison
(Deputy Mayor)
Elected 2020



Cr Paul Barker
Elected 2020



Cr Kate Gazzard
Elected 2020



Cr Rose Hodge
Elected: 2004, 2008,
2012, 2016, 2020
Mayor: 2006-07,
2013-14, 2015-16,
2018-19, 2019-20

Winchelsea ward



Cr Adrian Schonfelder
Elected: 2020



Cr Heather Wellington
Elected: 2012, 2016,
2020

An organisational restructure came into effect on 31 January 2022. The new structure was developed with strong engagement from staff and is designed to better align with Council's purpose and priorities, and to deliver on the expectations of Council and the community.

Accountabilities and responsibilities have been re-aligned across teams to provide clarity. Despite the restructure, the workforce size has remained stable with 328.5 full time equivalent employees.

The restructure resulted in the establishment of the following divisions:

Division: Strategy and Effectiveness
Main focus: Build in areas of culture, business improvement, finance, project management and delivery, governance and technology.

Division: Placemaking and Environment

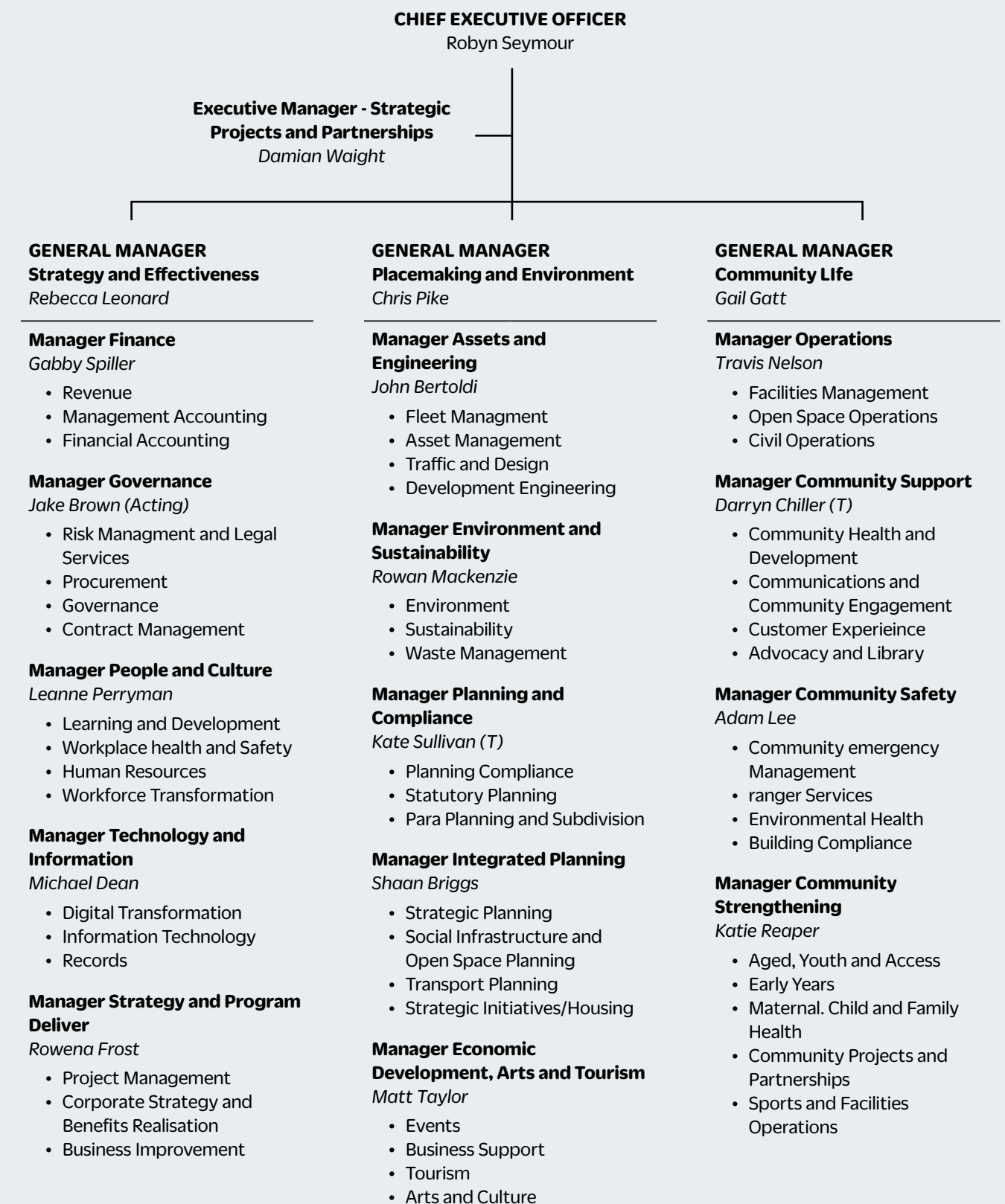
Main focus: Lead the work in establishing strategic decisions about what our shire will look and feel like and creating great places for our community to live and play, while protecting the environment in which we live.

Division: Community Life

Main focus: Champion customer experience and enabling active and involved communities.

An Executive Manager Strategic Projects and Partnerships role has also been established to progress key strategic projects and initiatives.

Our organisational structure



Our executive

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the council plan. The CEO, three general managers and executive manager form the Executive Management Team (EMT) and leads the organisation.

Details of the CEO and senior officers reporting directly to the CEO are set out below.

Robyn Seymour
Chief Executive Officer

Bachelor of Social Science, Master of Business Administration (MBA)

Robyn joined Surf Coast Shire Council as Chief Executive Officer in July 2021, moving into local government from a distinguished career in road safety strategy and delivery. Robyn was previously Deputy Secretary, Network Planning, with Victoria’s Department of Transport, leading a team of more than 400 people. Her role included strong focus on determining future transport needs and delivery of Victorian Government strategies, including the Road Safety Strategy, which aims to halve Victorian road deaths and progressively reduce serious injuries by 2030. She was previously Chief Executive and Deputy Chief Executive of VicRoads after having started her career in the sector as a counsellor, working for eight years with individuals and families impacted by road trauma. Robyn said a strong wish to return to working more closely with community had been one of her main motivations in seeking the Surf Coast Shire Council role.

Chris Pike
General Manager Placemaking and Environment

Bachelor of Town Planning, Postgraduate Diploma in Town Planning, Postgraduate Diploma in Business Administration

Chris joined the Surf Coast Shire Council in October 2013. His diverse career spans community and private sector roles in the United Kingdom and state and local government roles in Australia. Chris previously worked with the Victorian Department of Treasury and Finance and the City of Port Phillip in various management roles across community services, economic development, corporate planning and ministerial liaison functions. Before he was appointed as the General Manager of Placemaking and Environment in March 2022, Chris was the General Manager of Culture and Community.

Gail Gatt
General Manager Community Life

Bachelor of Science Degree, Graduate Diploma in Education, Graduate of the Australian Institute of Company Directors

Gail joined Surf Coast Shire Council on 13 July 2022 and has a diverse range of experience from both local and state government. Her previous local government roles have been with Wellington Shire Council and most recently at Latrobe City Council. Positions have included General Manager Community Health and Wellbeing, General Manager Regional City Growth and Investment and General Manager City Development, as well as various manager roles. In these roles, she has assumed responsibility for a range of Council functions including Land Use Planning, Economic Development, Investment Attraction, Advocacy, Municipal Services, Arts, Events, Tourism Recreation and Leisure Facilities, Community Development, Family Services, Aged Care Services and Emergency Management and Recovery.

Rebecca Leonard
General Manager Strategy and Effectiveness

Bachelor of Laws, Bachelor of Science

Rebecca joined Surf Coast Shire Council on 25 April 2022 and is an experienced executive, lawyer and board director. Rebecca was the Director of Governance, Strategy and Performance at the City of Greater Geelong and led governance reform at the City following the Commission of Inquiry report in 2016. Following this, Rebecca contributed to the COVID-19 Response firstly as the Head of the Detention Review Panel and then as the Executive Director of Governance and Operational Policy. Her experience spans a variety of portfolios including governance, risk and compliance, business continuity, internal audit, enterprise program management, legal services, corporate affairs and communication, corporate strategy and performance management, investment strategy, complaints and internal review processes, integrity and corporate secretariat. Rebecca has extensive experience as a practising lawyer specialising in litigation, and was a director of Barwon Water for 8 years (2013-2021).

Damian Waight
Executive Manager – Strategic Projects and Partnerships

Bachelor Applied Science, Diploma of Leadership and Management

Damian joined Surf Coast Shire Council in 2014 and has held a variety of leadership roles across Community Relations, COVID-19 Recovery and Governance and Risk. Damian previously led Golden Plains Shire’s community development program and was the General Manager of the Geelong Supercats basketball club. Before he was appointed as Executive Manager Strategic Projects and Partnerships in July 2022, Damian was acting General Manager Community Life.

Our people

Surf Coast Shire Council's workforce strives to provide excellence when delivering local government outcomes to the community.

Our workforce

At 30 June 2022, our workforce comprised of 328.5 full time equivalent (FTE) positions. The tables below break down these positions based on organisational structure, employment type, gender and banding.

Divisional breakdown of FTE employees by employment type and gender 2021-22

Employment type	Gender	FTE				
		Office of the CEO	Strategy & Effectiveness	Community Life	Place Making & Environment	Total
Permanent full-time	Female	3	20	25	25	73
	Male	0	21	74	36	131
	Self-described gender	0	0	0	0	0
Permanent part-time	Female	1.26	19.49	62.93	19.12	102.80
	Male	0	3.19	4.29	5.89	13.38
	Self-described gender	0	0	0	0	0
Casual	Female	0	0.53	5.25	0.52	6.30
	Male	0.28	0.15	1.47	0.12	2.02
	Self-described gender	0	0	0	0	0
TOTAL		4.54	64.37	172.94	86.65	328.50

Banding breakdown of FTE employees by employment type and gender 2021-22

Employment type	Gender	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Permanent full-time	Female	0.0	0.0	0.0	10.0	16.0	17.0	20.0	3.0	7.0	73
	Male	0.0	1.0	31.0	7.0	22.0	27.0	23.0	7.0	13.0	131
	Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Permanent part-time	Female	2.7	1.0	5.2	25.0	11.9	21.1	9.3	0.3	26.3	102.8
	Male	0.7	0.0	2.1	1.4	2.3	3.8	0.6	1.8	0.7	13.4
	Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Casual	Female	3.5	0.0	0.9	0.7	0.2	0.2	0.5	0.0	0.3	6.3
	Male	0.1	0.0	0.3	1.0	0.2	0.2	0.0	0.3	0.0	2
	Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
TOTAL		7	2	39.5	45.1	52.6	69.3	53.5	12.4	47.2	328.5

Recruitment trends

We appointed people to 145 job vacancies in 2021-22. This is more than double the recruitment activity of 2020-21 and is a result of a higher turnover rate. This is understood to be a result of a more active and mobile employment market with more people making alternate career choices following the two years of suppressed movement due to COVID-19. Of the positions filled, 36 were direct reappointments of temporary staff for a further contract term.

We received 1,272 applications for advertised vacancies, which is on average, 13 applications per role. This is a reduction on previous years and reflects a more challenging market and lower attraction to the local government sector. The average time from advertising to making an offer was 26 days, which is considerably lower than the industry average of 39 days and reflects the ability to attract quality candidates albeit a smaller number.

An overview of recruitment trends for the past five years is included below.

	2017-18	2018-19	2019-20	2020-20	2021-20
Recruitment processes	81	99	62	67	145
Applications received	1,245	2,149	1,119	1,301	1,272

Covid-19 and the hybrid workplace

Continued guidance and regulation from the Victorian Government has resulted in ongoing changes to the way that Council delivers services to our community. We have continued to focus on supporting people to do their best despite the challenges presented through changing restrictions relating to how and where we can work.

We have sought to understand the current state of hybrid work and how workforce needs are shifting as a result. As flexibility in work location has become more prevalent, the requirements of our workplace are evolving to create a place where employees feel inspired, innovative and connected to their colleagues and the culture of the organisation. We will continue to monitor the impact of these changes on our culture across all workplaces and roles. A focus on wellbeing and performance for employees and the organisations both at work and in life continues to be important to ensure optimal performance and engagement.

Recognising our people

In 2021-22, Council recognised and acknowledged the continuous service of 44 staff from across the organisation with an event that was open to all councillors, employees, and the families of those employees that are receiving milestone awards.

Years of service milestones	Number of employees
5	17
10	10
15	4
20	5
25	5
30	1
40	2

Strategic Workforce Plan

The CEO endorsed our Strategic Workforce Plan in December 2021. The *Local Government Act 2020* requires Victorian councils to develop and maintain a workforce plan that describes the organisational structure, specifies projected staffing requirements for at least four years and sets out measures to ensure gender equality, diversity and inclusiveness.

Our plan aligns the needs of Council with the capabilities and competencies of the workforce to deliver strategic plans and service delivery commitments. The plan broadly identifies how future staffing and skills requirements will be met and includes a more detailed strategic resource plan for critical job functions. It will inform recruitment, learning and development and performance development strategies, policies and procedures.

Gender equality and diversity in workplace

Council's Gender Equality and Diversity Action Plan (GEDAP) 2021 – 2025 was approved by the Commissioner for Gender Equality in the Public Sector in June 2022. The plan includes four gender equality and diversity goals to help our employees and our community to thrive:

- Improving our ability to attract and retain a workforce that reflects the diversity of our community through gender equal recruitment processes and people practices
- Increasing innovation and creativity from a diverse workforce where unique experiences and strengths are welcomed and encouraged

- Enhancing employee wellbeing and performance through a safe and inclusive culture that supports equity, diversity and respectful behaviour
- Eliminating gender-based pay gaps with equal remuneration for work of equal value

Our Gender Equality Action Plan is internally focused yet builds on the commitment made to our community through Council's Access & Inclusion Plan 2014-24 to build healthy, well-connected communities where everyone can participate. It recognises our existing programs, initiatives, achievements and documents and identifies new initiatives that will be implemented over a four-year period to meet our gender equality and diversity objectives.

Learning and development

Our 2021-22 learning and development program continued to adapt to meet the requirements of COVIDSafe practices and plans. This resulted in a compressed program with a primary focus on compliance and skills development training to upskill and reskill our employees to deliver the Council plan and respond to new challenges.

Employees participated in learning activities including informal experiential learning, on-the-job learning, coaching and mentoring, participating in network meetings and committees, attendance at conferences and events and more formal in-house and external training programs.

Workplace wellbeing, health and safety

Council recognises that it has a legal duty of care under the *Occupational Health and Safety Act 2004* to provide and maintain a safe and healthy working environment for employees, contractors, customers and visitors.

Council's leadership group continues to review safety management system performance to ensure adequacy of hazard management and to identify the resources required for further improvement. Key objectives aligned to the strategic principles of promotion, prevention and support are established. These focus areas are established by Council's leadership team through analysis of staff reporting and industry data to ensure we keep our people safe.

OHSAS 45001

Certification of ISO 45001 was maintained in 2021-22, demonstrating an ongoing commitment to continuous improvement and evolution of our safety management system.

Swellness (Health and wellbeing)

With much of our workforce working remotely over the past year, more than half of staff were required to work from home during periods of forced lockdowns and/or times of service closures or modified service delivery as a result of COVID-19.

Our traditional offering of wellbeing activities and initiatives were re-designed to be more accessible to all staff and with the easing of lockdown restrictions, more in person activities were offered with the intention of creating opportunities for connection.

The Swellness Program delivered featured initiatives including:

- Flu vaccinations
- Skin checks
- First Aid training
- Stress Mastery Webinar
- Benny Button - online wellbeing profiler tool and regular check ins
- Leading for Wellbeing – leadership training
- Access to Learning Locker tools and resources to support wellbeing
- Employee Assistance Program
- Steptember – Fund raising event
- Women's Health Month
- Occupational violence and aggression training
- Onsite physiotherapy program

Incident and injury reporting

During 2021-2022:

- There were 29 occupational health and safety (OHS) incidents recorded
- Six of these incidents resulted in a lost time injury
- 331 hazards, near miss and incidents were recorded
- There were five notifiable incidents reported to WorkSafe (includes three COVID-19 notifications)
- An external audit of OHS processes and practices were undertaken and resulted in three minor non-conformances

The 29 incidents recorded this year is comparable with 30 reported incidents reported during 2020-21.

The six lost time injury incidents resulting in an injury is higher compared with four lost time injuries recorded in 2020-21.

WorkCover

Council has a strong commitment to the health and safety of its employees and to ensure that the management of claims and return to work programs meets legislative requirements. Council's injury management experience resulted in a 46 per cent reduction in workers' compensation premiums compared to 2020-21.

KPI	2020 / 2021	2021 /2022
Lost Time Injuries (LTI)	4	6
Lost Time Injury Frequency Rate (LTIFR)*	6.63	10.15
Manual Handling Injuries	8	13
Manual Handling injury >10 Days Lost	1	0
Total Reports (incident , near miss and hazard)	275	331
OVA Incidents	10	7
Vehicle and Plant Incidents	27	20

*LTIFR is the number of lost time injuries per million hours worked

CASE STUDY

2021 Australian HR Institute Awards

We are immensely proud to report that in November 2021 Council was awarded the Martin Seligman Health and wellbeing Award for outstanding strategies and initiatives that promote workforce wellbeing.

Council recognises that wellbeing and performance are interdependent factors. People perform better when they feel well. Conversely, when wellbeing declines, so does performance.

For our people to thrive, Council needed a holistic approach that helped maintain and continue to build strength and resilience in wellbeing across all aspects of life.

Council embarked on a mission to enhance the organisation's collective wellbeing by assisting our people to be their best during an unprecedented time of COVID-19 lockdowns and restrictions.

For many Victorians, this was an extremely challenging period and during this time, Council invested in wellbeing profiling and culture analytics, a dedicated wellbeing check in software platform, and targeted learning and development experiences for staff.

The cultivation of a strong wellbeing relationship with our people has allowed us to engage early and assist our people to access the tools and resources they need to enhance their own wellbeing and mitigate the risk of sickness and mental illness.

During the emergence of the 2022 Great Resignation, Council is proud to have created a place recognised as a workplace destination. This investment in wellbeing has been a positive step for our people, our performance and, in turn, the Surf Coast Shire community.

Our performance

First Nations Reconciliation

A Healthy Connected Community

Environmental Leadership

Sustainable Growth

Robust and Diverse Economy

Arts and Creativity

Accountable and Viable Council



Yellow Gums Performance stage, seed fund event, Jan Juc

Council Plan Theme:

First Nations Reconciliation

Our goal:

Reconciliation with Traditional Owners and other Aboriginal and Torres Strait Islander people in our community through respectful engagement, acknowledgement and collaboration.

As a result, Council is committed to the following strategies:

- Work with Traditional Owners and other Aboriginal and Torres Strait Islander people in our community to achieve reconciliation
- Ensure Council decisions consider and respect Traditional Owner perspectives, culture and knowledge

Core activities

- Building strong relationships with Traditional Owners to work towards reconciliation.



Interesting facts

108 STAFF

have undertaken initial cultural awareness training, with sessions planned for a further 175 staff.

80 PEOPLE

attended the Reconciliation Week event in May.

APPROX. 100 EMPLOYEES

have participated in Walk on Country sessions.

Achievements

- Developed a Reconciliation Action Plan, which has been given provisional endorsement from Reconciliation Australia.
- Continued to strengthen our relationship with Wadawurrung Traditional Owners Aboriginal Corporation.
- Continued to strengthen our relationship with Eastern Maar Aboriginal Corporation.
- We now have regularly scheduled consultations with Wadawurrung Traditional Owners Aboriginal Corporation and Eastern Maar Aboriginal Corporation.
- Staff have participated in a Cultural competency training course including training in Cultural Heritage Management, Unconscious Bias, Walking in Two Worlds and continued Walks on Country.
- Celebrated NAIDOC Week with the launch of Show Up! At Anglesea Art Space - an exhibition of Indigenous artists including several Wadawurrung Traditional Owners, for whom this was their first exhibition.
- Successful development of a network of councils that work on Wadawurrung Country.
- Invited by Eastern Maar to lead the establishment of a similar network of Councils operating within Eastern Maar Countries.
- Individual support for staff engaging with First Nations consultants, particularly on projects.

- Relationships have been developed through organised meetings with Traditional Owners whom we previously had no relationship.
- Commenced working with the Wadawurrung Healthy Country team to identify the projects being delivered by Council that will help Wadawurrung achieve the goals noted in their Healthy Country Plan.
- Commenced the development of Acknowledgement of Country policy and accompanying support document to help staff understand protocols.
- Drafting of Communications and Engagement Strategy and Community Engagement Strategy to incorporate Traditional Owner engagement best practice guidelines.

Challenges

- Ensuring staff are equipped with the knowledge and training needed to understand the opportunities for improvements in our reconciliation journey.
- Making sure that there is training that is available that appeals to a wide range of learning styles and the availability of part-time staff.
- Aligning Council's work with Traditional Owner Country Plans
- Supporting the Registered Aboriginal Parties' efforts to build their capacity to partner with community and government in the region

CASE STUDY



At its September 2021 meeting Council adopted changes to the way it acknowledges 26 January to promote healing and reconciliation for First Nations People.

These changes are consistent with Council pursuing a Reconciliation Action Plan and upholds the Council Plan theme of First Nations Reconciliation.

Council decided to make these changes to acknowledge that 26 January is a difficult day for First Nations People as it represents a date that Europeans settled in this country and commenced the decimation of their ancestors and culture.

From 2022, Council will no longer participate in celebratory events and Aboriginal and Torres Strait Island flags will fly at half-mast on 26 January.

Council will conduct a citizenship ceremony on this day as it is a federal government requirement to do so, but it will advocate for this requirement to change.

Council also resolved to engage with the Wadawurrung Aboriginal Corporation and the Eastern Maar Aboriginal Corporation regarding the potential of future mourning or survival events on 26 January.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021-22 Budget.

Major Initiative	Adopted budget	Actual spend	Progress
Traditional Owner Engagement	\$ 95,000	\$80,739	Council has continued to strengthen its relationship with both the Wadawurrung Traditional Owners Aboriginal Corporation and the Eastern Maar Aboriginal Corporation. We have developed a Reconciliation Action Plan, which has been given provisional endorsement from Reconciliation Australia and have run multiple Cultural competency training courses for staff. Staff are also receiving individual support for engaging with First Nations consultants, particularly on projects.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/(Unfav)
Surf Coast Shire sits within three Traditional Owner language groups – the Wadawurrung People, and the Guiljdan and Gadubanud Peoples. These groups are represented by two Registered Aboriginal Parties – Wadawurrung Traditional Owners Aboriginal Corporation and Eastern Maar Aboriginal Corporation. Our aim is to build strong relationships with Traditional Owners that are respectful of their culture and support their respective strategic goals. Our ultimate goal is to achieve reconciliation. Council is seeking to broaden its understanding of Traditional Owners' perspectives and to use this knowledge to make better decisions. This will apply widely across Council policy making and operations. Whilst this service leads this initiative, implementation of Traditional Owner Engagement is not limited to just this service, rather it is embedded in the other services, initiatives and projects listed within section 2 of this Budget Report.	Recurrent Operations			
	Expenditure	95	81	14
	Overheads	-	-	-
	Revenue	95	81	14
The recurrent operations expenditure was impacted by timing of unconscious bias and privilege workshops, which are now planned to occur in 2022-23.				

Service performance indicators

This Council Plan theme does not directly relate to any of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework.



Council Plan Theme:

Healthy Connected Community

Our goal:

Foster a thriving, connected, healthy community.

