

Surf Coast Shire Council

Annual Report 2022-23



tree planting, treekey

surfcoast.vic.gov.au







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.

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Report overview

About our annual report

The Surf Coast Shire Council Annual Report 2022-23 tells the story of the 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 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 delivered 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 2022-23.

How to read this report

Our annual report is divided into six sections:

Report overview

This section provides context, a snapshot of the shire and provides an overview of the year.

Our performance in summary

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.

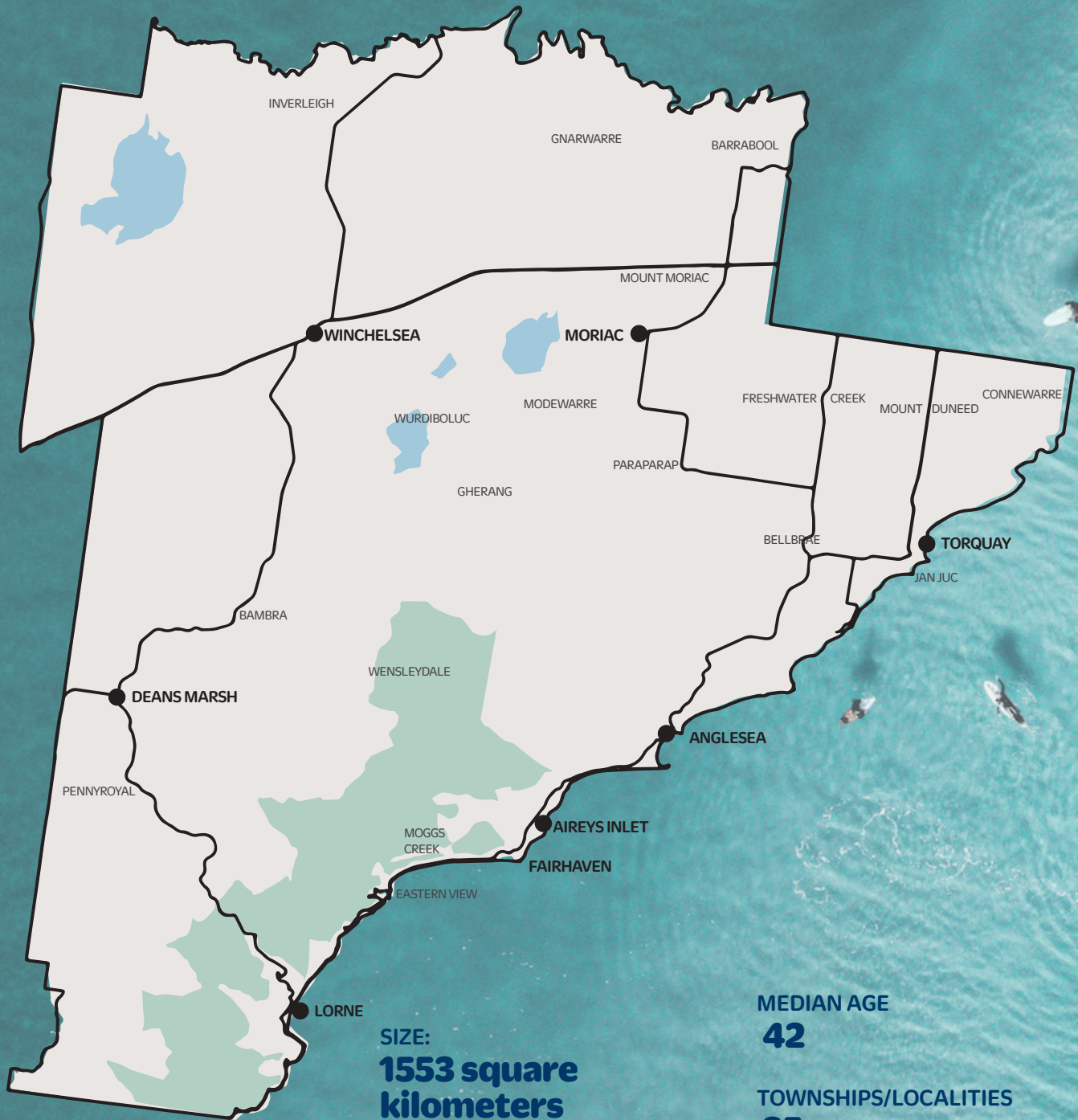
Our governance

This section outlines our legislative obligations and details our 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).

Surf Coast Shire snapshot



SIZE:
1553 square kilometers

POPULATION:
37,694
(2021 census) – 39,788 (forecast for 2023 via Remplan)

PROJECTED POPULATION 2033
49,774
(via Remplan)

GROWTH RATE P/A
3.8%

MEDIAN AGE
42

TOWNSHIPS/LOCALITIES
35

NUMBER OF DWELLINGS
19,525
(2021 census) – 21,754 (forecast for 2023 via Remplan)

EMPLOYMENT
12,576 jobs

BUSINESSES
15,420
(via Remplan)

Fast facts

7,904



HOURS OF SERVICE MATERNAL
CHILD HEALTH NURSES

3880



BIRTH
NOTIFICATIONS
RECEIVED



134

ANIMALS COLLECTED

298



FOOD SAFETY
ASSESSMENTS
CONDUCTED



168 RESOLUTIONS
AT COUNCIL
MEETINGS

5,631

ACTIVE LIBRARY
BORROWERS



237,1811



KERBSIDE GARBAGE BIN LIFTS



1,083.23
km

LENGTH OF LOCAL ROADS
(SEALED AND UNSEALED)

618

PLANNING APPLICATION
DECISIONS MADE



44,011

PHONE
ENQUIRIES
RECEIVED BY
CUSTOMER
SERVICE

About Surf Coast Shire

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

Our shire

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 used for agriculture. The region's natural beauty and easy access make it a popular destination for visitors. The Great Ocean Road is 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 includes the localities of Aireys Inlet, Anglesea, Bamba, Barrabool, Bellbrae, Bells Beach, Benwerrin, Big Hill, Boonah, Buckley, Connewarre, Deans Marsh, Eastern View, Fairhaven, Freshwater Creek, Gherang, Gnarwarre, Jan Juc, Lorne, Modewarre, Moggs Creek, Moriac, Mount Duneed (part), Mount Moriac, Paraparap, Pennyroyal, Torquay, Wensleydale, Winchelsea, Winchelsea South and Wurdiboluc. 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 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 to develop the Council Plan. The engagement program included three phases of community engagement to ensure that the insights of our communities informed the design of an integrated program of work that contributes strongly 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 2025. It describes the goals we have for the four-year term of Council and provides a roadmap for how we will achieve these goals.

The Council Plan contains seven themes that represent the top strategic focus areas for Council during the 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 budget

Council prepares an annual budget that helps meet important demands for services and infrastructure that remain affordable for our community. It outlines the resources that Council requires to achieve the strategic objectives described in the Council Plan.

The Budget Report 2022-23 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 2022-23.

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.





CEO and Mayor's message

The community is at the heart of all that we do at Surf Coast Shire Council.

From climate action to customer requests, road maintenance to recycling, parent groups to planning permits, and everything in between — an annual report is an ideal opportunity to reflect on the 100+ services we provide.

While we're focused on delivering core services, we're proud to see the community take the reins on projects that are so special to them. Bob Pettitt Bike Park in Jan Juc is a perfect example, with the project opening in March thanks to an eager group of locals who helped design the upgrade and worked on the park. It's heartwarming to see the smiles on riders of all ages at the bike park — an innovative partnership between community and Council which we hope to see more of in years to come.

Our community grants program — which supported 55 projects in 2022-23 — is another way we are empowering locals to make a difference, alongside our climate emergency grants for community-led projects to reduce emissions and mobilise community climate action.

These both align with our community vision that “we are an active, diverse community that lives creatively to value, protect and enhance the natural environment and our unique neighbourhoods”.

We know that with a growing population, it's important that each township retains its unique character. We heard this loud and clear at three coastal character workshops, where community members shared what makes their town special.

We also know protecting the natural environment is a priority for our community, which plays an environmental leadership role in various ways. Resource

recovery from kerbside bins was an impressive 73%, as residents continue to embrace our four-bin system. Meanwhile local community conservation has seen 3,500 seedlings planted.

As an organisation, we've maintained our carbon-neutral corporate status and we were pleased to install 316kW of solar and 64kWh of battery storage, bringing us to a total 784kW of solar and 82kWh of battery storage across Council facilities. Our biggest project to-date, the Surf Coast Aquatic and Health Centre, moved towards tender with a strong focus on energy efficiency and an all-electric design.

The affordable accommodation crisis continues nationally. Locally, we're doing what we can to help find solutions. This includes progressing a Tiny Houses on Wheels trial; working with community and national not-for-profit housing provider Housing Choices Australia to develop social and affordable housing at 2 Fraser Drive in Aireys Inlet; and attracting state government funding to develop the Anglesea Community and Health Hub Precinct Plan.

With several buildings in Anglesea's McMillan Street precinct nearing the end of their structural life, the precinct plan enables us to reimagine the purpose and use of this vital hub. We are working with the community and key stakeholders to plan for a sustainable community, health and housing precinct to meet the needs of Anglesea residents, workers and businesses both now and into the future.

Surf Coast Shire is a wonderful place to live, and to visit. We had an enviable events calendar, boosted by two more international sporting events: The Great Ocean Road Beach Volleyfest and World Surf League Bells Beach Longboard Classic. The Classic joins the Rip Curl Pro (RCP) as another world-class event at the iconic surf break. It was fantastic to work with Surfing Victoria to



make the 2023 RCP more inclusive and accessible, with the introduction of sensory-friendly initiatives.

The most moving event of the year was Pilk Purriyn, an important step on our Reconciliation journey. This breakthrough partnership event was held on 26 January, when Wadawurrung Traditional Owners Aboriginal Corporation hosted a dawn truth-telling at Cosy Corner, welcoming about 2,000 people.

Pilk Purriyn means “sunrise” in the language of the Wadawurrung People. The event symbolised the dawning of a new era of understanding and Reconciliation between all people in the community.

Cr Liz Pattison
Mayor

Council was a strong supporter of this event.

Last but not least, we closed 2022-23 in a positive financial position, recording a surplus of \$1.2m and a planned cash surplus of \$2.1m while delivering all the projects and services so important to the community. As we face challenging economic times in a rate-capped environment, the surplus will help maintain Council’s financial sustainability in the years ahead.

Thank you to the dedicated Councillors, knowledgeable Council officers, and passionate community members. To produce 12 months of progress and achievements is a team effort, so a heartfelt thank you to everyone.

Robyn Seymour
Chief Executive Officer

Our performance - an overview

Financial overview

Summary

Surf Coast Shire Council maintained a financially sustainable position in 2022-23. This is evidenced by:

- Cash and investments of \$101.3M clearly allocated for specific purposes (up from \$89.1M last year)
- \$14.7M in borrowings (\$16.9M last year)
- \$101.8M in revenue (\$102.4M last year)
- Income statement surplus of \$1.2M (\$4.7M last year with an additional \$3.7M in assets being handed over from developers)
- Accumulated unallocated cash reserve balance of \$7.2M (\$4.4M last year)

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

Economic or other factors impacting on Council's finances

2022-23 brought several challenges for Council to navigate. Economic challenges in the form of high inflation along with significant storm events were key challenges. However, following the pandemic, community activity, business operations and tourism movements were a welcome return. This return has seen strong retail sales at the Visitor Information Centres and the Australian National Surfing Museum, along with parking infringement revenue. Areas of rising costs include waste services, which continue to rise in the form of EPA rehabilitation requirements and waste processing costs. Part of the processing cost increases are due to the volumes of food organics and garden organics. This is also a good news story as we are diverting products from landfill to recycling.

Council's ability to maintain a healthy financial position during the past financial year was also driven by its ability to deliver on the financial savings target set in the Long-Term Financial Plan.

One benefit of the rising cash rate was Council's ability to obtain favourable returns on investments compared to budget. As we move forward, 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 1.75% for the 2022-23 year in line with the Victorian Government's Fair Go Rates legislation. Rate revenue is vital in meeting the community's needs, both now and into the future. A cap on rates represents a financial constraint to Council, with rates being the largest revenue stream for Council (making up more than 50% of total income), followed by government grants as the second largest revenue stream. Council understands that many residents are experiencing financial pressures in the current economic environment. We encourage people to reach out to us if they are in this position, as we have rates payment plans in place to help support ratepayers.

Being a growth Council brings challenges with maintaining and renewing an ever-increasing asset base. During 2022-23 \$7.6 million of contributed assets were handed to Council from developers in addition to the new assets from the capital works program of \$16.3 million.

Cost shifting from the state and federal government continues to be a drain on Council's resources. Cost shifting occurs where local governments provide a service to the community on behalf of the state or federal government, and over time, the funds received by local government 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 59%. Libraries have also experienced this cost shift to local government over recent decades.

Operating performance

Council has delivered on the services for our community we have planned for in our 2022-23 budget. Council's net surplus result is \$1.2 million which is unfavourable to budget by \$8 million. The major variances to budget are around the legislated transitioning of assets to the Great Ocean Road Coastal and Parks Authority, timing of receipt of grant funding and the increase of \$3.3 million to the landfill provision

due to rehabilitation costs. This will be factored into the planning of Council's waste management budgets during the development of the 2024-25 budget. An explanation of material variances can be found in Note 2.1.1 in the Financial Report included at the end of this annual report.

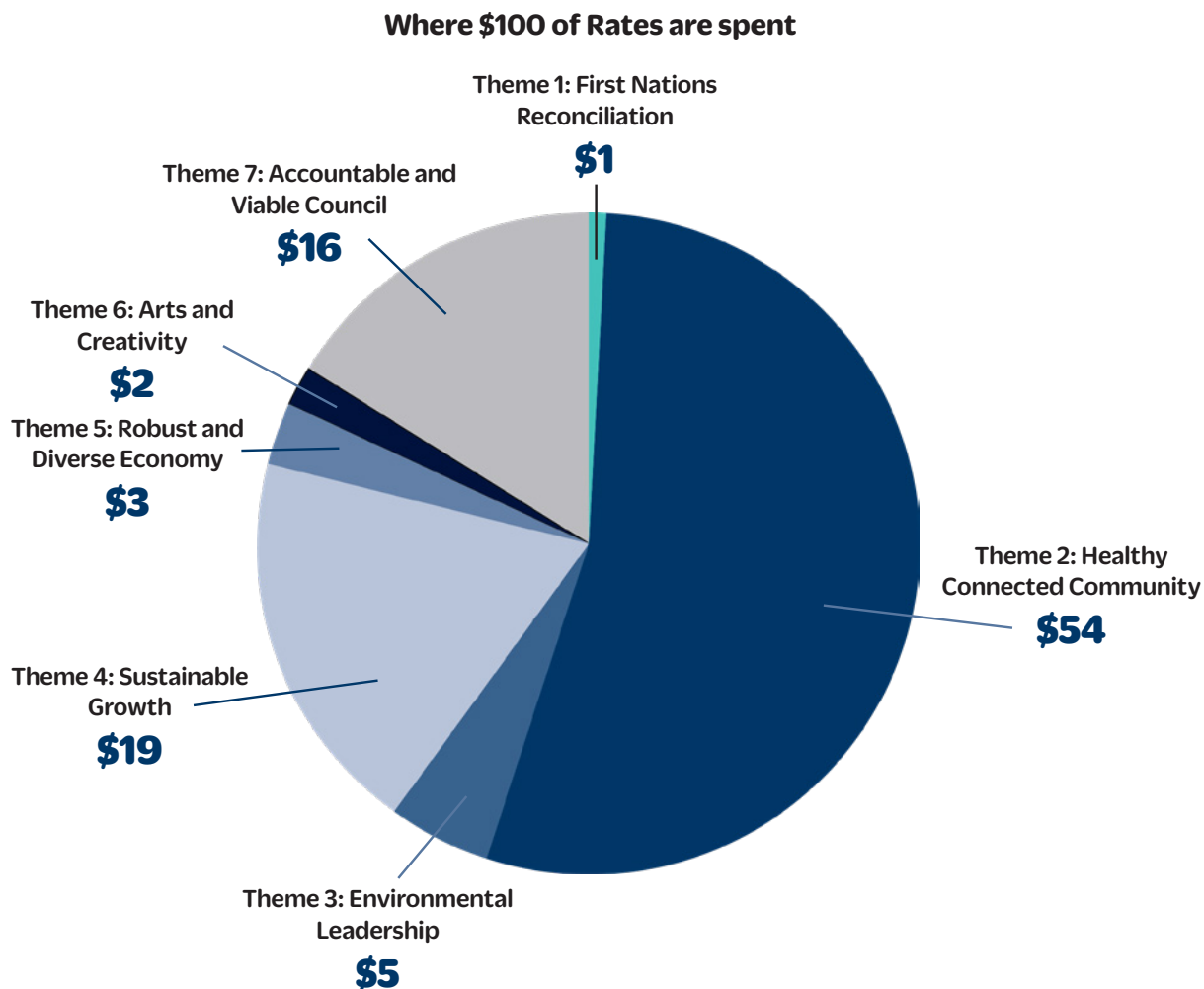
The net surplus is generated to fund non-operating activities, including the provision of new infrastructure and the renewal of existing community assets. The net surplus also includes funds tied to specific purposes, such as our waste and recycling programs, operating projects and non-cash items such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

Table 1: Key results for 2022-23

	Budget \$'000	Actual \$'000	Variance Fav/(unfav) \$'000	% Variance
Revenue	102,822	101,820	(1,002)	(1%)
Expenditure	93,600	100,616	(7,016)	(7%)
Net surplus	9,222	1,204	(8,018)	(87%)
Cash and investments	78,440	101,342	22,902	29%
Borrowings	14,711	14,711	-	-
Net assets	972,145	1,258,627	286,482	29%
Rates and charges revenue	61,487	61,067	(420)	(0.7%)
Capital expenditure	30,553	16,349	14,204	46%
Accumulated unallocated cash	5,649	7,157	1,508	27%

Council remains heavily dependent on rates as its major revenue source, with ratepayers contributing 50% of Council's total income in 2022-23.

Figure 1: How we spent \$100 of rates revenue in 2022-23



Capital expenditure summary

Capitalised expenditure on significant projects in 2022-23 includes:

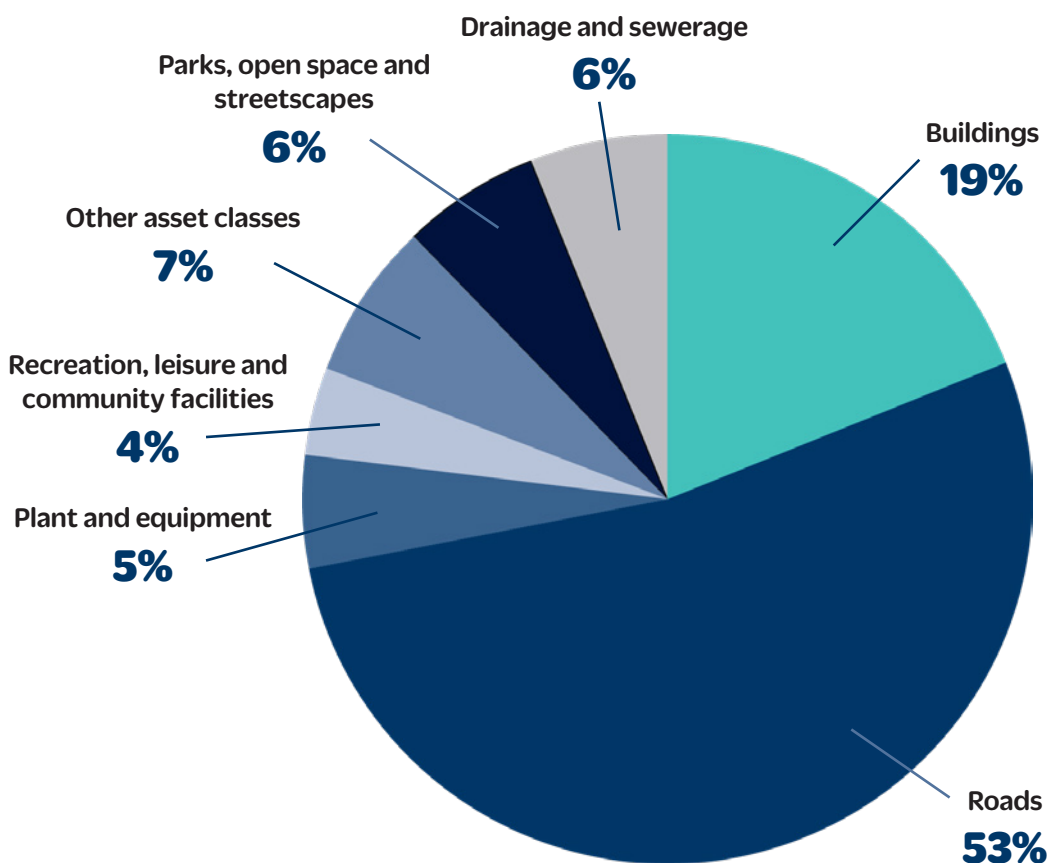
Cape Otway Road East - Considines Road to Hendy Main Road	\$1M
Surf Coast Aquatic and Health Centre project	-\$0.9M
Surf Coast Hwy / Coombes Rd intersection -(RD03)	-\$0.8M
Grays Road upgrade Paraparap	-\$0.7M
Barwon Park Road shoulder widening and reconstruction	-\$0.7M
Torquay town centre pedestrian safety improvements	-\$0.6M
Anglesea Netball Pavilion redevelopment	-\$0.6M
Torquay Scouts facility upgrade	-\$0.5M
Bell St renewal works (Surfcoast Hwy to The Esplanade)	-\$0.4M
Mt Moriac Reserve oval 1 drainage and irrigation upgrade	-\$0.4M
Timber bridge renewal – Lorne Visitor Information Centre and Ron’s Bridge, Moggs Creek	-\$0.4M
Stribling Reserve pavilions redevelopment	-\$0.1M

Table 2: Capital spend by expenditure type 2022-23

Capital Spend Type	Budget (\$'000)	Actual (\$'000)
New assets	12,392	2,674
Renewal of existing assets	11,465	8,748
Expansion of existing assets	129	1,351
Upgrade of existing assets	6,567	3,576
Total	30,553	16,349

The actual capital spend is \$14.2 million under the budgeted spend. Factors effecting the delivery of capital works include supply issues, rescheduling of delivery to align timing with compatible future works and scope review due to cost escalations. Some large capital projects were unable to commence for a number of reasons including finalising the scope, attracting funding to ensure adequate project budget and some tender/procurement processes failing to attract suitable contractors. See Note 2.1.2 in the Financial Statements for further commentary on the budget variances on capital works.