As a result, Council is committed to the following strategies:

- Facilitate the provision of social infrastructure and open space to enable healthy lifestyles
- Improve access to local services and programs that support people to be healthy and well
- Make it easier for people to move around our towns and in nature without relying on cars
- Enable communities to strengthen their social connections and participate in community life

Core activities

- Community emergency management
- Community health and development
- Early years
- Community projects and partnerships
- Sports and facilities operations
- Facilities management
- Open space operations
- Advocacy and library
- Aged, youth and access
- Social infrastructure and open space planning
- Civil works
- Building and ranger services



Interesting facts

- 10 CASUARINA** Community Leadership Program sessions delivered with 20 people enrolled.
- COMMUNITY ASSET** Committees have met 32 times this year.
- 63 COMMUNITY** Asset Committee volunteers.
- 72 PER CENT OF YOUNG PEOPLE** in the shire told us they have a strong connection to their community (Youth Census).
- FUNDED \$77,601** in Small Grants.
- FUNDED \$2,365** in IDAHOBIT grants.

Achievements

- Completion of Service Mapping to understand referral pathways for family violence, mental health and alcohol and other drug services. This will help teams across Council work together strategically to ensure our advocacy and programs are aligned with evidenced needs in the community.
- Several online events were held for Senior's Week and Positive Ageing Month.
- Delivered two Responsible Service of Alcohol courses in partnership with Community Houses.
- A community directory has been introduced which enables the community to identify social connections and participation opportunities.
- Adoption of a revised Community Grants Policy and Program which provides the means for the community to deliver their projects.
- Establishment of Community Initiatives Assessment Panel that brings together teams from across Council to streamline the assessment of community ideas.
- Regular Community Action Network meetings were held in Anglesea, Deans Marsh, Torquay, Aireys Inlet and all towns in the 3231 postcode area.
- Licence agreement template updated to address minimising harmful consumption of alcohol.
- The construction and extension of Stribling Reserve Pavilions and Grant Pavilion applied inclusive principles including universal design.
- Removed the requirement for a Council officer to be the project manager on all community-led projects thereby building on the well-established capacities of community members.
- Endorsed a community-led approach to the delivery of a bike park upgrade at Bob Pettitt Reserve, Jan Juc.

- 10 sessions were delivered as a part of the Casuarina Community Leadership Program to build skills that enable community members to progress change in their communities.
- Re-opening of Winchelsea Shire Hall led by the Winchelsea Community House.
- Winchelsea Leisuretime Centre Joint Use Agreement executed.
- Completion of several community infrastructure projects including Anglesea Hall Sound and Lighting Project, Bob Pettitt Reserve Performance Space, Spring Valley informal ball games area.
- Coogoorah Park Playground Upgrade, Connewarre Riding Club Arena Upgrade Stage 2, Mt Moriac Netball and Tennis Pavilion.

Challenges

- The Community Development Community of Practice was impacted by COVID-19 restrictions. The concept will be revisited through the upcoming Community Development Action Plan and will be subject to resourcing considerations.
- Delayed development of Integrated Social Infrastructure and Open Space Plan due to resourcing redirected towards the GORCAPA land transition process.
- Aquatic and Health Centre cost estimate increases which have forced a revised design and additional funding to be pursued.

CASE STUDY



Stribling Reserve Community Pavilion

The Stribling Reserve Pavilions Redevelopment – featuring a new community pavilion and netball pavilion – is the jewel in the crown of an innovative partnership between Lorne community members, the Australian Government and Surf Coast Shire Council.

The \$6.635 million redevelopment project – officially opened on 14 April 2022 – featured in the Stribling Reserve Masterplan 2017, created by Lorne locals and Council. The community-Council partnership led to the redevelopment, while a Lorne community contribution of \$500,000 has highlighted the local importance of the project.

The Stribling Reserve Pavilions Redevelopment project consisted of the construction of a new netball pavilion – opened in April 2021 – and an upgrade to the main pavilion, now named the Stribling Reserve Community Pavilion. The latter includes a second level with northern entry, community spaces, bar, commercial kitchen, presentation and conferencing facilities, and new public toilets.

The new and upgraded pavilions follow other improvements at the reserve, including resurfacing the oval, resurfacing the netball courts and adding spectator booths, a new electronic scoreboard, and upgraded light towers.

Surf Coast Shire Council contributed \$3.274 million to the pavilions project, including underwriting the \$500,000 community contribution that was successfully raised.

Council acknowledges contributions of \$3.274 million from the Australian Government through its Building Better Regions fund, and \$86,061 from the Victorian Government through its Sustainable Infrastructure Fund.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021-22 Budget.

Major Initiative	Adopted budget	Actual spend	Progress
Messmate Road Growth Area Planning	\$44,000	\$0	This initiative has been put on hold due to the Distinctive Areas Landscape project. Once the Statement of Planning Policy has been endorsed, the Department of Environment, Land, Water and Planning (DELWP) are required to complete a planning scheme amendment and after this is completed, Messmate Road Growth Area Planning can resume.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council’s general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$’000	2021-22 Actual \$’000	2021-22 Variance \$’000 Fav/(Unfav)
COMMUNITY EMERGENCY MANAGEMENT				
This service assists community and Council to plan for, respond to and recover from all potential emergencies and their consequences. This includes coordinating arrangements for the utilisation and implementation of Council resources in response to emergencies and arrangements for the provision of assistance to the community during recovery from emergencies. The unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs with high risk communities. The recurrent operations expenditure was favourable due to staff vacancies during the year and a temporary period of reduced hours for a recurrent employee. The operating project spend reflects carry forward budget from, along with additional grant funding received for the Municipal Emergency Resourcing Program.	Recurrent Operations			
	Expenditure	635	549	86
	Overheads	150	150	-
	Revenue	(3)	(1)	(2)
		782	698	84
	Operating Projects			
	Expenditure	240	331	(91)
	Revenue	(240)	(293)	53
		-	38	(38)

Description of Services Provided	Classification	2021-22 Adopted Budget \$’000	2021-22 Actual \$’000	2021-22 Variance \$’000 Fav/(Unfav)
COMMUNITY HEALTH AND DEVELOPMENT				
This program area aims to support communities to be resilient and empowered through creating inclusive communities where everyone can participate and contribute. They are responsible for implementing many Council Plan strategies under the pillar of Community Wellbeing, addressing issues such as: Preventing Violence Against Women, Gender Equity, Community Safety, Community Development, Healthy Eating and Physical Activity, Communities of Place and Interest, Volunteering and Alcohol, Tobacco and Other Drugs. The unit also focuses on community capacity building via community development activities and grants. The recurrent operations expenditure was favourable due to a staff vacancy. Recurrent operations revenue was favourable due to a State grant received for Barwon Month of Action. The operating project spend reflects carry forward budget from 2020-21 for the Community Activation and Social isolation for Mental Health Project, along with grant funding for Local Operational Response Plans.	Recurrent Operations			
	Expenditure	668	634	34
	Overheads	107	107	-
	Revenue	-	(3)	3
		775	738	37
	Operating Projects			
	Expenditure	30	42	(12)
	Revenue	-	(25)	25
		-	17	13
EARLY YEARS				
This service aims to support families and children to achieve their full potential. This is achieved through the provision of family oriented support services including kindergartens, maternal, child and family health , family day care and occasional care programs. The unit also supports playgroups, toy libraries, visiting specialists and the provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees. The recurrent operations reflects favourable three and four year-old kindergarten enrolment numbers, which has resulted in the favourable kindergarten fees and State grant funding, offset in part by additional teacher/educator expenditure for the enrolments. Also additional demand for Maternal and Child Health services resulted in additional grant funding and nursing expenditure. The operating project spend reflects new grant funding received for Early Years School Readiness Program and Maternal and Child Health Sleep and Settling Program.	Recurrent Operations			
	Expenditure	4,092	4,331	(239)
	Overheads	932	932	-
	Revenue	(3,366)	(3,814)	448
		1,658	1.449	209
	Operating Projects			
	Expenditure	-	120	(120)
	Revenue	-	(98)	98
		-	22	(22)

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/(Unfav)
COMMUNITY PROJECTS AND PARTNERSHIPS				
<p>This service is responsible for community project development and delivery, land use enquiries and liaison with Community Asset Committees.</p> <p>The capital project for Stribling Reserve Pavilion Redevelopment was completed, and progress on the Grant Pavilion Extension continued, along with the projects within the various Local Roads and Community Infrastructure Program. The capital projects includes the multi-year Surf Coast Aquatic and Health, which is in the design phase.</p>	Recurrent Operations			
	Expenditure	564	550	14
	Overheads	112	112	-
	Revenue	(60)	(47)	(13)
		616	615	1
	Operating Projects			
	Expenditure	66	68	(2)
	Revenue	-	-	-
		66	68	(2)
	Capital Projects	9,638	7,159	2,479
SPORTS AND FACILITIES OPERATIONS				
<p>This service is responsible for managing and programming several sports, community halls, community buses and multi-purpose community facilities including aquatic facilities and health and fitness club facilities. These services support the wellbeing of the community and provide a source of income through user fees.</p> <p>Community facility hire recurrent operating revenue at Council managed facilities was impacted by pandemic restrictions. The recurrent operations expenditure reflects the favourable demand at the Winchelsea Pool leading to increased supervision costs, whilst also maintaining the ageing pool infrastructure.</p> <p>The operating projects relate to the Creating a Netball Pathway on the Surf Coast, which was grant funded through VicHealth, and completion of the Winchelsea Health Club 24/7 Access.</p>	Recurrent Operations			
	Expenditure	769	789	(20)
	Overheads	247	247	-
	Revenue	(606)	(399)	(207)
		410	637	(227)
	Operating Projects			
	Expenditure	-	13	(13)
	Revenue	-	(12)	12
		-	1	(1)
FACILITIES MANAGEMENT				
<p>This service maintains a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, kindergartens, recreation, early years, public toilets, community halls).</p> <p>Recurrent operations expenditure is favourable due to reduced utility usage and maintenance demand for Council managed facilities during COVID-19 restrictions.</p> <p>The capital projects relate to facility renewal, and includes carry forward projects from 2020-21. Examples of completed works during the year include air conditioning replacements at the Torquay Children's Service Hub, and switchboard and water tank replacements at various locations. Ongoing projects will be completed in 2022-23.</p>	Recurrent Operations			
	Expenditure	3,415	3,118	297
	Overheads	(932)	(932)	-
	Revenue	(52)	(62)	10
		2,431	2,124	307
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
	Capital Projects	450	166	284

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/(Unfav)
OPEN SPACE OPERATIONS				
<p>This service maintains and develops Council's parks and open space assets (e.g. recreation reserves, playgrounds, skate parks, trees, nature reserves).</p> <p>The recurrent operations reflects favourable expenditure due to staff vacancies and favourable revenue with utility reimbursements and a once off training reimbursement.</p> <p>The operating project actual relates to the grant funded Working for Victoria Fund program. The budgeted operating project expenditure for certificate II in power line vegetation control is to occur in 2022-23.</p> <p>The capital projects reflect open space renewal. Playground renewals at Coogoorah Park, Bellbrae Reserve and Bob Pettitt Reserve Electrical Supply were completed with other ongoing open space projects carried forward into 2022-23.</p>	Recurrent Operations			
	Expenditure	3,791	3,772	19
	Overheads	576	576	-
	Revenue	(4)	(27)	23
		4,363	4,321	42
	Operating Projects			
	Expenditure	33	11	22
	Revenue	-	(9)	9
		33	2	31
	Capital Projects	1,794	851	943
ADVOCACY AND LIBRARY				
<p>This service advocated on behalf of Council and the community on key strategic items in meeting our Council Plan objectives. This function is also responsible for the provision of library services and manages a service agreement with the Geelong Regional Library Corporation. Library services are provided at the Torquay branch and across the municipality with a mobile service.</p> <p>The capital project relates to the Concept Design of the Torquay Cultural Facility and Library which has been expensed during 2021-22 (this forms part of the non attributable expensed capital works item – see reconciliation to Income Statement).</p>	Recurrent Operations			
	Expenditure	733	733	-
	Overheads	-	-	-
	Revenue	-	-	-
		733	733	-
	Capital Projects	70	-	70
AGED, YOUTH AND ACCESS				
<p>This service aims to support youth in achieving their full potential via youth development programs. The Aged and Access team continue to provide local in-home assessment services and support, along with Aged Friendly strategic initiatives. Revenue in this area is generated through government grants.</p> <p>The recurrent operations reflects vacancies across the services and favourable contractor costs for Good Times Good Breaks.</p> <p>During 2021-22 the FReeZA and Engage Program operating projects received further grant funding, and additional expenditure was incurred as a result of carried forward projects such as the Regional Youth Connection Program, a G21 regional project.</p> <p>The capital project relates to the Accessible Car Parks Audit and Upgrades program, which has been carried forward into 2022-23.</p>	Recurrent Operations			
	Expenditure	1,009	892	117
	Overheads	347	347	-
	Revenue	(208)	(216)	8
		1,148	1,023	125
	Operating Projects			
	Expenditure	58	99	(41)
	Revenue	(48)	(72)	24
		10	27	(17)
	Capital Projects	47	-	47

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/(Unfav)
SOCIAL INFRASTRUCTURE AND OPEN SPACE PLANNING				
<p>This service supports, plans and advocates for the future development of key strategic recreation, open space and multi-purpose facility projects.</p> <p>The recurrent operations expenditure resulted in a once off variance due to a temporary role being extended to support delivery of key strategic initiatives.</p>	Recurrent Operations			
	Expenditure	656	676	(20)
	Overheads	127	127	-
	Revenue	-	-	-
		783	803	(20)
	Capital Projects	-	3	(3)
CIVIL WORKS				
<p>This service is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road network, ensuring that it can support day-to-day activities including businesses moving customers, supplies and products across the Shire. The Civil Works team also maintains drains and footpaths and other civil infrastructure. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.</p> <p>The recurrent operations expenditure was impacted by storm events, which resulted in additional costs to Council for emergency response works and maintenance on the drainage network. Recurrent revenue was favourable due to an increase in private works and dust suppression contributions.</p> <p>The capital program spend was reduced due to the timing of the Surf Coast Hwy Coombes Road Intersection Construction, and the Horseshoe Bend Road Shoulder Widening and Reconstruction. A number of pathway, drainage and road renewal and upgrade projects were completed during the year, with ongoing projects carried forward into 2022-23.</p>	Recurrent Operations			
	Expenditure	4,962	-5,114	(152)
	Overheads	889	889	-
	Revenue	(15)	(44)	29
		5,836	5,959	(123)
	Capital Projects	12,459	5,701	6,758

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/(Unfav)
BUILDING AND RANGER SERVICES				
<p>These diverse services support the economy through overseeing issue and compliance with building development controls and enforcement, permits for footpath trading, local law enforcement and Victorian Government agencies enforcement activities. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It also provides animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after-hours service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.</p> <p>Recurrent parking infringements revenue was impacted by the pandemic with less visitors, events and tourism activity.</p> <p>The operating project expenditure included the Domestic Animal Management Plan 2021-25 and new grant funding for the Women Building Surveyor Program which will continue into 2022-23.</p>	Recurrent Operations			
	Expenditure	2,389	2,374	15
	Overheads	665	665	-
	Revenue	(1,713)	(1,643)	(70)
		1,341	1,396	(55)
	Operating Projects			
	Expenditure	14	41	(27)
	Revenue	-	(30)	30
		14	11	3



Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of results in the comments.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
AQUATIC FACILITIES						
	Service standard					
AF2	Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	0.00	1.00	1.00	Our single aquatic facility was inspected once during the 2021-22 year, which is consistent with previous years. Note: COVID-19 restrictions in the 2019-20 year prevented any inspections of aquatic facilities.
	Utilisation					
AF6	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0.30	0.19	0.14	0.21	Utilisation is trending back to pre-COVID-19 levels.
	Service cost					
AF7	Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	\$8.93	\$11.55	\$21.25	Costs have increased this year due to the inclusion of maintenance costings for the Winchelsea Pool, which were not included in the past. There was also an increase in staff resourcing.
ANIMAL MANAGEMENT						
	Timeliness					
AM1	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]	1.00	0.00	1.35	1.30	Time taken to respond to animal management requests remains low and demonstrates our commitment to responding promptly to animal management requests Note: In 2020-21 we reviewed the method for calculating this indicator. 2019-20 reporting was inaccurate and should not be used as a comparison.
	Service standard					
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	77.02%	57.48%	74.58%	76.12%	Our reclaim rates continue on par with the previous reporting period and generally remain higher than other councils of a similar size.
AM5	Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	0.00%	0.00%	0.00%	Council does not rehome animals. All unclaimed animals are referred to the Geelong Animal Welfare Society.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
	Service cost					
AM6	Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	\$12.17	\$14.35	\$13.29	This ratio fluctuates year-on-year based on requirements of staff to attend to animals out of hours.
	Health and safety					
AM7	Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0.00%	0.00%	0.00%	There were no animal management prosecutions during 2021-22.
LIBRARIES						
	Utilisation					
LB1	Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	8.64	6.26	6.01	6.96	Whilst all Geelong Regional Library Corporation (GRLC) branches experienced closures at different times during the year due to COVID-19, loans of physical collection items were enabled through a click and collect service that was offered to all members during closure periods. A click and deliver service was also offered to vulnerable members. Note: the definition for this indicator was changed in 2019-20 and cannot be compared against the result from previous years. The current indicator includes physical collection items only (previously included eCollections).
	Resource standard					
LB2	Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	79.12%	78.94%	84.31%	81.66%	Purchasing of new collection items continued throughout the pandemic, meaning that COVID-19 had no marked effect on this indicator.

		Results				Comments
Service / indicator / measure		2019	2020	2021	2022	
	Participation					
LB4	<p>Active library borrowers in municipality</p> <p>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	18.78%	18.19%	16.49%	14.81%	<p>Whilst all Geelong Regional Library Corporation (GRLC) branches experienced closures at different times during the year due to COVID-19, loans of physical collection items were enabled through a click and collect service that was offered to all members during closure periods. A click and deliver service was also offered to vulnerable members and loans of digital collection items remained available throughout the closure periods.</p> <p>Note: The definition for this indicator was changed in 2019-20 and cannot be compared against the result from previous years. The indicator now represents Active Library Borrowers as an average of the past three financial years. The indicator measures activity as loans of library collection items. It does not capture other library activity such as children and youth programs, digital literacy programs and literary events, the use of public internet computers, using facilities such as meeting rooms or study areas, or using services such as Wi-Fi, or in library use of collections.</p>
	Service cost					
LB5	<p>Cost of library service per population</p> <p>[Direct cost of the library service / Population]</p>	New in 2020	\$20.74	\$20.74	\$20.20	Note: the definition for this indicator was changed in 2019-20 and cannot be compared against the result from previous years. It now represents operational cost per capita, not cost per visit.
MATERNAL AND CHILD HEALTH (MCH)						
	Service standard					
MC2	<p>Infant enrolments in the MCH service</p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	99.44%	100.86%	99.33%	100.00%	Our high enrolment rates demonstrate the importance and value of the maternal and child health services for infants and their families.
	Service cost					
MC3	<p>Cost of the MCH service</p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>	\$77.56	\$76.36	\$73.43	\$67.50	This ratio has reduced partly due to staff on long term leave.

		Results				Comments
Service / indicator / measure		2019	2020	2021	2022	
	Participation					
MC4	<p>Participation in the MCH service</p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	77.70%	76.74%	77.86%	76.13%	Participation in the maternal and child health service is voluntary and some families choose to engage with other services. To promote participation we send regular reminders for missed appointments. Further, older children enrolled in the service do not require a Key Age and Stage (KAS) visit every year.
	Participation					
MC5	<p>Participation in the MCH service by Aboriginal children</p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	90.91%	85.71%	85.19%	82.93%	This participation rate is skewed by the small size of Surf Coast Shire's Aboriginal population, with some families choosing to engage with Wathaurong Aboriginal Co-Operative for their health care. Furthermore, older children enrolled in the service do not require a Key Age and Stage (KAS) visit every year. While percentage of participation has slightly decreased, enrolment and participation numbers have actually increased.
	Satisfaction					
MC6	<p>Participation in 4-week Key Age and Stage visit</p> <p>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</p>	New in 2020	93.71%	95.99%	93.29%	4-week consultation rates are slightly down due to an increased number of families choosing to birth with a private midwife. Generally, private midwives provide care until 6 weeks post-birth, meaning that some families do not engage with the MCH service until the 8-week consultation.

Council Plan Theme:

Environmental Leadership

Our goal:

Protect our environment and help our community to thrive through environmental leadership.

As a result, Council is committed to the following strategies:

- Protect significant habitats, landscapes and biodiversity.
- Reduce greenhouse gas emissions to limit the impacts of climate change.
- Divert more material from the waste stream.
- Adapt to a changing climate.

Core activities

- Environment
- Waste management



Interesting facts

- Climate Emergency 2021-23 Action Plan - **16.5 PER CENT OF ACTIONS COMPLETED**, 79 per cent of actions on track, 4.5 per cent of actions subject to funding or delayed.
- 19,151 TONNES** of carbon dioxide equivalent offset units purchased.
- SIX ESTUARY OPENINGS** of Painkalac Creek to mitigate flood.
- 72 PER CENT OF WASTE DIVERTED FROM LANDFILL**, 1599 tonnes of glass recovered, processed and reused locally, organic waste recovered increased by 46 per cent.
- 10,000 DOWNLOADS** of Surf Coast Rubbish and Recycling App - SCRRApp.
- Input and advice provided for **88 PLANNING REFERRALS** regarding environmental policy or overlays.
- OVER 50 NEW RECORDS** for the critically endangered Spiny Rice-flower within Council-managed roadsides.

Achievements

- Submission to Southern Rural Water supporting community advocacy for the long-term health of the Anglesea River and catchment.
- Winchelsea Common was reopened to the public, in partnership with the Department of Environment, Land, Water and Planning.
- Partnered with local community groups for on-ground environmental works, including planting days, litter collection and weed removal.
- Supported community groups to secure grant funding to continue local environmental restoration works.
- Undertook two ecological burns at Grasstree Park Nature Reserve in cooperation with the Country Fire Authority (CFA). The burns removed Coast Tea Tree weed and promoted the return of open grasstree plains.
- One ecological burn was staged as a Women in Fire event, supporting improved experience and training for female CFA members.
- Discovering the traditional name for Bells Beach (Djarrak) through a heritage investigation that supported Council's application to amend the heritage listing for Bells Beach.
- Commenced targeted surveys to improve our knowledge of the extent of populations of the critically endangered Spiny Rice-flower within road reserves across the shire.
- Commenced a program of projects to investigate the impact of the stormwater system on the Karaaf Wetlands.
- Continued delivery of the Climate Emergency 2021-23 Action Plan.
- Became a certified carbon-neutral organisation.
- Further solar installations at Stribling Reserve and Mount Moriac Recreation Reserve.
- Received a grant to install electric vehicle chargers at Council's Civic Centre and depots.
- Adoption of Environmentally Sustainable Design (ESD) Policy for Council facilities.
- Climate Emergency Grants: Pitch Your Project grants stream provided two \$5000 grants for projects that reduce emissions and mobilise climate action in the community.
- Continued fuel reduction and fire prevention work across high-risk townships in the shire. Continued follow-up weed removal within the new strategic fuel breaks in townships.
- Development of a team to develop the Surf Coast Shire Waste and Circular Economy Strategy.
- Formed the Painkalac Creek Flood Mitigation Working Group to review and find improvements in flood mitigation actions for the Painkalac Creek estuary.
- Supported communities and agencies following flooding of parts of Aireys Inlet and Anglesea including the evacuation of an aged care facility.
- Presented at the International Fire and Climate conference to highlight our region's collaborative approach to strategic bushfire management.
- Established Community Bushfire Leadership Program, providing training opportunities for community leaders to increase resilience to emergency events funded by a Safer Together Grant.
- Development of Local Response Plans for high-risk townships, to provide clarity for agency response and communications.
- The Otway District Strategic Fire Management Plan was updated and endorsed. This plan assesses fire risk and strategic direction across the Surf Coast, Colac Otway and Corangamite shires.
- Developed the recovery blueprint to support council to better use resources across the organisation for the many and varied roles and responsibilities councils undertake during an emergency.

- Collaborated with CSIRO and DELWP to produce the Probabilistic Bushfire Building loss mode.
- Supported Great Ocean Road Community Network to run four webinars on coastal erosion.

Challenges

- The natural environment is complex and constantly changing. Understanding causal connections and impacts can be difficult.
- Understanding increased responsibilities and risks associated with the updated *Environment Protection Act 2017*, including the new general environmental duty.
- Pandemic restrictions, including lockdowns, were challenging for coordinating and scheduling community events and booking contractor pest plant and animal management work.
- Due to La Nina climatic conditions we were required to undertake seven artificial openings of the Painkalac Creek estuary mouth.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021-22 Budget.

Major Initiative	Adopted budget	Actual spend	Progress
Council Carbon Neutrality Program	\$185,267	\$203,655	Council's corporate operations are now certified as carbon neutral, in line with the national Climate Active Carbon Neutral Standard. The 2021-22 financial year has qualified as Council's first full year of carbon neutrality, delivering on a key objective in its Climate Emergency Corporate Response Plan.

Victorian award for Council's waste transformation project

In November 2021, Council won Victorian honours in the Australian Institute of Project Management Achievement Awards for delivery of its Kerbside 2021 Waste Transformation Project.

The project, which included shire-wide rollout of food organics collection and fourth household bins for glass only, won the sustainability category and received a nomination for a national award.

Awards criteria takes into account focus on the way a project is delivered through good management practice, including integrated approaches to governance, risk, procurement, finance, schedule, scope, communications, stakeholders, resources and quality management.

The Kerbside 2021 Waste Transformation Project has delivered a 20 per cent increase on diversion of waste and recyclables from landfill, and responses to a community survey on the collection changes put approval at 3.9 out of five, with 72.5 per cent of people very satisfied or satisfied.



Climate emergency grants follow successful Pitch Fest

Our first Climate Emergency Grants Pitch Fest was held on 5 June 2022. It was a great success with community members coming together in person and online to listen to three exciting project pitches, and then vote for their favourite.

There was lots of positive energy and enthusiasm in the air as Anglesea Primary School representatives pitched their project ‘Ride the Change’, focusing on e-bike uptake, promoting cycling and hosting a 2023 Earth Day event.

Jan Juc Pre School’s Parent Advisory Group members were next pitching their ‘Carbon Neutral Surf Coast Kite Festival’ project, which proposed to locally offset and reduce emissions from the event while sharing the low-impact event model with other events and initiatives in the shire.

Aleisja Henry concluded the Pitch Fest with her ‘Climate Change Champions’ idea, seeking to co-design a community program working with different demographics to develop climate solutions.

After a suspenseful five-minute voting period the tallies came in and Mayor Libby announced the two successful projects: Ride the Change and the Carbon Neutral Surf Coast Kite Festival. Each will receive a \$5000 Climate Emergency Grant.

It was really encouraging to see 183 community members join in and vote for their favourite project, demonstrating just how interested and passionate our community is for climate action.

We are looking forward to watching the two successful projects progress, while also helping Aleisja Henry bring her project to life.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council’s general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
ENVIRONMENT				
This service ensures that Council complies with Victorian and Commonwealth Government legislative requirements regarding the environment, including: Native vegetation; listed species and ecological communities; pest plants and animals; and statutory planning referrals. A wide range of Council Plan strategies related to pest plant and animal management, sustainability, environmental leadership and climate change are also delivered. The unit provides expertise in the management of Council’s many nature reserves (including the world-famous Bells Beach Surfing Recreation Reserve), rural roadsides and also some waterways. The unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public. The recurrent operations reflect once-off savings from the Pest, Plants and Animals Program and the Roadside Management Strategy due to additional operating project grant funding becoming available. Movement in the operating projects reflects new grant funding on various environmental projects, including Local Operational Response Plans and Road Side Pest and Weeds, and delivery of Council’s Towards Environmental Leadership Program. The capital projects include the Solar, Efficiency and Transition Program to install solar, batteries and transition away from gas at Council facilities, which will continue into 2022-23.	Recurrent Operations			
	Expenditure	1,099	1,058	41
	Overheads	284	284	-
	Revenue	-	(1)	1
		1,383	1,341	42
	Operating Projects			
	Expenditure	519	583	(64)
	Revenue	(133)	(234)	101
		386	349	37
	Capital Projects	868	98	770

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
WASTE MANAGEMENT				
<p>The Waste Management function involves management of Council's landfill and transfer stations, waste collection including kerbside waste collection and street cleaning and maintenance of street litter bins. The Waste Management unit has a strong focus on community education and waste services planning. Revenue in this area is generated mainly from waste disposal fees and the municipal waste charge. In February 2021, Council expanded its waste kerbside collection service to include Food Organics and Garden Organics (FOGO) and glass bins. These new bins will help to divert waste from landfill.</p> <p>The recurrent operations revenue was unfavourable due to higher than expected FOGO waste diversion from landfill, a positive outcome for the environment and extending the life of Anglesea Landfill. Reduced disposal revenue at the Anglesea Landfill was also experienced due the pandemic impacting tourism and commercial operators, resulting in reduced volumes of waste disposed. Additional recurrent operating expenditure resulted from EPA levies increasing for clean fill, and new tendered contract rates for bin collection.</p> <p>The operating projects reflect the carried forward project expenditure for the shire- wide FOGO Program. This program was completed with savings during 2020-21.</p> <p>Capital program spend reflects the ongoing waste capital program; including the Lorne Transfer Station Upgrade and the Anglesea Landfill projects (e-waste shed, traffic improvements and landfill liner), which will continue into 2022-23.</p>	Recurrent Operations			
	Expenditure	10,688	11,250	(562)
	Overheads	305	305	-
	Revenue	(11,820)	(11,575)	(246)
		(827)	(20)	(807)
	Operating Projects			
	Expenditure	665	156	(509)
	Revenue	-	(43)	43
		665	113	(466)
	Capital Projects	4,001	440	3,561

Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of results in the comments.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
WASTE COLLECTION						
	Satisfaction					
WC1	Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	144.62	169.94	212.33	199.87	We experienced higher than usual requests in the 2020-21 year due to the introduction of the 4-bin kerbside collection system. Requests seem to be steadying as residents become familiar with the new system.
	Service standard					
WC2	Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	10.84	10.81	7.56	8.43	While this result has slightly increased since last year, the number of collection bins missed remains lower than in 2018-19 and 2019-20.
	Service cost					
WC3	Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$85.57	\$88.29	\$90.77	\$93.73	Increases in landfill disposal costs have resulted in an overall increase in providing the kerbside garbage collection.
	Service cost					
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$45.26	\$58.69	\$78.41	\$49.54	The cost of servicing a glass bin is cheaper because it is only collected every 4 weeks, compared to mixed recycling which is collected fortnightly. Note, Council commenced a new glass collection service mid 2020-21, the number of glass collection bins were not included in the 2020-21 ratio.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
	Waste diversion					
WC5	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.97%	48.99%	64.25%	71.12%	The amount of waste that is being diverted from landfill has increased, driven by Council's 4-bin kerbside system which includes a weekly food and garden organics collection, along with fortnightly recycling collections and monthly glass collections. Our contamination rates are also some of the lowest in the region, with less than 1% contamination in our organics and glass-only bins.



Council Plan Theme:

Sustainable Growth

Our goal:

Growth that is not at the expense of environmental values or the unique heritage and character of our townships.

As a result, Council is committed to the following strategic objectives:

- Protect heritage and township character.
- Improve access to affordable residential accommodation.
- Support tourism and events that encourage people to stay longer and appreciate and care for this place.

Core activities

- Assets and engineering
- Events and tourism
- Planning and compliance
- Strategic planning



Interesting facts

- **19 EVENTS** were supported under the Event Grants Program, including five new events.
- Almost **60,000 VISITOR ENQUIRIES** received by our Visitor Information Centres between January and July.
- **18 EXPLORE OUR BACKYARD** tourism vignettes viewed over 400,000 times on our digital platforms, with Barwon Park Mansion the most popular with over 59,000 views.
- **RIP CURL PRO BELLS BEACH RETURNED** for the first time since 2019.
- In the year ending December 2019, approximately **3,000,000 DAY AND OVERNIGHT VISITORS** came to the Surf Coast Shire. In the year ending December 2021 approximately 1,583,000 visitors came to the Surf Coast Shire illustrating the impact of COVID-19.

Achievements

- Supported several major events including the Lorne Sculpture Biennale, Rip Curl Pro Bells Beach, Great Ocean Otway Classic and Great Ocean Road Running Festival.
- Collaborated with Great Ocean Road Regional Tourism to deliver several campaigns including Tastes of Surf Coast, Wake up to Surf Coast and Greatopia.
- The Art of Surfing exhibition was installed at the Australian National Surfing Museum.
- Surf Coast Events' digital presence was amplified with the introduction of an e-newsletter, first promo video and increased brand collaboration.
- Developed local and regional partnerships through hosting and participating in a range of inter-sector and network meetings.
- Participated in the Great South Coast Councils Key Worker Housing research project which established an evidence base, delivery model and development pathway that can be piloted to prove the viability of dedicated key worker rental developments in regional settings.
- Adopted and progressed the Affordable Accommodation Action Plan.
- Provided financial support to Lorne Business and Tourism Association and Anglesea Business and Tourism Association to pilot an adopt-a-worker campaign.
- Facilitated meetings with community groups interested in social and affordable housing.
- Facilitated collaborative planning meetings with Growing Winchelsea to help welcome the residents of 12 new social housing townhouses into the Winchelsea community.

- Agreed the discounted sale of 2,327m2 at 42 Harding Street, Winchelsea to Winanglo for the provision of 10-12 accessible and affordable dwellings for older adults and people with a disability.
- Made a submission to the State and Local Government Compact on Social and Affordable Housing advocating for the Victorian Government to commit to resourcing and policy reform that enables the delivery of social and affordable housing.
- Amendment GC183 was published in the 6 June 2022 Special Government Gazette and a new heritage policy is now part of the planning scheme.
- The Moriac Structure Plan Background Report and first phase Community Engagement Report were presented to Council.
- Adopted Planning Scheme Amendment C134, which implements the Winchelsea Town Centre and Highway Design Guidelines.
- Rezoning land at 600-640 Cape Otway Road Moriac created 29 new low-density lots consistent with the Moriac Structure Plan 2010.
- Rezoning of land 2995 Princes Highway created 74 low-density lots on the western edge of Winchelsea.

Challenges

- Delays with Distinctive Areas and Landscapes Statement of Planning Policy mean that Council has been unable to commence the Settlement Strategy.
- The continuous impact of COVID-19 and lockdowns on many events and staff shortages in the industry.
- Regional networks have identified a depth of housing need for low and moderate-income and key worker households that cannot be easily met within the current economic and policy landscape.
- Businesses across the region are struggling to attract and retain workers due to a lack of affordable housing.
- Increased value and scarcity of land and increased cost of construction impedes the development of well-designed social and affordable housing proximate to shops and services, employment, education and public transport.
- Lower demand for worker accommodation due to COVID-19 lockdowns resulting in worker shortfall.
- Demand for accessible housing in Winchelsea from older residents who cannot afford to buy into the Winanglo development is not able to be met.

CASE STUDY



Return of the Rip Curl Pro

After close to three years, the world’s best surfers returned to Bells Beach to compete in the 59th running of the Rip Curl Pro.

The event ran from 10 April to 20 April and featured an impressive line-up including Mick Fanning, Steph Gilmore, Carissa Moore, John John Florence, Italo Ferreira, Morgan Cibilic, Sally Fitzgibbons and our very own India Robinson.

Council held a moving Traditional Welcome to Country and Smoking Ceremony on the beach, facilitated by Wadawurrung Woman Corrina Eccles and attended by about 150 people including World Tour stars.

This event was followed by the presentation of Council's Gail Couper and Wayne Lynch Rising Star Awards, which celebrate young, local up-and-coming surfers. Gail Couper presented the awards named in her honour and US star Griffin Colapinto, ranked 7th on the World Championship Tour, presented on Wayne Lynch's behalf. Six local surfers, aged 15 to 17, were awarded the 2022 Rising Star awards, which recognise the top three Surf Coast Shire young surfers aged 18 years or under, who have achieved the highest results in 2021. The six recipients of the awards feature in a special display in Torquay's Australian National Surfing Museum, which is also home to the Australian Surfing Hall of Fame.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021-22 Budget.

Major Initiative	Adopted budget	Actual spend	Progress
Digital Visitor Information	\$68,741	\$41,657	<p>Council has dedicated support to promoting markets through digital advertising campaigns and new digital assets such as:</p> <p>Creation of 18 new vignettes that promote Surf Coast Shire.</p> <p>Creation of a new Explore Surf Coast website in collaboration with Great Ocean Road Regional Tourism.</p> <p>Updated photography to enable digital promotions of events in the shire.</p> <p>Creation of Explore Surf Coast Instagram account, which promotes key products in Surf Coast Shire.</p>

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
ASSETS AND ENGINEERING				
<p>This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for Council's asset portfolio, as well as planning the renewal management of Council's existing infrastructure. In addition, the function manages and maintains Council's fleet of vehicles and plant as well as subdivision design approval and works inspections. This service is also responsible for the design of capital and renewal infrastructure projects relating to road, pathway and drainage assets, along with providing specialist engineering advice internally to Council and externally to community groups, local businesses, agencies and members of the public. This unit is also involved in development and implementation of road safety strategies and traffic and drainage policies. The service oversees traffic management, street lighting upgrades and public transport infrastructure improvements. Revenue in this area is generated mainly from government grants and user service fees.</p> <p>The recurrent operations reflect unfavourable plant hire recovery due to plant operator vacancies and timing of capital program delivery, along with unfavourable operating fuel and maintenance expenditure. Recurrent revenue was impacted due to the timing of developer (i.e. subdivision) works.</p> <p>Capital projects reflect the delivery of asset renewal programs; such as heavy plant and light fleet replacement programs and programs to renew other assets such as roads, buildings, open space and recreation assets. Some of these renewal programs items have experienced procurement challenges due to supply chain constraints and will continue into 2022-23.</p>	Recurrent Operations			
	Expenditure	1,971	2,365	(394)
	Overheads	61	61	-
	Revenue	(741)	(595)	(146)
		1,291	1,831	(540)
	Operating Projects			
	Expenditure	98	72	26
	Revenue	-	-	-
		98	72	26
	Capital Projects	3,945	2,637	1,308

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
EVENTS AND TOURISM				
<p>This services includes prioritising tourism that delivers increased length of stay and authentic experience over mass visitation and destination marketing to niche audiences. The tourism service provides four visitor centres, tells nationally significant stories via the Australian National Surfing Museum and Great Ocean Road Heritage Centre. It also supports events that help create a sense of place, inspiration, fun, pride, vibrancy and community connectedness in our townships. The curation and promotion of a calendar of events that balances the needs of community, showcases the Surf Coast Shire and maximises the benefits to the broader region as a key focus. The service is guided by the Surf Coast Shire Economic Development Strategy 2021 – 2031.</p> <p>Revenue in this area is generated mainly from museum and visitor information centre sales, which has been impacted during the pandemic with temporary facility closures. The pandemic also forced event cancellations and reduced associated supporting expenditure.</p> <p>The capital projects reflect the completion of the Lorne Swing Bridge Temporary Lighting Project which was carried forward.</p>	Recurrent Operations			
	Expenditure	1,794	1,555	239
	Overheads	362	362	-
	Revenue	(394)	(331)	(63)
		1,762	1,586	176
	Operating Projects			
	Expenditure	69	47	22
	Revenue	-	(5)	5
		69	42	27
	Capital Projects	-	22	(22)
PLANNING AND COMPLIANCE				
<p>This service is responsible for statutory planning and planning compliance. It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. Planning Compliance services actively encourage compliance with the planning scheme and planning permits, including being responsible for planning enforcement action through the Magistrates Court or VCAT enforcement orders when necessary. Revenue in this area is generated mainly from user service fees, some government grants and fines.</p> <p>The recurrent operations expenditure reflects staff vacancies. Favourable recurrent revenue is attributed to statutory planning fees.</p>	Recurrent Operations			
	Expenditure	3,203	2,957	246
	Overheads	745	745	-
	Revenue	(853)	(934)	81
		3,095	2,768	327

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
STRATEGIC PLANNING				
<p>This service is responsible for land use planning (studies, strategies and planning scheme amendments). Strategic land use planning prepares council-led strategies and policies, monitors the performance of the planning scheme and prepares planning scheme amendments. The private requests for planning scheme amendments attract statutory fees for processing.</p> <p>The recurrent operations expenditure reflects vacancies and favourable consultant expenditure.</p> <p>Operating expenditure was favourable due to projects being completed under budget. Other ongoing projects that will continue into 2022-23 include The Sands Environmental Management Plan and the Moriac Structure Plan.</p> <p>The operating project revenue is related to planning scheme amendment fees.</p>	Recurrent Operations			
	Expenditure	726	594	132
	Overheads	149	149	-
	Revenue	(1)	-	(1)
		874	743	131
	Operating Projects			
	Expenditure	588	87	501
	Revenue	-	(19)	19
		588	68	520

Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of results in the comments.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
ROADS						
	Satisfaction of use					
R1	Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	35.31	45.65	47.93	70.33	There has been a large increase in sealed local road requests over the past 12 months. We understand this to be due to the impact that higher than usual rainfall has had on our sealed road network. An increase in defects (potholes and patching) has led to an increase in the number of customer requests relating to these works.
	Condition					
R2	Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.85%	99.83%	97.02%	96.39%	Council has committed to increase asset renewal allocation to address the backlog of sealed road renewal.
	Service cost					
R3	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$48.08	\$90.90	\$80.22	\$125.38	Due to delays with contractors and resourcing issues, only two small reconstruction jobs were completed, one being in an unusual location, leading to higher costs.
	Service Cost					
R4	Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.19	\$24.83	\$9.04	\$14.94	The majority of road resealing jobs this financial year were asphalt surfaces. In 2020-21, they were spray seal surfaces. Asphalt costs significantly more per square metre.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
	Satisfaction					
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	60.00	58.00	63.00	60.00	Our 2021-22 result is three points lower than the previous financial year. However, it is rated significantly higher than both the large rural group and state-wide averages (45 and 53 respectively).
STATUTORY PLANNING						
	Timeliness					
SP1	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	63.00	76.00	77.00	84.00	This ratio falls within the expected range. During the 2021-22 period the team has been affected by a number of vacant positions and COVID-19 related impacts which has impacted the slight increase in this ratio.
	Service standard					
SP2	Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	83.93%	80.88%	86.92%	78.21%	This ratio falls within the expected range. During the 2021-22 period the team has been affected by a number of vacant positions and COVID-19 related impacts which has impacted the decrease in this ratio.
	Service cost					
SP3	Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,909.65	\$2,716.98	\$2,978.88	\$2,790.07	

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
	Decision making					
SP4	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	46.15%	80.00%	68.75%	86.96%	This increase can be understood as a result of more resourcing and experience in considering previous VCAT decisions.



Council Plan Theme:

Robust and Diverse Economy

Our goal:

A local economy that is sustainable and supports a diversity of local enterprises and people.

As a result, Council is committed to the following strategies:

- Enable people to run successful local businesses that grow and create jobs in our changing economy.
- Foster businesses that reflect local character and values including ethical, social and sustainable principles.

Core activities

- Economic development
- Environmental health



Interesting facts

- Estimated **\$709 MILLION EXPENDED IN THE ECONOMY OVER THE 12 MONTHS** (year-end June 2022), an increase of \$34 million from the previous year (\$674 million).
- Notwithstanding lockdowns **VISITORS SPENT MORE MONEY LOCALLY** (52%) than local residents did (48%).
- Business Support Team engaged 1-1 with 240 businesses through site visits and 102,238 business engagements via phone and email.
- Surf Coast Shire has a higher percentage of skilled workers than greater Melbourne does.
- There are over **17,200 WORKERS** living in the Surf Coast Shire and approximately **9,200 JOBS**.
- The Surf Coast Shire has an economic output of **\$2.8 BILLION**.

Achievements

- Successfully implemented the Fresh Air Dining project with 46 businesses offering outdoor dining options.
- Adoption and implementation of 2021 – 2031 Economic and Development Strategy.
- 25 Surf Coast Business Collective and CovidSafe Business newsletters were sent out to a database of over 6600 business owners and stakeholders.
- Supported the completion of the Thompson Valley Recycled Water Feasibility Study, led by Barwon Water.
- The Inspired Performers Program supported 70 musicians at 11 local locations.
- 142 businesses were supported through the One 2 One business support program.
- Three marketing campaigns were delivered for Christmas, summer and Valentine's Day reaching 38,000 people and generating 6,156 click-throughs.
- 31 new businesses assisted through the Business Concierge program greatly cutting down red tape, costs and time. Feedback received averaged 9/10 for satisfaction.

Challenges

- Uncertainty of COVID-19 and the increased costs of operation for businesses due to restrictions in place.
- Workforce shortages, particularly for those in the tourism industry.
- Accommodation shortage challenges to house workers.

CASE STUDY



11 days of Inspired Performers

On 15 April 2022, Council launched 11 Days of Inspired Performers, an initiative aimed at supporting local musicians and businesses.

The streets of Aireys Inlet, Anglesea, Lorne, Jan Juc, Torquay and Winchelsea came alive with entertainment from 75 local performers across 11 community locations.

Both the musicians and businesses responded positively to the event, rating the overall program as an 8.75 and 9 out of 10 respectively. Local performers commented that it provided a great arena to showcase talent, was a fun experience and encouraged community connection. Local businesses appreciated the atmosphere created by the performers and were supportive of similar events in the future.

The program was promoted through Council's Inspired by Surf Coast platform, which promotes our local creators, makers and innovators. There are 523 businesses listed on the Inspired by Surf Coast website and over 72 businesses profiled.

A part of Inspired by Surf Coast is the Inspired Performers List, which is a local Surf Coast music directory. Details about 33 local performers are provided in a single location, allowing the public to quickly and easily locate and engage with local performers. The Inspired Performers List has proven an excellent way to support our creative community who has been hit hard by the COVID-19 pandemic.