Figure 2: Capital spend by expenditure type 2022-23



Projects to be completed

Significant ongoing capital projects (as at 30 June 2023) that will continue into 2023-24 are listed in Table 3. For all ongoing projects, unspent expenditure or income yet to be received is carried forward to the 2023-24 financial year.

Table 3: Significant ongoing projects with expenditure budgets carried forward into 2023-24

Project (Expenditure Budget Carried Forward)
• Surf Coast Aquatic and Health Centre project - \$38.5M
• Pollocksford Road Bridge - \$3.8M
• Winchelsea Swimming Pool renewal - \$3.7M
• Anglesea Landfill stage 4 rehabilitation - \$3.5M
• Surf Coast Hwy / Coombes Rd intersection - \$2.8M
• Lorne Transfer Station upgrade - \$2M
• Anglesea Landfill stage 3E liner - \$1.1M
• Integrated water management project - Jan Juc daylighting stage 2 - \$0.8M
• Anglesea Netball Pavilion redevelopment - \$0.7M
• Barwon River Loop Walk - stage 2 - \$0.6M

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, whilst lower than the budgeted position of 262%, was a healthy 219%.

Borrowings

No new borrowings occurred in 2022-23. Council continues to maintain a responsible debt level relative to its rate revenue base. Council’s four-year debt strategy is outlined in the 2023-24 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 2023-24 financial year.

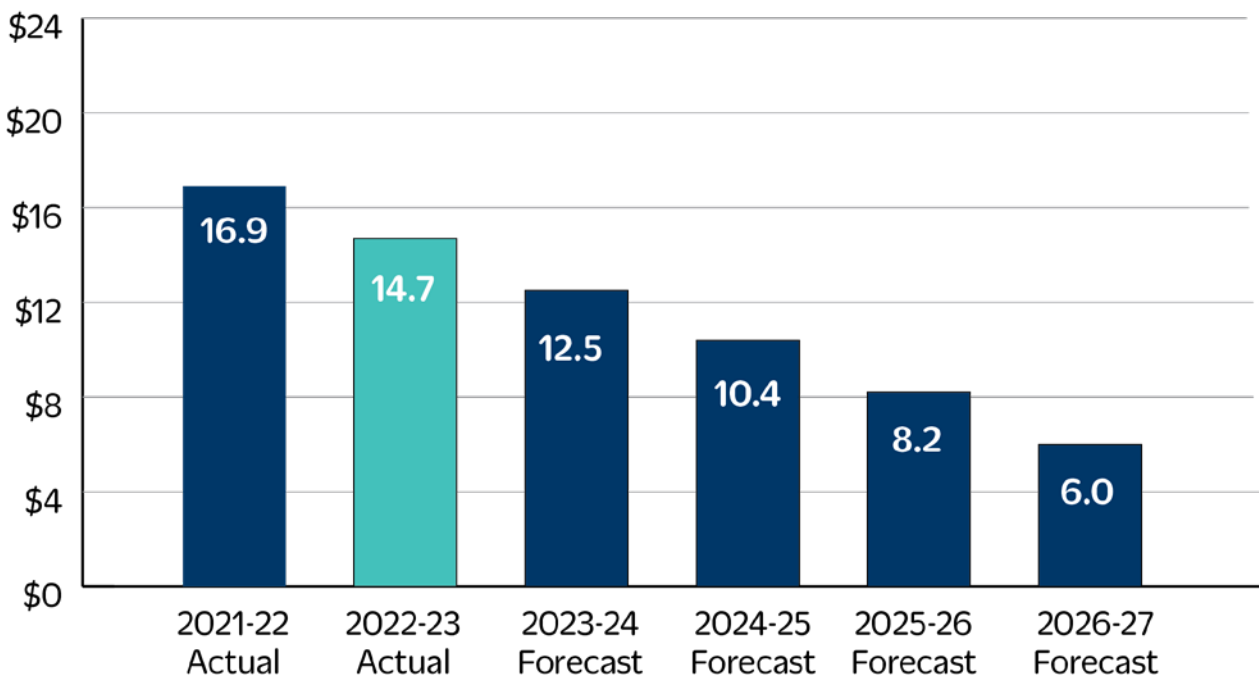


Table 4: Debt ratios

2022-23 Loans and Borrowings Performance Indicator	Budget	Actual
Interest bearing loans and borrowings / rate revenue	23.9%	24.09%
Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4.05%	4.05%

Figure 3: Debt level 2021-22 to 2026-27

Cash position

Council's cash and investment balance of \$101.3 million is presented in Table 5. Council holds cash reserves which contain funds that have been resolved by Council to be used for a specific purpose or an obligation by either legislation or contractual agreement. Of Council's cash and investment balance, \$95 million is allocated to a reserve, see Note 9.1 in the Financial Statements, and the balance represents the trust funds being held by Council on behalf of a third party. The most significant cash reserve balances of \$58.3 million relates to carried forward project works. Other reserves include developer/infrastructure contributions plans, asset renewal and waste reserve.

Table 5: Cash position compared to budget

	Budget (\$'000)	Actual (\$'000)
Cash flows from operating activities	19,974	31,092
Cash flows from investing activities	(17,934)	(30,011)
Cash flows from financing activities	(2,927)	(2,819)
Net increase (decrease) in cash and cash equivalents	(887)	(1,738)
Cash and investments at end of year	78,440	101,342

Cash position as at 30 June 2023

The cash and investments increase of \$22.9 million compared to budget is mainly driven by underspend of capital works \$18.2 million, additional grant funding (project funding and additional early payment of federal assistance grant) of \$11.3 million, partially offset by unfavourable variances for repayment of trust fund monies \$5.8 million and waste disposal fees \$0.4 million.

Performance against the Council Plan

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. 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.

During preparation of the Council Plan, liveability report baselines were developed including collection of neighbourhood care factor surveys and place experience assessments in towns across the Surf Coast Shire. This data identified neighborhood strengths and

liveability priorities to guide action. It will be collected again towards the end of the current Council Plan to demonstrate change and impact over time and to inform the next Council Plan.

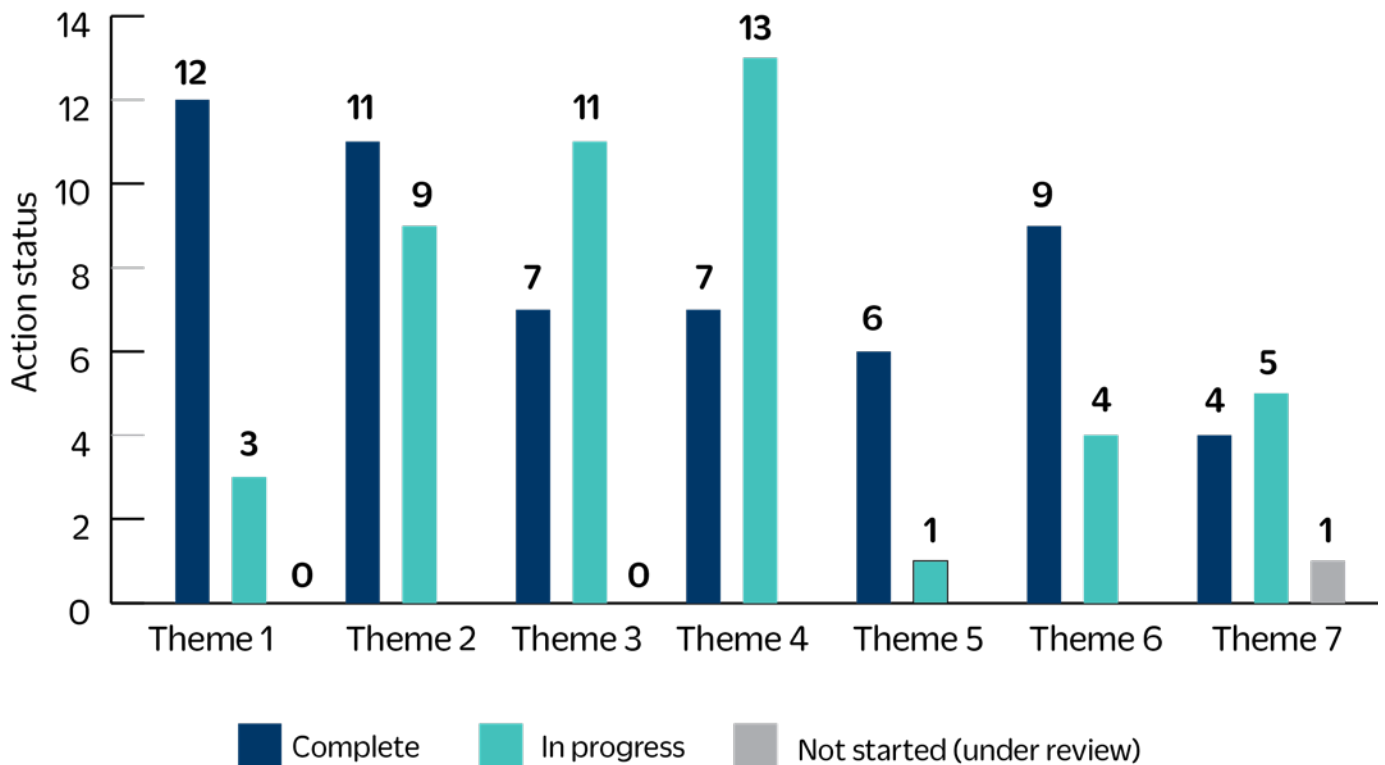
Strategic courses of action

Strategic courses of action are likely to be carried out across the four years of the Council Plan to support outcomes described under the headings ‘In four years we’ll see’. Deliverables are determined through action planning, completed in conjunction with annual and mid-year progress reporting. Deliverables are specific projects or initiatives that are intended to be progressed or completed during the financial year to contribute to delivering the courses of action.

In 2021-22 60 Council Plan deliverables were identified and a further 43 were identified in 2022-23. Of these 56 are complete, 46 have been initiated with implementation ongoing and one is under review.

Progress for 2022-2023 is outlined below.

Council Plan deliverables - at 30 June 2023





Australian National Surfing Museum, Torquay



Our organisation

Our Councillors

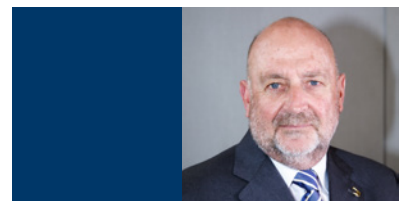
Councillors are elected in Victoria every four years to represent their communities. In 2020, the Surf Coast Shire community elected this Council for a four-year term. The municipality is divided into four wards, however, the nine Councillors are the elected representatives of all residents and ratepayers 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.



Cr Liz Pattison
Torquay Ward
Mayor: Nov 2022 - Jun 2023
Deputy Mayor: Jul 2021 – Nov 2022



Cr Mike Bodsworth
Anglesea Ward
Deputy Mayor: Nov 2022 – Jun 2023



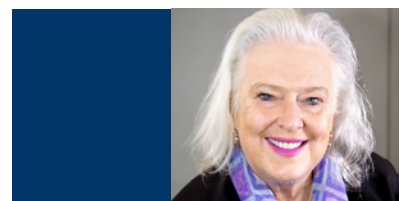
Cr Gary Allen
Lorne Ward



Cr Paul Barker
Torquay Ward



Cr Kate Gazzard
Torquay Ward



Cr Rose Hodge
Torquay Ward



Cr Adrian Schonfelder
Winchelsea Ward



Cr Libby Stapleton
Anglesea Ward
Mayor: Jul 2022 – Nov 2022



Cr Heather Wellington
Winchelsea Ward

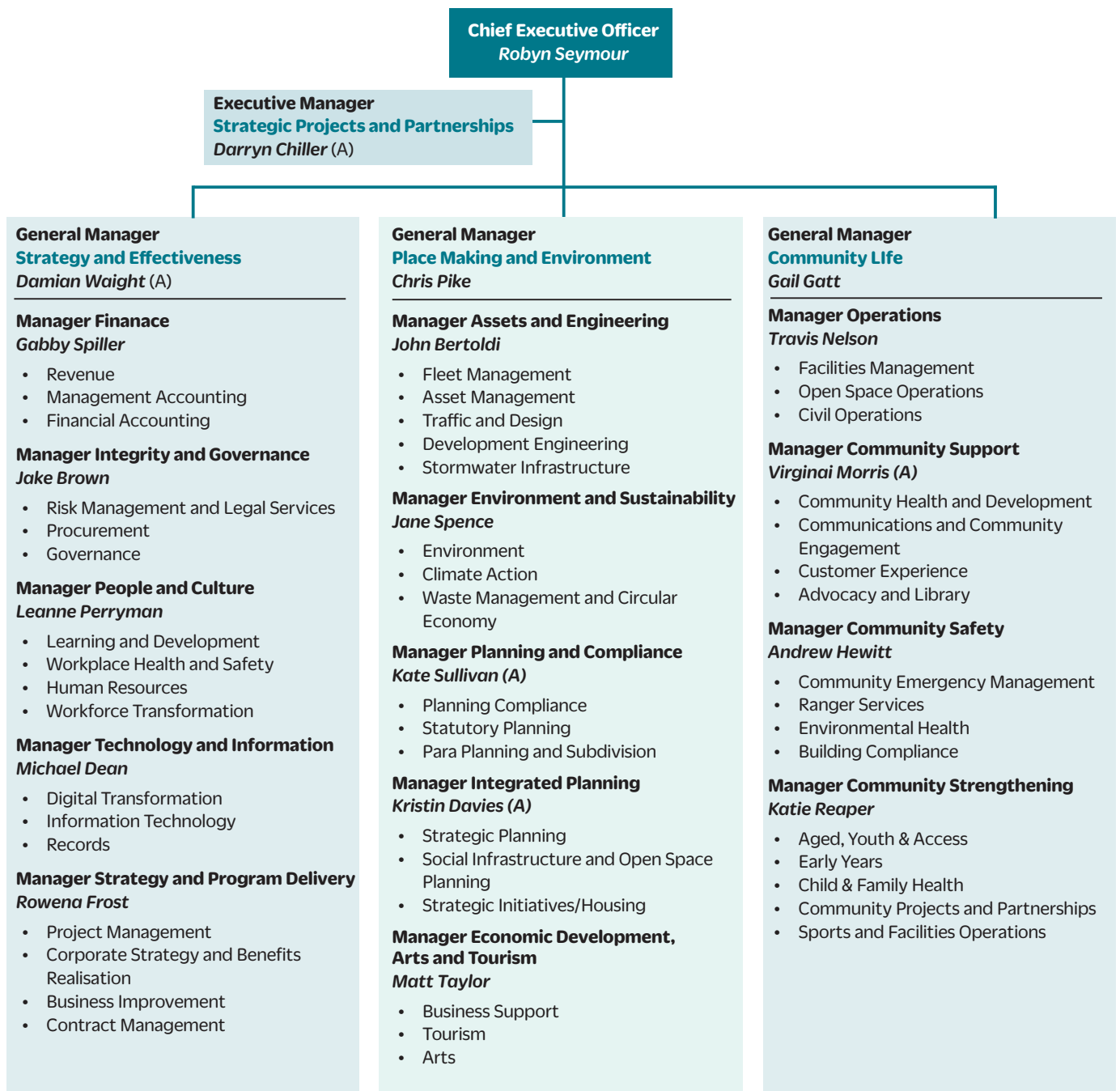
Our organisational structure

Organisational structure

The organisation has three divisions as listed below:

Division name	Main focus
Strategy and Effectiveness Sets the strategy and direction of the organisation and holds it accountable for delivery.	Drive the organisation in areas of culture, business improvement, finance, project management and delivery, governance and technology.
Placemaking and Environment	Lead the work in establishing what our shire will look and feel like and create great places for our community to live and play, while protecting the environment in which we live.
Community Life	Champion customer experience and enabling active and involved communities. Providing services and facilities to help our communities to thrive.

An Executive Manager Strategic Projects and Partnerships role is progressing key strategic projects and initiatives.



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



Robyn joined Surf Coast Shire Council as Chief Executive in July 2021. Robyn brings a people-centred leadership style to Surf Coast and has introduced a series of reforms to Council including a focus on strategy, alignment of work and delivery. A strong wish to work more closely with community was a key motivation for taking on the role at Surf Coast Shire Council. Robyn was previously Deputy Secretary, Network Planning and head of Road Safety Victoria, with Victoria's Department of Transport. Prior to that she was 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 trauma.

Gail Gatt
General Manager
Community Life



Gail joined Surf Coast Shire Council in 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.

Chris Pike
General Manager
Placemaking and
Environment



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.

Damian Waight
Acting General Manager
Strategy and
Effectiveness (acting
from October 2022)



Damian joined Surf Coast Shire Council in 2014 and has held a variety of leadership roles across community relations, COVID recovery, 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 Acting General Manager Strategy and effectiveness in October 2022, Damian held the role of Executive Manager Strategic Projects and Partnerships.

Rebecca Leonard
General Manager
Strategy and
Effectiveness



Rebecca joined Surf Coast Shire Council in 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 eight years (2013-2021).

Darryn Chiller
Acting Executive
Manager – Strategic
Projects and
Partnerships (acting
from October 2022)



Darryn joined Surf Coast Shire Council in December 2014 previously worked in communications and marketing roles at the City of Greater Geelong. Darryn entered the local government sector following a career in media and advertising, during which he worked as a journalist, copywriter, producer, director and television production manager. He commenced the Executive Manager role in December 2022 having previously occupied leadership positions at Council in areas such as communications, community engagement and community development.

Our people

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

Our workforce

At 30 June 2023, our workforce comprised of 350.64 full time equivalent (FTE) positions. The tables below break down these positions based on organisational structure, employment type, gender and banding.

FTE by employment type and gender - Division					
Gender	Office of the CEO	Strategy & Effectiveness	Community Life	Placemaking & Environment	Total
Permanent full-time male	3.00	22.00	73.00	31.00	129.00
Permanent full-time female	5.00	19.00	28.00	24.00	76.00
Permanent part-time male	0.00	1.74	4.04	6.76	12.54
Permanent part-time female	1.26	25.26	73.95	25.83	126.30
Casual male	0.00	0.17	1.20	0.45	1.82
Casual female	0.00	0.00	3.63	1.35	4.98
Total Including casual staff	9.26	68.17	183.83	89.38	350.64

Headcount by employment type and gender - Division					
Gender	Office of the CEO	Strategy & Effectiveness	Community Life	Placemaking & Environment	Total
Permanent full-time male	3	22	73	31	128
Permanent full-time female	5	19	28	24	75
Permanent part-time male	0	2	7	9	18
Permanent part-time female	2	34	127	38	201
Casual male	0	1	9	3	14
Casual female	0	0	40	10	50
Total Including casual staff	10	78	284	115	487

Recruitment trends

We appointed people to 153 job vacancies in 2022-23. This is a result of a more active and mobile employment market with more people making alternative career choices. Of the positions filled, 51 were direct reappointments for temporary roles. The turnover rate was 9.1%. This is a decrease on 2021-22 and is a result of a stable turnover rate together with the recruitment of a number of newly created roles.

We received 1,724 applications for advertised vacancies, which is on average, 17 applications per role. This is an increase on previous years and reflects a more active labour market and demonstrates Surf Coast Shire is an employer people wish to join. The average time from advertising to making an offer was 29 days, which is considerably lower than the industry average of 39 days and reflects Council's commitment to efficient recruitment processes.

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

	2018-19	2019-20	2020-21	2021- 22	2022-23
Recruitment processes	99	62	67	145	153
Applications received	2,149	1,119	1,301	1,272	1,724
Turnover rate	-	10.23%	14.53%	17.73%	9.1%

The hybrid workplace post-COVID

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 a focus for the organisation.

Recognising our people

In 2022-23, Council recognised and acknowledged the continuous service of 46 staff from across the organisation with an event that was open to Councillors, employees, and the families of those employees that are receiving milestone awards. An incredible mix of staff were recognised for their contribution to the organisation and community.

Years of service milestones	Number of employees
5	21
10	15
15	3
20	2
25	4
30	1

Strategic Workforce Plan 2022-2025

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. The plan is in its second year and will be reviewed in the 2023-24 financial year.

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 identifies how future staffing and skills requirements will be met and includes a more detailed strategic resource plan for critical job functions. It informs our approach to 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 and 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 2022-23 learning and development program had 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.

One of the most successful programs in this space was the Developing Leaders Program which is run internally and provides future leaders with the skills and confidence to progress.

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.