Major initiatives

Our major initiatives were set and characterised using the previous council plan. None of the existing major initiatives directly relates to this theme in the current council plan.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council’s general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
ECONOMIC DEVELOPMENT				
The Economic Development service provides support for businesses to start up, adapt and thrive, particularly niche and emerging industries and those which share a strong value set based around social, ethical, corporate and environmental responsibility. The service delivers projects that create year-round jobs for our community in the right places and sectors and seeks create opportunities for the next generation to develop careers locally. The service also seeks to connect businesses and provide up-to-date information to assist in business sustainability. Like Tourism and Events, the service is guided by the Surf Coast Shire Economic Development Strategy 2021 – 2031 The recurrent expenditure was favourable due to diverting resources to a grant-funded operating project for the Business Concierge and Hospitality Support Program. Operating project expenditure reflects the inclusion of the Victorian Government-funded Outdoor Activation Program and Business Concierge and Hospitality Support Program in response to the pandemic, along with the carried forward Council COVID-19 Recovery Support program.	Recurrent Operations			
	Expenditure	804	736	68
	Overheads	139	139	-
	Revenue	(2)	-	(2)
		941	875	66
	Operating Projects			
	Expenditure	73	860	(787)
	Revenue	-	(288)	288
		73	572	(499)

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
ENVIRONMENTAL HEALTH				
This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: Food safety – registration and monitoring compliance of food, accommodation, caravan parks and health (hairdressers, tattooists, beauty salons etc.) businesses; inspection and issuing permits for wastewater treatment systems and septic tanks; investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; Customer Service/expert advice on public and environmental health matters including the pandemic; public health emergency response; and childhood and school immunisation services. Revenue is generated mainly from health registration fees. Favourable recurrent operations expenditure reflects savings as a result of staff vacancies. The operating project expenditure increased due to the addition of Victorian Government grant funding for local awareness and engagement regarding the pandemic vaccination program.	Recurrent Operations			
	Expenditure	770	683	87
	Overheads	183	183	-
	Revenue	(341)	(350)	9
		612	516	96
	Operating Projects			
	Expenditure	6	37	(31)
	Revenue	-	(28)	28
		6	9	(3)

Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of results in the comments.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
FOOD SAFETY						
	Timeliness					
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.02	1.18	1.04	1.67	Although we see an increase in our response times compared to the previous year, the time taken to action food complaints remains low and is generally lower than councils of a similar size. The 40% increase in the number of complaints has contributed to the increase from the prior year.
	Service standard					
FS2	Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	99.34%	86.08%	65.42%	94.03%	The increase in assessments completed from the previous year is due is to fewer COVID-19 impacts and the team being more adequately staffed.
	Service cost					
FS3	Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$500.97	\$561.79	\$457.85	\$506.86	This ratio is in line with the four year average.
	Health and safety					

		Results				Comments
Service / indicator / measure		2019	2020	2021	2022	
FS4	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.00%	100.00%	100.00%	100.00%	All critical and major non-compliances identified during the year were followed up in the same period.

Arts and Creativity

Our goal:

Acknowledge the value of arts and creativity and seek to nurture their growth.

As a result, Council is committed to the following strategies:

- Foster an environment where people with clever and creative ideas can make a difference in their communities.
- Increase support for creative industries and arts.

Core activities

- Arts and culture



Interesting facts

- The creative industry sector employs almost 900 people. As a sector, it is the fourth-largest employer in Surf Coast Shire.
- During the pandemic, Surf Coast Shire was a key destination for people leaving Melbourne. Research by University of Melbourne in 2022 identified that many of those moving have skills aligned to the creative industry sector.
- At the end of 2021, there were almost 2600 creative industry businesses in Surf Coast Shire. Many of these were micro businesses. More than 1800 were located in Torquay.

Achievements

- Arts Development Grants replaced with Artists and Creatives Grant Program. New grant guidelines were adopted to create a more streamlined process for applicants.
- Commenced review of volunteer policy and volunteer management procedure.
- Local Legends Program concluded. Twelve nominations were received and four Local Legends have been recognised in local media and on Council's communication channels.
- Five artists were supported through the \$15,000 Develop Seed Fund. The program seeks to support artists in the progression of their skills in new areas.
- Installation of lighting on the Lorne Swing Bridge to recognise the 150th anniversary of the naming of the township of Lorne and celebrate the Lorne Sculpture Biennale.
- Endorsed concept plan, business case and funding strategy for the Surf Coast Cultural Centre.
- Grant applications for the Surf Coast Cultural Centre were submitted under Regional Tourism Investment Fund (unsuccessful), Building Better Regions Fund (pending) Growing Suburbs Fund (pending) Living Libraries Fund (pending).
- Winchelsea Memorial Cairns project completed in Winchelsea's town centre, recognising service men and women in WWI, WWII and other conflicts.
- Anglesea Art Space staged 20 exhibitions involving 240 artists. Over 5050 attendees viewed the exhibitions.
- Completed the Multi Arts Centre refurbishment project with \$300,000 spent to enable the establishment of the Shoestring Playhouse and Hoop Gallery.

- Completed Significance Assessment for the Australian National Surfing Museum (ANSM) which identified it as having one of the most significant surfing sporting collections in the world.

Challenges

- COVID-19 had a significant impact on the arts and creative sector. Lockdowns and crowd limitations severely hampered the creative sector's ability to generate income.
- The rapid escalation of costs to infrastructure projects.

Major initiatives

Our major initiatives were set and characterised using the previous council plan. None of the existing major initiatives directly relates to this theme in the current council plan.

CASE STUDY



Arts Development Seed Fund supports local artists to recover and rebuild

The recipients of this year's Surf Coast Shire Council Arts Development Seed Fund were announced at Council's 24 June meeting, with two community projects granted \$5,000 each.

In its third year, the Arts Development Seed Fund supports the development of collaborative art projects between Surf Coast Shire artists, local businesses and community organisations.

This year's theme 'Come Together: Sharing Space, Valuing Connection' reflects recent times where connection, sharing space and coming together was not always possible.

Artists were invited to create an outdoor event or activity to reconnect the community and celebrate our shared love of place.

The first successful recipient, the MOONAH Gathering project, is a two-week ephemeral art installation by Pattie Beerens, held in the Moonah Woodlands adjacent to Anglesea River.

The project will be part of the 10th Surf Coast Arts Trail launch, and feature a collaborative artwork by Beerens with an emerging artist (funded by Platform Arts), and will be documented by photographer Tom Radtke.

The second project funded, A Celebration Under the Yellow Gums, sees musician Lucy O'Grady partner with Jan Juc Live, to curate a celebratory launch of the new outdoor stage at Bob Petit Reserve.

Surf Coast artist helps connect Torquay with hand-carved bike stations

As part of Council's Connecting Torquay Town Centre strategy, two bike stations designed and hand-carved by Aireys Inlet artist Jeff Raglus have been installed in Taylor Park and one on the corner of Cliff St and Bristol Road.

The bike stations are designed to encourage different perspectives on the landscape and lived experience of Torquay, while encouraging fun, family-centred opportunities for gathering, recreating, socialising and shopping around Torquay's CBD.

Created with locally sourced materials, such as cypress from Aireys Inlet, the pieces were carved by Jeff at his Aireys Inlet home - first by chainsaw and lastly by chisel, with metalwork crafted by sculptural metal worker and foundry owner Derek Johns.

Jeff Raglus is a contemporary artist who divides his time between music and visual art projects and was the creative force behind the Mambo surf brand's iconic imagery, as well as other well-known brands as he blurs a fine line between graphic design and fine art.

The bike stations form part of the larger Connecting Torquay Town Centre project, which also includes car parking along Taylor Park at Zeally Bay Road and Fischer Street, new pedestrian crossings and wayfinding signage in the Torquay Town Centre.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
ARTS AND CULTURE				
<p>This service provides a varied program of arts and cultural activities, events and arts facilities for the benefit of community wellbeing, connection, participation and pride, alongside sector development. It aims to increase recognition across the region of the contribution made by the arts and the creative industries to the prosperity of our place. As a nationally recognised regional creative hotspot with many emerging and niche creative businesses, arts provides professional development opportunities in marketing and promotions, program development, events and grant-writing to support the aims of our many creatives, alongside a dedicated arts grant scheme and public art fund.</p> <p>Recurrent operations expenditure reflects a vacancy, along with additional Surf Coast Arts Trail exhibition revenue.</p> <p>The operating project expenditure reflects additional carried-forward budget from 2020-21 for the ongoing Anglesea Art Space Program.</p> <p>The capital projects reflect the timing of the Public Art Program which continues into 2022-23.</p>	Recurrent Operations			
	Expenditure	248	232	16
	Overheads	34	34	-
	Revenue	(3)	(9)	6
		279	257	22
	Operating Projects			
	Expenditure	49	56	(7)
	Revenue	(4)	(5)	1
		45	51	(6)
	Capital Projects	46	-	46

Service performance indicators

This Council Plan theme does not directly relate to any of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework.



Council Plan Theme:

Accountable and Viable Council

Our goal:

Ensure Council has financial capacity to deliver services now and into the future and that decision-making is informed by community views.

As a result, Council is committed to the following strategies:

- Establish a sustainable financial position.
- Improve Council's credibility as a trusted decision maker through meaningful engagement.

Core activities

- Corporate strategy, business improvement and benefits realisation
- Communications and community engagement
- Customer experience
- Executive services and council support
- Digital transformation
- Finance
- Governance
- Technology and information
- People and culture
- Program delivery management



CASE STUDY



Surf Coast Shire Council Plan, vision and strategic goals identified

At its September 2021 meeting, Council adopted its Council Plan, with incorporated Health and Wellbeing Plan, and Financial and Asset Plans after inviting public submissions on drafts of the documents.

The three-week submission period constituted the third and final phase of a wide-ranging community engagement program titled People Place Future. The first phase attracted some 1200 responses, whilst the second phase involved a community panel that met for 33 hours over seven sessions, before producing a recommendation report.

The final phase of engagement drew 46 survey responses and four submissions from individuals or groups. Eleven comments were received on the Financial Plan and eight on the Asset Plan.

The Council Plan incorporates a Health and Wellbeing Plan which is required by Victorian Government legislation. Accompanying the Council Plan are the Financial Plan 2021-2031 and Asset Plan 2021-2031, which guide, respectively, financial sustainability and management of public assets, over a ten-year timeline.

The engagement undertaken via the community panel used a methodology known as deliberative engagement, which allows for deeper, more context rich feedback. One of the tasks allocated to the panel was to develop a community vision for Surf Coast Shire. This vision was adopted by Council and is as follows:

From the hinterland to the coast, from the first peoples to the children of the future, we are an active, diverse community that lives creatively to value, protect and enhance the natural environment and our unique neighbourhoods. We will leave the Surf Coast better than we found it.

The panel also presented a report containing a set of 10 principles to guide how Council, the community and other stakeholders, should work to achieve the vision.

Interesting facts

- Received **OVER 39,000 CUSTOMER REQUESTS** in 2021-22, 93% of these requests completed within the target time frame.
- DELIVERED \$21.8M** of capital and operational project spend.
- Council's rateable properties have increased by **375**.
- An average of **152 LIVE STREAM** Council meeting views per month and an average of 170 archive views per month.

Achievements

- Adoption of Procurement Policy that aligns with *Local Government Act 2020*.
- Adoption of the *Community Amenity Local Law 2021*.
- Services delivered within adopted budgets and forecasts.
- Continued to deliver a significant volume of projects despite COVID-19 impacts.
- Implementation of a hybrid meeting model, allowing councillors who are unable to attend in person to attend virtually.
- Adopted new Council plan.
- Delivered \$21.8m of capital and operational project spend.
- Endorsed the Strategic Workforce Plan.
- Draft Communications and Community Engagement Strategy prepared. To be exhibited for public comment before being presented to Council for adoption.

Challenges

- The operating environment resulted in service revenue challenges due to restricted community, businesses and tourism movements.
- COVID-19 impacts on waste services landfill disposal income, Visitor Information Centre and Australian National Surfing Museum admission/retail sales, operation of sporting programs, reduced facility hire and infringement revenue.
- COVID-19 impacts on the construction industry have resulted in several delayed projects and increased market costs.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021-22 Budget.

Major Initiative	Adopted budget	Actual spend	Progress
Workforce Plan Development	\$32,725	\$20,325	The CEO endorsed the Strategic Workforce Plan in December 2021. Our plan aligns the needs of Council with the capabilities and competencies of the workforce to deliver strategic plans and service delivery commitments. The plan broadly identifies how future staffing and skills requirements will be met and includes a more detailed strategic resource plan for critical job functions. It will inform recruitment, learning and development and performance development strategies, policies and procedures.



Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. This information compares the adopted budget variances to actuals; described as favourable (fav) or unfavourable (unfav) variances.

Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
CORPORATE STRATEGY, BUSINESS IMPROVEMENT AND BENEFITS REALISATION				
This service coordinates the development of organisational strategy and systems, and provides support in the areas of corporate planning, performance measurement and reporting. This service also leads Council's efforts to identify and implement business improvement opportunities in order to deliver financial, service and other benefits. In particular, realising financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by our growing community. The operating project expenditure included a vacancy within Council's Business Improvement Program.	Recurrent Operations			
	Expenditure	-	2	(2)
	Overheads	69	69	-
	Revenue	-	-	-
		69	71	(2)
	Operating Projects			
	Expenditure	114	81	33
	Revenue	-	-	-
		114	81	33
COMMUNICATIONS AND COMMUNITY ENGAGEMENT				
This service is responsible for coordinating Council communications, including strategic communications, media liaison, formulating media releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and councillors including speech writing and media liaison. Council's community engagement is led and supported by the unit. The recurrent operations are favourable due to print, advertising and contractor savings. The operating project relates to the carried-forward Working for Victoria Program. This Victorian Government grant-funded program was designed to connect workers with new opportunities that help our community and contribute to Victoria's ability to respond to the pandemic.	Recurrent Operations			
	Expenditure	1,097	1,072	25
	Overheads	246	246	-
	Revenue	-	-	-
		1,343	1,318	25
	Operating Projects			
	Expenditure	-	27	(27)
	Revenue	-	(20)	20
		-	7	(7)

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
CUSTOMER EXPERIENCE				
<p>This service includes the customer experience function that focuses on supporting and enhancing customer service across the organisation. This service is responsible for coordinating Council's front-of-house customer services activities, including attending to customer phone and face-to-face enquiries.</p> <p>The recurrent operations reflect reduced expenditure due to temporary periods of vacancies and secondments, along with reduced training and consultant expenditure.</p>	Recurrent Operations			
	Expenditure	1,150	1,060	90
	Overheads	242	242	-
	Revenue	-	-	-
		1,392	1,302	90
EXECUTIVE SERVICES AND COUNCIL SUPPORT				
<p>This area provides support for the nine elected representatives of Council as well as the four members of the Executive Management Team and includes costs of \$1.45 million that relate to Council administration and meeting support, a portion of governance, legal support, risk management and other corporate overheads.</p> <p>Recurrent operations expenditure reflects recruitment, an organisation restructure and advocacy services related to Councils advocacy priorities.</p>	Recurrent Operations			
	Expenditure	2,395	2,478	(83)
	Overheads	1,445	1,445	-
	Revenue	-	(1)	1
		3,840	3,922	(82)
DIGITAL TRANSFORMATION				
<p>The Digital Transformation service is tasked with implementing Council's Digital Transformation Strategy. This strategy aims to implement new technology to improve the customer experience, build capability in the business, and achieve financial outcomes. Council has made a specific capital allocation to the implementation of the strategy.</p> <p>The capital projects reflect the ongoing Digital Transformation program carried forward. A number of projects were completed during the year including the Digital Facilities 24-7 and a number of software projects that benefit Council operations for internal and external customers.</p>	Recurrent Operations			
	Expenditure	-	-	-
	Overheads	155	155	-
	Revenue	-	-	-
		155	155	-
	Capital Projects	2,446	346	2,100

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
FINANCE				
<p>This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations in regard to financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management Unit plays an integral part in Council's long term financial planning processes, the formulation of Council's annual budget, and the regular reporting of Council's financial performance. This function also includes management of raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from debt collection recoupments. As a Council support service, \$1.51 million is distributed as a corporate overhead to primary services within Council.</p> <p>The recurrent operations expenditure was favourable due to vacancies, along with favourable bank, agency and merchant fees at Council facilities as a result of reduced tourism and site closures during pandemic restrictions. Favourable revenue was attributed to rates penalty interest.</p>	Recurrent Operations			
	Expenditure	2,650	2,513	137
	Overheads	(1,507)	(1,507)	-
	Revenue	(837)	(918)	81
		306	88	218

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
GOVERNANCE				
<p>This service provides statutory and corporate support to the organisation in the development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests, management of procurement and contracts, Council property administration, maintenance of public registers, Council election services and management of delegations and authorisations. As a Council support service, \$1.12 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The recurrent operations expenditure variance is due to increased contractor costs for vacancies.</p> <p>Operating projects varied to budget due to savings from the 2020 Council Elections project; along with increased revenue from Victorian Electoral Commission for compulsory voting enforcement from the 2020 Council elections.</p>	Recurrent Operations			
	Expenditure	1,119	1,188	(69)
	Overheads	(1,119)	(1,119)	-
	Revenue	-	(1)	1
		-	68	(68)
	Operating Projects			
	Expenditure	187	159	28
	Revenue	-	(41)	41
		187	118	69

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
GHERANG GRAVEL PITS				
<p>Revenue in this service area relates to gravel pit royalties. Expenditure relating to this service relates to Crown royalty and leasing costs, maintenance, management and associated fees. The net revenue generated supports the delivery of Council's operational services and projects.</p> <p>The favourable recurrent operations is attributed to higher than budgeted extraction and associated royalty fees, along with reduced maintenance expenditure.</p>	Recurrent Operations			
	Expenditure	249	219	30
	Overheads	10	10	-
	Revenue	(928)	(1,033)	105
		(669)	(804)	135
TECHNOLOGY AND INFORMATION				
<p>This service includes two main sections, Information Technology (incl. Geospatial Information systems) and Records Management. The Information Technology area supports the organisation's requirements for computer services (incl. provision, support, maintenance, licencing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for council and external uses. The Records Management area manages document compliance (incl. creating, capturing, classifying and archival maintenance), and processing of incoming and outgoing correspondence. The Information Services Unit has the responsibility to support the organisation with a cost-effective and efficient technology service that seeks to improve the performance of the organisation. As a Council support service, \$3.57 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The recurrent operations reflect reduced technology support expenditure and favourable repairs and maintenance expenditure.</p> <p>The operating project variance reflects a vacancy.</p> <p>The capital projects relates to the ongoing IT Renewal Program, with ongoing projects to continue into 2022-23.</p>	Recurrent Operations			
	Expenditure	3,623	3,270	353
	Overheads	(3,569)	(3,569)	-
	Revenue	-	-	-
		54	(299)	353
	Operating Projects			
	Expenditure	108	78	30
	Revenue	-	-	-
		108	78	30
	Capital Projects	150	12	138

Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
PEOPLE AND CULTURE				
<p>This service is responsible for supporting the organisation with strategic and operational human resources management and includes learning and development and occupational health and safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's workforce. As a Council support service, \$1.53 million is distributed as a corporate overhead to the primary services within Council.</p> <p>Recurrent operations reflect additional recruitment costs related to an internal restructure, along with reduced employee learning and development training activities, in part to offset the pandemic's impact on Council's revenue.</p> <p>Operating projects relate to protective equipment expenditure in response to the pandemic, delivery of the Strategic Workforce Plan (Local Government Act 2020 requirement), and the Enterprise Agreement Negotiation which will continue into 2022-23.</p> <p>The capital projects reflect the Agile Working Project, which will continue into 2022-23.</p>	Recurrent Operations			
	Expenditure	1,527	1,496	31
	Overheads	(1,527)	(1,527)	-
	Revenue	-	-	-
		-	(31)	31
	Operating Projects			
	Expenditure	174	111	63
	Revenue	-	-	-
		174	111	63
	Capital Projects	430	-	430
PROGRAM DELIVERY MANAGEMENT				
<p>This service provides leadership, analysis and support for Council's program of projects. This includes a standardised and integrated approach to project management across the organisation to ensure the successful delivery of Council's annual program. It has accountability for the successful management of all program management processes, systems and functions, including the project delivery framework, project delivery process and program status reporting for all capital and operational projects. These are all key to implementing Council's strategies.</p>	Recurrent Operations			
	Expenditure	60	26	34
	Overheads	916	916	-
	Revenue	-	-	-
		976	942	34

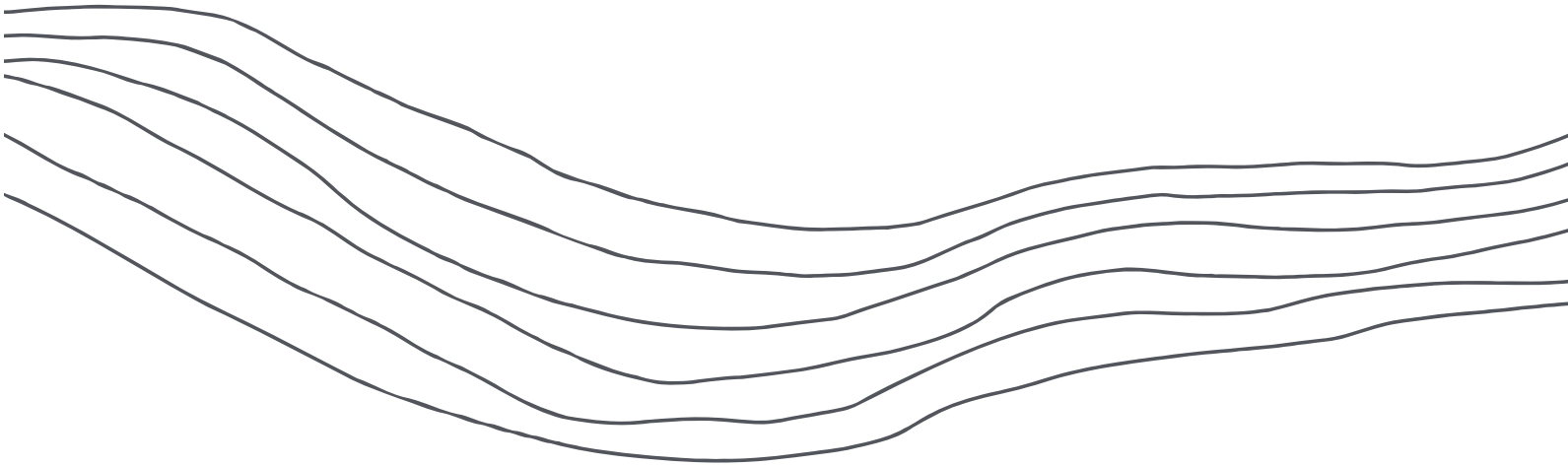
Description of Services Provided	Classification	2021-22 Adopted Budget \$'000	2021-22 Actual \$'000	2021-22 Variance \$'000 Fav/ (Unfav)
PROJECT MANAGEMENT TEAM				
<p>Provides project management services to Council to enable delivery of the Capital Works Program and many Operational Projects in accordance with defined scope, financial and quality standards. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program. All direct project costs are cost recovered.</p> <p>Recurrent expenditure varied due to consultant project management backfilling for vacancies.</p>	Recurrent Operations			
	Expenditure	(54)	52	(106)
	Overheads	54	54	-
	Revenue	-	-	-
		-	106	(106)
	Capital Projects	80	-	80
LEGAL AND RISK				
<p>This service involves developing and monitoring Council's risk management system, including provision of support to the organisation in relation to managing risk, insurance policies and business continuity. As a Council support service, \$0.9 million is distributed as a corporate overhead to the primary services within Council.</p> <p>Recurrent operations expenditure variance reflects legal expenditure. Recurrent revenue was favourable due to a new lease agreement for the Telstra Tower at Quay Reserve, Torquay.</p>	Recurrent Operations			
	Expenditure	897	982	(85)
	Overheads	(897)	(897)	-
	Revenue	(15)	(40)	25
		(15)	45	60

Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework, including explanation of results in the comments.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
GOVERNANCE						
	Transparency					
G1	<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	14.80%	14.81%	10.96%	6.47%	In 2021-22, less decisions were made in sessions closed to the public. Matters considered in confidential consisted of predominantly tender contracts.
	Consultation and engagement					
G2	<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	58.00	59.00	59.00	54.00	We see a five point decline from the previous financial year. However, our score is rated significantly higher than the large-rural group councils and the same as the state-wide average.
	Attendance					
G3	<i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	72.92%	92.59%	95.77%	94.95%	There has been a minor decrease in Councillor attendance this financial year but still an improvement on 2019-20. The implementation of the hybrid meeting model provides Councillors with the ability to participate in decision making meetings virtually.

		Results				
Service / indicator / measure		2019	2020	2021	2022	Comments
	Service cost					
G4	<i>Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$42,941.50	\$43,300.66	\$42,812.22	\$45,939.67	The main driver for this increase is related to Councillor allowances. It increased from \$296k in 2020-21 to \$330k in 2021-22.
	Satisfaction					
G5	<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]	54.00	55.00	54.00	54.00	We have maintained our 2020-21 result of 54 in 2021-22. Surf Coast was rated significantly higher than the large-rural group councils but rated the same as the state-wide average.