Occupational Health and Safety Management System Certification of ISO 45001 was maintained, demonstrating an ongoing commitment to continuous improvement and evolution of our safety management system.

ISO 45001 is an international standard that provides a framework for establishing, implementing, maintaining, and continually improving an Occupational Health and Safety Management System. When an organisation such as Surf Coast Shire Council achieves ISO 45001 certification, it signifies a strong commitment to several important aspects:

- Safety
- Legal and regulatory compliance
- Risk management
- Continual improvement
- Employee wellbeing
- Reduced incidents
- Enhanced reputation
- International recognition

Swellness (health and wellbeing)

After significant periods over recent years when many staff could not attend their regular place of work, there has been a focus on connecting teams in their workplace. Staff have continued to increase their attendance in the regular workplace, guided and supported by leaders. A series of minor office improvements and small events continue to encourage staff back to their workplace.

Our traditional offering of wellbeing activities and initiatives were redesigned to be more accessible to all staff with more in-person activities 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
- Women's Health Month
- Occupational violence and aggression training
- Onsite physiotherapy program

Incident and injury reporting

Council has a strong commitment to the health and safety of its employees and ensuring that the management of claims and return to work programs meet legislative requirements.

During 2022-2023

- Three incidents resulted in lost-time injuries compared to six in the previous financial year.
- 123 hazards, near miss and incidents were recorded.
- There were zero notifications to Worksafe, however there was a follow up on the Anglesea Landfill traffic management and a WorkSafe site visit to main office to review OHS procedures.
- An external audit of OHS processes and practices were undertaken and resulted in no non-conformances.

KPI	2021/2022	2022/2023
Lost Time Injuries (LTI)	6	3
Lost Time Injury Frequency Rate (LTIFR)*	10.15	5.13
Manual Handling Injuries	13	1
Manual Handling injury >10 Days Lost	0	1
Total Reports (incident, near miss and hazard)	331	123
OVA Incidents	7	8
Vehicle and Plant Incidents	20	10

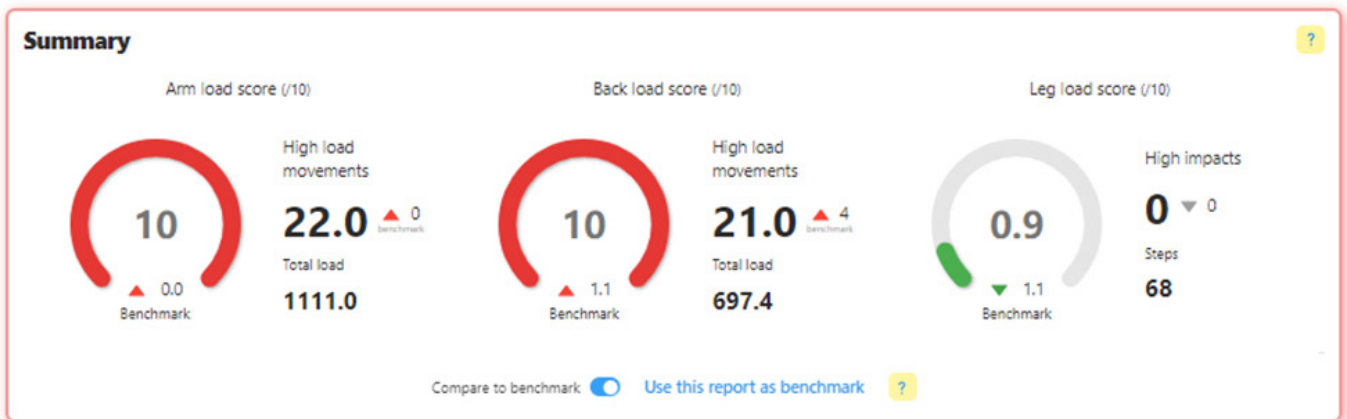
*LTIFR is the number of lost time injuries per million hours worked



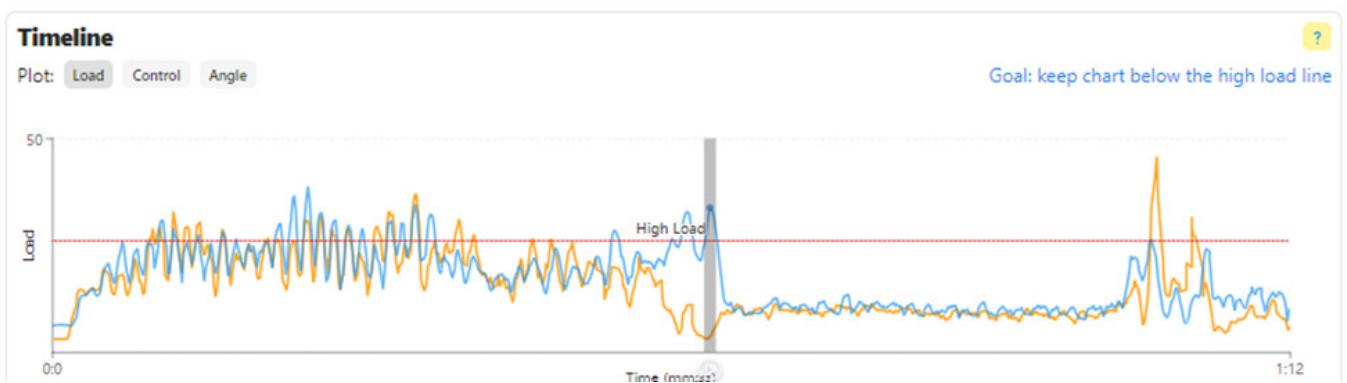
Case study

Force measurement sensors for outdoor workers - Preventure

Surf Coast Shire Council has engaged Preventure who utilise wearable technology (similar to elite sportspeople) to measure movement loads of the user, particularly their back, arms, and legs. The image below shows the dashboard of the platform measuring high loads for the task of raking. The video is synchronised with the data from the wearable devices to provide real time feedback. This allows us to review how tasks are being performed and make suggestions on lower risk techniques for such tasks or look at alternative tools and equipment to eliminate the hazards where possible. It has been a useful innovation in injury prevention helping identify better ways to complete manual tasks to reduce the chance of injury.



Score levels: Very Low Low Moderate High Very High



Our performance





Deans Marsh, Gadubanud Country

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 functions

- Building strong relationships with Traditional Owners to work towards reconciliation

Interesting facts

- Four walking on Country experiences were delivered for staff.
- Four cultural heritage training sessions were held for staff.

Achievements

- Pilk Purriyn was held on 26 January 2023, which was a partnership event in support of Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) demonstrating Council's reconciliation commitment to walking with Traditional Owners.
- Acknowledgment of Traditional Owners has been embedded in policy and in practice for all significant events and meetings.
- Network of Councils on both Eastern Maar and Wadawurrung Country was established, pursuing partnerships and collaboration.
- Cultural experiences have been included in education programs at kindergartens and early years services. Walk on Country, unconscious bias and cultural heritage training program HAS also been developed for staff and Councillors.
- Council resolved to support constitutional recognition through a Voice to Parliament and committed to sharing clear, unambiguous information with the community, enabling residents to make a considered and informed choice in the referendum.
- For Our Elders: NAIDOC Week exhibition was held.
- Thomas Mayo took part in a community talk and book signing for Reconciliation Week: 'Be a Voice for Generations'.
- Staff undertook cultural heritage training with Eastern Maar Aboriginal Corporation on Gadubanud Country in Lorne.
- Council engaged Wadawurrung traditional land management services on Country. WTOAC's Gobata Dja (Caring for Country) Natural Resource Management team have been carrying out revegetation and erosion management works at Djarrak (Bells Beach).

- The Moriac Structure Plan has been developed with a determination to do things differently in order to acknowledge First Peoples and the history of a place beyond European settlement. This has created a new model in strategic planning at Council.
- Moodji partnership formed with Reconciliation Victoria.

Challenges

- Managing and prioritising action to ensure delivery within available resources.
- Ensuring First Nations protocol advice continues to be provided to staff.
- Ensuring that information shared is, where possible, sourced from First Nations People.
- Making sure that a variety of training is available that appeals to a wide range of learning styles and the availability of part time staff.
- Ensuring maximum value opportunities for community members to continue to learn about the history of their town and region pre-colonisation.



Pilk Purriyn 2023



Reconciliation Week: 'Be a Voice for Generations'

Case study

Pilk Purriyn

On 26 January, Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) hosted a truth-telling event at Cosy Corner: Pilk Purriyn, which means “sunrise” in the language of the Wadawurrung People. The choice to hold the event at sunrise was a deliberate decision to symbolise the dawning of a new era of understanding and reconciliation between all people in the community. An estimated 2,000 people, including both First Nations People and non-indigenous people, attended the event.

382 survey responses were received post-event, reflecting an overwhelmingly positive response from attendees – both First Nations and non-Indigenous community members.

87.4% of the respondents rated the event five out of five and the vast majority of comments commended WTOAC for its courage and grace in truth-telling, and Council for its stance and support.

Some examples of the hundreds of comments received from the survey:

“Congratulations Surf Coast Shire for supporting First Nations people to share painful truths with the many people gathered for Pilk Purriyn this morning. We were

glad to make the trip from Geelong to attend, instead of feeling lost and awkward about Australia Day activities.”

“The words from Corrina were very powerful and moving. Thank you for the event and all the crew who volunteered their time to support and made it happen, I feel fortunate to be in a shire that listen, recognise, care and support change. Keep moving forward.”

“For the first time in my life on this day, I felt heard. I felt seen. I felt respect. I felt connected, and I felt the tiniest glimmer of hope for our mob as more and more people arrived and stood beside me and my people in silence and respect.”

The partnership approach taken by Council in support of this event has significantly strengthened Council’s relationship with WTOAC. It has brought to life Council’s commitment to ‘walk with’ Traditional Owners, as outlined in our Statement of Commitment to Reconciliation. In a debrief meeting after the event, Wadawurrung Traditional Owners, including Elders and also WTOAC staff, expressed deep gratitude to Council and officers for their unwavering, respectful and heartfelt support.





Artist Wadawurrung woman Jenna Oldaker (left), International Womens Day 2023

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Implement our Reconciliation Action Plan, to support the goal to achieve genuine reconciliation within our communities.	\$57,085	\$57,085	Reconciliation Action Plan is drafted and will be finalised in October 2023. Council has entered a Moodji Partnership with Reconciliation Victoria to assist in the delivery of Reconciliation Action Plan.
Continued strong partnerships with Traditional Owner groups in the management of Council land and the protection of cultural sites. Engage with Traditional Owner groups to include Aboriginal art and language on new township signage.	\$45,100	\$1,813	Project postponed until next financial year.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. 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	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
Traditional Owners engagement				
<p>Surf Coast Shire sits within three Traditional Owner 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 across Council.</p> <p>Recurrent operations expenditure was unfavourable due to additional resourcing to support the delivery of First Nations Reconciliation actions outlined in the 2021-25 Council Plan.</p> <p>The capital allocation relates to the Aboriginal Language on Signs project, which was placed in the Adopted Strategy Reserve during 2022-23 whilst gathering input from Traditional Owners.</p>	Recurrent operations			
	Expenditure	109	139	(30)
	Overheads	20	20	-
	Revenue	-	-	-
		129	159	(30)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		Capital allocation	45	-

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.



Welcome to Bells Beach,
you are on
Wadawurrung Country.
Traditionally known as
"Djarrak".

Please respect our
lands and care for
our country.



Wadawurrung

Wadawurrung Welcome to Country for Rip Curl Pro contestants, - Djarrak (Bells Beach).

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 functions

- 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

- \$6M in external grants secured to plan and deliver places, spaces and services.
- 55 community projects funded through Council's community grants program.

Achievements

- Anglesea Community and Health Hub Precinct Plan is underway.
- Surf Coast hockey facility (Torquay) planning was completed and Commonwealth Games legacy funding was committed. The project is now ready for construction.
- Grant Pavilion redevelopment has been completed.
- Bob Pettitt Bike Park Revamp has been completed.
- Stribling Reserve Pavilions upgrade nearing completion.
- Torquay Scouts Facility Upgrade is in progress.
- Anglesea Netball Pavilion redevelopment is in progress.
- Winchelsea Pool Redevelopment design and construction tender is in progress.
- Deans Marsh Community Hub draft plan is nearing completion.
- Surf Coast Aquatic and Health Centre project, detailed design finalised.
- Multi-Arts Centre concepts have been completed.
- Safer Cycling Strategy has been adopted.
- Torquay Wayfinding Strategy is in progress.

- A range of Road Safety Strategy projects have been completed or are in progress.
- Barwon River Loop Walk stage two design work is in progress.
- Jan Juc to Bellbrae shared pathway project planning is in progress.
- Fit for purpose, general accessibility and travel accessibility audits on Council facilities and car parks have been completed to create baseline data to inform the Integrated Social Infrastructure and Open Space Plan.
- The Integrated Social Infrastructure and Open Space Plan (now including pathway strategy) is in development.
- Responsible service of alcohol sessions have been delivered across community houses and other community organisations.
- Several successful health promotion campaigns have been implemented, including choose water, Ride 2 School, 16 Days of Activism against Gender Based Violence ("Respect Is..."), mental health month.
- Expand your Impact, an online community leadership course in partnership with five other Councils, was delivered and very well attended by Surf Coast Shire community members.
- G21 Integrated Transport Strategy has been completed.
- 55 community projects were funded through the Community Grants Program.
- Community plans have been developed for Winchelsea and Moriac.
- A Disability Inclusion Emergency Preparedness Workshop, in partnership with CFA and Red Cross, has been delivered.
- The Wiser Driver course was held with 79 ageing participants this year.
- 25 young people performed on the Youth FReeZA stage at Aireys Inlet Music Festival.
- Over 150 parents attended the parent education series (three parts) provided locally, in partnership between Council and Surf Coast Secondary College.
- On average 50 students per day attended the Torquay Youth Lounge on Monday, Wednesday and Friday afternoons.
- First Pathway for Carers Walk held in the Surf Coast Shire.

Challenges

- Ensuring we are able to take advantage of funding opportunities within the current resources and capacity of our organisation.
- Ensuring projects are at an investment ready status, to be in a position to attract capital funding to support delivery.
- Delays due to unplanned opportunities such as Commonwealth Games, significant funding for community and housing projects and legislative requirements such as coastal land transfers.
- Ensuring we continue to provide a range of development opportunities for community members, so that as many people as possible can access them.
- Ensuring that we continue to provide a range of opportunities and fund a variety of projects and groups with the limited funds in our grant program, noting that grants are always oversubscribed.
- Continuing to ensure that community plans are supported through implementation and don't lose momentum.



Winchelsea Pram Walkers, Wadawurrung Country

Case study



Anglesea Community and Health Hub Precinct Plan

The McMillan Street precinct is vitally important for the Anglesea community.

The precinct currently delivers a range of community services and programs and several of the buildings have been found to be failing or nearing the end of their structural life.

Additionally, many businesses in Anglesea are unable to attract and retain workers due to a lack of affordable accommodation. There have been many recent examples of businesses either closing or operating with reduced staff or for reduced hours. This adds to the pressures facing businesses and impacts the services available for residents and visitors.

Council has secured state investment of \$200,000 to undertake a major integrated planning project. This will enable Council and the community to reimagine the purpose and use of the precinct and plan for a sustainable community and health precinct of multi-

service, multi-agency and multi-functional places and spaces that will meet the needs of Anglesea residents, workers and businesses now and into the future.

This project aims to bring together all community, health and housing needs while protecting local heritage and coastal character, to deliver a community-endorsed precinct plan and funding strategy for future investment attraction.

Current community groups and users include: Anglesea Maternal Child Health, Anglesea Kindergarten, Anglesea Toy Library, Anglesea Memorial Hall, Memorial Hall Youth Room, Angair (Anglesea, Aireys Inlet Society for the Preservation of Flora and Fauna), Anglesea Senior Citizens Club, Anglesea Medical Centre, Anglesea Community Hall, Barwon Health, Ambulance Victoria, Anglesea Historical Society - 'Rangi Marie' and Anglesea Community Garden.

The planning project will be complete in late 2023.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Ensure all new and redeveloped facility designs – including Torquay Multi-Arts Centre, Surf Coast Aquatic and Health Centre and Anglesea Netball Pavilion redevelopment – meet best practice principles, such as universal design and gender impact assessment.	\$2,077,000	\$600,735	<p>Major community infrastructure projects are at various stages of progress or completion.</p> <p>Integrated approach to placemaking is now in practice with a focus on precinct planning and holistic outcomes.</p> <p>The Surf Coast Aquatic and Health Centre project has reached a significant milestone with re-scope completed and now endorsed to proceed with an expression of interest and tender process.</p> <p>Process and methodology developed to conduct gender impact assessments on key programs or projects. Gender impact assessments commenced and ongoing.</p>
Expansion of Council's Maternal and Child Health service to meet growing demand.	\$718,300	\$680,679	<p>Birth numbers have steadied after approximately 400 new babies were born to families in the Surf Coast Shire in 2022-23.</p> <p>The distribution of births across the shire continues to shift, with a proportional decrease of babies in Torquay/Jan Juc, and a steady increase in Winchelsea and Moriac, which now account for 21% of the births across the Shire. This has led to an increased Child and Family Health presence in the hinterland area, including MCH drop-in sessions, regular play sessions with Child and Family Support Officers, and an increased offering of parent education sessions.</p> <p>Parent education project officer has been employed to work on increasing non-birthing parent engagement.</p>

Major initiative	Adopted budget	Actual spend	Progress
<p>Progress significant social infrastructure projects including Winchelsea Pool Renewal, Anglesea Netball Pavilion redevelopment and Multi-Arts Centre upgrade.</p>	<p>\$1,384,983</p>	<p>\$987,055</p>	<p>Grant Pavilion redevelopment is complete.</p> <p>Bob Pettitt Bike Park revamp is complete.</p> <p>Stribling Reserve Pavilions upgrade is nearing completion (landscaping underway).</p> <p>Torquay Scouts facility upgrade is nearing completion.</p> <p>Anglesea Netball Pavilion redevelopment is in progress.</p> <p>Winchelsea Pool redevelopment design and construction tender is in progress.</p> <p>Multi-Arts Centre redevelopment entering detailed design phase.</p>
<p>Social Infrastructure Plan to guide how we plan and invest in community places, spaces and services.</p>	<p>\$10,000</p>	<p>\$1,050</p>	<p>The Plan is progressing at a slower pace than planned due to competing priorities, including the crown land transfer process in progress with GORCAPA, pop-up projects (i.e., Anglesea Community and Health Hub Precinct Plan), Commonwealth Games opportunities and planning for the Surf Coast Aquatic and Health Centre.</p>

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. 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	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
Child and family health				
<p>This program area supports the health and wellbeing of families with children from birth to preschool age. The unit delivers maternal, child and family health (MCH) services, including the universal and enhanced MCH programs, and sleep/settling support program. These services are funded through a Memorandum of Understanding between Surf Coast Shire Council, Municipal Association of Victoria and the Victorian State Government. Other services include parent education, playgroups, and community strengthening activities.</p> <p>Recurrent operations was favourable due to additional grant funding received due to increased service demand, offset in part by the associated additional service delivery expenditure.</p> <p>The operating project spend reflects carry forward budget for Child & Family Health grant funding initiatives such as Maternal and Child Health Sleep and Settling, which also received new grant funding during 2022-23.</p>	Recurrent operations			
	Expenditure	931	960	(29)
	Overheads	187	187	-
	Revenue	(400)	(454)	54
		718	693	25
	Operating projects			
	Expenditure	-	55	(55)
	Revenue	-	(24)	24
		-	31	(31)
		Capital allocation	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
Community emergency management				
<p>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. With the increasing impacts of climate change, severe weather events are becoming more prevalent and there is an increased need for a climate resilience program. 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.</p> <p>Recurrent operations were favourable due to additional revenue resulting from the October 2022 storm event where Council supported Campaspe and Gannawarra Shire Councils with flood recovery, along with favourable expenditure attributable to a temporary period of reduced hours for a recurrent employee.</p> <p>The operating project spend reflects additional carry forward expenditure from 2021-22 spent in 2022-23 for the Municipal Emergency Resourcing Program, and new grant funding received for Painkalac Creek Estuary Flood Mitigation and the Community Flood Recovery Hub received in June, which will be spent in 2023-24.</p>	Recurrent operations			
	Expenditure	663	647	16
	Overheads	165	156	9
	Revenue	(2)	(31)	29
		826	772	54
	Operating projects			
	Expenditure	240	245	(5)
	Revenue	(240)	(459)	219
		-	(214)	214
		Capital allocation	-	14