Our governance

Council governance

Corporate governance

Statutory information



Welcoming new Australians at Council's Citizenship ceremony

Our governance

Legislation

Surf Coast Shire Council is constituted under the *Local Government Act 2020* (Act). The Act specifies that the role of a council is to provide good governance in its municipal district for the benefit and wellbeing of the local community.

Both the 1989 and 2020 Local Government Acts ensure that councils have the functions and powers necessary to perform their roles in a transparent, efficient and accountable manner. While the 2020 Act repeals sections of the 1989 Act, it is not repealed as a whole and certain sections remain active.

Together the councillors, as Council, form Surf Coast Shire’s governing body. Council is recognised as a single entity and councillors only have authority to make decisions collectively as Council at formally constituted council meetings.

Council is committed to effective and sustainable forms of democratic and corporate governance as these principles are key to ensuring that Council and its administration meet the community’s priorities.

Democratic governance

Council meetings and decision-making

Councils have the ability to make formal decisions in two ways:

- By resolution at council meetings and delegated committee meetings.
- By council officers who are delegated in accordance with relevant legislation.

Open council meetings generally occur on the fourth Tuesday of every month. Agendas for these meetings are published on Council’s website prior to the meeting and the community is welcome to attend in person or watch via live streaming. Council meeting minutes are also posted on the website following the meeting.

With Council approval, officers can also make certain decisions under delegation. All decisions and actions taken under delegation are required to be:

- in the best interests of Council and the community;
- without conflict of interest or personal interest;
- made without coercion or influence;
- recorded in the records management system with supporting documents and an audit trail;
- consistent with the policies, procedures and resolutions of Council; and,
- within budgetary limits and constraints.

Attendance at Council meetings and councillor briefing sessions

	Council meetings scheduled by resolution	Other Council meetings*	Meetings held under the auspices of Council**
Total meetings held	16	6	48
Cr Gary Allen	15	6	47
Cr Paul Barker***	14	4	38
Cr Mike Bodsworth	16	6	47
Cr Kate Gazzard	15	5	27
Cr Rose Hodge	14	5	43
Cr Liz Pattison	15	6	46
Cr Libby Stapleton	15	6	44
Cr Adrian Schonfelder	16	6	42
Cr Heather Wellington	16	5	1

* Includes Special Council Meetings for Hearing Submissions and Council meetings not scheduled by Council resolution.

** Meetings held under the auspices of Council generally refer to councillor briefings but may also include any meeting that is organised, sponsored or otherwise facilitated by the Council. Councillor attendance at these is not a statutory requirement. Councillors are able access and request information to understand matters presented at Council meetings.

*** Cr Barker was granted a leave of absence from 1/04/2022 to 1/06/2022.

Council committees

Delegated committees

In accordance with section 63 of the Act, Council may establish delegated committees that must be comprised of at least two councillors and any other persons appointed by Council who are entitled to vote. Surf Coast Shire Council has not established any delegated committees.

Advisory committees

Council has a number of advisory committees that provide advice on specific topics. These include:

- All Abilities Advisory Committee
- Audit and Risk Committee
- Bells Beach Committee
- Chief Executive Officer Employment Matters Committee
- Positive Ageing Advisory Committee

Community asset committees

Council and local communities benefit from the voluntary work of eight community asset committees. The committees directly manage daily operational activities at nominated halls and recreation reserves on behalf of Council. The following committees were established in August 2020 and remain active:

- Anderson Roadknight Reserve Community Asset Committee
- Anglesea Bike Park Community Asset Committee
- Connewarre Reserve and Hall Community Asset Committee
- Deans Marsh Community Hall and Memorial Reserve Community Asset Committee
- Eastern Reserve Community Asset Committee
- Globe Theatre Community Asset Committee
- Modewarre Hall and Reserve Community Asset Committee
- Stribling Reserve Community Asset Committee

Council representation on committees and peak bodies

Councillors are assigned to represent Council on formal committees, community groups, external working parties and peak bodies. They also participate in a range of community activities and regularly engage with the community, which helps to inform Council decisions and actions.

Councillor assignments for 2022 are:

Committees/organisation with legislated purpose	Representatives
Audit & Risk Committee	Cr Barker Cr Wellington
Municipal Association of Victoria (MAV)	Cr Schonfelder Cr Stapleton (sub)
Committees established to provide specific advice to Council	Representatives
All Abilities Advisory Committee	Cr Hodge Cr Bodsworth (sub)
Barwon South West Waste and Resource Recovery Group (LG Forum)	Cr Bodsworth Cr Gazzard (sub)
Bells Beach Committee	Cr Bodsworth Cr Barker
Chief Executive Officer Employment Matters Committee	All Councillors
Positive Ageing Advisory Committee	Cr Allen
Corporations with local government representation	Representatives
Geelong Regional Library Corporation (GRLC)	Cr Pattison Cr Gazzard (sub)
Great Ocean Road Regional Tourism Inc. (GORRT)	CEO
G21 Geelong Region Alliance Ltd - Board of Directors	Cr Stapleton (as Mayor)
Other organisations/ committees	Representatives
Lorne Community Impact Advisory Committee (CIAC)	Cr Allen
Torquay Community Impact Advisory Committee (CIAC)	Cr Hodge Cr Barker
Australian Local Government Association (ALGA)	Cr Stapleton (as Mayor)
Geelong Heritage Centre Collection Advisory Committee	Cr Allen
Peri Urban Group of Rural Councils (PUGRC)	Cr Stapleton (as Mayor) Ms Seymour (as CEO)
G21 Pillars	Representatives
G21 Arts and Culture Pillar	Cr Hodge Cr Schonfelder (sub)
G21 Economic Development Pillar	Cr Schonfelder Cr Pattison (sub)
G21 Education and Training Pillar	Cr Allen
G21 Environment Pillar	Cr Gazzard Cr Pattison (sub)
G21 Health and Wellbeing Pillar	Cr Bodsworth
G21 Planning and Services Pillar	Cr Pattison
G21 Sport and Recreation Pillar	Cr Bodsworth Cr Hodge (sub)
G21 Transport Pillar	Cr Barker Cr Hodge (sub)

Code of conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within four months after each general election. On 16 February 2021, Council adopted the current Councillor Code of Conduct that is designed to:

- assist councillors in maintaining the highest standards of conduct and behaviour;
- provide councillors with a means for dealing with problems that they may encounter;
- assist councillors to discharge the responsibilities of their public office appropriately;
- assist councillors to maintain good working relationships between councillors, and between councillors and management.

In addition to setting out the Councillor Conduct Principles, the code also 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.
- Dispute resolution procedures.

Conflict of interest

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

A conflict of interest can arise when a personal or private interest (or those of relatives, friends and certain other acquaintances) might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of conflicts of interest. Declaration of a conflict of interest is a standard agenda item for all council and committee meetings. A register is maintained to record all disclosed conflicts of interest.

Councillor allowances

Allowances to the mayor, deputy mayor and councillors are established under section 39 of the *Local Government Act 2020*. The allowances are to be in accordance with a Determination of the Victorian Independent Remuneration Tribunal. The tribunal completed a comprehensive review of allowances in March 2022 and determined that Surf Coast Shire Council remains within category two in the three-category structure (councils are categorised based on total recurrent revenue and estimated resident population).

Councils are required to review allowance levels by 30 June in the year following a general election and the allowance level determined remains in effect for the full term of the council. At its meeting on 25 May 2021, Council resolved to retain allowances at the current level, which is the highest level in category two.

Councillor expenses

In accordance with section 40 of the Act, Council is required to reimburse councillors and delegated committee members for expenses incurred while performing their formal duties. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors and delegated committee members. Council's Councillor Entitlements, Expenses and Facilities Policy provides guidance for the reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties.

The details of the allowances and expenses including reimbursement of expenses for each councillor paid by the Council for the 2021-22 year are set out below.

Having strong governance and management frameworks leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The current Audit and Risk Committee was established in August 2020. The formally appointed advisory committee reports to Council and is responsible for providing structured, systematic oversight of council's governance, risk management and internal control practices. This serves to provide council with confidence in the integrity of these practices.

The committee consists of four independent members and two councillor representatives. Independent members are appointed for a maximum single term of four years, with the maximum total length of appointment being no more than two terms or eight years. Councillor representatives are appointed annually.

The committee met four times in the 2021-22 financial year. Key areas discussed by the committee include legislative compliance and controls, risk management, external and internal audits and financial management including performance reporting.

Internal audit

Council has a three-year Strategic Internal Audit Plan (SIAP) that is revised annually and implemented by our internal auditors. The internal audit function provides independent and objective assurance that appropriate processes and controls are in place across Council.

Council's internal auditors attend each Audit and Risk Committee meeting to report on the status of the SIAP and to provide an update on the implementation of audit recommendations and the findings of completed reviews.

The following reviews took place this year:

- Planning and legislative compliance
- Procure to pay
- Responding to sexual harassment allegations
- Fraud and corruption
- Project management

- Emergency management
- Follow up audit for the previous financial year

External audit

Council is externally audited by the Victorian Auditor-General's Office. For the 2021-22 year, the Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors provide written and verbal updates to the Audit and Risk Committee relating to the annual audit plan, audit reports and other matters of note. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk management

Council is committed to risk management and to creating an organisational culture that ensures that effective risk management is embedded in all activities and business processes.

Throughout 2021-22, the Audit and Risk Committee and officers commenced an extensive review of Council's risk management framework. This review aims to formalise an approach to risk that provides for the effective identification, analysis, management and escalation of risk, enhanced decision making, and visibility to council and the community that risks are being managed effectively. This approach will be formalised through risk management policies and procedures.

Surf Coast Shire Council
Councillor Payment Summary Between 1 July 2021 to 30 June 2022

Councillor	Allowance ^ (\$)	Expenses Reimbursed			Total (\$)
		Travel (\$)	Professional Development (\$)	Expenses to support the performance of the role (\$)	
Cr Adrian Schonfelder	29,597	-	470	580	30,648
Cr Gary Allen^	23,724	2,885	-	580	27,189
Cr Heather Wellington	33,482	-	-	580	34,063
Cr Kate Gazzard	29,597	-	-	580	30,178
Cr Libby Stapleton*	93,505	-	7,891	9,750	111,147
Cr Liz Pattison	39,336	-	4,223	3,273	46,834
Cr Mike Bodsworth	29,597	3,407	88	580	33,673
Cr Paul Barker^	21,800	-	-	580	22,381
Cr Rose Hodge	29,597	-	846	450	30,894
Total	330,237	6,292	13,518	16,953	367,007

Notes:

* Cr Libby Stapleton (Mayor period: 18/11/2020 - present).
^ Under the Local Government Act 2020, a Mayor, Deputy Mayor or Councillor may elect to receive a specified part of their allowance to which they are entitled.
Car mileage reimbursement includes remote area travel allowance.
Allowance figures include superannuation.
Other expenses include items such as Australian Institute of Company Directors memberships and other expenditure incurred in carrying out councillor duties.
Figures exclude GST.

Governance and Management Checklist

As at 30 June 2022

Governance and Management Items	Assessment	
1 Community engagement policy (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>Date of adoption: 15 September 2020</i>	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines <i>Date of commencement of current guidelines: 1 December 2020</i>	✓
3 Financial Plan (plan under section 91 of the Act outlining the financial and nonfinancial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act <i>Date of adoption: 28 September 2021</i>	✓
4 Asset Plan (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 10 years)	Adopted in accordance with section 92 of the Act <i>Date of adoption: 28 September 2021</i>	✓
5 Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act <i>Date of adoption: 24 June 2021</i>	✓
6 Annual budget (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>Date of adoption: 28 June 2022</i>	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy <i>Date of commencement of current policy: 25 October 2020</i>	✓
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy <i>Date of commencement of current policy: 26 February 2019</i>	✓
9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 <i>Date of preparation: 1 October 2019</i>	✓
10 Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act <i>Date of adoption: 23 November 2021</i>	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan <i>Date of commencement of current plan: 1 August 2019</i>	✓
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan <i>Date of commencement of current plan: 1 June 2021</i>	✓
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework <i>Date of commencement of current framework: 20 May 2022</i>	✓
14 Audit and Risk Committee (see sections 53 September 2022 and 54 of the Act)	Established in accordance with section 53 of the Act <i>Date of establishment: 25 August 2020</i>	✓
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged <i>Date of engagement of current provider: 1 April 2018</i>	✓

Governance and Management Items	Assessment	
16 Performance reporting framework (a set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act)	Framework <i>Date of adoption of current framework: 1 July 2014</i>	✓
17 Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	Report <i>Date of report: 22 March 2022</i>	✓
18 Quarterly budget reports (quarterly reports to the Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the Act <i>Dates reports presented:</i> 21 September 2021 26 October 2021 25 January 2022 26 April 2022	✓
19 Risk reports (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports <i>Dates of reports:</i> 14 September 2021 15 November 2021 18 March 2022 20 May 2022	✓
20 Performance reports (6monthly reports of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act)	Reports <i>Dates of reports:</i> 14 Dec 2021 (for the period 1/07/2020 – 30/06/2021) 22 March 2022 (for the period 1/07/2021 – 31/12/2021)	✓
21 Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act <i>Date of presentation: 14 December 2021</i>	✓
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)	Reviewed and adopted in accordance with section 139 of the Act <i>Date reviewed and adopted: 16 February 2021</i>	✓
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)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act <i>Date of review under section 11(7): 27 July 2021</i>	✓
24 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act <i>Date Governance Rules adopted: 24 August 2021</i>	✓

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



Robyn Seymour
Chief Executive Officer
Date: 21/08/2022



Cr Libby Stapleton
Mayor
Date: 21/8/2022

Statutory information

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

Contracts

In accordance with the *Local Government Act 2020*, Council adopted a new procurement policy on 23 November 2021.

During the year for the period prior to Council adopting a new procurement policy, all contracts entered into by Council were in accordance with section 186(1) of the *Local Government Act 1989*:

Council did not enter into any contracts valued at \$150,000 (inc-GST) or more for goods or services, or \$200,000 (inc-GST) or more for works, other than in circumstances referred to in section 186(5) of (5A) of the *Local Government Act 1989*, without engaging in a competitive public tender process before entering into the contract.

During the year, for the period commencing from when Council had adopted a new procurement policy, all contracts entered into by Council were pursuant to section 108 of the *Local Government Act 2020*:

There were no instances whereby Council entered into a contract valued at \$150,000 (ex-GST) or more for goods, services or works, that did not comply with clause 9 of Surf Coast Shire-019 Procurement Policy, including the requirement for a competitive tender process.

A list of contracts entered into by Council during the year following a public tender process is available on Councils website surfcoast.vic.gov.au/Tenders

Documents available for public inspection

Council adopted its Public Transparency Policy on 7 September 2020. It outlines Council's commitment to providing transparency to the community and the ways in which information is made publically available.

Following is a summary of information that is available to the public:

Council records

- Agendas, minutes, live stream and video recordings of Council meetings
- Reporting from committees to Council
- Terms of reference or charters for Council committees

Local laws

- Community Amenity Local Law
- Common Seal and Miscellaneous Penalties Local Law
- Governance Rules

Policies, strategies and reports

- Council plan
- Annual report
- Strategies
- Council policies
- Budget

Organisational chart

Councillors

- Councillor payment summaries
- Councillor profiles

Council elections

- Election campaign donation returns
- Candidate information (during elections)

Grant programs

Planning

- Development plans, reference and incorporated documents
- Development contributions
- Current planning applications

Property

- How rates are calculated
- Current planning applications
- Development contributions

Businesses

- Council's terms and conditions
- Awarded tenders

Council operations

- Events information
- Waste management and recycling information
- Information relating to families, positive ageing, childcare and pets
- Tourism and local area – variety of information
- Parks and reserves – listing

Registers

- Register of Building Occupancy Permits
- Register of Authorised Officers
- Register of Instruments of Delegations
- Register of Personal Interests (Register of Interests until 24 October 2020)
- Register of Leases
- Register of Overseas or Interstate Travel
- Register of Gifts, Benefits and Hospitality (councillors and staff)

Other

- Application processes for approvals, permits, grants, access to Council services
- Community engagement processes
- Complaints handling processes
- Practice notes
- Online payments and applications
- Employment with Council
- Lodging a request/complaint
- Economic and population profiles
- Information relating to access (maps and guides)

Further information about accessing Council information is available on our website - surfcoast.vic.gov.au/Public-Access-to-Council-Information

Disability action plan

Under the *Victorian Disability Act 2006*, all councils are required to develop a Disability Action Plan. Ours, which is called the Surf Coast Shire Council Access and Inclusion Action Plan 2021-24, supports the implementation of Council's 10-year Access and Inclusion Strategic Plan 2014-24.

The Access and Inclusion Action Plan 2021-24 supports the implementation of the 10-year strategy by outlining the concrete actions that Council is committed to in order to achieve the strategy's outcomes. The actions were developed in response to extensive community engagement with people with disability, carers, and support organisations, including feedback from more than 200 stakeholders.

Below are some of our achievements from our previous access and inclusion plan:

- Implementation of live captioning at Council meetings.
- Successful budget bid for 2021-22 for trial of Auslan interpreters at selected Council meetings, events and videos.
- Architects are required to design new buildings to the current Building Code of Australia and the Australian Standards.
- Upgraded facilities to include hearing loops, including Anglesea Hall.
- All social infrastructure planning projects, including cycling trails, playgrounds and sporting facilities use universal design principles and adhere to the Building Code of Australia and Australian Standards.
- Beach wheelchairs and TrailRider promoted through our website.
- All digital engagement opportunities are available on our website that meets the Web Content Accessibility Guidelines (WCAG 2.0).
- Installed a new Changing Places facility at the Wurdri Baierr Stadium.

More information about access and inclusion is available on our website - surfcoast.vic.gov.au/Access-for-all

Domestic animal management plan (DAMP)

Council complies with the *Domestic Animals Act 1994*, which requires Victorian councils to have a current domestic animal management plan (DAMP) informing the management of cats and dogs.

Our DAMP 2022-25 was adopted in January 2022 and helps guide how people, dogs and cats in the Surf Coast Shire can live together in safety and harmony. Community members contributed to the development of the plan via a survey and commented on the public exhibition of the draft plan.

The plan contains 38 actions across:

- Staff development, process improvements
- Nuisance management
- Domestic animal overpopulation and euthanasia
- Reporting
- Performance management

In 2021-22, Council continued to maintain a high standard of animal management according to legislative requirements and worked to deliver the objectives of the 2017-21 plan by:

- Ensuring animal management officers were appropriately trained in all aspects of responsible animal management.
- Encouraging responsible dog and cat ownership and registration of domestic animals.
- Reducing public and environmental nuisance caused by dogs and cats resulting in a reduction in animal management requests.
- Promoting the effective management of dogs and cats through community engagement activities and the identification of dangerous or menacing dogs and restricted breeds.
- Minimising the risk of attacks by dogs on people and animals through increased reporting.

The 2022-25 DAMP is available on our website - surfcoast.vic.gov.au/DAMP

Food Act ministerial directions

In accordance with section 7E of the *Food Act 1984* Council is required to publish a summary of any ministerial directions received during the financial year in its annual report. Council did not receive any ministerial directions during 2021-22.

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) provides the community with the right to request access to information held by Council. Access to certain types of documents may be limited by exemptions outlined in the FOI Act.

Documents can be requested as detailed in section 17 of the FOI Act. To be valid, an application must:

- be in writing;
- provide as much information about the documents being sought as practicable, so an officer of Council can identify the documents being requested; and
- accompanied by an application fee.

Council received 17 Freedom of Information applications in 2021-22.

More information, including an application form, is available on our website - surfcoast.vic.gov.au/Freedom-of-Information

Public interest disclosures

Council is committed to the aims and objectives of the *Public Interest Disclosure Act 2012*. The legislation aims to ensure that people who report improper conduct or serious professional misconduct by its councillors, officers or members of special committees can do so with the knowledge that protections exist to safeguard personal privacy and prevent reprisals including bullying, harassment or legal action.

During 2021-22, there were no disclosures made to Council.

Procedures on how to make a disclosure are publicly available on Council's website - surfcoast.vic.gov.au/Public-Interest-Disclosures

Road Management Act ministerial directions

Council as a road authority is required under section 22 of the *Road Management Act 2004* to publish a copy or summary of any ministerial direction received from the minister in its annual report. Council did not receive any ministerial directions during 2021-22.

Infrastructure and development contributions

In accordance with sections 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.

For the 2021-22 year, the following information about infrastructure and developer contributions is disclosed.