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
Community health and development				
<p>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.</p> <p>Recurrent operations were favourable due to staff movements during the year.</p> <p>The operating projects reflect expenditure towards the Health and Wellbeing Plan Implementation, along with carried forward allocations for a Gender Equity Officer and the Alcohol and Other Drug Action Plan.</p>	Recurrent operations			
	Expenditure	726	711	15
	Overheads	105	105	-
	Revenue	-	(3)	3
		831	813	18
	Operating projects			
	Expenditure	15	64	(49)
	Revenue	-	(2)	2
		15	62	(47)
		Capital allocation	-	-
Early years				
<p>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 and occasional care programs. The unit also supports toy libraries and the provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.</p> <p>Recurrent operations was favourable due to Council's decision during 2022-23 to exit from Family Day Care services, along with a change in funding for three and four year old kindergarten under the State Government Best Start, Best Life program.</p> <p>The operating project revenue reflects ongoing projects carried forward into 2022-23 such as the Early Years School Readiness program, along with new grant funding received for the Kindergarten Infrastructure and Services Plan and kindergarten workforce planning which will continue into 2023-24.</p> <p>The capital allocation related to a grant funded project, which was delivered under Open Space Operations for a renewed playground at Winchelsea Helen M Kininmonth Pre-School.</p>	Recurrent operations			
	Expenditure	4,023	3,874	149
	Overheads	1,013	1,013	-
	Revenue	(3,885)	(3,776)	(109)
		1,151	1,111	40
	Operating projects			
	Expenditure	-	65	(65)
	Revenue	-	(266)	266
		-	(201)	201
		Capital allocation	62	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 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 recurrent operations were favourable due to reduced hours temporarily worked by an officer.</p> <p>Operating projects reflect the initial furniture provision support to the Stribling Reserve Community Asset Committee during 2022-23 which will be repaid to Council in a future period.</p> <p>Capital projects for the Torquay Scouts facility upgrade and Pearl Street/Bristol Road intersection improvements were completed in 2022-23, and progress was made on the Anglesea Netball Pavilion redevelopment. The capital allocation includes the ongoing multi-year Surf Coast Aquatic and Health Centre project.</p>	Recurrent operations			
	Expenditure	588	567	21
	Overheads	109	109	-
	Revenue	(60)	(81)	21
		637	595	42
	Operating projects			
	Expenditure	-	44	(44)
	Revenue	-	-	-
		-	44	(44)
		Capital allocation	24,971	2,910
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>The recurrent operations expenditure is unfavourable due to extended hours of operation at Wurdii Baierr Stadium, and increased supervision at Winchelsea Swimming Pool due to ageing infrastructure. During 2023-24, the Winchelsea Swimming Pool will be closed for renewal.</p> <p>Operating project actual expenditure reflects carried forward project expenditure which was completed at the Winchelsea Health Club for 24/7 member access.</p>	Recurrent operations			
	Expenditure	833	932	(99)
	Overheads	213	213	-
	Revenue	(657)	(657)	-
		389	488	(99)
	Operating projects			
	Expenditure	-	1	(1)
	Revenue	-	-	-
		-	1	(1)
		Capital allocation	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
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 were favourable due to lower maintenance demands for Council managed facilities, along with favourable utility costs and recoupments.</p> <p>Capital projects reflect the ongoing facility renewal program, which also includes the multi-year Winchelsea Swimming Pool renewal.</p>	Recurrent operations			
	Expenditure	3,446	3,272	174
	Overheads	(971)	(971)	-
	Revenue	(52)	(72)	20
		2,423	2,229	194
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		3,710	341	3,369
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>Recurrent operations were unfavourable due to extended sick leave that resulted in additional backfill costs for service delivery.</p> <p>Operating projects include the Sustainable Water Use Feasibility Study and Certificate 2 ESI Powerline Vegetation Control which will continue into 2023-24.</p> <p>The capital projects allocation includes open space renewal. Playground renewals at Dwyer Street Reserve, Sarabande Reserve and Winchelsea Helen M Kininmonth Pre-School were completed in 2022-23, with ongoing open space projects carried forward into 2023-24.</p>	Recurrent operations			
	Expenditure	3,957	4,078	(121)
	Overheads	588	588	-
	Revenue	(4)	(24)	20
		4,541	4,642	(101)
	Operating projects			
	Expenditure	56	18	38
	Revenue	-	-	-
		56	-	38
		1,699	650	1,049

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/(Unfav)
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>Recurrent operations expenditure is favourable due to Council's contribution to Geelong Regional Libraries being lower than budgeted.</p> <p>The capital allocation related to the extension to the public library stage two project, which was subject to successfully attracting state and/or federal funding. As per the Budget Report 2023-24, the project is scheduled for 2026-27 to enable Council to continue to advocate for such funding to achieving the community's ambitions for this facility. Current Council funds on this project have been returned to the original cash reserve until this project is ready to commence.</p>	Recurrent operations			
	Expenditure	755	749	6
	Overheads	-	-	-
	Revenue	-	-	-
		755	749	6
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		Capital allocation	2,330	-
Age, 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 age friendly and disability inclusive strategic initiatives. Revenue in this area is generated through government grants.</p> <p>Recurrent operations expenditure is favourable due to staff vacancies across the services and favourable contractor costs.</p> <p>The operating projects allocation included grant funding and expenditure towards the FReeZA and Engage Youth programs, which also had additional carried forward spend in 2022-23 from the prior year.</p>	Recurrent operations			
	Expenditure	1,067	1,029	38
	Overheads	185	185	-
	Revenue	(209)	(224)	15
		1,043	990	53
	Operating projects			
	Expenditure	86	111	(25)
	Revenue	(86)	(96)	10
		-	15	(15)
		Capital allocation	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 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 favourable movement in recurrent operations expenditure reflects staff vacancies during the year.</p> <p>The operating projects include the Great Ocean Road Coast and Parks Authority asset transition support and the Housing/Transport Planning Program which continue into 2023-24. Operating projects revenue is attributable to the Anglesea Community and Health Hub Precinct Plan, which received new grant funding during 2022-23.</p>	Recurrent operations			
	Expenditure	679	574	105
	Overheads	133	133	-
	Revenue	-	-	-
		812	707	105
	Operating projects			
	Expenditure	213	166	47
	Revenue	-	(230)	230
		213	(64)	277
		Capital allocation	-	-
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>Recurrent operations expenditure is unfavourable as it was impacted by wet weather conditions and storm events, which resulted in additional maintenance costs on the road and drainage network. In addition, expenditure reflects extended sick leave. Favourable recurrent revenue was due to a prior year storm event insurance claim, along with an increase in apprentice training contributions relating to their employment.</p> <p>The 2022-23 capital allocation refers to a range of renewal and upgrade programs. Several pathway, drainage and road projects were completed during the year, with ongoing projects carried forward into 2023-24.</p>	Recurrent operations			
	Expenditure	5,171	5,915	(744)
	Overheads	892	892	-
	Revenue	(8)	(60)	52
		6,055	6,747	(692)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		Capital allocation	13,723	8,736

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 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>The recurrent operations expenditure is unfavourable due to additional contract building surveying support for service delivery, along with increased animal control fees.</p> <p>Recurrent operations revenue from parking infringements and penalties was favourable for the year, with increased visitors, events and tourism activity.</p> <p>The operating project expenditure included the Domestic Animal Management Plan 2022-25 and the Women Building Surveyor Program (grant funded) which will continue into 2023-24.</p>	Recurrent operations			
	Expenditure	2,424	2,560	(136)
	Overheads	680	671	9
	Revenue	(1,780)	(1,864)	84
		1,324	1,367	(43)
	Operating projects			
	Expenditure	-	46	(46)
	Revenue	-	(51)	51
		-	(5)	5
		Capital allocation	-	-

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.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Aquatic facilities						
<i>Service standard</i>						
AF2	Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	1.00	1.00	1.00	
<i>Utilisation</i>						
AF6	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0.19	0.14	0.21	0.17	A late start to the season opening due to maintenance issues, ageing pool and mild summer have contributed to reduced attendance. Pool is now closed for a complete renewal project.
<i>Service cost</i>						
AF7	Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$8.93	\$11.55	\$21.25	\$23.09	Increased costs due to maintenance issues ageing infrastructure. Pool is now closed for a complete renewal project.
Animal management						
<i>Timeliness</i>						
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]	0.00	1.35	1.30	1.24	
<i>Service standard</i>						
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	57.48%	74.58%	76.12%	73.13%	

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
AM5	Animals rehomed [Number of animals rehomed / Number of animals collected] x100	0.00%	0.00%	0.00%	0.00%	Council does not rehome animals - this service is provided by the Geelong Animal Welfare Society.
Service cost						
AM6	Cost of animal management service per population [Direct cost of the animal management service / Population]	\$12.17	\$14.35	\$13.29	\$12.44	
Health and safety						
AM7	Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	0.00%	Nil prosecutions.
Libraries						
Utilisation						
LB1	Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	6.26	6.01	6.96	7.03	
Resource standard						
LB2	Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	78.94%	84.31%	81.66%	79.43%	
Participation						
LB4	Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	18.19%	16.49%	14.81%	14.03%	
Service cost						
LB5	Cost of library service per population [Direct cost of the library service / Population]	\$20.74	\$20.74	\$20.20	\$19.39	

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Maternal and Child Health (MCH)						
<i>Service standard</i>						
MC2	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.86%	99.33%	100.00%	100.00%	Our high enrolment rates demonstrate the importance and value of the maternal and child health services for infants and their families.
<i>Service cost</i>						
MC3	Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$76.36	\$73.43	\$67.50	\$77.21	Council has updated its calculation for this measure in 2023 and is not comparable to the prior years.
<i>Participation</i>						
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.74%	77.86%	76.13%	75.31%	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 visit every year.
<i>Participation</i>						
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.71%	85.19%	82.93%	77.08%	Surf Coast Shire has a proportionally low number of Aboriginal and Torres Strait Islander families, meaning that data is easily skewed by small numbers. Some choose to engage with the local Aboriginal community controlled health organisation. Of the families that do engage with Council, some of those children are not due for a routine key age and stage consultation in the 12 month period included in this report.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Satisfaction						
MC6	Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	93.71%	95.99%	93.29%	94.74%	Surf Coast Shire has historically had a small number of families who engage with a private midwife for approximately six weeks following a home birth. These families ultimately engage with the MCH service, but not until after their four-week key age and stage visit.

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 functions

- Environment
- Waste management
- Sustainability

Interesting facts

- Waste sent to landfill from kerbside bins was the lowest in 15 years despite the increase in population over this time.
- 2022-23 resource recovery from kerbside bins was 73%, already reaching the 2025 target of 72% set by the state government.
- Local community conservation efforts, including on ground revegetation, resulted in over 3,500 seedlings planted.
- Council installed 316kW of solar and 64kWh of battery storage in 2022-23, bringing us to a total of 784kW of solar and 92kWh of battery storage across Council facilities.

Achievements

- Karaaf Wetlands environmental and stormwater diversion and quality improvement options being developed.
- Wadawurrung Gobata Dja (Taking Care of Country) team obtained approved supplier status to provide traditional land management services on culturally significant sites owned or managed by Council, including midden site protection works at Djarrak (Bells Beach).
- A biodiverse community carbon offset site was established at Buckley, with over 2,000 seedlings planted, and further community and staff planting sessions planned.
- Council's annual pest plant and animal management program on Council owned and managed land, including nature reserves and high conservation rural roadsides, was delivered.
- Local community conservation efforts, including on ground revegetation (over 3,500 seedlings planted), weed works and grant funding applications, were supported.
- Sustainable Water Use Feasibility Study for Council's highest water using reserves and civil operations was completed.

- Energy efficiency and electrification works were completed on Council buildings, including making the Aireys Inlet Community Hall an all-electric climate adapted building with solar, battery and fire preparedness works.
- An all-electric design was developed for the Surf Coast Aquatic and Health Centre, as part of our strong focus on energy efficiency.
- Electric vehicle charging stations were installed at the civic office and the Torquay and Winchelsea depots to support the transition of Council's fleet to electric.
- We worked with Anglesea Football Netball Club, Anglesea Tennis Club, Jan Juc Cricket Club and Torquay Tigers Netball Club to reduce single use plastics through the Plastic Wise Sporting Clubs Pilot Program.
- A waste supply agreement was developed with Barwon Water for the local processing of Food Organics Garden Organics (FOGO) collected via the kerbside waste collection system.
- Development commenced on a strategic approach to guide Council's waste and circular economy transition.
- Glass and food recovery was established at Council's waste disposal sites.
- The annual Climate Emergency Grants program was delivered, providing two \$5,000 and one \$10,000 grant to support community-led projects that reduce emissions and mobilise the community in climate action.
- Community understanding of flood risk in the Painkalac Creek was strengthened.
- Two integrated water management projects were initiated: Jan Juc Creek daylighting stage two and Winchelsea greening and stormwater improvement upgrades.
- The integration of our climate adaptation planning was strengthened within Council's Climate Emergency Corporate Response Plan 2021-2031.
- We advocated to the Victorian Government and other agencies to increase funding for programs and projects that help prepare for emergencies caused by climate change.
- A Litter Prevention Officer was engaged to focus on illegal dumping investigations, litter from building sites and businesses and bins being left out for extended periods.

Challenges

- Working with Gobata Dja to navigate through and complete Council's procurement requirements took time. We will continue to support Gobata Dja's aspirations to heal Country, acknowledging that this requires working to a timeframe that is suitable for them.
- There is still a way to go on developing a methodology for the recognition of unaccredited carbon offset sites.
- Wet weather with La Nina in the past year has been favourable for weeds and rabbits, at a time when management costs are increasing.
- With wetter La Nina conditions now likely being replaced by drier hotter El Nino conditions, further supplementary watering may be required to support revegetation work next year.
- Planning for the closure of the Anglesea landfill facility.
- Further increasing resource recovery.



Case study

Caring for Country through traditional land management

Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) has been engaged by Surf Coast Shire Council to provide traditional land management services on Country, an arrangement that is the first of its kind for Council.

WTOAC's Gobata Dja (Caring for Country) team carried out revegetation and erosion management works at Djarrak (Bells Beach), with plans for these services to be undertaken at other sites of cultural significance to Wadawurrung.

The works support delivery of WTOAC's Healthy Country Plan, Paleert Tjaara Dja, and its vision 'Wurrngurwilwa gupma bengadak Wadawurrung': all people working together to make Wadawurrung Country and culture strong.

Partnership work like this strengthens the relationship between WTOAC and Surf Coast Shire Council to make Country good together.

The Corangamite Catchment Management Authority funded the restoration works as part of its Wild Otways Dune Care program.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Integrated water management plan for the north of Torquay and Karaaf Wetlands.	\$80,000	\$137,389	<p>Completed environmental and stormwater network assessments, which established current state of play, issues, data collection and investigation phase of north Torquay stormwater network and constructed wetlands.</p> <p>Commenced work into the development of options and feasibility testing of options for diversion of stormwater volume and quality improvement in the north Torquay stormwater network to help reduce downstream impacts on the Karaaf wetland.</p> <p>Commenced preparing for and implementing works in the constructed wetlands system based on the assessments.</p>

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. 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	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Climate action and environment				
<p>These services are responsible for protecting and enhancing the local environment and leading Council's climate action. The services ensure that Council complies with Victorian and Commonwealth Government legislative requirements regarding climate action and 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 sustainability, environmental leadership and climate change are delivered. The units provide expertise in the management of Council's many nature reserves (including the world-famous Bells Beach Surfing Recreation Reserve), rural roadsides, some waterways as well as coordinate climate mitigation and adaptation initiatives. The units provide specialist environmental and climate advice internally to Council and externally to community groups, local businesses, agencies, and members of the public.</p> <p>The 2022-23 recurrent operations is favourable due to staff vacancies and movements during the year.</p> <p>Movement in the operating projects reflects new grant funding on various environmental projects, including a renewable energy roadmap for Deans Marsh and District, and delivery of Council's carbon neutrality program.</p> <p>The capital projects allocation included the electric vehicle charging for Council fleet project, along with the solar, efficiency and transition program and an Integrated Water Management Project.</p>	Recurrent operations			
	Expenditure	1,413	1,349	64
	Overheads	263	263	-
	Revenue	-	(4)	4
		1,676	1,608	68
	Operating projects			
	Expenditure	200	203	(3)
	Revenue	(180)	(241)	61
		20	(38)	58
	Capital allocation	934	440	494

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 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, maintenance of street litter bins and community education and engagement. 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 kerbside waste charge. In February 2021, Council expanded its kerbside waste collection service to include the Food Organics and Green Organics (FOGO) and glass bins. These new bins help to reduce the amount of waste sent to landfill and maximise resource recovery.</p> <p>The 2022-23 recurrent expenditure reflects favourable Environment Protection Authority waste levies due to lower waste volumes to landfill, along with favourable waste collection and street litter bin contract rates. The decrease in recurrent revenue reflects reduced commercial/industrial waste disposal at Anglesea landfill.</p> <p>The capital allocation reflects the ongoing waste capital program; including Lorne Transfer Station upgrade and Anglesea Landfill projects, which will continue into 2023-24.</p>	Recurrent operations			
	Expenditure	12,164	11,638	526
	Overheads	323	323	-
	Revenue	(12,543)	(12,097)	(446)
		(56)	(136)	80
	Operating projects			
	Expenditure	81	169	(88)
	Revenue	-	(213)	213
		81	(44)	125
		Capital allocation	7,132	656

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.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Waste collection						
<i>Satisfaction</i>						
WC1	Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	169.94	212.33	199.87	357.63	Council has put a greater emphasis on education and promotion of services in relation to mechanisms for bins to keep cockatoos out and reporting of dumped rubbish. This has caused an increase in the number of waste related requests received.
<i>Service standard</i>						
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	10.81	7.56	8.43	4.41	There has been an increased focus on reducing missed bins with the kerbside collection contractor.
<i>Service cost</i>						
WC3	Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$88.29	\$90.77	\$93.73	\$90.77	
<i>Service cost</i>						
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$58.69	\$78.41	\$49.54	\$63.43	Cost increases are reflective of increased contract cost combined with increased volumes of recovered resources.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
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	48.99%	64.25%	71.12%	73.57%	Waste diversion rates continue to improve after the implementation of our four-bin kerbside service and Council's education program to ensure our community understand and use the service correctly. The 2020 year was particularly low because of the diversion of recycling to landfill for a period due to issues in the recycling industry.



PITCH



Climate Emergency Grants 'Pitch Fest'

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 functions

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

Interesting facts

- We're facilitating social and affordable housing at 2 Fraser Drive, Aireys Inlet, which involves co-design with the community.
- Three coastal character workshops were conducted with our coastal communities to better understand the needs, challenges and expectations of protecting our coastal character and unique landscapes.
- The COVID impact on the private rental market saw vacancy rates of 0.6%, which have marginally improved (2% now).
- The median rent across the shire of \$600 is the second highest in the state and puts households earning up to \$104,000 in rental stress.
- The median house price in Anglesea was \$1,890,000 in the first quarter of 2023 (up 90% since 2019). In Aireys it was \$1,725,000 (also up 67%).

Achievements

- Surf Coast Shire Urban Futures Strategy commenced to inform the shire's sustainable future growth areas and settlement boundaries.
- A review of the shire's Planning Scheme commenced to ensure it is meeting contemporary requirements and expectations.
- We worked with the Victorian Government's Distinctive Areas and Landscapes Statement of Planning Policy to begin working on implementation.
- Commissioned a bushfire landscape assessment to inform future land use planning.
- Preliminary investigations and site visits commenced for the stage three heritage study.
- 22 heritage studies were prepared for properties to further protect the shire's heritage places.
- The draft Moriac Structure Plan was prepared.

- A co-design process was undertaken as part of the Aireys Inlet affordable housing project to facilitate social and affordable housing at 2 Fraser Drive. The process was run in collaboration with the project's Community Advisory Group and Housing Choices Australia.
- Victorian Government funding was secured to undertake a precinct planning process at the McMillan Street, Anglesea Community and Health Hub and explore the inclusion of affordable housing for key workers.
- Planning for a tiny houses on wheels trial progressed, following a targeted review of parts of the *Community Amenity Local Law 2021*.
- Engagement continued with Great South Coast Councils group on regional key worker housing initiatives.
- Preliminary site investigations were conducted to identify Council owned land suitable for the development of social and affordable housing.
- We advocated to the 'State and Local Government Compact on Social and Affordable Housing' for key worker access to the Victorian Government's Affordable Housing Rental Scheme and state-wide planning tools to build consistency within and across Councils.
- The 2025 UCI Fondo World Championships were secured, with an estimated participation of 3,000 riders from 50 countries plus Amy's Gran Fondo participants in October 2025.
- A master calendar for events was created, which is accessible by Victoria Police, Ambulance Victoria, CFA, VicRoads and GORCAPA to assist in the safe delivery of over 220 events and markets in 2022-23.
- The 2023-24 Event Grant Program was released with 19 events funded - \$85,500.
- Great Ocean Road Beach Volleyfest was staged in Torquay in November and December 2022.
- The Bells Beach Longboard Classic inaugural event was secured to be staged 30 August – 2 September 2023 at Bells Beach. The event is one of four international longboard events on the WSL longboard tour.
- Sensory mapping and support was implemented at the 2023 Rip Curl Pro for the first time.
- Lorne and Torquay Visitor Centres supported 150,828 enquiries and sold over \$438,000 in retail.

Challenges

- As we mature our understanding of the impacts of climate change (e.g. bushfire, storm surge and sea level rise) it will be important to balance these challenges with the need to accommodate population growth, now and into the future.
- The international visitor market has not rebounded to pre COVID numbers.
- Length of stay by visitors is reducing – a reflection of more visitors from western Melbourne undertaking day trips.
- Cost increases have resulted in event staging being far higher than previous years, placing some in doubt.
- Changing of the fire rating season will result in more frequent ‘extreme’ and ‘catastrophic’ fire days being declared, impacting events and the opening of Visitor Information Centres – particularly Lorne.
- Social and affordable housing projects in regional Victoria are lower density/dwelling yield, which challenges development feasibility and the ability of a community housing providers to attract funding.
- Sharing the imperative to build social and affordable housing, and our conception of social housing, as vital social infrastructure and part of healthy, prosperous communities.
- The preparation of the tiny houses on wheels trial has required thorough research and testing to ensure that it is consistent with the Planning Scheme, Building Act and existing Local Law powers.
- Affordable housing is defined (under the *Planning and Environment Act*) by household income, and thresholds are lower for regional Victoria than metropolitan Melbourne. This makes a high proportion of our key workers ineligible.
- Our natural setting – surrounded by marine and national and state parks – increases climate related risks, i.e., bushfire, flood, etc. to communities and limits opportunities to develop housing for residents.