Total DCP levies received in 2021-22 financial year	
DCP name and year approved	Levies received in 2021-22 financial year (\$)
Torquay/Jan Juc DCP, approved 2011	\$1,711,028.22
Briody Drive West Upgrade DCP, approved 2012	\$1,932.57
Total	\$1,712,960.79

DCP land, works, services or facilities accepted as works-in-kind in 2021-22 financial year

Nil

Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

Nil

Land, works, services or facilities delivered in 2021-22 financial year from DCP levies collected

Project description	Project ID	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
DCP Name: Torquay/Jan Juc DCP, Year Approved: 2011							
Surf Coast Multi-Purpose Indoor Stadium	CY03	\$31,843.00				\$31,843.00	100%
Torquay Central & North - Contributions to Developer Works	OR01	\$462,072.00				\$462,072.00	12%
Upgrade Grass Tree Park	OR05	\$169.00				\$169.00	98%
Upgrade Deep Creek Linear Reserve	OR06	\$27,410.00				\$27,410.00	78%
Upgrade Bells Beach Recreation Reserve	OR10	\$16,518.00				\$16,518.00	91%
Torquay North Open Space Pathways - Contributions to Developer works	PC02	\$467,272.00				\$467,272.00	40%
Surf Coast Highway / Coombes Rd Intersection Upgrade	RD03	\$37,468.00				\$37,468.00	4%
Surf Coast Highway / Bristol Rd Intersection Upgrade Design	RD05	\$5,813.00				\$5,813.00	2%
Connecting Torquay Town Centre - Fischer Street Parking	RD07	\$377,370.00				\$377,370.00	100%
South Beach Road Upgrade	RD09	\$2,250.00				\$2,250.00	98%
Widen Coombes Rd	RD11	\$152,224.00				\$152,224.00	33%
Coombes / Messmate Road Intersection Upgrqade	RD12	\$8,375.00				\$8,375.00	24%
Total		\$1,588,784.00	\$0.00	\$0.00	\$0.00	\$1,588,784.00	



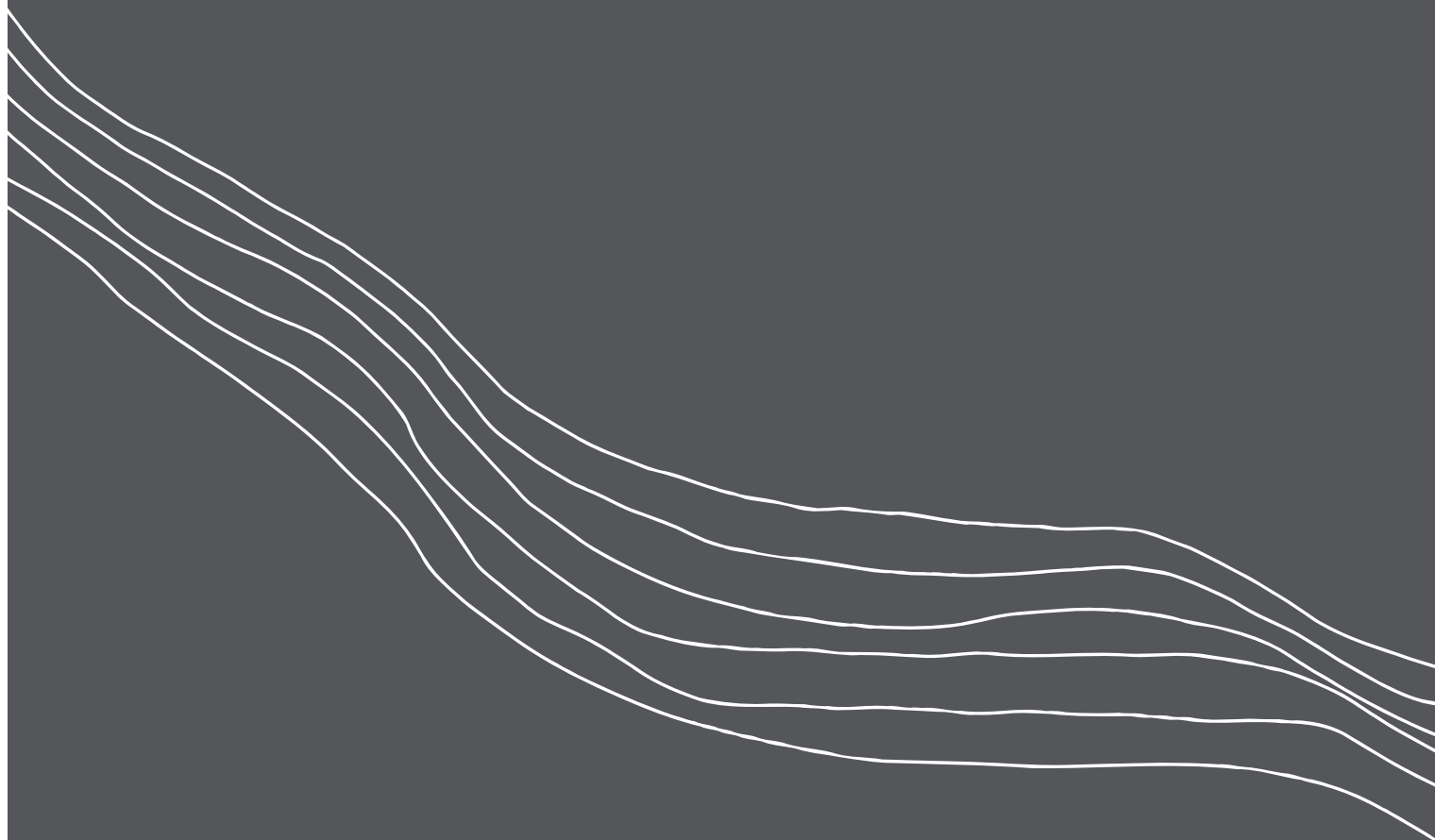
Financial and performance statements



Bush Kinder program

Annual Financial Report

For the year ended 30 June 2022



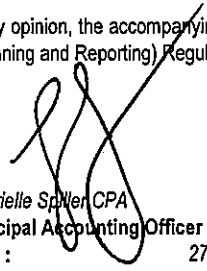
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Certification of the Financial Statements

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



Gabriella Spiller CPA
Principal Accounting Officer

Date : 27 September 2022
Torquay

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

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

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



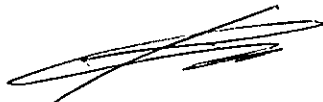
Cr Libby Stapleton
Mayor

Date : 27 September 2022
Torquay



Cr Paul Barker
Councillor

Date : 27 September 2022
Torquay



Chris Pike
Acting Chief Executive Officer

Date : 27 September 2022
Torquay

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
4 October 2022

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	59,205	56,812
Statutory fees and fines	3.2	2,018	1,758
User fees	3.3	6,713	5,234
Grants - operating	3.4	10,718	9,731
Grants - capital	3.4	6,084	12,176
Contributions - monetary	3.5	4,117	3,420
Contributions - non monetary	3.5	11,301	9,128
Net gain on disposal of property, infrastructure, plant and equipment	3.6	337	193
Other income	3.7	2,264	1,311
Total income		102,757	99,763
Expenses			
Employee costs	4.1	(34,958)	(34,732)
Materials and services	4.2	(30,127)	(25,707)
Depreciation	4.3	(18,199)	(15,956)
Amortisation - intangible assets	4.4	(4,040)	(3,329)
Amortisation - right of use assets	4.5	(392)	(516)
Bad and doubtful debts	4.6	(88)	(96)
Borrowing costs	4.7	(371)	(406)
Share of net loss of associates	6.2	(16)	(247)
Finance costs - leases	4.8	(18)	(25)
Other expenses	4.9	(9,878)	(5,783)
Total expenses		(98,087)	(86,797)
Surplus for the year		4,670	12,966
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	142,861	26,260
Total other comprehensive income		142,861	26,260
Total comprehensive result		147,531	39,226

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

Balance Sheet As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	5,580	15,802
Trade and other receivables	5.1	5,898	5,851
Other financial assets	5.1	83,500	66,800
Other assets	5.2	1,089	1,205
Total current assets		96,067	89,658
Non-current assets			
Trade and other receivables	5.1	24	14
Investments in associates	6.2	275	291
Property, infrastructure, plant and equipment	6.1	977,562	829,363
Right-of-use assets	5.8	646	441
Intangible assets	5.2	29,059	29,524
Total non-current assets		1,007,566	859,633
Total assets		1,103,633	949,291
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,483	5,281
Trust funds and deposits	5.3	5,006	8,476
Provisions	5.5	10,438	10,346
Interest-bearing liabilities	5.4	2,160	2,150
Lease liabilities	5.8	269	230
Unearned Income	5.3	19,889	12,323
Total current liabilities		42,245	38,806
Non-current liabilities			
Provisions	5.5	16,564	11,192
Interest-bearing liabilities	5.4	14,711	16,871
Lease liabilities	5.8	370	210
Total non-current liabilities		31,645	28,273
Total liabilities		73,890	67,079
Net assets		1,029,743	882,212
Equity			
Accumulated surplus		479,945	477,951
Asset revaluation reserves	9.1	485,807	342,946
Other reserves	9.1	63,991	61,315
Total Equity		1,029,743	882,212

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

Statement of Changes in Equity For the Year Ended 30 June 2022

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		882,212	477,951	342,946	61,315
Surplus for the year		4,670	4,670	-	-
Net asset revaluation increment	9.1	142,861	-	142,861	-
Transfers to other reserves	9.1	-	(50,054)	-	50,054
Transfers from other reserves	9.1	-	47,378	-	(47,378)
Balance at end of the financial year		1,029,743	479,945	485,807	63,991

		Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		842,986	470,465	316,686	55,835
Surplus for the year		12,966	12,966	-	-
Net asset revaluation increment	9.1	26,260	-	26,260	-
Transfers to other reserves	9.1	-	(49,880)	-	49,880
Transfers from other reserves	9.1	-	44,400	-	(44,400)
Balance at end of the financial year		882,212	477,951	342,946	61,315

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 2022

		2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		59,541	57,060
Statutory fees and fines		1,931	1,708
User fees		6,814	5,570
Grants - operating		10,754	11,466
Grants - capital		13,393	23,415
Contributions - monetary		4,728	3,420
Interest received		452	571
Trust funds and deposits taken		1,097	3,681
Net GST refund		3,573	3,914
Employee costs		(35,239)	(34,169)
Materials and services		(35,706)	(31,721)
Short-term, low value and variable lease payments		(348)	(308)
Trust funds and deposits repaid		(4,567)	(4,704)
Net cash provided by operating activities	9.2	26,423	39,903
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(17,435)	(21,532)
Proceeds from sale of property, infrastructure, plant and equipment		429	574
Payments for investments		(114,600)	(76,800)
Proceeds from sale of investments		97,900	65,005
Net cash used in investing activities		(33,706)	(32,753)
Cash flows from financing activities			
Finance costs		(372)	(407)
Interest paid - lease liability		(19)	(26)
Repayment of borrowings		(2,150)	(2,149)
Repayment of lease liabilities		(398)	(532)
Net cash used in financing activities		(2,939)	(3,114)
Net increase (decrease) in cash and cash equivalents		(10,222)	4,036
Cash and cash equivalents at the beginning of the financial year		15,802	11,766
Cash and cash equivalents at the end of the financial year	5.1(a)	5,580	15,802
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
Property		
Land	-	60
Buildings	6,940	10,358
Total property	<u>6,940</u>	<u>10,418</u>
Plant and equipment		
Plant, machinery and equipment	1,822	1,044
Computers and telecommunications	474	895
Total plant and equipment	<u>2,296</u>	<u>1,939</u>
 Infrastructure		
Roads	4,764	5,816
Bridges	-	252
Footpaths and cycleways	433	798
Drainage and sewerage	503	297
Recreational, leisure and community facilities	1,164	603
Parks, open space and streetscapes	1,078	1,148
Off street car parks	257	261
Total infrastructure	<u>8,199</u>	<u>9,175</u>
 Total capital works expenditure	<u>17,435</u>	<u>21,532</u>
 Represented by:		
New asset expenditure	2,626	9,233
Asset renewal expenditure	8,346	6,894
Asset expansion expenditure	2,560	203
Asset upgrade expenditure	3,903	5,202
Total capital works expenditure	<u>17,435</u>	<u>21,532</u>

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

Note 1 OVERVIEW

Introduction

The Surf Coast Shire was established by an Order of the Governor in Council on 9 March 1994 and is a body corporate. The Council's main office is located at 1 Merrijig Drive, Torquay.

Statement of compliance

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

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

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

The 2021/2022 Adopted Budget assumed normal operating conditions, however 2021/2022 resulted in Council being required to adapt to the ongoing pandemic environment. During this period, Council played a supporting role to the State and Federal Governments in implementing initiatives to support the local community; such major initiatives included the Business Concierge and Hospitality Support Program \$105k, Outdoor Activation Program \$235k to enable businesses to utilise outdoor spaces and general support, and new infrastructure projects under the Local Roads and Community Infrastructure Program \$1,221k. Council also continued to deliver Councils' COVID-19 Recovery Program \$442k.

For Council, the operating environment resulted in service revenue challenges due to restricted community, businesses and tourism movements. This impacted waste services landfill disposal income, Visitor Information Centres and Australian National Surfing Museum admission/retail sales, Council's ability to operate sporting programs, along with reduced facility hire and infringement revenue. Such impacts to operating revenue saw Council's financial performance and position managed via a reduction in internal learning and development training expenditure and reduced spend on cancelled events, facility utilities and reactive facility maintenance due to the limited facility usage.

There has been some impact to Capital Works delivery due to Covid-19, but not material to the operations of Council.

The pandemic, combined with global supply chain challenges is creating inflationary pressures locally. The Reserve Bank of Australia monetary policy decisions and their impact on economic conditions will continue to be monitored by Council in relation to delivery of Council's recurrent operations and projects.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 2.1 Performance against budget

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

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

2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and charges	58,950	59,205	255	0%	
Statutory fees and fines	2,041	2,018	(23)	(1%)	
User fees	7,207	6,713	(494)	(7%)	
Grants - operating	7,999	10,718	2,719	34%	1
Grants - capital	4,501	6,084	1,583	35%	2
Contributions - monetary	2,697	4,117	1,420	53%	3
Contributions - non monetary	10,920	11,301	381	3%	4
Net gain on disposal of property, infrastructure, plant and equipment	236	337	101	43%	5
Other income	941	2,264	1,323	141%	6
Total income	95,491	102,757	7,266	8%	
Expenses					
Employee costs	35,539	34,958	581	2%	
Materials and services	28,434	30,127	(1,693)	(6%)	
Bad and doubtful debts	111	88	23	21%	
Depreciation	18,328	18,199	129	1%	
Amortisation - Intangible assets	5,639	4,040	1,599	28%	7
Amortisation - Right of use assets	379	392	(13)	(3%)	
Borrowing costs	371	371	0	0%	
Share of net profits/(losses) of associates and joint	-	16	(16)	-	
Finance costs - Leases	24	18	6	25%	
Other expenses	4,426	9,878	(5,452)	(123%)	8
Total expenses	93,250	98,087	(4,837)	(5%)	
Surplus/(deficit) for the year	2,241	4,670	2,429	108%	

*note the budget for volunteer revenue has been realigned from Contributions - non-monetary to Other Income

**Notes to the Financial Report
For the Year Ended 30 June 2022**

(i) Explanation of material variations

Variance	Item	Explanation
	1	Grants - operating favourable variance driven by prepayment of Federal Assistance Grant of 75% instead of anticipated 50% \$1,548k, operating project grants unbudgeted for \$740k (Outdoor Activation Program \$235k, Local Operational Response Plans \$80k, Business Concierge and Hospitality Support Program \$60k, Municipal Emergency Resourcing Program \$53k and several other project variances \$312k), Early Years funding, including COVID support, driven by higher enrolments \$318k.
	2	Grants - capital favourable variance is driven by capital project funding not budgeted for including Black Spot Funding for Mount Duneed Road \$792k, Local Roads Community Infrastructure Program \$473k, Modewarre Netball and Tennis Pavilion \$374k, Barwon Park Shoulder Widening and Reconstruction \$319k, Multi Art Centre Fit Out \$240k and Surf Coast Aquatic and Health Centre \$201k; partially offset by Grant Pavilion funding received in prior year \$550k and Stribling Reserve Pavilions funding to be received in following year \$239k.
	3	Contributions - Monetary favourable variance driven by project funding not budgeted for \$646k (Stribling Reserve Pavilions Redevelopment \$350k, Ballanclea Road Upgrade \$74k, Modewarre Netball and Tennis Pavilion \$50k and Deep Creek Play Equipment \$47k), Open Space Contributions \$458k and a combination of higher than budgeted for developer contributions from Torquay and lower than budgeted for from Winchelsea \$324k due to timing.
	4	Contributions – non monetary favourable variance driven by the unbudgeted first time recognition of water sensitive urban design assets \$3,885k partially offset by lower than budgeted for granted assets from developers of \$3,504k with budgeted developments in relation to Briody Drive West and Surf Views not taking place in 2021-22.
	5	Net Gain on Disposal of Property Infrastructure, Plant & Equipment favourable variance driven by a lower written down value of assets due to holding assets longer than expected.
	6	Other Income favourable variance is driven by found assets, mainly drainage \$1,351k.
	7	Amortisation Intangible Assets favourable variance is driven by a reduction in landfill usage and a revaluation of the airspace asset in the prior year, compared to budget.
	8	Other Expenses unfavourable variance is mainly attributable to the increase in landfill rehabilitation provision due to index rate increase of 4.51%, partially offset by discount rate increase of 2.29% \$5,935k, partially offset by a favourable variance in relation to asset write offs due to delays in capital project delivery \$541k.

Note 2 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance % Ref	
Property					
Buildings	4,991	6,940	(1,949)	(39%)	1
Total Property	4,991	6,940	(1,949)	(39%)	
Plant and Equipment					
Plant, machinery and equipment	2,289	1,822	467	20%	2
Fixtures, fittings and furniture	380	-	380	100%	3
Computers and telecommunications	1,859	474	1,385	74%	4
Total Plant and Equipment	4,528	2,296	2,232	49%	
Infrastructure					
Roads	8,315	4,764	3,551	43%	5
Footpaths and cycleways	568	433	135	24%	6
Drainage and sewerage	371	503	(132)	(35%)	7
Recreational, leisure and community facilities	3,744	1,164	2,580	69%	8
Waste management	2,762	-	2,762	100%	9
Parks, open space and streetscapes	1,443	1,078	365	25%	10
Off street car parks	203	257	(54)	(27%)	
Total Infrastructure	17,407	8,199	9,208	53%	
Total Capital Works Expenditure	26,925	17,435	9,490	35%	
Represented by:					
New asset expenditure	5,263	2,626	2,637	50%	
Asset renewal expenditure	11,236	8,346	2,890	26%	
Asset expansion expenditure	1,757	2,560	(803)	(46%)	
Asset upgrade expenditure	8,669	3,903	4,766	55%	
Total Capital Works Expenditure	26,925	17,435	9,490	35%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Higher than budgeted capital expenditure due to Lorne Stribling Reserve Pavilion Upgrade \$3,380k budgeted in Recreation, and new grant funding spend incorporated post Adopted Budget for the Art Centre Fit Out \$248k. Partially offset by lower than budgeted spend on Asset Renewal due to resourcing \$328k, Solar Installations \$318k, Grant Pavilion Extension \$119k, Local Roads and Community Infrastructure Program (LRCIP) Projects \$221k, and the Surf Coast Aquatic Centre due to escalation of construction costs prompting a scope review \$703k.
2	Plant, machinery and equipment	Higher than budgeted plant, machinery and equipment expenditure due to extended lead times for delivery of heavy and light plant due to the pandemic \$467k.
3	Fixtures, fittings and furniture	Lower than budgeted capital expenditure on Agile Working Project delayed due to Covid \$380k.
4	Computers and telecommunications	Lower than budgeted capital expenditure due to timing in delivery of the Digital Transformation Program and expensed capital works, \$1385k.
5	Roads	Lower than budgeted capital expenditure due to Renewal Program delays related to contractor availability \$1,543k, Point Roadknight Drainage Outfall due to project redesign \$600k, Barwon Park Road Upgrade completed in July 2022 \$264k, Mathiesons Rd Upgrade delay due to resourcing \$323k, Road Safety Program works carried forward \$261k and Road Design for projects \$211k. Also Horseshoe Bend Rd Widening project did not proceed due to native vegetation constraints \$1,141k. Lower than budget capital expenditure was partially offset by higher capitalised project carried forwards from 2020-2021, including Winchelsea Industrial Estate Road Upgrade \$224k, Fischer St Renewal \$144k, Connecting Torquay \$105k, and Mt Duneed Rd Safety Upgrades \$680k.
6	Footpaths and cycleways	Lower than budgeted capital expenditure is due to renewal and upgrade projects carried forward into 2022-23 \$135k.
7	Drainage and sewerage	Higher than budgeted capital expenditure for projects budgeted for in other categories \$228k. Partially offset by lower than budget capital expenditure on projects carried forward to 2022-2023, including Upgrade and Renewal Projects \$34k and Aireys Top Shop Drainage \$28k, along with Lorne Men's Shed \$28k budgeted for in Drainage but capitalised to other assets categories.
8	Recreational, leisure and community facilities	Lower than budgeted capital expenditure on Recreation, Leisure and Community Facilities is due to capitalisation to other asset categories for the Lorne Stribling Reserve Pavilion Upgrade \$2.7m. Partially offset by higher than budgeted capital expenditure for Renewal Projects \$100k due to additional 2020-2021 carry forwards on Coogoorah Park Playground and other small projects.
9	Waste	Lower than budgeted capital expenditure is due to Lorne Transfer Station Upgrade project delayed a year to allow for completion of masterplan works \$1,500k; along with works on the Cell 3E Liner being rescheduled to align with rehabilitation works in 2023-2024 \$1,010k; and timing of the Anglesea Landfill Traffic Upgrades due to resourcing \$252k.
10	Parks, open space and streetscapes	Lower than budgeted capital expenditure on Renewal Program partly driven by review of recycled product options \$305k, along with Deep Creek Linear Reserve \$194k delivery timing; and reduced 2020-2021 carry forward due to the delivery in 2020-2021 of the Modewarre Netball and Tennis Pavilion \$275k. Projects budgeted for but capitalised to other asset categories included Active Play Items Renewal \$100k. Projects budgeted as capital expenditure but not capitalised included the Torquay North Developer Contribution \$289k and Moonah Woodland Offset \$67k. The lower than budget capital expenditure was offset by capital expenditure capitalised to Parks, Open Space and Streetscapes that was originally budgeted for in other asset categories, including Stribling Reserve Pavilion Upgrade \$421k, Mt Duneed Road Safety \$61k, Horseshoe Bend Road Shoulders \$33k and Connecting Torquay Town Centre - Bike Stations \$23k. Additional carried forwards from 2020-2021 capitalised during 2021-2022 included Solar Compacting Bins \$177k and Winchelsea Pathways \$78k, along with new projects post Adopted Budget such as the LRCIP Projects \$73k.

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs:

2.2.1 Chief Executive Office

The CEO takes responsibility for leading and managing the organisation to ensure implementation of the goals and strategies endorsed by Council. In doing so, the CEO creates a climate for good democratic governance within the organisation and assists Councillors to govern effectively in accordance with the overarching governance principles and supporting principles set out in the *Local Government Act 2020*.

Community Life

The Community Life Division provides services including aboriginal engagement, aged & access, building services, civil operations, communications & community engagement, community health & development, community projects & partnerships, community safety management, community strengthening management, community support management, customer experience, early years, emergency management, environmental health, facilities management, library, open space operations, operations management, ranger services, rural access, sports & facilities operations and youth.

Placemaking and Environment

The Placemaking and Environment Division provides services including arts & culture, asset management, business support, design & traffic engineering, development engineering, economic development, engineering services, environment, events, fleet, Gherang gravel pits, integrated planning management, planning compliance, social infrastructure & open space planning, statutory planning, strategic planning, sustainability, tourism, and waste management.

Strategy and Effectiveness

The Strategy and Effectiveness Division provides services including business improvement, digital transformation program, finance, governance, human resources, IT support, learning & development, legal & risk, people & culture, procurement, program management office, property, records, revenue & rates, strategy and program delivery, technology & information management and workplace health & safety.

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Chief Executive Office	1	2,473	(2,472)	-	-
Community Life	7,391	31,346	(23,955)	3,731	628,595
Placemaking & Environment	24,104	35,479	(11,375)	6,688	37,532
Strategy & Effectiveness	71,261	28,789	42,472	6,383	437,506
	102,757	98,087	4,670	16,802	1,103,633

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Chief Executive Office	-	2,338	(2,338)	-	-
Community Life	6,596	29,389	(22,793)	3,974	587,399
Placemaking & Environment	28,685	28,923	(238)	13,131	37,758
Strategy & Effectiveness	64,482	26,147	38,335	4,802	324,134
	99,763	86,797	12,966	21,907	949,291

Note 3 Funding for the delivery of our services	2022	2021
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the land and buildings and other improvements.

The valuation base used to calculate general rates for 2021/22 was \$22,398 million (2020/21 \$20,571 million).

General rates	44,723	43,288
Municipal charge	5,043	4,807
Waste management charge	8,623	8,302
Supplementary rates and rate adjustments (General rates & municipal charge)	559	415
Interest on rates and charges	257	-
Total rates and charges	59,205	56,812

Revaluations are conducted annually with the date of the latest general revaluation of land for rating purposes within the municipal district being 1 January 2022, and the valuation will first apply in the rating year commencing 1 July 2022.

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

3.2 Statutory fees and fines

Infringements and costs	544	492
Building Services	274	325
Town planning fees	841	690
Land information certificates	53	53
Subdivision fees	208	106
Other statutory fees and fines	98	92
Total statutory fees and fines	2,018	1,758

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	4	30
Leisure centre and recreation	639	336
Child care/children's programs	695	387
Building Services	42	35
Registration and other permits	851	496
Waste management services	2,952	2,709
Royalties	811	666
Gravel pits	195	165
Lease rentals	107	72
Other fees and charges	417	338
Total user fees	6,713	5,234
User fees by timing of revenue recognition		
User fees recognised over time	1,030	507
User fees recognised at a point in time	5,683	4,727
Total user fees	6,713	5,234

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.