Case study

Aireys Inlet affordable accommodation and community co-design

Council has undertaken a two-phase deliberative engagement process to facilitate the development of social and affordable housing at 2 Fraser Drive, Aireys Inlet.

The first phase of community engagement concluded with an independently facilitated 'design in workshop' and informed the objectives for the expressions of interest process.

The focal point for the co-design phase was an intensive deliberative workshop involving Housing Choices Australia and the members of the Community Advisory Group.

The Community Advisory Group met over six sessions to identify and refine the design principles that would guide their input into the co-design workshop and help them make recommendations on the built form, private open space, public spaces interfaces and traffic movement and parking.

The tremendous and varied technical and lived experience expertise of Community Advisory Group members enabled a productive and insightful design-in workshop with Housing Choices Australia.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Commence Surf Coast Shire Urban Futures Strategy, to guide future population growth and manage its impacts on environment and landscape.	\$30,025	\$11,655	The State Government's Distinctive Areas and Landscapes Statement of Planning Policy was delayed beyond expected completion of June 2022 consequently delaying the start of the Urban Futures Strategy to early 2023.



Moriac, Wadawurrung Country

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables.

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Assets and engineering				
<p>This service is responsible for integrated and prioritised capital works planning, particularly in the renewal of Council assets, fleet and roads and drains. 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 are unfavourable due to lower plant recovery due to plant operator vacancies and less usage internally on the capital program, along with higher operational fuel and plant maintenance costs. Recurrent revenue was also impacted by the timing of developer 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 Council infrastructure assets.</p>	Recurrent operations			
	Expenditure	1,933	2,362	(429)
	Overheads	20	20	-
	Revenue	(708)	(557)	(151)
		1,245	1,825	(580)
	Operating projects			
	Expenditure	65	47	18
	Revenue	-	-	-
		65	47	18
		Capital allocation	3,643	2,349

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Events and tourism				
<p>This service 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, and works closely with Great Ocean Road Regional Tourism on tourism campaigns and visitor servicing. 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 and maximises the benefits to the broader region is a key focus. The service is guided by the Surf Coast Shire Economic Development Strategy 2021 – 2031.</p> <p>Favourable recurrent operations expenditure relates to staff vacancies during the year and cancelled events. Recurrent operations revenue is favourable due to strong retail and admission sales at Council Visitor Information Centres.</p>	Recurrent operations			
	Expenditure	1,406	1,369	37
	Overheads	369	369	-
	Revenue	(272)	(444)	172
		1,503	1,294	209
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
	Capital allocation	13	-	13
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>Recurrent operations expenditure is favourable due to a staff vacancy and favourable legal consulting fees. Recurrent revenue is unfavourable due to reduced planning assessment fees.</p>	Recurrent operations			
	Expenditure	3,219	3,146	73
	Overheads	707	707	-
	Revenue	(852)	(823)	(29)
		3,074	3,030	44
	Operating projects			
	Expenditure	94	1	93
	Revenue	-	-	-
		94	1	93
	Capital allocation	-	-	-

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>Recurrent operations expenditure is unfavourable due to additional legal expenditure required for the ongoing Distinctive Area Landscape legal representation.</p> <p>The operating project expenditure relates to carried forward projects and the operating projects revenue reflects additional funding received for the shire-wide Urban Futures.</p>	Recurrent operations			
	Expenditure	753	963	(210)
	Overheads	146	146	-
	Revenue	-	(1)	1
		899	1,108	(209)
	Operating projects			
	Expenditure	264	343	(79)
	Revenue	-	(65)	65
		264	278	(14)
	Capital allocation	-	-	-

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.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Roads						
	Satisfaction of use					
R1	Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	45.65	47.93	70.33	84.32	Increase is contributed to a number of factors including the extreme weather events from October/November 2022 and improved ways for residents to contact Council.
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	99.83%	97.02%	96.39%	97.59%	
Service cost						
R3	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$90.90	\$80.22	\$125.38	\$137.53	The 2023 increase reflects the industry-wide increases to costs and the number of more expensive smaller urban works completed during 2023.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
<i>Service Cost</i>						
R4	Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$24.83	\$9.04	\$14.94	\$29.46	Surf Coast Shire uses a mix of materials for roads surfaces. During the financial year, more asphalt roads were resealed. Asphalt is a more costly, but longer lasting road material. This means the cost per square metre has increased as asphalt is approximately double the price of spray seal.
<i>Satisfaction</i>						
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	58.00	63.00	60.00	56.00	Slight decline due to increased failures to assets from extreme weather events. Review of management practices is planned during 2023-24.
Statutory planning						
<i>Timeliness</i>						
SP1	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	76.00	77.00	84.00	88.00	There has been a small increase in the time taken to assess applications which is largely due to a greater emphasis on negotiating outcomes, which can take additional time. The complexity of issues that Council has to consider is also a contributing factor.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
<i>Service standard</i>						
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	80.88%	86.92%	78.21%	69.09%	Over the past financial year, Council's Statutory Planning Team have had a focus on delivering better through negotiating with applicants and objectors. This process takes time, but delivers a better built form result for the community and reduces the potential for applications to be appealed to VCAT.
<i>Service cost</i>						
SP3	Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,716.98	\$2,978.88	\$2,790.07	\$3,303.49	As a result of a recent restructure, the Statutory Planning Team has received additional resources to help with the workload. This is the first full financial year where we see these additional resources.
<i>Decision making</i>						
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	80.00%	68.75%	86.96%	83.33%	Council still sees a strong rate of success in decisions being upheld at VCAT which can be attributed to the strength of planning scheme policy and consistency in how we assess applications against the Planning Scheme.



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 functions

- Economic development
- Environmental health

Interesting facts

- According to Spendmapp, \$99.7M in credit card expenditure took place in January 2023, the highest expenditure for a single month on record.
- Construction is the largest employing sector in the Surf Coast Shire, accounting for 1,881 (15%) of a total 12,576 jobs.

Achievements

- An initial Responsible Cafes Program was delivered with 16 cafes receiving Responsible Café accreditation. An estimated 227,500 single use cups were saved from landfill and 4,000kg of coffee grounds were diverted from landfill across the 16 participating businesses.
- A recycled water feasibility study for the Thomson Valley was completed in conjunction with Barwon Water. The study identified demand for A Class water and the findings will inform a business case (next stage).
- The COVID Recovery Grants Program was completed with over 500 project queries received, 154 applications submitted and assessed, 72 projects approved and completed. In total \$924,711 was allocated (\$416,534 community, \$508,176 business) across four programs: rapid response (less than \$5,000), full program (more than \$5,000), individual small business (less than \$5,000) and creative communities (\$5,000 - \$20,000).
- 36 businesses were supported through the full Business Concierge service and a further 130 businesses were supported by the Economic Development Team beyond the concierge.
- We supported Lorne and Anglesea business and traders associations' 'Adopt-a-Worker' campaign for 2022-23 peak tourism periods.
- Multiple marketing promotions were completed in collaboration with Great Ocean Road Regional Tourism including Explore your Backyard (400,000 views) and Wake up to Surf Coast, Greatopia Campaign (regional campaign with around 4 million views).

- New events website and digital communications campaigns were created with audiences building (2,000-plus followers).
- The Event Grant Program was released with 19 events funded.
- Major and community events recommenced following COVID.
- Free COVID rapid antigen tests were provided to the community.
- No detections of mosquito-borne viruses were identified through Council's mosquito monitoring/control program.
- 100% of major and critical food safety non-compliances identified were followed up and resolved.
- Additional water sampling was completed in relation to Council's Moriac Septic Study.

Challenges

- Inflation continues to create significant challenges for business. Business closures are increasing.
- Availability of workforce continues to force many businesses to reduce operating hours, particularly during peak periods, impacting business sustainability.
- Key worker housing – linked to availability of workforce - remains an issue.
- Implementation of food safety legislative changes (relating to classification and food safety programs).
- Implementation of new Victorian Government mobile and temporary food registration software system (FoodTrader).
- Implementation of new Victorian Government immunisation software system (CIRV).

Case study

COVID Recovery Grant Program

Council launched a COVID Recovery Assistance Grants Program, to support businesses and communities to recover from the pandemic. From 381 business surveys and industry round tables, to regular virtual support meetings with locals, we heard first-hand from the community about their most pressing needs when the pandemic hit, and their potential needs during the recovery phase.

Of the \$1 million made available under the program, Council approved \$924,711 in funding to 63 successful applications and nine Council initiatives.

Recovery from the COVID pandemic is going to take time and in the first two and a half years, it has thrown up challenges that have required Council to remain agile.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Investigate business-based environmental initiatives including a commercial solar micro-grid and a responsible cafes program to reduce waste and carbon emissions.	\$7,500	\$0	16 cafes signed up to the program and received Responsible Café accreditation. Estimated 227,500 single use cups saved from landfill. 4,000kg of coffee grounds were diverted from landfill.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. 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	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Economic development				
<p>The Economic Development service provides support for businesses to start up, adapt and thrive, particularly niche and emerging industries with a focus on innovation 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 to 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.</p> <p>The 2022-23 recurrent operations expenditure is favourable due to a staff vacancy, along with contractor and printing savings.</p> <p>The operating projects relate to carried forward projects from the prior year, including the Outdoor Activation Program, Covid creative communities recovery and key worker accommodation crisis.</p>	Recurrent operations			
	Expenditure	827	701	126
	Overheads	136	136	-
	Revenue	-	-	-
		963	837	126
	Operating projects			
	Expenditure	-	215	215
	Revenue	-	(109)	(109)
		-	106	106
		Capital allocation	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Environmental health				
<p>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, tattooist, beauty 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 services/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.</p> <p>The 2022-23 recurrent operations reflect favourable expenditure as a result of reduced hours for a permanent employee, along with lower contractor spend, partly offset by unfavourable septic tank application fees.</p> <p>The operating projects relate to carried forward projects from the prior year, along with new grant funding received for the Victorian Government's Rapid Antigen Test program.</p>	Recurrent operations			
	Expenditure	749	698	51
	Overheads	197	197	-
	Revenue	(376)	(368)	(8)
		570	527	43
	Operating projects			
	Expenditure	-	10	(10)
	Revenue	-	(110)	110
		-	(100)	100
		Capital allocation	9	-

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.

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Food safety						
<i>Timeliness</i>						
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.18	1.04	1.67	1.48	The decrease from last year is a positive outcome - it means that we have taken less time to action food safety complaints.
<i>Service standard</i>						
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 <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	86.08%	65.42%	94.03%	98.68%	
<i>Service cost</i>						
FS3	Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$561.79	\$457.85	\$506.86	\$526.08	

Service / indicator / measure	Results				Comments	
	2020	2021	2022	2023		
<i>Health and safety</i>						
FS4	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	



Afterglow Night Trail Run - Image Matt Bell



Council Plan Theme: 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 functions

- Arts and culture

Interesting facts

- The Australian National Surfing Museum has been recognised as holding an internationally significant surfing collection.
- The creative industry sector in the Surf Coast Shire comprised 2,599 registered businesses at the end of 2021.
- There are 12,576 jobs in the Surf Coast Shire. The creative economy represents 1,164 jobs (9.3%), making it the fifth largest employer in the shire.

Achievements

- DEVELOP grant program received 27 applications with eight grants awarded totalling \$29,802.
- In 2022-23 Anglesea Arts Space held 18 exhibitions, involving 301 artists (including many first time and youth exhibitors), 8,500 visitors, \$16,000 revenue (artist fees and commission on sales) and \$88,000 in total sales to local artists.
- The 2022 Surf Coast Arts Trail was delivered with over 200 artists across 70-plus venues and over \$80,000 in weekend sales achieved.
- As part of the Surf Coast Arts Trail lead up, one of three Shed Talk sessions was held.

- \$1.4M in grant funding was confirmed for Torquay's Multi Arts Centre under the Local Community Infrastructure Program and an agreement on the concept for the centre was reached, initial cost estimate work was completed and the design tender was released.
- 16,118 attended the Australian National Surfing Museum in 2022-23.
- \$28,000 in grant funding was secured through the Victorian Regional Collections Access Fund to commission two cabinets for display of significant objects at the Australian National Surfing Museum.
- For Our Elders: NAIDOC Week exhibition was held in Winchelsea with 80 people attending the opening event, and a further 95 attending the exhibition.

Challenges

- Demand for financial support, via grant funding programs, is very high which resulted in several quality proposals unable to be supported.
- The Australian National Surfing Museum building is ageing and requires upgrading to create a better experience for those visiting.
- A high proportion of creative industry businesses are not registered for GST meaning that many are micro businesses and not a primary source of income.



Aunty-Doctor Jenny Murray Jones and Arts Development Officer Harriet Gaffney in conversation, *The Voids in Colonial History*

Case study

Australian National Surf Museum Master Plan and collection significance

The Australian National Surfing Museum (ANSM) situated in Surf City, Torquay, is the largest museum of its kind anywhere in the world and is the only accredited surfing museum. The ANSM is dedicated to telling the story of Australian surfing through permanent displays and temporary exhibitions and is also the home of the Australian Surfing Hall of Fame, which recognises significant Australian surfers and the contributions they have made to industry, sport and culture.

Originally established by Surfing Australia and the efforts of well-known local surfing identities Alan Atkins, Rod Brooks, Vic Tantau, Peter Troy, and Alan Reid, the ANSM was opened in 1993.

In 1994 the ownership and management of the ANSM was transferred to Council. Since that time the ANSM has grown its collection (many of which are long-term loans).

In September 2021, the ANSM commissioned a collection significance assessment from museums consultant Dr Megan Cardamone. The significance framework is commonly used within the museum industry and refers to the values and meanings that items and collections have for people and communities. Significance helps unlock the potential of collections,

creating opportunities for communities to access and enjoy collections, and to understand the history, cultures and environments of Australia.

The completed significance assessment identified the ANSM collection as being of both national and internal significance. The assessment provides a guide to collection care, access and interpretation as well as providing a supporting document for funding and advocacy.

The ANSM Collection Significance Assessment informed the ANSM Master Plan, along with the Torquay Cultural Precinct Master Plan 2022, the Surf Coast Cultural Centre Business Case 2022, community consultation and input from the Australian National Surfing Museum team.

The ANSM Master Plan is complete and provides a strategic framework for the redevelopment of the museum and its sustainable operations over the next 20-30 years, as an integral part of the growth of the arts, culture and tourism sector for the Surf Coast Shire.

It was completed in August 2022 and was endorsed by Council in September 2022.



Major initiatives

Major initiative	Adopted budget	Actual spend	Progress
Pursue funding and continue planning of Surf Coast Cultural Centre.	N/A	N/A	Funding applications made during 2022-23 were unsuccessful. Advocacy to state and federal governments continues to be undertaken. These activities were undertaken as part of business as usual.
Increase arts and culture resources to deliver an expanded program and help grow the local creative sector.	\$88,103	\$88,103	New Arts and Creative Economy Coordinator role established. \$1.4 million in grant funding confirmed for Multi Arts Centre (MAC) under Local Community Infrastructure Program. Agreement on concept reached. Initial cost estimate work completed and design tender released. \$300,000 project to fit out of the new MAC Torquay facility was completed delivering a space to Torquay Theatre Troupe and Hoop Gallery. A new 30-year master plan for the Australian National Surf Museum was completed as well as a significance assessment on the ANSM's collection. It was identified as internationally significant.



Barracouta, Peter Day - Develp Grant recipient

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables.


Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Arts and creative economy				
<p>This service provides a varied program of arts and cultural activities, events, grant programs and arts facilities for the benefit of community well-being, connection, participation, professional development 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. A new Creative Places Strategy 2023-2031 will direct service provisions.</p> <p>The 2022-23 recurrent operations revenue is favourable due to strong retail and admission sales at the Australian National Surfing Museum, along with grant funding towards the installation of display cabinets at the Australian National Surfing Museum, which is offset in expenditure.</p> <p>2022-23 capital projects include the ongoing Public Art Program, the Torquay Multi Art Centre fit out and Anglesea Art House drainage and pathway improvements.</p>	Recurrent operations			
	Expenditure	650	689	(39)
	Overheads	50	50	-
	Revenue	(59)	(146)	87
		641	593	48
	Operating projects			
	Expenditure	86	67	19
	Revenue	(4)	(41)	37
		82	26	56
	Capital allocation	58	30	28

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 functions

- 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

Interesting facts

- Each Council meeting has an average of 118 livestream views and 124 archive views per month.
- In 2022-23, Council staff issued 125 media releases, provided 119 responses to media enquiries and prepared 151 sets of speech and briefing notes for Councillors and staff.
- Council's Facebook page has 10,964 followers, with 468 Facebook posts in 2022-23.

Achievements

- Our current 10-year Long Term Financial Plan, updated through the 2023-24 budget process, enables Council to continue to deliver services and facilities whilst navigating challenging years.
- Council maintained a positive financial position during 2022-23 recording a surplus of \$1.2M, and a cash surplus of \$2.1M, which will help maintain Council's financial sustainability in the years ahead.
- A first round of community engagement training was completed for 60 staff.
- In May, Council hosted an offsite Council meeting in Winchelsea, the first offsite meeting to be held in 2023. Approximately 50 community members attended and were able to meet their Councillors to discuss issues prior to the meeting.

Challenges

- Distributing Council's limited resources over competing priorities continues to be a challenge. Balancing the demand for asset renewal funding to renew ageing infrastructure and the community's expectations on delivering new assets, including pathways and drainage, includes trade-offs for Council.
- In addition to Council's existing community engagement approach, some of the requirements outlined in the *Local Government Act 2020* will require increased levels of support, both expertise and funding.

Case study

Return to Council meetings in different locations outside the chamber.



After a number of years being online or in the Torquay civic offices, Council commenced holding Council meetings in other locations.

When setting the Council meeting dates for 2023, Council resolved that it would hold a meeting within each of the wards of the municipality at intervals across

the year. This comes after a number of years of Council meetings being held online during the COVID pandemic and then a return to in-person meetings. Council meetings have been held in the Council Chambers in Torquay. By holding meetings in different locations within the municipality, this enhances community involvement in Council's decision-making process.

On 23 May, Council held its first offsite meeting of 2023 at Eastern Reserve in Winchelsea. Approximately 50 community members attended and had the opportunity to meet and greet Councillors and staff prior to the meeting commencing. Council meetings in Lorne and Airey's Inlet are scheduled in September and November of 2023.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2022-23 budget.

Major initiative	Adopted budget	Actual spend	Progress
Re-engage with our People Place Future Community Panel to ensure that community members' input continues to contribute to strategic decision-making.	\$15,400	\$0	The People Place Future panel recall has been carried forward into 2023-24.
Implement business improvement program so that we can continue to deliver services most important for the community.	\$128,645	\$43,549	Business improvement, continuous Improvement and innovation plan drafted for Council's Executive Management Team's consideration in September 2023. Council's Business Reform Programs improved efficiency and service delivery across the organisation with a \$320,000 savings.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. 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	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Corporate strategy, business improvement and benefits realisation				
<p>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. The realising of financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by our growing community.</p>	Recurrent operations			
	Expenditure	221	233	(12)
	Overheads	32	32	-
	Revenue	-	-	-
		253	265	(12)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		Capital allocation	-	-
Communications and community engagement				
<p>This service is responsible for coordinating Council communications, including strategic communications, 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.</p> <p>The operating projects reflect the timing of the People Place Future panel recall project, which has been carried forward into 2023-24.</p>	Recurrent operations			
	Expenditure	1,121	1,128	(7)
	Overheads	234	234	-
	Revenue	-	-	-
		1,355	1,362	(7)
	Operating projects			
	Expenditure	17	-	17
	Revenue	-	-	-
		17	-	17
		Capital allocation	-	-
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 2022-23 recurrent operations expenditure is favourable due to temporary periods of staff vacancies and secondments, and reduced consultant costs.</p>	Recurrent operations			
	Expenditure	1,157	1,036	121
	Overheads	308	308	-
	Revenue	-	-	-
		1,465	1,344	121
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		Capital allocation	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
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 \$1.43 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 is unfavourable due to an acting role to support Council's advocacy, strategic projects and partnerships priorities, offset in part due to a vacancy.</p>	Recurrent operations			
	Expenditure	2,536	2,675	(139)
	Overheads	1,425	1,425	-
	Revenue	-	-	-
		3,961	4,100	(139)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
	Capital allocation	-	-	-
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 Digital Transformation Program has been carried forward into 2023-24. Lower capital expenditure occurred during 2022-23 as a result of transformation projects not leading to capital assets (i.e. annual subscription software to support digital transformation).</p>	Recurrent operations			
	Expenditure	-	-	-
	Overheads	130	130	-
	Revenue	-	-	-
		130	130	-
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
	Capital allocation	1,255	6	1,249

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 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 regarding 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. Finance 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, \$1.50 million is distributed as a corporate overhead to primary services within Council.</p> <p>Recurrent operations revenue is favourable due to rates penalty interest and debt collection income.</p>	Recurrent operations			
	Expenditure	2,668	2,692	(24)
	Overheads	(1,499)	(1,499)	-
	Revenue	(864)	(1,006)	142
		305	187	118
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
	Capital allocation	-	-	-

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)	
Integrity and 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, \$1.21 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The recurrent operations expenditure is favourable due to the transfer of the Senior Contract Officer role to the Program Delivery Management service to align with the roles objectives, along with staff vacancies during the year.</p> <p>2022-23 operating projects varied to budget due to a carried forward project for the review of the Community Amenity Local Law, and additional revenue from the Victoria Electoral Commission for compulsory voting enforcement.</p>	Recurrent operations				
	Expenditure	1,169	1,115	54	
	Overheads	(1,206)	(1,206)	-	
	Revenue	-	(1)	1	
		(37)	(92)	55	
	Operating projects				
	Expenditure	46	58	(12)	
	Revenue	-	(6)	6	
		46	52	(6)	
	Capital allocation	5	5	-	
	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>	Recurrent operations			
		Expenditure	226	194	32
Overheads		10	10	-	
Revenue		(939)	(970)	31	
		(703)	(766)	63	
Operating projects					
Expenditure		-	-	-	
Revenue		-	-	-	
		-	-	-	
Capital allocation		-	-	-	

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Technology and information				
<p>This service includes two main sections, information technology (including geospatial information systems) and records management. The information technology area supports the organisation's requirements for computer services (including provision, support, maintenance, licencing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for Council and external uses. The Records Management Team manages document compliance (including creating, capturing, classifying and archival maintenance), and processing of incoming and outgoing correspondence. The Information Technology Team 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, \$3.68 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The 2022-23 recurrent operations is favourable due to reduced technology support expenditure and favourable repairs and maintenance expenditure.</p> <p>The operating project variance reflects carry forward of the cloud based systems review into 2023-24, along with the completion of the technology and information applications staffing project in 2022-23.</p> <p>Capital projects relate to the Technology and Information Renewal Program, which continues into 2023-24.</p>	Recurrent operations			
	Expenditure	3,833	3,444	389
	Overheads	(3,684)	(3,684)	-
	Revenue	-	-	-
		149	(240)	389
	Operating projects			
	Expenditure	94	31	63
	Revenue	-	-	-
		94	31	63
	Capital allocation	400	212	188

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)	
People and culture					
<p>This service is responsible for supporting the organisation with strategic and operational human resources management which includes learning and development and workplace health and safety. The activities of the unit include developing and implementing policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in recruitment, retention and the development of new skills and capabilities within Council's workforce. As a Council support service, \$1.59 million is distributed as a corporate overhead to the primary services within Council.</p> <p>Recurrent operations were unfavourable due to additional recruitment expenditure, along with parental leave backfilling.</p> <p>Operating projects included the human resources support and the enterprise agreement negotiation projects, which carried forward from 2021-22.</p> <p>The capital allocation refers to the Workplace Experience Project, which will continue into 2023-24.</p>	Recurrent operations				
	Expenditure	1,587	1,641	(54)	
	Overheads	(1,591)	(1,591)	-	
	Revenue	-	-	-	
		(4)	50	(54)	
	Operating projects				
	Expenditure	80	97	(17)	
	Revenue	-	-	-	
		80	97	(17)	
	Capital allocation	443	-	443	
	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 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> <p>The recurrent operations movement from the adopted budget is due to an internal restructure during 2022-23 of the Senior Contract Manager Officer from Integrity and Governance.</p>	Recurrent operations			
Expenditure		191	241	(50)	
Overheads		47	47	-	
Revenue		-	-	-	
		238	288	(50)	
Operating projects					
Expenditure		-	-	-	
Revenue		-	-	-	
		-	-	-	
Capital allocation		-	-	-	

Description of services provided	Classification	2022-23 Adopted budget \$'000	2022-23 Actual \$'000	2022-23 Variance \$'000 Fav/ (Unfav)
Project Management Team				
<p>This team 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 is unfavourable due to reduced project management recovery to projects.</p> <p>The capital allocation refers to the community project management support project, which has been carried forward into 2023-24.</p>	Recurrent operations			
	Expenditure	(223)	(43)	(180)
	Overheads	1,160	1,160	-
	Revenue	-	-	-
		937	1,117	(180)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		40	-	40
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, \$900,000 is distributed as a corporate overhead to the primary services within Council.</p> <p>The unfavourable recurrent operations expenditure reflects an increase in Council's insurance premiums in 2022-23, along with increased freedom of information services and legal expenditure. Recurrent revenue was favourable due to leases.</p>	Recurrent operations			
	Expenditure	895	1,044	(149)
	Overheads	(896)	(896)	-
	Revenue	(34)	(60)	26
		(35)	88	(123)
	Operating projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
		-	-	-

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.

Service / indicator / measure	Results				Comments	
	2020	2021	2022	2023		
Governance						
<i>Transparency</i>						
G1	Council decisions made at meetings closed to the public [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	14.81%	10.96%	6.47%	7.14%	Council remains committed to transparency and public access to the democratic process is facilitated wherever possible. Although there has been an increase in the 2023 ratio compared to 2022, the figure is still tracking well below previous years, and all efforts will continue to be made to improve this. Internal policy decisions and processes have increased public access to decision making, for example tenders are now awarded in public meetings. A small number of decisions will always need to be made in meetings closed to the public, in accordance with the confidentiality requirements under the <i>Local Government Act 2020</i> .

Service / indicator / measure		Results				Comments
		2020	2021	2022	2023	
Consultation and engagement						
G2	Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	59.00	59.00	54.00	52.00	
<i>Attendance</i>						
G3	Councillor attendance at Council meetings [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	92.59%	95.77%	94.95%	94.95%	
<i>Service cost</i>						
G4	Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$43,300.66	\$42,812.22	\$45,939.67	\$51,101.28	While costs have increased, the total falls comfortably within the expected range, and is attributed to general increases to service costs throughout the course of regular business including the full year costs of a Deputy Mayor and more in-person training and development compared to prior years.
<i>Satisfaction</i>						
G5	Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	55.00	54.00	54.00	54.00	

Reconciliation to the Income Statement

2022-23 Actuals				
	Surplus / (Deficit) \$'000	Expenditure \$'000	Revenue \$'000	
Council Plan Strategic Theme				
Theme 1 - First Nations Reconciliation	(159)	159	-	
Theme 2 - Healthy Connected Community	(21,590)	29,964	8,374	
Theme 3 - Environmental Leadership	(1,400)	13,954	12,554	
Theme 4 - Sustainable Growth	(7,583)	9,472	1,889	
Theme 5 - Robust & Diverse Economy	(1,369)	1,956	587	
Theme 6 - Arts & Creativity	(819)	806	187	
Theme 7 - Accountable & Viable Council	(8,013)	10,056	2,043	
	(40,733)	66,367	25,634	
Non-Attributable Items				
Asset Write Offs	(3,262)	3,262	-	
Amorisation - Intangible Assets	(3,629)	3,629	-	
Amorisation - Right of Use Assets	(295)	295	-	
Bad & Doubtful Debts	(104)	104	-	
Borrowing Costs	(326)	326	-	
Carry Forward Adjustment Operating Program	-	-	-	
Depreciation	(18,481)	18,481	-	
Expensed Capital Works	(2,652)	2,652	-	
Grants Assets	7,805	-	7,805	
Grants Commission	6,896	-	6,896	
Landfill Rehabilitation Expense	(3,313)	3,313	-	
Net Gain (Loss) on Disposal of Property, Plant & Equipment	(1,677)	1,677	-	
Share of Net (Profit)/Loss Geelong Regional Library Corporation	1	(1)	-	
Volunteer Employees	-	537	537	
Other Expenditure	26	(26)	-	
Other Income	3,046	-	3,046	
Non-Attributable Items	(16,176)	34,251	18,075	
Surplus/(Deficit) before Funding Sources	(56,909)			
Funding Sources				
Rates Revenue & Municipal Charges	51,589			
Capital Works Program Grants	5,206			
Capital Works Program Contributions	62			
Contributions - Monetary	-			
Developer Contributions - Monetary	1,243			
Special Rates & Charges	-			
Total Funding Sources	58,111			
Operating Surplus/(Deficit) for the Year	1,202			

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.

The *Local Government Act 2020* ensures that Councils have the functions and powers necessary to perform their roles in a transparent, efficient and accountable manner.

The Councillors come together to form the Council which is the Surf Coast Shire's governing body. Council is recognised as a single entity and Councillors have authority to make decisions collectively 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 acting under delegation.

Council meetings generally occur on the fourth Tuesday of the 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 and the live stream recording are also posted on the website following the meeting.

With Council approval, officers can also make certain decisions under delegation (instrument of 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.
- Within budgetary limits and constraints.

Attendance at Council meetings and Councillor briefing sessions 2022-23

In line with public transparency principles outlined in the *Local Government Act 2020*, Council provides quarterly and annual reporting on Councillor attendance at Council meetings and other meetings held under the auspices of Council, such as Councillor briefing sessions.

	Council meetings scheduled by resolution	Other Council meetings*	Meetings held under the auspices of Council**
Total meetings held	11	7	51
Cr Gary Allen	9	7	48
Cr Paul Barker	11	2	18
Cr Mike Bodsworth	11	6	47
Cr Kate Gazzard***	10	6	24
Cr Rose Hodge	11	7	49
Cr Liz Pattison	11	6	42
Cr Libby Stapleton	10	7	48
Cr Adrian Schonfelder	11	5	45
Cr Heather Wellington	10	5	4

* Includes Council Meetings for Hearing of Submissions and unscheduled Council meetings, those not scheduled by Council resolution.

** Meetings held under the auspices of Council include Councillor briefings and 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 to access and request information to understand matters presented at Council meetings.

*** Cr Gazzard was granted a leave of absence from 1/08/2022 to 30/11/2022.

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
- Lorne Community Impact Advisory Committee
- Torquay Community Impact Advisory Committee

Community asset committees

Council and local communities benefit from the voluntary work of eight community asset committees. These committees directly manage 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 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 and officer assignments were decided in December 2022:

Committees/organisation with legislated purpose	Representatives
Audit & Risk Committee	Cr Bodsworth, 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 Bodsworth, Cr Hodge (sub)
Barwon South West Waste and Resource Recovery Group (LG Forum)	Cr Bodsworth
Bells Beach Committee	Cr Bodsworth, Cr Gazzard
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 Schonfelder (sub)
Great Ocean Road Regional Tourism Inc. (GORRT)	CEO
G21 Geelong Region Alliance Ltd - Board of Directors	Cr Pattison (as Mayor), CEO
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 Pattison (as Mayor)
Geelong Heritage Centre Collection Advisory Committee	Cr Allen
Peri Urban Group of Rural Councils (PUGRC)	Cr Pattison (as Mayor) , CEO
G21 Pillars	Representatives
G21 Culture and Economic Development Pillar	Cr Allen
G21 Health and Wellbeing Pillar	Cr Bodsworth
G21 Sustainability Pillar	Cr Pattison, Cr Gazzard (sub)
Managing Growth Advisory Group	Cr Stapleton

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 revised current Councillor Code of Conduct that is designed to:

- Assist Councillors in maintaining the highest standards of conduct and behavior.
- 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 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 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 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 2022-23 year, are set out below.

Surf Coast Shire Council
Councillor Expenses Summary Between 1 July 2022 to 30 June 2023

Councillor	Allowances (\$)	Travel (\$)	Professional Development (\$)	Expenses to Support the Performance of the Role (\$)	Total (\$)
Cr Adrian Schonfelder	30,919	1,504	2,072	6,216	40,711
Cr Gary Allen	30,919	335		9,149	40,402
Cr Heather Wellington	30,919			710	31,629
Cr Kate Gazzard	30,919	538	1,261	771	33,488
Cr Libby Stapleton*	56,077	1,256	9,818	5,797	72,948
Cr Liz Pattison**	81,026	5,068	3,533	10,432	100,058
Cr Mike Bodsworth^	42,749	18	7,023	710	50,500
Cr Paul Barker^^	26,100			710	26,810
Cr Rose Hodge	30,919	1,652	1,323	710	34,604
Total	360,546	10,371	25,029	35,205	431,151

Notes:

*Cr Libby Stapleton (Mayor period: 11/2020 -11/2022).

**Cr Liz Pattison (Deputy Mayor period: 11/2020 -11/2022 and Mayor period: 11/2022 - present).

^Cr Mike Bodsworth (Deputy Mayor period: 11/2022 - 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.

Allowance figures include superannuation.

Figures exclude GST.

Corporate governance

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 five times in the 2022-23 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 Council's appointed auditors. The internal audit function provides independent and objective assurance that appropriate processes and controls are in place across Council. Audits provide insights to areas of focus that can improve performance across the organisation.

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:

- Food safety
- Building legislative compliance
- Volunteer management
- Data security and integrity (including IT general controls)
- Grants management
- Rates revenue
- Follow up audit for the previous financial year

External audit

Council is externally audited by the Victorian Auditor-General's Office. For the 2022-23 year, the Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors provide advice and information 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 creating an organisational culture which ensures that effective risk management is embedded in all activities and business processes.

2022-23 has been a productive year in the implementation of Council's risk management framework. Council's approach to risk was formalised in the Risk Management Policy, adopted in July 2022. It provides an integrated, enterprise-wide approach to the management of risk. This approach provides for the effective identification, analysis, management and escalation of risk throughout the organisation, enhanced decision making, and visibility to Council and the community that risks are being managed effectively.

Governance and management checklist

Council believes that community engagement, planning, monitoring and reporting are important for good decision making and having appropriate policies and procedures in place suggests an improvement in decision making.

Below is the governance and management checklist, as at 30 June 2023.

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 Date of adoption: 15 September 2020	<input checked="" type="checkbox"/>
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Management Procedure adopted by Executive Management Team Date of commencement of current guidelines: 1 December 2020	<input checked="" type="checkbox"/>
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 Date of adoption: 28 September 2021	<input checked="" type="checkbox"/>
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 Date of adoption: 28 September 2021	<input checked="" type="checkbox"/>
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 Date of adoption: 24 June 2021	<input checked="" type="checkbox"/>
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 Date of adoption: 27 June 2023	<input checked="" type="checkbox"/>
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 26 July 2022	<input checked="" type="checkbox"/>
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 26 February 2019	<input checked="" type="checkbox"/>
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 Date of commencement of current plan: 1 April 2023	<input checked="" type="checkbox"/>
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 Date of adoption: 23 November 2021	<input checked="" type="checkbox"/>
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 Date of commencement of current plan: 1 August 2019	<input checked="" type="checkbox"/>

Governance and management items		Assessment	
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 Date of commencement of current plan: 1 June 2021	<input checked="" type="checkbox"/>
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 20 May 2022	<input checked="" type="checkbox"/>
14	Audit and Risk Committee (see sections 53 September 2022 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 25 August 2020	<input checked="" type="checkbox"/>
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 Date of engagement of provider: 1 April 2018 to 30 June 2023	<input checked="" type="checkbox"/>
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 Date of adoption of current framework: 1 July 2014	<input checked="" type="checkbox"/>
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 six months of the financial year)	Report Date of report: 28 March 2023	<input checked="" type="checkbox"/>
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 Dates reports presented: 27 September 2022 22 November 2022 28 February 2023 23 May 2023	<input checked="" type="checkbox"/>
19	Risk reports (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Dates of reports: 16 September 2022 18 November 2022 15 March 2023 25 May 2023	<input checked="" type="checkbox"/>
20	Performance reports (sixmonthly reports of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act)	Reports Dates of reports: 13 Dec 2022 (for the period 1/07/2021 – 30/06/2022) 28 March 2023 (for the period 1/07/2022 – 31/12/2022)	<input checked="" type="checkbox"/>

Governance and management items		Assessment
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 Date of presentation: 25 October 2022
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 Date reviewed and adopted: 16 February 2021
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 Date of review under section 11(7): 27 July 2021
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 Date Governance Rules reviewed and adopted: 23 August 2022

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



Robyn Seymour
Chief Executive Officer
Date: 21/07/2023



Cr Liz Pattison
Mayor
Date: 24/07/2023

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.

All contracts entered into by Council were pursuant to section 108 of the *Local Government Act 2020*.

There was one instance 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 nine of Surf Coast Shire-019 Procurement Policy, which includes the requirement for a competitive tender process.

A request for quote process was undertaken and an error occurred in executing the contract for three years instead of the intended two years, resulting in an incorrect procurement process being followed. This has been reported through Council's non-compliance register and opportunities have been recognised to mitigate future risks of reoccurrence.

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

Documents available for public inspection

Council adopted its reviewed Public Transparency Policy on 13 December 2022. It outlines Council's commitment to providing transparency to the community and the ways in which information is made publicly available.

The 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 expenses 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 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. Council has a 10-year Access and Inclusion Strategic Plan 2014-24 which guides our work to increase access and inclusion for all to build healthy, well-connected communities where everyone can participate.

Below are some of our achievements from the past 12 months:

- Accessible upgrades to community facilities across the Shire as part of the Disability Discrimination Act compliance project, including external accessible gates, doorways and toilets, ramp redesign, and hearing augmentation loops.
- An audit of Council-managed disabled car parks. This will inform future upgrades of disabled car parks within Council's project and grant application planning.
- Implemented emergency management projects for people with disability in partnership with Colac-Otway Shire, CFA, Red Cross and the University of Sydney.
- Increased accessibility of Council's waste collection calendars including high contrast colours, larger font and a large print option for residents.
- Delivered five Pathways for Carers walking opportunities along an accessible stretch of Anglesea river boardwalk, in partnership with Barwon Health and Interchange Outer East.
- Partnered with Council's events team and Rip Curl Pro to create a sensory friendly festival including an

accessibility tab on the Rip Curl Pro website, a social script, sensory friendly mapping, and sensory friendly parking permits.

- Purchase of noise cancelling headphones to increase accessibility for children and young people with sensory sensitivity at Council events.
- Communications campaign in partnership with Great Ocean Road Coast and Parks Authority to profile accessible amenities and resources across the shire including beach wheelchairs, beach matting, accessible carparks, accessible toilets, and changing places.
- As part of International Day of People with Disability, promoted accessible businesses across the shire and provided guidance on how businesses can increase accessibility.

More information about disability 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, and domestic animals in the Surf Coast Shire can live together in safety and harmony. Community members contributed to the development of the plan 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 2022-23, Council continued to maintain a high standard of animal management according to legislative requirements and worked to deliver the objectives of the 2022-25 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.
- Undertaking patrols of our municipality to undertake education and compliance interactions.

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 2022-23.

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.
- Be accompanied by an application fee.

Council received 50 Freedom of Information applications in 2022-23, almost a 300% increase on how many were received 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 2022-23, there was one disclosure made to Council and this was reported to the Independent Broad-based Anti-corruption Commission (IBAC). In compliance with the *Public Disclosure Act 2012*, strict

confidentiality requirements must be adhered to for all disclosures.

Procedures on how to make a disclosure are publicly available on Council's website: surfcoast.vic.gov.au/About-us/Council/Policies-plans-strategies-and-reports/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 2022-23.

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 2022-23 year, the following information is provided about infrastructure and developer contributions.

Total DCP levies received in 2022-223 financial year

DCP name and year approved	Levies received in 2022-23 financial year (\$)
Torquay/Jan Juc DCP, approved 2011	\$638,863
Briody Drive West Upgrade DCP, approved 2012	\$0.00
Total	\$638,863

DCP land, works, services or facilities accepted as works-in-kind in 2022-23 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 2022-23 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							
Torquay Central & North (OR01) - Contributions to Developer Works	OR01	\$346,887				\$346,887	28%
Upgrade Grass Tree Park (OR05)	OR05	\$8,445				\$8,445	98%
Upgrade Deep Creek Linear Reserve (OR06)	OR06	\$4,943				\$4,943	78%
Upgrade Bells Beach Recreation Reserve (OR10)	OR10	\$53,461				\$53,461	99%
Torquay North Open Space Pathways (PC02) - Contributions to Developer works	PC02	\$131,322				\$131,322	63%
Construct regional bike route (4) along GOR (PC08)	PC08	\$15,135				\$15,135	2%
Surf Coast Highway / Coombes Rd Intersection Upgrade (RD03)	RD03	\$768,331				\$768,331	22%
Surf Coast Highway / Bristol Rd Intersection Upgrade Design (RD05)	RD05	\$57,527				\$57,527	4%
South Beach Road Upgrade (RD09)	RD09	\$7,472				\$7,472	98%
Widen Coombes Rd (RD11)	RD11	\$42,189				\$42,189	35%
Coombes / Messmate Road Intersection Upgrade (RD12)	RD12	\$25,495				\$25,495	25%
Duffields/ Grossmans Rd Intersection Upgrade (RD15)	RD15	\$34,960				\$34,960	4%
Total		\$1,496,167	\$0.00	\$0.00	\$0.00	\$1,496,167	

Performance Statements

For the year ended 30 June 2023

Performance Statement

For the year ended 30 June 2023

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 38,610 in 2023.

Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator / measure [formula]	Results				Material Variation Commentary
	2020	2021	2022	2023	
Population					
C1 Expenses per head of municipal population [Total expenses / Municipal population]	\$2,612.92	\$2,496.25	\$2,703.76	\$2,605.96	Whilst the municipal population increased by 6.4% in 2023, total expenses only increased by 2.6%, reducing the ratio year on year. The relative low increase in expenditure was related to a higher cost related to landfill provisions in 2022.
C2 Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$17,229.50	\$17,260.82	\$17,690.86	\$21,109.76	The spike in the 2023 ratio is largely due to the revaluation increase of Council's infrastructure assets of \$172 million.
C3 Population density per length of road [Municipal population / Kilometres of local roads]	31.17	32.12	33.49	35.76	Council has a growing population which is outstripping the growth in road lengths.
Own-source revenue					
C4 Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,982.51	\$1,878.23	\$1,944.35	\$1,915.80	Whilst in 2023 own source revenue increased by 4.89%, the ratio has decreased due to the increase in population. Of note is the increase of \$2.6 million in interest income.
Recurrent grants					
C5 Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$288.26	\$244.05	\$282.71	\$292.00	Of note is the additional revenue received in 2023 and 2022 related to the timing of the Federal Assistance Grants, with 1.25 years worth of grant funding received each year.
Disadvantage					
C6 Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	
Workforce turnover					
C7 Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.2%	14.5%	17.7%	13.3%	Resignations and terminations are declining after peaking in 2022 after the suppressed employment market during COVID-19.