	2022 \$'000	2021 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	11,072	12,359
State funded grants	5,730	9,548
Total grants received	16,802	21,907
(a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	6,361	4,587
Home and community care	-	279
Other	164	123
Recurrent - State Government		
Home and community care	180	173
School crossing supervisors	62	60
Maternal and child health	433	389
Community safety	293	79
Kindergartens	1,861	1,529
Environmental planning	-	26
Youth Services	136	142
Other	50	48
Total recurrent operating grants	9,540	7,435
Non-recurrent - Commonwealth Government		
Recreation	-	10
Arts and Culture	-	9
Non-recurrent - State Government		
Waste Management	24	224
Environmental planning	35	315
Buildings	19	7
Community safety	47	13
Recreation	10	5
Kindergartens	545	779
Arts and Culture	150	-
Roads	33	-
Maternal and child health	40	-
Other	275	934
Total non-recurrent operating grants	1,178	2,296
Total operating grants	10,718	9,731
(b) Capital grants		
Recurrent - Commonwealth Government		
Roads to recovery	716	1,051
Total recurrent capital grants	716	1,051
Non-recurrent - Commonwealth Government		
Recreation	265	72
Arts and Culture	-	110
Buildings	2,550	5,576
Roads	996	542
Other	20	-
Non-recurrent - State Government		
Buildings	1,007	2,166
Roads	399	1,366
Recreation	33	1,012
Arts and Culture	4	26
Waste Management	89	-
Other	5	255
Total non-recurrent capital grants	5,368	11,125
Total capital grants	6,084	12,176

Notes to the Financial Report
For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	600	-
Received during the financial year and remained unspent at balance date	356	600
Received in prior years and spent during the financial year	(582)	-
Balance at year end	<u>374</u>	<u>600</u>
Capital		
Balance at start of year	11,046	179
Received during the financial year and remained unspent at balance date	8,147	11,046
Received in prior years and spent during the financial year	(1,050)	(179)
Balance at year end	<u>18,143</u>	<u>11,046</u>

(d) Recognition of grant income

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

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

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

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	6,361	4,587
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	-	-
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	10,441	17,320
	<u>16,802</u>	<u>21,907</u>

	2022 \$'000	2021 \$'000
3.5 Contributions		
Monetary	4,117	3,420
Non-monetary	7,416	9,128
First Time Recognition of Water Sensitive Urban Design	3,885	-
Total contributions	15,418	12,548

Council is recognising \$3.885 million in Water Sensitive Urban Design assets for the first time. These assets were handed over by developer in previous years but were not recognised previously as they can only now be reliably measured.

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

Land	1,825	1,806
Roads	2,390	2,850
Other infrastructure	3,201	4,472
Drainage	3,885	-
Total non-monetary contributions	11,301	9,128

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

3.6 Net gain on disposal of property, infrastructure, plant and equipment

Proceeds of sale	429	570
Written down value of assets disposed	(92)	(377)
Total Net gain on disposal of property, infrastructure, plant and equipment	337	193

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

3.7 Other income

Interest	535	509
Volunteer Services	378	101
Found Asset	1,351	701
Total other income	2,264	1,311

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.

The 2021-2022 Found asset income relates mainly to drainage assets after investigation and roads and footpaths assets after clarification of ownership. The prior year relates mainly to parks and open space and recreation assets found during audit; and drainage assets found on investigation.

	2022 \$'000	2021 \$'000
Note 4 The cost of delivering services		
4.1 (a) Employee costs		
Wages and salaries	30,297	30,703
WorkCover	464	381
Superannuation	3,159	2,934
Fringe benefits tax	109	148
Volunteer Services	378	101
Other	551	465
Total employee costs	34,958	34,732
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	37	39
	37	39
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,634	1,596
Employer contributions to Hostplus Superannuation fund	240	195
Employer contributions to Australian Super fund	170	157
Employer contributions to Hesta	140	122
Employer contributions to Cbus	101	98
Employer contributions - other (67 funds for 2021/22, 71 other funds for 2020/21)	769	682
	3,054	2,850
Employer contributions payable at reporting date.	149	102
Refer to Note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Contract payments - Roads	1,322	988
Contract payments - Waste	5,585	4,284
Contract payments - Operations	769	688
Contract payments - Facilities Management	1,422	1,432
Contract payments - Assets & Engineering	276	53
Contract payments - Other	58	173
General maintenance	545	564
Utilities	1,093	1,130
Office administration	737	747
Information technology	1,001	1,293
Insurance	819	780
Consultants	1,916	1,827
Fuel	669	504
Grants, contributions and sponsorship	1,628	1,517
Materials	1,145	1,089
Sub-contractors	5,374	6,155
Royalties	2,439	1,111
Contributions to developer works	929	-
Other	2,400	1,372
Total materials and services	30,127	25,707

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

	2022 \$'000	2021 \$'000
4.3 Depreciation		
Property	4,101	3,444
Plant and equipment	1,641	1,712
Infrastructure	12,457	10,800
Total depreciation	18,199	15,956
<i>Refer to note 6.1 for a more detailed breakdown of depreciation and accounting policy.</i>		
4.4 Amortisation - Intangible assets		
Landfill air space	4,040	3,329
Total amortisation - intangible assets	4,040	3,329
<i>Refer to note 5.2 for a more detailed breakdown of amortisation charges and accounting policy.</i>		
4.5 Amortisation - Right of use assets		
Fleet	179	244
Property	90	80
Waste	123	192
Total amortisation - right of use assets	392	516
<i>Refer to note 5.8 for a more detailed breakdown of amortisation charges and accounting policy.</i>		
4.6 Bad and doubtful debts		
Infringement debtors	67	89
Rates debtors	-	6
Other debtors	21	1
Total bad and doubtful debts	88	96
Movement in provisions for doubtful debts		
Balance at the beginning of the year	146	135
Provisions recognised/(used) during the year	44	11
Balance at end of year	190	146
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	371	406
Total borrowing costs	371	406
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	18	25
Total finance costs	18	25
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	43	51
Auditors' remuneration - Internal Audit	126	123
Councillors' allowances	330	296
Operating lease and rentals	406	397
Assets written-off / impaired	3,038	2,430
Future landfill rehabilitation adjustment (Refer to note 5.5)	5,935	2,486
Total other expenses	9,878	5,783

The 2021-22 Asset written-off/impaired expense mainly relates to a write-off of assets due to a realignment of Vic Road/Council management of road intersections and the write-off of assets replaced. The prior year Assets written-off/impaired expense mainly relates to a road that was decommissioned.

The 2021-22 Future landfill rehabilitation adjustment relates mainly to the increase in rehabilitation costs due to the increase in indexation rates. The prior year Future landfill rehabilitation adjustment relates mainly to an increase in after care costs of the landfill. Refer to Note 5.5.

	2022 \$'000	2021 \$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents - Current		
Cash on hand	3	5
Cash at bank	5,577	15,797
Total cash and cash equivalents	5,580	15,802
(b) Other financial assets		
Term deposits - current	83,500	66,800
Total other financial assets	83,500	66,800
Total financial assets	89,080	82,602

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

Trust funds and deposits (Note 5.3)	5,006	8,476
Open space reserve (Note 9.1(b))	3,301	2,993
Main drain reserve (Note 9.1(b))	210	210
Developer contributions reserve (Note 9.1(b))	320	378
Airey's Inlet aged care units reserve (Note 9.1(b))	330	324
Torquay Jan Juc developer contributions reserve (Note 9.1(b))	7,282	3,908
Winchelsea infrastructure plan reserve (Note 9.1(b))	1,276	1,087
Total restricted financial assets	17,725	17,376
Total unrestricted financial assets	71,355	65,226

Intended allocations

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

Waste reserve (Note 9.1(b))	8,002	9,518
Gravel pits reserve (Note 9.1(b))	1,335	2,515
Defined benefits superannuation reserve (Note 9.1(b))	1,224	1,174
Carried forward capital works reserve (Note 9.1(b))	25,835	25,240
Carried forward operational projects reserve (Note 9.1(b))	2,101	2,439
Adopted strategy implementation reserve (Note 9.1(b))	5,905	5,009
Asset renewal reserve (Note 9.1(b))	2,180	2,701
Annual Leave Cash Reserve (Note 9.1(b))	326	326
Total funds subject to intended allocations	46,908	48,922

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

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

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

	2022 \$'000	2021 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	3,692	3,944
Special rate schemes	21	38
Infringement debtors	816	705
Provision for doubtful debts - infringements	(170)	(146)
Net GST receivable	549	508
<i>Non statutory receivables</i>		
Other debtors	1,010	802
Provision for doubtful debts - other debtors	(20)	-
Total current trade and other receivables	<u>5,898</u>	<u>5,851</u>
Non-current		
<i>Statutory receivables</i>		
Special rate schemes	<u>24</u>	<u>14</u>
Total non-current trade and other receivables	<u>24</u>	<u>14</u>
Total trade and other receivables	<u>5,922</u>	<u>5,865</u>

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

(d) Ageing of receivables

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

Current (not yet due)	494	558
Past due by up to 30 days	329	77
Past due between 31 and 180 days	<u>187</u>	<u>167</u>
Total trade and other receivables	<u>1,010</u>	<u>802</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$20,149 (2021: \$0) were impaired. The amount of the provision raised against these debtors was \$20,149 (2021: \$0). They individually have been impaired as a result of their doubtful collection.

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

Past due by more than 1 year	<u>20</u>	<u>-</u>
Total trade & other receivables	<u>20</u>	<u>-</u>

5.2 Non-financial assets	2022 \$'000	2021 \$'000
(a) Other assets		
Prepayments	489	548
Inventories	133	314
Accrued income	467	343
Total other assets	1,089	1,205
(b) Intangible assets		
Landfill air space	29,059	29,524
Total intangible assets	29,059	29,524

Landfill air space

Gross carrying amount

Balance at 1 July 2021	99,788
Revaluation	12,737
Balance at 30 June 2022	112,525

Accumulated amortisation and impairment

Balance at 1 July 2021	70,264
Amortisation expense	4,040
Revaluation	9,162
Balance at 30 June 2022	83,466

Net book value at 30 June 2021	29,524
Net book value at 30 June 2022	29,059

An intangible asset is defined as "an identifiable non-monetary asset without physical substance". The Landfill Airspace fits this definition. The Landfill Airspace was initially measured at fair value of the asset – that is, the value of the future cash flows expected to be generated by the asset. After initial recognition, the Landfill Airspace is carried at its fair value, less any accumulated amortisation and impairment losses. Amortisation expenses the assets value on a systematic basis over the asset's useful life. Amortisation is calculated on a units of use 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. The landfill airspace was revalued as at 30/6/2022. The remaining useful life of the Landfill airspace is 5.66 years at 30 June 2022. The Landfill airspace asset has been accounted for using *FG02/2017 Local Government Accounting for Landfills* by adopting the revaluation model.

Key assumptions:

- discount rate	2.670%	0.290%
- inflation rate	6.560%	1.260%

5.3 Payables, trust funds and deposits and unearned income/revenue	2022	2021
(a) Trade and other payables - Current	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	2,222	2,959
Accrued expenses	2,261	2,322
Total trade and other payables	4,483	5,281
 (b) Trust funds and deposits - Current		
Refundable deposits	4,406	8,476
Fire Service Levy	600	-
Total trust funds and deposits	5,006	8,476
 (b) Unearned income / revenue - Current		
Grants received in advance - capital	18,143	11,046
Grants received in advance - operating	374	600
Contributions received in advance	611	-
Rates received in advance	761	677
Total unearned income / revenue	19,889	12,323

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of rates and grant income. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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.

5.4 Interest-bearing liabilities	2022 \$'000	2021 \$'000
Current		
Borrowings from Banks - secured *	2,160	2,150
	2,160	2,150
Non-current		
Borrowings from Banks - secured *	14,711	16,871
	14,711	16,871
Total	16,871	19,021

* Borrowings are secured by Council's general rates.

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

Not later than one year	2,160	2,150
Later than one year and not later than five years	8,756	8,708
Later than five years	5,955	8,163
	16,871	19,021

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. All Surf Coast Shire Council's borrowings are categorised at amortised cost.

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	2022 \$'000	2021 \$'000
Current		
Employee provisions	7,175	7,533
Landfill Restoration provision	3,263	2,813
	10,438	10,346
Non-current		
Employee provisions	663	757
Landfill Restoration provision	15,901	10,435
	16,564	11,192
Total	27,002	21,538

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2022			
Balance at beginning of the financial year	8,290	13,248	21,538
Additional provisions	3,094	12,431	15,525
Amounts used	(3,085)	(19)	(3,104)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(461)	(6,496)	(6,957)
Balance at the end of the financial year	7,838	19,164	27,002

2021			
Balance at beginning of the financial year	7,892	10,795	18,687
Additional provisions	3,351	3,342	6,693
Amounts used	(2,814)	(34)	(2,848)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(139)	(855)	(994)
Balance at the end of the financial year	8,290	13,248	21,538

	2022 \$'000	2021 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,206	2,269
Long service leave	678	676
	2,884	2,945
Current provisions expected to be wholly settled after 12 months		
Annual leave	671	694
Long service leave	3,620	3,894
	4,291	4,588
Total current employee provisions	7,175	7,533
Non-current		
Long service leave	663	757
Total non-current employee provisions	663	757
Aggregate carrying amount of employee provisions:		
Current	7,175	7,533
Non-current	663	757
Total aggregate carrying amount of employee provisions	7,838	8,290

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	3.693%	1.490%
- inflation rate	1.750%	2.250%

(b) Landfill rehabilitation provision

Current	3,263	2,813
Non-current	15,901	10,435
Total Landfill rehabilitation provision	19,164	13,248

Council is obligated to restore the Anglesea 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 (weighted average)	3.448%	1.156%
- inflation rate	6.556%	2.046%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at the end of the financial year:

	2022 \$'000	2021 \$'000
Bank overdraft	2,300	2,300
Credit card facilities	100	100
Other facilities - Bank Loans	16,871	19,021
Total facilities	19,271	21,421
Used facilities	(16,891)	(19,033)
Unused facilities	2,380	2,388

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2022					
Operating					
Waste management	5,256	5,335	16,652	15,355	42,598
Consultancies	82	-	-	-	82
Other	1,117	73	85	-	1,275
Total	6,455	5,408	16,737	15,355	43,955
Capital					
Construction	2,719	-	-	-	2,719
Consultancies	1,805	-	-	-	1,805
Waste management	121	-	-	-	121
Other	602	-	-	-	602
Total	5,247	-	-	-	5,247
2021					
Operating					
Waste management	3,876	1,164	-	-	5,040
Consultancies	146	-	-	-	146
Other	1,155	1,007	97	-	2,259
Total	5,177	2,171	97	-	7,445
Capital					
Construction	2,928	-	-	-	2,928
Consultancies	103	-	-	-	103
Waste management	7	-	-	-	7
Other	1,328	-	-	-	1,328
Total	4,366	-	-	-	4,366

(b) Operating lease receivables

Operating lease receivables

Future undiscounted minimum rentals receivable under non-cancellable operating leases of Council property are as follows:

	2022 \$'000	2021 \$'000
Not later than one year	121	94
Later than one year and not later than five years	316	313
Later than five years	322	383
	759	790

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; and
- 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 lease liability.

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

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

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

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

Right-of-Use Assets

	Fleet \$'000	Property \$'000	Waste \$'000	Total \$'000
Balance at 1 July 2021	194	247	-	441
Additions	129	376	92	597
Disposals	-	-	-	-
Amortisation charge	(179)	(177)	(36)	(392)
Balance at 30 June 2022	144	446	56	646

Lease Liabilities

	2022 \$'000	2021 \$'000
Maturity analysis - contractual undiscounted cash		
Less than one year	281	242
One to five years	370	191
More than five years	20	44
Total undiscounted lease liabilities as at 30 June:	671	477

Lease liabilities included in the Balance Sheet at 30 June:

Current	269	230
Non-current	370	210
Total lease liabilities	639	440

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 \$5,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022 \$'000	2021 \$'000
Expenses relating to:		
Short-term leases	112	19
Leases of low value assets	236	289
Total	348	308

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	254	245
Later than one year but not later than five years	155	245
Total lease commitments	409	490

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 1 July 2021 \$'000	Additions \$'000	Contributions \$'000	Found \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2022 \$'000
Property	311,213	4,675	1,986	24	116,184	(4,101)	-	(624)	1,988	431,345
Plant and equipment	5,287	2,062	13	-	-	(1,641)	(92)	(100)	571	6,100
Infrastructure	507,406	6,277	9,302	1,327	23,102	(12,457)	-	(2,057)	1,679	534,579
Work in progress	5,457	4,421	-	-	-	-	-	(102)	(4,238)	5,538
	829,363	17,435	11,301	1,351	139,286	(18,199)	(92)	(2,883)	-	977,562

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,426	2,265	(32)	(2,175)	2,484
Plant and equipment	1,158	233	(53)	(571)	767
Infrastructure	1,873	1,923	(17)	(1,492)	2,287
Total	5,457	4,421	(102)	(4,238)	5,538

Notes to the Financial Report
For the Year Ended 30 June 2022

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land Under Roads \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Total Property excl WIP \$'000	Work in progress \$'000	Total Property \$'000
At fair value 1 July 2021	167,599	4,994	56,594	229,187	113,740	13,476	127,216	356,403	2,426	358,829
Accumulated depreciation at 1 July 2021	-	-	-	-	(39,646)	(5,544)	(45,190)	(45,190)	-	(45,190)
	167,599	4,994	56,594	229,187	74,094	7,932	82,026	311,213	2,426	313,639
Recognition of previously unrecognised assets	-	-	24	24	-	-	-	24	-	24
	167,599	4,994	56,618	229,211	74,094	7,932	82,026	311,237	2,426	313,663
Movements in fair value										
Additions	-	-	-	-	4,508	167	4,675	4,675	2,265	6,940
Contributions	1,657	-	168	1,825	161	-	161	1,986	-	1,986
Revaluation	74,883	1,777	28,233	104,893	15,849	1,054	16,903	121,796	-	121,796
Write-off	-	-	(156)	(156)	(977)	-	(977)	(1,133)	(32)	(1,165)
Transfers	-	-	-	-	1,976	12	1,988	1,988	(2,175)	(187)
	76,540	1,777	28,245	106,562	21,517	1,233	22,750	129,312	58	129,370
Movements in accumulated depreciation										
Depreciation	-	-	-	-	(3,676)	(425)	(4,101)	(4,101)	-	(4,101)
Accumulated depreciation of write offs	-	-	-	-	509	-	509	509	-	509
Revaluation	-	-	-	-	(5,005)	(607)	(5,612)	(5,612)	-	(5,612)
	-	-	-	-	(8,172)	(1,032)	(9,204)	(9,204)	-	(9,204)
At fair value 30 June 2022	244,139	6,771	84,863	335,773	135,257	14,709	149,966	485,739	2,484	488,223
Accumulated depreciation at 30 June 2022	-	-	-	-	(47,818)	(6,576)	(54,394)	(54,394)	-	(54,394)
	244,139	6,771	84,863	335,773	87,439	8,133	95,572	431,345	2,484	433,829

Notes to the Financial Report
For the Year Ended 30 June 2022

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecoms	Total plant and equipment excl WIP	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000		\$'000	\$'000
At fair value 1 July 2021	9,018	1,475	4,158	14,651	1,158	15,809
Accumulated depreciation at 1 July 2021	(4,925)	(1,217)	(3,222)	(9,364)	-	(9,364)
	4,093	258	936	5,287	1,158	6,445
Movements in fair value						
Additions	1,816	-	246	2,062	233	2,295
Contributions	13	-	-	13	-	13
Disposal	(795)	-	-	(795)	-	(795)
Write-off	(11)	-	(956)	(967)	(53)	(1,020)
Transfers	-	-	571	571	(571)	-
	1,023	-	(139)	884	(391)	493
Movements in accumulated depreciation						
Depreciation	(1,029)	(132)	(480)	(1,641)	-	(1,641)
Accumulated depreciation of disposals	703	-	-	703	-	703
Accumulated depreciation of write offs	10	-	857	867	-	867
	(316)	(132)	377	(71)	-	(71)
At fair value 30 June 2022	10,041	1,475	4,019	15,535	767	16,302
Accumulated depreciation at 30 June 2022	(5,241)	(1,349)	(2,845)	(9,435)	-	(9,435)
	4,800	126	1,174	6,100	767	6,867

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For the Year Ended 30 June 2022

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage and sewerage	Recreational, leisure and community	Parks open spaces and streetscapes	Off street car parks	Waste Management	Total Infrastructure excl WIP	Work in progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	442,627	5,716	36,127	109,556	37,923	20,410	11,536	7,836	671,731	1,873	673,604
Accumulated depreciation at 1 July 2021	(93,984)	(2,621)	(6,960)	(33,729)	(12,937)	(8,086)	(1,376)	(4,632)	(164,325)	-	(164,325)
	348,643	3,095	29,167	75,827	24,986	12,324	10,160	3,204	507,406	1,873	509,279
Recognition of previously unrecognised assets	34	-	8	1,285	-	-	-	-	1,327	-	1,327
	348,677	3,095	29,175	77,112	24,986	12,324	10,160	3,204	508,733	1,873	510,606
Movements in fair value											
Additions	3,444	-	312	460	905	919	237	-	6,277	1,923	8,200
Contributions	2,389	-	607	11,470	28	152	9	-	14,655	-	14,655
Revaluation	-	-	16,950	17,014	-	-	-	-	33,964	-	33,964
Write-off	(3,059)	-	(70)	(197)	(474)	(112)	(20)	-	(3,932)	(17)	(3,949)
Transfers	878	-	10	98	192	434	66	-	1,678	(1,492)	186
	3,652	-	17,809	28,845	651	1,393	292	-	52,642	414	53,056
Movements in accumulated depreciation											
Depreciation	(5,814)	(78)	(611)	(1,732)	(2,272)	(1,191)	(149)	(610)	(12,457)	-	(12,457)
Revaluation	-	-	(3,393)	(7,469)	-	-	-	-	(10,862)	-	(10,862)
Accumulated depreciation of contributions	-	-	-	(5,353)	-	-	-	-	(5,353)	-	(5,353)
Accumulated depreciation of write offs	1,376	-	42	58	333	60	6	-	1,875	-	1,875
Transfers	(1)	-	1	-	-	-	1	-	1	-	1
	(4,439)	(78)	(3,961)	(14,496)	(1,939)	(1,131)	(142)	(610)	(26,796)	-	(26,796)
At fair value 30 June 2022	446,313	5,716	53,944	139,686	38,574	21,803	11,828	7,836	725,700	2,287	727,987
Accumulated depreciation at 30 June 2022	(98,423)	(2,699)	(10,921)	(48,225)	(14,876)	(9,217)	(1,518)	(5,242)	(191,121)	-	(191,121)
	347,890	3,017	43,023	91,461	23,698	12,586	10,310	2,594	534,579	2,287	536,866

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.

Asset recognition thresholds and depreciation periods

		Depreciation Period	Threshold Limit
(a) Property			\$'000
Heritage Buildings		100 - 150 years	5
Buildings - Complex	Structure	100 years	5
	Roof	50 years	5
	Fit Out	25 years	5
	Services	20 years	5
	Pools	3 - 50 years	5
Buildings - Simple		40 years	5
(b) Plant and Equipment			
Plant, machinery and equipment		3 - 20 years	1
Fixtures, fittings and furniture		10 years	1
Computers and telecommunications		3 - 5 years	1
(c) Infrastructure			
Formation		NA	5
Sealed Road Pavements	High Traffic	90 years	5
	Low Traffic	100 years	5
	Concrete	40 years	5
Unsealed Road Pavements	High Traffic	16 years	5
	Low Traffic	20 - 25 years	5
Seals	Spray Seal	15 - 18 years	5
	Asphalt	25 - 30 years	5
Road Shoulders	Unsealed Pavement	50 years	5
Road Kerb and Channel		60 - 70 years	5
Traffic Control Devices		25 - 80 years	5
Bridges and Major Culverts	Other Bridges and Major Culverts	60 - 150 years	5
	Timber Bridges	40 years	5
Footpaths and Cycleways	Concrete	65 years	5
	Asphalt	30 years	5
	Brick	50 years	5
	Gravel	20 years	5
Drainage and Sewerage	Drainage	80 - 100 years	5
	Sewerage	80 years	5
	Septic Tanks	30 years	5
	Wetlands and WSUD	80 years	5
Recreation, leisure and community facilities		10 - 50 years	5
Parks, Open Spaces and streetscapes		10 - 50 years	5
Off Street car parks	Sealed Pavement	100 years	5
	Unsealed Pavement	20 years	5
	Seals	15 - 30 years	5
Waste Management		Units of Use	5
Leased Assets	Fleet	3 - 4 years	5
	Land	3 - 45 years	5
	Buildings	3 years	5
	Waste	3 years	5

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer, Opteon as at 30 June 2021 and indexed (based on Opteon provided indices) as at 30 June 2022, due to fair value increases. The valuation of land 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.