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 2023

Service/ <i>Indicator/measure</i> [formula]	Results				Material Variation Commentary
	2020	2021	2022	2023	
AF6 Aquatic Facilities <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.19	0.14	0.21	0.17	A late start to the season opening due to maintenance issues, ageing pool and mild summer have contributed to reduced attendance. Pool is now closed for a complete renewal project.
AM7 Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	0%	Nil prosecutions
FS4 Food Safety Health and safety <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	100.00%	100.00%	100.00%	100.00%	
G5 Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	55	54	54	54	
LB4 Libraries Participation <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	18.19%	16.49%	14.81%	14.03%	

Service Performance Indicators

For the year ended 30 June 2023

Service/indicator/measure [formula]	Results				Material Variation Commentary
	2020	2021	2022	2023	
MC4 Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.74%	77.86%	76.13%	75.31%	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.
MC5 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	85.71%	85.19%	82.93%	77.08%	Surf Coast Shire has a proportionally low number of Aboriginal and Torres Strait Islander families, meaning that data is easily skewed by small numbers. Some choose to engage with the local Aboriginal Community Control Health Organisation. Of the families that do engage with Surf Coast Shire, some of those children are not due for a routine Key Age and State consultation in the 12 month period included in this report.
R5 Roads 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]	58	63	60	56	Slight decline due to increased failures to assets from extreme weather events.
SP4 Statutory Planning 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	80.00%	68.75%	86.96%	83.33%	Council still sees a strong rate of success in decisions being upheld at VCAT which can be attributed to the strength of planning scheme policy and consistency in how we assess applications against the Planning Scheme.
WC5 Waste Collection 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	48.99%	64.25%	71.12%	73.57%	Waste diversion rates continue to improve after the implementation of our 4-bin kerbside service and Council's education program to ensure our community understand and use the service correctly. The 2020 year was particularly low because of the diversion of recycling to landfill for a period due to issues in the recycling industry.

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 2023

Dimension/indicator/measure	Results						Forecasts			Material Variation Commentary
	2020	2021	2022	2023	2024	2025	2026	2027		
Efficiency										
Expenditure level										
E2 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,790.73	\$3,707.69	\$4,123.90	\$4,230.23	\$4,126.47	\$3,974.98	\$4,046.36	\$4,300.82		Council forecasts a fairly steady increase to this ratio, the 6% increase in the 2027 ratio is largely driven by the planned opening of the Surf Coast Aquatic and Health Centre.
Revenue level										
E4 Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$2,032.57	\$2,072.19	\$2,115.83	\$2,169.27	\$2,247.99	\$2,312.18	\$2,370.84	\$2,432.57		The forecast increases in the average rate per property assessment are in relation to the budgeted rate cap and supplementary rates in relation to new buildings.
Liquidity										
Working capital										
L1 Current assets compared to current liabilities [Current assets / Current liabilities] x100	291.67%	231.04%	227.40%	219.18%	221.81%	185.62%	371.06%	352.93%		The fluctuations in this ratio are largely driven by the Surf Coast Aquatic and Health Centre construction project with the timing of the expenditure and receipt of and timing of recognition of grant funding.
Unrestricted cash										
L2 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-75.23%	-55.39%	-68.86%	-170.69%	-132.37%	-92.68%	-93.77%	-80.41%		This ratio is increasing with the reduction in carry forward projects over the forecast period. This ratio excludes other financial assets - term deposits with maturities from 3 months to 12 months, if these were included the ratio would be positive. Council manages its cash flow to ensure sufficient cash to pay liabilities when due.
Obligations										
Loans and borrowings										
O2 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	38.56%	33.48%	28.50%	24.09%	19.63%	15.65%	11.89%	8.33%		This ratio is reducing with Council's reducing loans and borrowings and increasing rates revenue.

Financial Performance Indicators

For the year ended 30 June 2023

Dimension/ <i>indicator/measure</i>	Results					Forecasts					Material Variation Commentary
	2020	2021	2022	2023	2024	2025	2026	2027			
O3 <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	31.55%	4.50%	4.26%	4.07%	3.84%	3.66%	3.47%	3.29%	This ratio is reducing with Council's reducing loans and borrowings and increasing rates revenue. The higher percentage in the 2020 year was due to Council refinancing its existing loan portfolio and increased the principal amount. This involved the payment of break fees but resulted in lower interest rates and a net saving to council over the life of the loan.		
O4 <i>Indebtedness</i> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	46.74%	43.29%	44.86%	44.15%	45.51%	33.31%	29.01%	24.41%	Council's scheduled reduction in interest bearing loans and borrowings is leading to the reduction of this ratio into the future		
O5 <i>Asset renewal and upgrade</i> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	67.02%	75.81%	67.31%	66.68%	179.55%	126.20%	69.16%	112.62%	Asset renewal is forecast to spike over the 2024 and 2025 years with major renewal projects of the Winchelsea Pool and Pollocksford Road Bridge.		
OP1 <i>Operating position</i> <i>Adjusted underlying result</i> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-8.98%	-9.50%	-14.84%	-12.35%	-36.21%	-5.32%	-3.12%	-3.59%	The spike in the 2024 year relates to the legislated transfer of assets to the Great Ocean Road Coast and Parks Authority, otherwise this ratio is improving.		
S1 <i>Stability</i> <i>Rates concentration</i> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	68.44%	71.67%	69.31%	68.19%	88.14%	73.00%	72.20%	70.07%	The spike in the 2024 year relates to the legislated transfer of assets to the Great Ocean Road Coast and Parks Authority, otherwise this ratio is fairly consistent year on year.		
S2 <i>Rates effort</i> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.28%	0.25%	0.19%	0.20%	0.18%	0.18%	0.18%	0.18%			

Financial Performance Indicators

For the year ended 30 June 2023

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.

Other Information

For the year ended 30 June 2023

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 2023-24 Budget Report adopted by Council on 27 June 2023. The 2023-24 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 2023-24 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: 26 September 2023

In our opinion, the accompanying performance statement of the Surf Coast Shire Council for the year ended 30 June 2023 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 Liz Pattison
Mayor
Dated: 26 September 2023



Cr Gary Allen
Councillor
Dated: 26 September 2023



Robyn Seymour
Chief Executive Officer
Dated: 26 September 2023

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 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • 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 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Auditor'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
3 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

**Due to a clerical error, this page was omitted when the annual report was presented to Council. As this page contains generic information only which is not specific to this Council, it has been reinserted administratively.*

Financial Report

For the year ended 30 June 2023

Surf Coast Shire Council
Financial Report
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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.



Gabrielle Spiller CPA

Principal Accounting Officer

Dated : 26 September 2023

Torquay

In our opinion, the accompanying financial statements present fairly the financial transactions of the Surf Coast Shire for the year ended 30 June 2023 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.

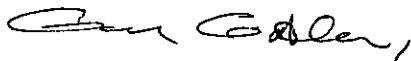


Cr Liz Patterson

Mayor

Dated : 26 September 2023

Torquay

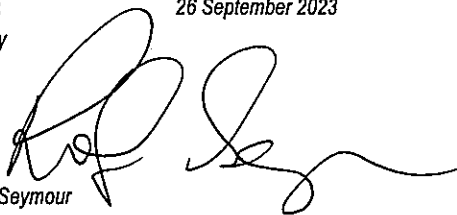


Cr Gary Allen

Councillor

Dated : 26 September 2023

Torquay



Robyn Seymour

Chief Executive Officer

Dated : 26 September 2023

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 2023 • 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.
----------------	---

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

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>
--------------------------	--

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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>
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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.

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
3 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	61,067	59,205
Statutory fees and fines	3.2	2,110	2,018
User fees	3.3	7,099	6,713
Grants - operating	3.4	12,474	10,718
Grants - capital	3.4	5,207	6,084
Contributions - monetary	3.5	2,565	4,117
Contributions - non monetary	3.5	7,605	11,301
Share of net profits (or loss) of associates	6.2	1	(16)
Other income	3.7	3,692	2,264
Total income / revenue		101,820	102,404
Expenses			
Employee costs	4.1	(38,138)	(34,958)
Materials and services	4.2	(30,331)	(30,127)
Depreciation	4.3	(18,481)	(18,199)
Amortisation - intangible assets	4.4	(3,629)	(4,040)
Amortisation - right of use assets	4.5	(316)	(392)
Bad and doubtful debts - allowance for impairment losses	4.6	(104)	(88)
Borrowing costs	4.7	(326)	(371)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,678)	337
Finance costs - leases	4.8	(16)	(18)
Other expenses	4.9	(7,597)	(9,878)
Total expenses		(100,616)	(97,734)
Surplus for the year		1,204	4,670
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	227,680	142,861
Total other comprehensive income		227,680	142,861
Total comprehensive result		228,884	147,531

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

Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	3,842	5,580
Trade and other receivables	5.1	5,751	5,898
Other financial assets	5.1	97,500	83,500
Prepayments		402	489
Other assets	5.2	1,990	600
Total current assets		109,485	96,067
Non-current assets			
Trade and other receivables	5.1	23	24
Investments in associates	6.2	276	275
Property, infrastructure, plant and equipment	6.1	1,205,201	977,562
Right-of-use assets	5.8	662	646
Intangible assets	5.2	25,585	29,059
Total non-current assets		1,231,747	1,007,566
Total assets		1,341,232	1,103,633
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,999	4,483
Trust funds and deposits	5.3	5,397	5,006
Provisions	5.5	11,177	10,438
Interest-bearing liabilities	5.4	2,171	2,160
Lease liabilities	5.8	318	269
Unearned Income	5.3	25,889	19,889
Total current liabilities		49,951	42,245
Non-current liabilities			
Provisions	5.5	19,778	16,564
Interest-bearing liabilities	5.4	12,539	14,711
Lease liabilities	5.8	337	370
Total non-current liabilities		32,654	31,645
Total liabilities		82,605	73,890
Net assets		1,258,627	1,029,743
Equity			
Accumulated surplus		450,107	479,945
Asset revaluation reserves	9.1	713,487	485,807
Other reserves	9.1	95,033	63,991
Total Equity		1,258,627	1,029,743

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

Statement of Changes in Equity For the Year Ended 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
2023					
Balance at beginning of the financial year		1,029,743	479,945	485,807	63,991
Surplus for the year		1,204	1,204	-	-
Net asset revaluation increment	9.1	227,680	-	227,680	-
Transfers to other reserves	9.1	-	(85,220)	-	85,220
Transfers from other reserves	9.1	-	54,178	-	(54,178)
Balance at end of the financial year		1,258,627	450,107	713,487	95,033

		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

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 2023

	Note	2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		61,461	59,541
Statutory fees and fines		1,988	1,931
User fees		7,364	6,814
Grants - operating		12,412	10,754
Grants - capital		11,661	13,393
Contributions - monetary		2,421	4,728
Interest received		1,590	452
Trust funds and deposits taken		6,248	1,097
Net GST refund		3,702	3,573
Employee costs		(36,659)	(35,239)
Materials and services		(34,930)	(35,706)
Short-term, low value and variable lease payments		(304)	(348)
Trust funds and deposits repaid		(5,862)	(4,567)
Net cash provided by operating activities	9.2	31,092	26,423
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(16,349)	(17,435)
Proceeds from sale of property, infrastructure, plant and equipment		338	429
Payments for investments		(102,500)	(114,600)
Proceeds from sale of investments		88,500	97,900
Net cash used in investing activities		(30,011)	(33,706)
Cash flows from financing activities			
Finance costs		(326)	(372)
Interest paid - lease liability		(17)	(19)
Repayment of borrowings		(2,161)	(2,150)
Repayment of lease liabilities		(315)	(398)
Net cash used in financing activities		(2,819)	(2,939)
Net decrease in cash and cash equivalents		(1,738)	(10,222)
Cash and cash equivalents at the beginning of the financial year		5,580	15,802
Cash and cash equivalents at the end of the financial year	5.1(a)	3,842	5,580
Financing arrangements	5.6		

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 2023

	2023 \$'000	2022 \$'000
Property		
Buildings	3,145	6,940
Total property	3,145	6,940
Plant and equipment		
Plant, machinery and equipment	755	1,822
Computers and telecommunications	226	474
Total plant and equipment	981	2,296
 Infrastructure		
Roads	8,741	4,764
Bridges	43	-
Footpaths and cycleways	554	433
Drainage and sewerage	966	503
Recreational, leisure and community facilities	618	1,164
Waste management	198	-
Parks, open space and streetscapes	962	1,078
Off street car parks	141	257
Total infrastructure	12,223	8,199
 Total capital works expenditure	16,349	17,435
 Represented by:		
New asset expenditure	2,674	2,626
Asset renewal expenditure	8,748	8,346
Asset expansion expenditure	1,351	2,560
Asset upgrade expenditure	3,576	3,903
Total capital works expenditure	16,349	17,435

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

Notes to the Financial Report
For the Year Ended 30 June 2023

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

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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.

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.

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

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

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

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

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 2.1 Analysis of our results

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 / Revenue and expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	61,487	61,067	(420)	(1%)	
Statutory fees and fines	2,052	2,110	58	3%	
User fees	7,808	7,099	(709)	(9%)	1
Grants - operating	8,621	12,474	3,853	45%	2
Grants - capital	10,851	5,207	(5,644)	(52%)	3
Contributions - monetary	2,997	2,565	(432)	(14%)	4
Contributions - non monetary	7,605	7,605	-	0%	
Share of net profits/(losses) of associates and joint ventures	-	1	1	-	
Other income	1,401	3,692	2,291	164%	5
Total income / revenue	102,822	101,820	(1,002)	(1%)	
Expenses					
Employee costs	37,692	38,138	(446)	(1%)	6
Materials and services	29,926	30,331	(405)	(1%)	7
Bad and doubtful debts - allowance for impairment losses	100	104	(4)	(4%)	
Depreciation	18,300	18,481	(181)	(1%)	
Amortisation - Intangible assets	3,329	3,629	(300)	(9%)	8
Amortisation - Right of use assets	389	316	73	19%	9
Borrowing costs	326	326	-	0%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(394)	1,678	(2,072)	526%	10
Finance costs - Leases	15	16	(1)	(7%)	
Other expenses	3,917	7,597	(3,680)	(94%)	11
Total expenses	93,600	100,616	(7,016)	(7%)	
Surplus/(deficit) for the year	9,222	1,204	(8,018)	(87%)	

Notes to the Financial Report
For the Year Ended 30 June 2023

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User Fees	Unfavourable variance driven by Kindergarten enrolment fees from families for terms 1 & 2 now funded by the State Government (\$416k) and reduced commercial/industrial waste disposal fees to landfill (\$388k).
2	Grants Operating	Favourable variance driven by Financial Assistance Grant receipt of estimated 2023-24 annual allocation, partially offset by additional 25% of 2022/23 allocation being received in 2021/22 (\$1,946k); new State Government Early Years Early Start Kindergarten Program (\$410k); and operational project funding not budgeted for (\$1,377k) including Kinder Support (\$266k), Kerbside Reform (\$211k); Anglesea Community & Health Hub Precinct Plan (\$200k); Painkalac Creek Estuary Flood Mitigation (\$150k); and Council Rapid Antigen Test Program (\$90k).
3	Capital Grants	Unfavourable variance driven by Aquatic and Health Centre Project grant (\$5,934k) treated as unearned; Pollocksford Road Bridge grant not received (\$2,800k); partially offset by grants not budgeted (\$2,984k) which includes Blackspot (\$930k); Local Roads Community Infrastructure Program (\$643k); Stribling Reserve Pavilions (\$385k); Roads to Recovery (\$335k); Bristol Road Wombat Crossing (\$75k) and numerous other smaller grants.
4	Contributions Monetary	Unfavourable variance driven by Pollocksford Road Bridge contribution treated as unearned (\$458k) and a slow down in developer contributions (\$56k) partially offset by various small contributions not budgeted for.
5	Other Income	Favourable variance driven by interest on investments with higher interest rates and a larger investment portfolio (\$2,498k); partially offset by a reduction in Volunteer Services (\$207k).
6	Employee Costs	Unfavourable variance driven by works relating to capital works that don't meet the capitalisation threshold budgeted in materials (\$482k); employee provision valuations due to increase in the indexation rate (\$350k), Enterprise Agreement increase (\$189k); partially offset by savings in WorkCover premium and medical expenses (\$239k) and timing of delivery on operational projects (\$230k).
7	Materials and Services	Unfavourable variance driven by works relating to capital works that don't meet the capitalisation threshold (\$1,167k), of this amount (\$446k) relates to emergency storm works; (\$347k) to a Torquay Jan Juc Developer Plan contribution made to a developer for works they completed, budgeted as capital; (\$371k) Digital Transformation initiatives that did not lead to a capitalised asset; Civil Maintenance impacted by weather events (\$331k); partially offset by favourable variances relating to timing of delivery of operating projects (\$692k); savings generated by business reform in technology support (\$370k).
8	Amortisation Intangible Assets	Unfavourable variance driven by an increase to the indexation rate (\$300k).
9	Amortisation Right of Use Assets	Favourable variance driven by fewer leased assets (\$73k).
10	Net Gain/Loss on Disposal	Unfavourable variance driven by the transition of assets to the Great Ocean Road Coastal and Parks Authority (\$1,944k) and slow down in plant replacement program (\$127k).
11	Other Expenses	Unfavourable variance driven by an increase to the landfill provision with an increase in rehabilitation costs and changes to the valuation of the provision with an increase to the discount rates and a decrease to the indexation rates (\$3,314k); and higher than budgeted asset write off related to timing of revaluation (\$404k).

Note 2 Performance against budget (cont'd)

2.1.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance % Ref
Property				
Land	5	-	5	100% 1
Buildings	9,873	3,145	6,728	68% 2
Total Property	9,878	3,145	6,733	68%
Plant and Equipment				
Plant, machinery and equipment	2,463	755	1,708	69% 3
Fixtures, fittings and furniture	393	-	393	100% 4
Computers and telecommunications	1,634	226	1,408	86% 5
Total Plant and Equipment	4,490	981	3,509	78%
Infrastructure				
Bridges	500	43	457	91% 6
Drainage and sewerage	1,038	966	72	7%
Footpaths and cycleways	622	554	68	11% 7
Parks, open space and streetscapes	1,992	962	1,030	52% 8
Recreational, leisure and community facilities	1,374	618	756	55% 9
Roads	7,623	8,741	(1,118)	(15%) 10
Off street car parks	180	141	39	22% 11
Waste management	2,856	198	2,658	93% 12
Total Infrastructure	16,185	12,223	3,962	24%
Total Capital Works Expenditure	30,553	16,349	14,204	46%
Represented by:				
New asset expenditure	12,392	2,674	9,718	78%
Asset renewal expenditure	11,465	8,748	2,717	24%
Asset expansion expenditure	129	1,351	(1,222)	(947%)
Asset upgrade expenditure	6,567	3,576	2,991	46%
Total Capital Works Expenditure	30,553	16,349	14,204	46%

(i) Explanation of material variations

Variance		Explanation
Ref	Item	
1	Land	Lower than budgeted expenditure on Coalmine Rd (\$5k) as funds were spent on built assets.
2	Buildings	Lower than budgeted expenditure due to initiated projects not progressing as planned - Surf Coast Aquatic Centre paused for rescoping due to cost escalations and Commonwealth Games aquatic facility announcement (\$5,537k), Anglesea Netball Pavilion unexpected design challenge and project management continuity (\$622k), Winchelsea Pool over optimistic planning of delivery (\$472k), Solar Efficiency Transition Program timing (\$289k), Anglesea Transfer Station Shed delay to building permit (\$143k), Hesse St Reserve Toilet Block (\$115k), Winchelsea Kinder Ramp (\$59k), Anglesea Memorial Hall Stair Case (\$36k), and Renewal and Discretionary Upgrades (\$65k) as well as projects that did not meet asset capitalisation guidelines (\$23k), partially offset by Projects carried forward from 2021-22 but not budgeted for - LRCIP Torquay Scout Hall Upgrade (\$437k), Barwon River Reserve Mud Hut (\$32k) and Waste Projects (\$211k).
3	Plant, machinery and equipment	Lower than budgeted expenditure on Plant and Fleet renewal (\$1,848k) due to ongoing supply delays; partially offset by Electric Vehicle Charging Station budgeted for under Parks and Open Space (\$140k).
4	Fixtures, fittings and furniture	Lower than budgeted expenditure on the Agile Working Project (\$393k) due to rescoping of project.
5	Computers and telecommunications	Lower than budgeted expenditure on the Relationship Management Project which is progressing with the business requirements specifications now completed (\$857k), timing of renewal (\$237k) and projects that did not meet capitalisation guidelines (\$387k).
6	Bridges and Major Culverts	Lower than budgeted expenditure on Pollocksford Road Bridge Replacement, delayed due to cost escalations (\$457k).
7	Footpaths and cycleways	Lower than budgeted expenditure due to initiated projects not progressing as planned - Regional Bike Route delayed due to unexpected Powercor project (\$215k), Horseshoe Bend Rd Pedestrian Improvements (\$50k); partially offset by projects carried forward from 2021/22 but not budgeted for - Deans Marsh Pathway (\$22k) and Moriac Greenfields pathway (\$39k) and projects budgeted for in other asset classes, but capitalised in Footpaths - Torquay Pearl/Gilbert St Intersection Upgrades (\$104k) and Grant Pavilion Upgrade (\$44k).
8	Parks, open space and streetscapes	Lower than budgeted expenditure due to initiated projects not progressing as planned - Deep Creek Linear Reserve working through Cultural Heritage approval (\$240k), Connecting Torquay Township completed in prior year (\$126k), Coogorah Park Boardwalk (\$83k), Grass Tree Park Upgrades project scope reduced (\$45k), Walk the Painkalac (\$40k) Public Art (\$38k), Street Litter Bin Hoods (\$25k), Project budgeted for in Parks & Open Space, but capitalised in Plant & Machinery - Electric Vehicle Charging Station (\$140k) and Projects that did not meet asset capitalisation guidelines - Torquay Footpath Developer Contribution (\$475k), Tree Planting (\$42k), Moonah Woodlands Vegetation Offset Plan (\$40k), partially offset by a project carried forward from 2021-22 but not budgeted for - Lorne & Moggs Creek Timber Bridges (\$244k) and projects budgeted for in other classes, but capitalised in Parks & Open Space - LRCIP Torquay Scout Hall Upgrade (\$30k) and Stribling Reserve Pavilion (\$90k).
9	Recreational, leisure and community facilities	Lower than budgeted expenditure due to initiated projects not progressing as planned - Eastern Reserve Netball Courts (\$300k), Barwon River Adventure Playgrounds (\$277k) and Stribling Reserve Netball Court Renewal (\$124k) all delayed due to cost escalations; Lions Park Upgrade due to site conditions investigation (\$54k), Zeally Sands Playground (\$42k), Skate Park Design (\$40k), Renewal (\$32k), partially offset by Projects carried forward from 2021/22 but not budgeted for - Sarabande Playground (\$76k) and LRCIP Bob Pettitt Bike Park (\$53k).