Valuation of Building assets has been determined in accordance with a valuation undertaken by independent valuers, Opteon (non-specialised buildings) and Preston Rowe Paterson (heritage buildings) and componentised costs by Rawlinson's as at 31 December 2021.

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

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land	-	6,771	-	30/06/2022
Specialised land	-	-	244,139	30/06/2022
Land Under Roads			84,863	30/06/2022
Buildings	-	8,133	87,439	31/12/2021
Total	-	14,904	416,441	

Valuation of infrastructure

Valuation of Road and Offstreet Car Park assets has been determined in accordance with a valuation undertaken by independent valuer, Pavement Management Services and Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 1 July 2019. Valuations of Bridge assets has been determined in accordance with a valuation undertaken by independent valuer Pitt and Sherry and Council's Manager Assets and Engineering, Mr John Bertoldi BE (Civil) as at 1 July 2019. Valuation of footpath assets has been determined in accordance with a valuation undertaken by Infrastructure Management Group as at 31 December 2020. Due to increasing costs for footpaths, the fair value of Footpaths and Cycleways was also revalued as at 30 June 2022. Valuation of Recreation and Parks and Open Space has been determined in accordance with a valuation undertaken by Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 31 December 2020. Valuation of Drainage has been determined in accordance with a valuation undertaken by Water Insites and Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 1 July 2021.

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

The valuation is at fair value based on current 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 2022 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	347,890	1/07/2019
Bridges	-	-	3,017	1/07/2019
Footpaths and cycleways	-	-	43,023	30/06/2022
Drainage and sewerage	-	-	91,461	1/07/2021
Recreational, leisure and community facilities	-	-	23,698	31/12/2020
Parks, open space and streetscapes	-	-	12,586	31/12/2020
Off street car parks	-	-	10,310	1/07/2019
Waste management	-	-	2,594	30/06/2019
Total	-	-	534,579	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% 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 \$0.56 and \$2,677.95 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$322 to \$6,417.75 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 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 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 10 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.

	2022 \$'000	2021 \$'000
Reconciliation of specialised land		
Parks and reserves	207,624	141,427
Public use	32,147	22,839
Waste	877	647
Car Parks	3,491	2,686
Total specialised land	244,139	167,599

6.2 Investments in associates	2022	2021
	\$'000	\$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Geelong Regional Library Corporation	275	291
Geelong Regional Library Corporation		
<i>Background</i>		
The Geelong Regional Library Corporation (GRLC) was formed under the provisions of sections 196 and 197 of the Local Government Act, 1989 on 4 March 1997 to provide library services within the local government areas of: Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire, Colac Otway Shire and Surf Coast Shire. Council holds 2.66% (2021 2.79%) of equity in the corporation. Council has one director on the Board of seven. Council has the ability to influence rather than control its operations.		
Fair value of Council's investment in Geelong Regional Library Corporation	275	291
Council's share of accumulated surplus		
Council's share of accumulated surplus at the start of the year	291	538
Council's share of accumulated deficit for the year	(16)	(247)
Council's share of accumulated surplus at the end of year	275	291
Movement in carrying value of specific investment		
Carrying value of investment at start of year	291	538
Share of accumulated deficit for the year	(16)	(247)
Carrying value of investment at end of year	275	291

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.

(b) Community Asset Committees

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as community asset committees, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. The following Community Asset Committees are not included in this financial report as their aggregate income is immaterial and they prepare their own financial reports separately :

- Deans Marsh Community Hall and Memorial Park
- Stribling Reserve
- Anderson Roadknight Reserve
- Eastern Reserve
- Modewarre Reserve
- Connewarre Reserve
- Globe Theatre
- Anglesea Bike Park

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

Surf Coast Shire is the parent entity.

Associates

Interests in associates are detailed in Note 6.2.

(b) Key management personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Surf Coast Shire. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Councillors

Councillor Libby Stapleton - Mayor
Councillor Liz Pattison - Deputy Mayor
Councillor Gary Allen
Councillor Paul Barker - (01/07/2021 to 31/03/22 and 01/06/22 to 30/06/22)
Councillor Mike Bodsworth
Councillor Kate Gazzard
Councillor Rose Hodge
Councillor Adrian Schonfelder
Councillor Heather Wellington

Key management personnel

Chief Executive Officer

General Manager Governance & Infrastructure - (01/07/21 to 30/01/22)
replaced by: General Manager Strategy & Effectiveness - (31/01/22 to current)

General Manager Culture & Community - (01/07/21 to 30/01/22)
replaced by: General Manager Community Life - (31/01/22 to current)

General Manager Placemaking & Environment - (31/01/22 to current)

General Manager Environment & Development - (01/07/21 to 30/01/22)

	2022	2021
	No.	No.
Total number of Councillors	9	16
Total of Chief Executive Officer and other key management personnel	5	4
Total number of key management personnel	14	20

(c) Remuneration of key management personnel

	2022	2021
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,330	1,210
Post-employment benefits	99	86
Long-term benefits	24	22
Termination benefits	62	-
Total	1,515	1,317

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

\$10,000 - \$19,999	-	13
\$20,000 - \$29,999	6	1
\$30,000 - \$39,999	2	-
\$50,000 - \$59,999	-	2
\$100,000 - \$109,999	2	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	2	1
\$310,000 - \$319,999	-	1
\$350,000 - \$359,999	1	-
	14	20

(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:

	2022 No.	2021 No.
Income Range:		
Less than \$151,000	1	-
\$151,000 - \$159,999	5	6
\$160,000 - \$169,999	6	5
\$170,000 - \$179,999	2	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	1	-
	17	11
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,860	1,752

The above remuneration amount includes redundancy payments in 2022.

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following arms length transactions with related parties:

Contributions are paid by the Surf Coast Shire Council to the Geelong Regional Library Corporation. Please refer to details in Note 6.2

Contributions paid to G21 - Geelong Region Alliance Ltd

Contributions paid to Great Ocean Road Regional Tourism Ltd

Employee expenses includes a staff member who is a related party of a member of Key Management Personnel.

The employee does not report to the KMP and was paid in accordance with the Surf Coast Shire Enterprise Agreement at the standard rate for the job they performed.

Fees for the use of Council facilities

	2022 \$'000	2021 \$'000
Contributions are paid by the Surf Coast Shire Council to the Geelong Regional Library Corporation. Please refer to details in Note 6.2	806	793
Contributions paid to G21 - Geelong Region Alliance Ltd	80	71
Contributions paid to Great Ocean Road Regional Tourism Ltd	155	232
Employee expenses includes a staff member who is a related party of a member of Key Management Personnel.	-	95
The employee does not report to the KMP and was paid in accordance with the Surf Coast Shire Enterprise Agreement at the standard rate for the job they performed.	-	-
Fees for the use of Council facilities	5	14

All of the above transactions were at arms length and in the normal course of Council business

(b) Outstanding balances with related parties

There are no balances outstanding at the end of the reporting period in relation to transactions with related parties.

(c) Loans to/from related parties

There are 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

There are no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

Note 8 Managing uncertainties

8.1 Contingent liabilities

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.

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

(a) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council operates a landfill at Anglesea. Council will have to carry out site rehabilitation works in the future. At balance date Council provided a Bank Guarantee to State of Victoria - Environment Protection Authority. The guarantee provides financial assurance up to \$545,000 for remedial action as defined in section 3.1 EPA Publication 777 Determination of financial assurance for Landfills, September 2001.

MAV Liability Mutual Insurance Scheme

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

(b) Guarantees to other entities

Council has provided contract performance guarantees. The details and extent of Council exposure at the reporting date are as follows:

	2022 \$'000	2021 \$'000
Contract Performance:		
Department of Minerals and Energy	20	20
Department of Energy and Resources	50	50
	<u>70</u>	<u>70</u>

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

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

8.2 Change in accounting standards

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council 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.

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

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

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

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

(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 has 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 and receivables from sporting clubs and associations. To help manage this risk:

- Council may require collateral where appropriate; and
- Council only invests 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 Council's financial assets is minimal because the main class of debtors is secured by a charge over the rateable properties.

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 provides 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:

- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(b), 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 + 2.25% and - 0.00% in market interest rates (AUD) from year-end rates of 0.85%.

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.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2022			
Property			
Land	120,741	76,660	197,401
Land under roads	2,441	28,233	30,674
Buildings	29,449	11,291	40,740
	<u>152,631</u>	<u>116,184</u>	<u>268,815</u>
Infrastructure			
Furniture and equipment	32	-	32
Roads	114,685	-	114,685
Bridges	1,893	-	1,893
Footpaths and cycleways	12,217	13,557	25,774
Drainage and sewerage	29,762	9,545	39,307
Recreational, leisure and community facilities	18,152	-	18,152
Parks, open space and streetscapes	2,238	-	2,238
Offstreet car parks	1,712	-	1,712
Intangibles			
Waste Air Space	9,624	3,575	13,199
	<u>190,315</u>	<u>26,677</u>	<u>216,992</u>
Total asset revaluation reserves	<u>342,946</u>	<u>142,861</u>	<u>485,807</u>
2021			
Property			
Land	108,321	12,420	120,741
Land under roads	-	2,441	2,441
Buildings	29,449	-	29,449
	<u>137,770</u>	<u>14,861</u>	<u>152,631</u>
Infrastructure			
Furniture and equipment	32	-	32
Roads	114,685	-	114,685
Bridges	1,893	-	1,893
Footpaths and cycleways	9,988	2,229	12,217
Drainage and sewerage	29,762	-	29,762
Recreational, leisure and community facilities	7,871	10,281	18,152
Parks, open space and streetscapes	2,371	(133)	2,238
Offstreet car parks	1,712	-	1,712
Intangibles			
Waste Air Space	10,602	(978)	9,624
	<u>178,916</u>	<u>11,399</u>	<u>190,315</u>
Total asset revaluation reserves	<u>316,686</u>	<u>26,260</u>	<u>342,946</u>

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

Notes to the Financial Report
For the Year Ended 30 June 2022

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2022				
Open space	2,993	458	(150)	3,301
Main drainage	210	-	-	210
Developer contributions	378	37	(95)	320
Airey's Inlet aged care units	324	6	-	330
Waste	9,518	56	(1,572)	8,002
Gravel pits	2,515	-	(1,180)	1,335
Defined benefits superannuation	1,174	50	-	1,224
Carried forward capital works	25,240	25,835	(25,240)	25,835
Carried forward operational projects	2,439	2,101	(2,439)	2,101
Adopted strategy implementation	5,009	3,873	(2,977)	5,905
Asset renewal	2,701	11,239	(11,760)	2,180
Torquay Jan Juc Developer Contributions	3,908	4,594	(1,220)	7,282
Winchelsea infrastructure plan	1,087	219	(30)	1,276
Annual Leave Cash Reserve	326	-	-	326
Accumulated unallocated cash	3,493	1,586	(715)	4,364
Total other reserves	61,315	50,054	(47,378)	63,991
2021				
Open space	2,496	1,015	(518)	2,993
Main drainage	210	-	-	210
Developer contributions	690	5	(317)	378
Airey's Inlet aged care units	312	12	-	324
Waste	9,470	3,319	(3,271)	9,518
Gravel pits	2,650	190	(325)	2,515
Defined benefits superannuation	1,124	50	-	1,174
Carried forward capital works	18,281	25,240	(18,281)	25,240
Carried forward operational projects	4,151	2,439	(4,151)	2,439
Adopted strategy implementation	5,876	2,541	(3,408)	5,009
Asset renewal	2,362	9,656	(9,317)	2,701
Torquay Jan Juc Developer Contributions	4,908	3,398	(4,398)	3,908
Winchelsea infrastructure plan	870	217	-	1,087
Annual Leave Cash Reserve	-	326	-	326
Accumulated unallocated cash	2,435	1,472	(414)	3,493
Total other reserves	55,835	49,880	(44,400)	61,315

(b) Other reserves (cont.)

Councils allocated reserves contain funds that have been resolved by Council to be used in a particular manner or an obligation by either an Act or contractual agreement that limits the use of the funds.

Reserve	Purpose
Open Space reserve	To provide improved recreational facilities for the Surf Coast Shire, both of an active and passive nature. Council has an obligation to hold these funds under the Subdivision Act 1988.
Main drainage reserve	To hold developer contributions for main drainage works at a later point than the initial development. They are tied to works within the catchment area from which funds were derived. Council has an obligation to hold these funds under the Planning and Environment Act 1987
Developer contributions reserve	To hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for infrastructure (footpaths, fencing, streetscapes etc.) where it is deemed that these works should occur at a later point than the initial development. Funds collected are specifically identified for projects via s173 agreement.
Airey's Inlet units reserve	The funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet. Council has an obligation to hold these funds under the Housing Act 1983.
Waste reserve	To ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget.
Gravel pits reserve	To provide funding for road improvements for Council roads.
Defined benefits reserve	To reserve funds for future Defined Benefits Superannuation funding calls arising from shortfalls in the Local Government Defined Superannuation Benefits Fund.
Carried forward capital works reserve	To act as a mechanism to carry over funding for capital works that are still in progress at year end.
Carried forward operational projects reserve	To act as a mechanism to carry over funding for new initiatives that are still in progress at year end.
Adopted strategy reserve	To provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.
Asset renewal reserve	To provide funding based on the Asset Renewal Funding Strategy.
Torquay Jan Juc Developer Contributions reserve	All funds in relation to the Torquay/Jan Juc Developer Plan, including Council contributions.
Winchelsea infrastructure plan reserve	To provide Council allocated funding based on the Winchelsea Infrastructure needs.
Annual Leave Cash Reserve	To provide a cash reserve for material amounts of employee annual leave accrued during the financial year to be taken in a future period.
Accumulated unallocated cash reserve	To separately identify Council's Cash that has not been allocated and is available to allocate.

	2022 \$'000	2021 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	4,670	12,966
Depreciation	18,199	15,956
Amortisation - intangibles	4,040	3,329
Amortisation - right of use	392	516
Net gain on disposal of property, infrastructure, plant and equipment	(337)	(193)
Assets Written off	2,885	2,430
Found Assets	(1,351)	(701)
Finance costs	371	406
Finance costs - leases	18	25
Contributions - Non-monetary assets	(11,301)	(9,128)
Share of net profits of Geelong Regional Library Corporation	16	247
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(57)	1,273
(Increase)/decrease in prepayments	59	(239)
(Increase)/decrease in accrued income	(124)	146
(Increase)/decrease in inventories	181	(3)
Decrease in trade and other payables	(798)	(558)
Increase in unearned income	7,566	11,603
Increase in provisions	5,464	2,851
Decrease in trust funds and deposits	(3,470)	(1,023)
Net cash provided by operating activities	26,423	39,903

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10% as required under Superannuation Guarantee (SG) legislation (2021 : 9.5%)).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Surf Coast Shire 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.

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

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

Net investment returns 4.75% pa
Salary information 2.75% pa
Price inflation (CPI) 2.25% pa.

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

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

Net investment returns 5.5% pa
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI) 3.0% pa.

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

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

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

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

The 2021 interim actuarial investigation surplus amounts

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

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

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

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

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

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

Council was notified of the 30 June 2021 VBI during August 2021.

The 2022 interim actuarial investigation

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

Superannuation Contributions

Refer to note 4.1 for details of Council's superannuation contributions.

10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council

Performance Statement

For the year ended 30 June 2022

Description of municipality

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and covers 1,560 square kilometres. Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

Residents enjoy a high-quality lifestyle combining coastal, bushland and rural elements across ten distinct townships: Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 36,278 in 2022.

Page numbering restarts for this section.

Sustainable Capacity Indicators

For the year ended 30 June 2022

		Results				Comment
Indicator / measure [formula]		2019	2020	2021	2022	
C1	Population <i>Expenses per head of municipal population</i>					While the total population of Surf Coast grew by 1507 residents (4.3%), expenses increased by 13% driven by increases in landfill rehabilitation future expense, waste and depreciation.
	[Total expenses / Municipal population]	\$2,525.44	\$2,612.92	\$2,496.25	\$2,703.76	
C2	<i>Infrastructure per head of municipal population</i>					
	[Value of infrastructure / Municipal population]	\$18,017.77	\$17,229.50	\$17,260.82	\$17,690.86	
C3	<i>Population density per length of road</i>					
	[Municipal population / Kilometres of local roads]	30.04	31.17	32.12	33.49	
C4	Own-source revenue <i>Own-source revenue per head of municipal population</i>					Own source revenue saw an increase compared to the prior year driven by fees and charges moving back to more normal levels.
	[Own-source revenue / Municipal population]	\$1,980.93	\$1,982.51	\$1,878.23	\$1,944.35	
C5	Recurrent grants <i>Recurrent grants per head of municipal population</i>					Council received 75% of the grants commission funding early instead of 50% as in prior years.
	[Recurrent grants / Municipal population]	\$245.76	\$288.26	\$244.05	\$282.71	
C6	Disadvantage <i>Relative Socio-Economic Disadvantage</i>					
	[Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	
C7	Workforce turnover <i>Percentage of staff turnover</i>					The staff turnover rate increased by 22% in 2021-22 with 71 resignations compared to 60 the previous year. The increase in resignations is indicative of an improving employment market and levelling out of suppressed employment market during COVID-19.
	[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.9%	10.2%	14.5%	17.7%	

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 Performance Indicators

For the year ended 30 June 2022

Results					
Service/ <i>indicator</i> /measure [formula]	2019	2020	2021	2022	Comment
Aquatic Facilities Utilisation AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.30	0.19	0.14	0.21	Utilisation is trending back to pre-Covid levels.
Animal Management Health and safety AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0%	0%	0%	There were no animal management prosecutions during 2021-22.
Food Safety Health and safety FS4 <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] x100	95.00%	100.00%	100.00%	100.00%	All critical and major non-compliances identified during the year were followed up in the same period.
Governance Satisfaction G5 <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]	54	55	54	54	We have maintained our 2020-21 result of 54 in 2021-22. Surf Coast was rated significantly higher than the large-rural group councils but rated the same as the state-wide average.
Libraries Participation LB4 <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	18.78%	18.19%	16.49%	14.81%	<p>Whilst all Geelong Regional Library Corporation (GRLC) branches experienced closures at different times during the year due to Covid, loans of physical collection items were enabled through a click and collect service that was offered to all members during closure periods. A click and deliver service was also offered to vulnerable members and loans of digital collection items remained available throughout the closure periods.</p> <p>Note: The definition for this indicator was changed in 2019-20 and cannot be compared against the result from previous years. The indicator now represents Active Library Borrowers as an average of the past three financial years. The indicator measures activity as loans of library collection items. It does not capture other library activity such as children and youth programs, digital literacy programs and literary events, the use of public internet computers, using facilities such as meeting rooms or study areas, or using services such as Wi-Fi, or in library use of collections.</p>

Service Performance Indicators

For the year ended 30 June 2022

		Results				
Service/indicator/measure [formula]		2019	2020	2021	2022	Comment
Maternal and Child Health (MCH)						
MC4	Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.70%	76.74%	77.86%	76.13%	Participation in the maternal and child health service is voluntary and some families choose to engage with other services. To promote participation we send regular reminders for missed appointments. Further, older children enrolled in the service do not require a Key Age and Stage (KAS) visit every year.
	Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	90.91%	85.71%	85.19%	82.93%	This participation rate is skewed by the small size of Surf Coast Shire's Aboriginal population, with some families choosing to engage with Wathaurong Aboriginal Co-Operative for their health care. Furthermore, older children enrolled in the service do not require a Key Age and Stage (KAS) visit every year. While percentage of participation has slightly decreased, enrolment and participation numbers have actually increased.
Roads						
R5	Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	60	58	63	60	Our 2021-22 result is three points lower than the previous financial year. However, it is rated significantly higher than both the large rural group and state-wide averages (45 and 53 respectively).
	Statutory Planning					
SP4	Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	46.15%	80.00%	68.75%	86.96%	This increase can be understood as a result of more resourcing and experience in considering previous VCAT decisions.
	Waste Collection					
WC5	Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.97%	48.99%	64.25%	71.12%	The amount of waste that is being diverted from landfill has increased, driven by Council's 4-bin kerbside system which includes a weekly food and garden organics collection, along with fortnightly recycling collections and monthly glass collections. Our contamination rates are also some of the lowest in the region, with less than 1% contamination in our organics and glass-only bins.

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

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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 authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2022

	Results				Forecasts				
Dimension/ <i>indicator/</i> measure	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations and Comments
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	42.99%	46.74%	43.29%	44.86%	28.75%	24.86%	21.48%	17.48%	The reduction in the forecast ratios is driven by non-current liability Landfill Provision being budgeted at lower levels due to timing of landfill works and the 2022 actual increase to the landfill provision of \$5.9m due to changes to the indexation and discount rates.
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	67.02%	75.81%	67.31%	98.54%	92.38%	64.64%	73.33%	The asset renewal and upgrade figures remained constant year on year, however depreciation jumped 14% from the 2020-21 year largely driven by revaluation increases. Forecasting for depreciation over the coming 2 years is expected to slow with only a 3% increase collectively.
[Asset renewal and asset upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-9.88%	-8.98%	-9.50%	-14.84%	-10.18%	-6.53%	-6.76%	-6.93%	This ratio falls within the expected range. The increased deficit in this ratio compared to the prior year is mainly driven by an increase to future landfill rehabilitation costs, waste costs in relation to Food Organics & Garden Organics and Royalties; and depreciation expense.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	70.54%	68.44%	71.67%	69.31%	71.85%	71.96%	72.17%	69.63%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.29%	0.28%	0.25%	0.19%	0.20%	0.20%	0.21%	0.21%	This ratio has reduced compared to the prior year due to a 38% increase in valuations.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

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

Retired indicators		Results	
Service / indicator / measure		2019	Comment
AM4	Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	This measure was replaced by <i>Animal management prosecutions (%)</i> for 2020.
E1	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$2,056.67	This measure was replaced by <i>Average rate per property assessment</i> for 2020.
O1	Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	43.44%	This measure was replaced by <i>Asset renewal and upgrade compared to depreciation</i> for 2020.

Other Information

For the year ended 30 June 2022

1. Basis of preparation

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

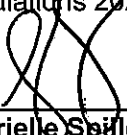
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

The forecast figures included in the performance statement are derived from Council's 2022-23 Budget Report adopted by Council on 28 June 2022. The 2022-23 Budget Report includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The 2022-23 Budget Report is available on Council's website www.surfcoast.vic.gov.au.

Certification of the Performance Statement

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



Gabrielle Spiller CPA
Principal Accounting Officer
Dated: 27 September 2022

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

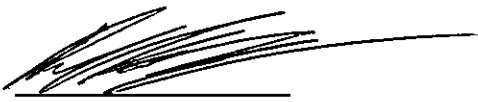
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

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



Cr Libby Stapleton
Mayor
Dated: 27 September 2022



Cr Paul Barker
Councillor
Dated: 27 September 2022



Chris Pike
Acting Chief Executive Officer
Dated: 27 September 2022

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

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

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
4 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria



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Wadawurrung Country