Variance Ref	Item	Explanation
10	Roads	Higher than budgeted for capital expenditure on Projects carried forward from 2021-22 but not budgeted for - Cape Otway Rd East (\$736k), Barwon Park Rd (\$660k), Torquay Pearl St and Gilbert St Intersection (\$307k), Bell St Renewal (\$314k) and Grays Rd Upgrade (\$427k); and Projects not originally budgeted for - Blackspot Projects (\$123k), Restoration on flood damaged assets (\$75k) and Renewal (\$51k), partially offset by lower than budgeted expenditure due to initiated projects not progressing as planned - Surf Coast Hwy/Coombes Rd intersection upgrades timing changed to avoid peak traffic periods (\$1,432k) and South Beach Road Upgrade (\$193k).
11	Off street car parks	Lower than budgeted expenditure on assets capitalised in other classes - McMillan St Car Park (\$102k); partially offset by projects budgeted for in Waste, but capitalised in Car Parks (\$62k)
12	Waste management	Lower than budgeted expenditure on initiated projects not progressing as planned - Lorne Landfill Transfer Station delay due to completion of masterplan (\$1,594k), Anglesea Landfill Cell 3E Liner project tendered with the stage 4 rehabilitation project (\$999k) and projects that did not meet asset capitalisation guidelines - Torquay Waste Drop-off (\$132k), partially offset by Projects budgeted for in other classes, but Capitalised in Waste - Anglesea Landfill Traffic Improvements (\$65k).

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 / revenue, expenses, assets and capital expenses by program

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Chief Executive Office	-	2,722	(2,722)	-	-
Community Life	8,888	32,958	(24,070)	4,722	802,248
Placemaking & Environment	22,565	33,031	(10,466)	6,022	33,905
Strategy & Effectiveness	70,367	31,905	38,462	6,937	505,079
	101,820	100,616	1,204	17,681	1,341,232

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	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	70,908	28,436	42,472	6,383	437,506
	102,404	97,734	4,670	16,802	1,103,633

Note 3 Funding for the delivery of our services	2023	2022
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 2022/23 was \$31,033 million (2021/22 \$22,398 million).

General rates	46,243	44,723
Municipal charge	5,128	5,043
Waste management charge	9,215	8,623
Supplementary rates and rate adjustments (General rates & municipal charge)	225	559
Interest on rates and charges	256	257
Total rates and charges	61,067	59,205

Revaluations are conducted annually with the date of the latest general revaluation of land for rating purposes within the municipal district being 1 January 2023, and the valuation will first apply in the rating year commencing 1 July 2023.

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	772	544
Building services	215	274
Town planning fees	766	841
Land information certificates	60	53
Subdivision fees	230	208
Other statutory fees and fines	67	98
Total statutory fees and fines	2,110	2,018

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
Leisure centre and recreation	1,001	639
Child care/children's programs	627	695
Building Services	29	42
Registration and other permits	848	851
Waste management services	2,880	2,952
Royalties	768	811
Gravel pits	174	195
Lease rentals	150	107
Other fees and charges	622	417
Total user fees	7,099	6,713
User fees by timing of revenue recognition		
User fees recognised over time	1,293	1,030
User fees recognised at a point in time	5,806	5,683
Total user fees	7,099	6,713

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.

	2023 \$'000	2022 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	11,490	11,072
State funded grants	6,191	5,730
Total grants received	17,681	16,802
(a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	6,886	6,361
Other	213	164
Recurrent - State Government		
Home and community care	189	180
School crossing supervisors	89	62
Maternal and child health	461	433
Community safety	240	293
Kindergartens	2,332	1,861
Youth Services	211	136
Other	41	50
Total recurrent operating grants	10,662	9,540
Non-recurrent - State Government		
Waste Management	210	24
Environmental planning	220	35
Buildings	21	19
Community safety	74	47
Recreation	226	10
Kindergartens	691	545
Arts and Culture	29	150
Roads	86	33
Maternal and child health	13	40
Youth	27	-
Other	215	275
Total non-recurrent operating grants	1,812	1,178
Total operating grants	12,474	10,718
(b) Capital grants		
Recurrent - Commonwealth Government		
Roads to recovery	612	716
Total recurrent capital grants	612	716
Non-recurrent - Commonwealth Government		
Recreation	135	265
Buildings	1,643	2,550
Roads	1,904	996
Other	97	20
Non-recurrent - State Government		
Buildings	90	1,007
Community safety	156	-
Kindergartens	36	-
Roads	191	399
Recreation	34	33
Arts and Culture	-	4
Waste Management	263	89
Other	46	5
Total non-recurrent capital grants	4,595	5,368
Total capital grants	5,207	6,084

(c) 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 of 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.

	2023 \$'000	2022 \$'000
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	6,886	6,361
Specific purpose grants to acquire non-financial assets	5,207	6,084
Other specific purpose grants	5,554	4,327
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	34	30
	17,681	16,802

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

Operating

Balance at start of year	374	600
Received during the financial year and remained unspent at balance date	3	356
Received in prior years and spent during the financial year	(374)	(582)
Balance at year end	3	374

Capital

Balance at start of year	18,143	11,046
Received during the financial year and remained unspent at balance date	8,269	8,147
Received in prior years and spent during the financial year	(1,939)	(1,050)
Balance at year end	24,473	18,143

Unspent grants are determined and disclosed on a cash basis.

	2023 \$'000	2022 \$'000
3.5 Contributions		
Monetary	2,565	4,117
Non-monetary	7,605	7,416
First Time Recognition of Water Sensitive Urban Design	-	3,885
Total contributions	<u>10,170</u>	<u>15,418</u>

Council recognised in 2022 \$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	901	1,825
Roads	1,638	2,390
Other infrastructure	1,256	3,201
Drainage	3,810	3,885
Total non-monetary contributions	<u>7,605</u>	<u>11,301</u>

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

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

Proceeds of sale	338	429
Written down value of assets disposed	(2,016)	(92)
Total Net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(1,678)</u>	<u>337</u>

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

3.7 Other income

Interest	3,155	535
Volunteer Services	537	378
Found Assets	-	1,351
Total other income	<u>3,692</u>	<u>2,264</u>

Interest is recognised as it is earned.

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

The 2021-2022 Found asset income relates mainly to drainage assets after investigation and roads and footpaths assets after clarification of ownership.

	2023 \$'000	2022 \$'000
Note 4 The cost of delivering services		
4.1 (a) Employee costs		
Wages and salaries	33,189	30,297
WorkCover	226	464
Superannuation	3,507	3,159
Fringe benefits tax	71	109
Volunteer Services	537	378
Other	608	551
Total employee costs	38,138	34,958
(b) Superannuation		
Contributions by Council (excluding any unfunded liability payments) to superannuation plans for the financial year ended 30 June 2023 are detailed below:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	32	37
Employer contributions payable at reporting date.	-	-
The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$29,608.		
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,588	1,634
Employer contributions to Hostplus Superannuation fund	243	240
Employer contributions to Australian Super fund	241	170
Employer contributions to Hesta	139	140
Employer contributions to Cbus	136	101
Employer contributions - other (61 other funds for 2022/23, 67 funds for 2021/22)	1,057	769
Employer contributions payable at reporting date.	214	149
Contributions made exclude amounts accrued at balance date. Refer to Note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Contract payments - Roads	1,583	1,322
Contract payments - Waste	6,032	5,585
Contract payments - Operations	940	769
Contract payments - Facilities Management	1,495	1,422
Contract payments - Assets & Engineering	307	276
Contract payments - Other	237	58
General maintenance	696	545
Utilities	1,270	1,093
Office administration	743	737
Information technology	1,279	1,001
Insurance	851	819
Consultants	2,032	1,916
Fuel	824	669
Grants, contributions and sponsorship	1,441	1,628
Materials	1,155	1,145
Sub-contractors	5,137	5,374
Royalties	2,256	2,439
Contributions to developer works	347	929
Other	1,706	2,400
Total materials and services	30,331	30,127
Expenses are recognised as they are incurred and reported in the financial year to which they relate.		

	2023 \$'000	2022 \$'000
4.3 Depreciation		
Property	3,397	4,101
Plant and equipment	1,436	1,641
Infrastructure	13,648	12,457
Total depreciation	18,481	18,199
<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	3,629	4,040
Total amortisation - intangible assets	3,629	4,040
<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	102	179
Property	179	90
Waste	35	123
Total amortisation - right of use assets	316	392
<i>Refer to note 5.8 for a more detailed breakdown of amortisation charges and accounting policy.</i>		
4.6 Bad and doubtful debts - allowance for impairment losses		
Infringement debtors	75	67
Other debtors	29	21
Total bad and doubtful debts - allowance for impairment losses	104	88
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	190	146
Provisions recognised during the year	11	44
Balance at end of year	201	190
An allowance for impairment losses in respect of debtors 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	326	371
Total borrowing costs	326	371
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	16	18
Total finance costs	16	18
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	32	43
Auditors' remuneration - Internal Audit	122	126
Councillors' allowances	361	330
Operating lease and rentals	426	406
Assets written-off / impaired	3,343	3,038
Future landfill rehabilitation adjustment (Refer to note 5.5)	3,313	5,935
Total other expenses	7,597	9,878

The 2022-23 Asset written-off/impaired expense mainly relates to a write-off of assets replaced, the write off of WIP not proceeding and the impairment of assets due to flooding in October 2022. The prior year Assets 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.

	2023	2022
	\$'000	\$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents - Current		
Cash on hand	3	3
Cash at bank	3,839	5,577
Total cash and cash equivalents	3,842	5,580
(b) Other financial assets		
Current		
Term deposits	97,500	83,500
Total other financial assets	97,500	83,500
Total financial assets	101,342	89,080

Cash and cash equivalents include cash on hand and deposits at call.

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.

	2023	2022
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	3,483	3,692
Special rate schemes	20	21
Infringement debtors	944	816
Provision for doubtful debts - infringements	(176)	(170)
Net GST receivable	550	549
<i>Non statutory receivables</i>		
Other debtors	955	1,010
Provision for doubtful debts - other debtors	(25)	(20)
Total current trade and other receivables	<u>5,751</u>	<u>5,898</u>
Non-current		
<i>Statutory receivables</i>		
Special rate schemes	<u>23</u>	<u>24</u>
Total non-current trade and other receivables	<u>23</u>	<u>24</u>
Total trade and other receivables	<u>5,774</u>	<u>5,922</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)	785	494
Past due by up to 30 days	57	329
Past due between 31 and 60 days	19	50
Past due between 61 and 90 days	3	27
Past due by more than 120 days	91	110
Total trade and other receivables	<u>955</u>	<u>1,010</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$24,810 (2022: \$20,149) were impaired. The amount of the provision raised against these debtors was \$24,810 (2022: \$20,149). 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>25</u>	<u>20</u>
Total trade & other receivables	<u>25</u>	<u>20</u>

5.2 Non-financial assets	2023	2022
	\$'000	\$'000
(a) Other assets		
Inventories	30	133
Accrued income	1,960	467
Total other assets	1,990	600
(b) Intangible assets		
Landfill air space	25,585	29,059
Total intangible assets	25,585	29,059
Landfill air space		
Gross carrying amount		
Balance at 1 July 2022	112,525	
Revaluation	1,179	
Balance at 30 June 2023	113,704	
Accumulated amortisation and impairment		
Balance at 1 July 2022	83,466	
Amortisation expense	3,629	
Revaluation	1,024	
Balance at 30 June 2023	88,119	
Net book value at 30 June 2022	29,059	
Net book value at 30 June 2023	25,585	
<p>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 June 2023. The remaining useful life of the Landfill airspace is 5.98 years at 30 June 2023. The Landfill airspace asset has been accounted for using FG02/2017 Local Government Accounting for Landfills by adopting the revaluation model.</p>		
Key assumptions:		
- discount rate	4.290%	2.670%
- inflation rate	6.480%	6.560%

5.3 Payables, trust funds and deposits and unearned income/revenue	2023	2022
(a) Trade and other payables - Current	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	1,886	2,222
Accrued expenses	3,113	2,261
Total trade and other payables	4,999	4,483
(b) Trust funds and deposits - Current		
Refundable deposits	5,028	4,406
Fire Service Levy	369	600
Total trust funds and deposits	5,397	5,006
(c) Unearned income / revenue - Current		
Grants received in advance - capital	24,473	18,143
Grants received in advance - operating	3	374
Contributions received in advance	467	611
Rates and charges received in advance	946	761
Total unearned income / revenue	25,889	19,889

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	2023 \$'000	2022 \$'000
Current		
Borrowings from Banks - secured *	2,171	2,160
	2,171	2,160
Non-current		
Borrowings from Banks - secured *	12,539	14,711
	12,539	14,711
Total	14,710	16,871

* Borrowings are secured by Council's general rates.

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

Not later than one year	2,171	2,160
Later than one year and not later than five years	8,804	8,756
Later than five years	3,735	5,955
	14,710	16,871

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

Current		
Employee provisions	7,745	7,175
Landfill Restoration provision	3,432	3,263
	11,177	10,438
Non-current		
Employee provisions	773	663
Landfill Restoration provision	19,005	15,901
	19,778	16,564
Total	30,955	27,002

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2023			
Balance at beginning of the financial year	7,838	19,164	27,002
Additional provisions	3,497	4,720	8,217
Amounts used	(3,170)	(40)	(3,210)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	353	(1,407)	(1,054)
Balance at the end of the financial year	8,518	22,437	30,955
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

	2023 \$'000	2022 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,371	2,206
Long service leave	746	678
	<u>3,117</u>	<u>2,884</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	622	671
Long service leave	4,006	3,620
	<u>4,628</u>	<u>4,291</u>
Total current employee provisions	<u>7,745</u>	<u>7,175</u>
Non-current		
Long service leave	773	663
Total non-current employee provisions	<u>773</u>	<u>663</u>
Aggregate carrying amount of employee provisions:		
Current	7,745	7,175
Non-current	773	663
Total aggregate carrying amount of employee provisions	<u>8,518</u>	<u>7,838</u>

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	4.063%	3.693%
- inflation rate	3.500%	1.750%

(b) Landfill rehabilitation provision

Current	3,432	3,263
Non-current	19,005	15,901
Total Landfill rehabilitation provision	<u>22,437</u>	<u>19,164</u>

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.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate (weighted average)	4.053%	3.448%
- inflation rate	6.480%	6.556%

5.6 Financing arrangements	2023 \$'000	2022 \$'000
The Council has the following funding arrangements in place as at the end of the financial year:		
Bank overdraft	2,300	2,300
Credit card facilities	100	100
Other facilities - Bank Loans	14,710	16,871
Total facilities	17,110	19,271
Used facilities	(14,730)	(16,891)
Unused facilities	2,380	2,380

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

2023	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
Operating					
Waste management	5,693	5,462	13,592	4,006	28,753
Consultancies	281	-	-	-	281
Open space management	411	11	-	-	422
Cleaning of Council buildings	1,147	1,144	-	-	2,291
Other	145	107	4	-	256
Total	7,677	6,724	13,596	4,006	32,003
Capital					
Construction	4,742	10	-	-	4,752
Consultancies	1,731	365	231	-	2,327
Waste management	36	-	-	-	36
Other	1,438	-	-	-	1,438
Total	7,947	375	231	-	8,553

2022	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
Operating					
Waste management	5,256	5,335	16,652	15,355	42,598
Consultancies	82	-	-	-	82
Cleaning of Council buildings	877	-	-	-	877
Other	240	73	85	-	398
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

(b) Operating lease receivables

Operating lease receivables

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

	2023 \$'000	2022 \$'000
Not later than one year	47	121
Later than one year and not later than five years	167	316
Later than five years	209	322
	423	759

5.8 Leases

At inception of a contract, Council assesses 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;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council 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.

Under AASB 16 *Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets	Fleet \$'000	Property \$'000	Waste \$'000	Total \$'000
Balance at 1 July 2022	144	446	56	646
Additions	332	-	-	332
Amortisation charge	(102)	(179)	(35)	(316)
Balance at 30 June 2023	374	267	21	662

Lease Liabilities	2023 \$'000	2022 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	336	281
One to five years	341	370
More than five years	19	20
Total undiscounted lease liabilities as at 30 June:	696	671

Lease liabilities included in the Balance Sheet at 30 June:		
Current	318	269
Non-current	337	370
Total lease liabilities	655	639

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.

	2023	2022
	\$'000	\$'000
Expenses relating to:		
Short-term leases	77	112
Leases of low value assets	227	236
Total	304	348

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	163	254
Later than one year but not later than five years	168	155
Total lease commitments	331	409

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 1									At Fair Value
	July 2022	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Impairment	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	431,346	1,380	901	55,342	(3,397)	(1,876)	(15)	2,320	-	486,001
Plant and equipment	6,100	764	-	-	(1,436)	(72)	(1)	196	-	5,551
Infrastructure	534,579	9,681	6,704	172,212	(13,648)	(68)	(2,864)	1,748	(111)	708,233
Work in progress	5,538	4,524	-	-	-	-	(382)	(4,264)	-	5,416
Total	977,563	16,349	7,605	227,554	(18,481)	(2,016)	(3,262)	-	(111)	1,205,201

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,484	1,765	(8)	(2,224)	2,017
Plant and equipment	767	217	(352)	(196)	436
Infrastructure	2,287	2,542	(22)	(1,844)	2,963
Total	5,538	4,524	(382)	(4,264)	5,416

Notes to the Financial Report
For the Year Ended 30 June 2023

(a) Property

	Land - specialised	Land - non specialised	Land Under Roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Total Property excl WIP	Work in progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	244,139	6,771	84,864	335,774	135,257	14,709	149,966	485,740	2,484	488,224
Accumulated depreciation at 1 July 2022	-	-	-	-	(47,818)	(6,576)	(54,394)	(54,394)	-	(54,394)
	244,139	6,771	84,864	335,774	87,439	8,133	95,572	431,346	2,484	433,830
	244,139	6,771	84,864	335,774	87,439	8,133	95,572	431,346	2,484	433,830
Movements in fair value										
Additions	-	-	-	-	1,255	125	1,380	1,380	1,765	3,145
Contributions	755	-	64	819	61	21	82	901	-	901
Revaluation	30,625	819	23,898	55,342	-	-	-	55,342	-	55,342
Disposal	(1,876)	-	-	(1,876)	-	-	-	(1,876)	-	(1,876)
Write-off	-	-	(3)	(3)	(37)	(8)	(45)	(48)	(8)	(56)
Transfers	-	-	97	97	2,212	11	2,223	2,320	(2,224)	96
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	29,504	819	24,056	54,379	3,491	149	3,640	58,019	(467)	57,552
Movements in accumulated depreciation										
Depreciation	-	-	-	-	(3,055)	(342)	(3,397)	(3,397)	-	(3,397)
Accumulated depreciation of write offs	-	-	-	-	28	5	33	33	-	33
	-	-	-	-	(3,027)	(337)	(3,364)	(3,364)	-	(3,364)
At fair value 30 June 2023	273,643	7,590	108,920	390,153	138,748	14,858	153,606	543,759	2,017	545,776
Accumulated depreciation at 30 June 2023	-	-	-	-	(50,845)	(6,913)	(57,758)	(57,758)	-	(57,758)
	273,643	7,590	108,920	390,153	87,903	7,945	95,848	486,001	2,017	488,018

(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 2022	10,041	1,475	4,019	15,535	767	16,302
Accumulated depreciation at 1 July 2022	(5,241)	(1,349)	(2,845)	(9,435)	-	(9,435)
	4,800	126	1,174	6,100	767	6,867
Movements in fair value						
Additions	739	-	25	764	217	981
Disposal	(876)	-	-	(876)	-	(876)
Write-off	(31)	-	(23)	(54)	(352)	(406)
Transfers	11	-	185	196	(196)	-
	(157)	-	187	30	(331)	(301)
Movements in accumulated depreciation						
Depreciation	(1,030)	(23)	(383)	(1,436)	-	(1,436)
Accumulated depreciation of disposals	804	-	-	804	-	804
Accumulated depreciation of write offs	30	-	23	53	-	53
	(196)	(23)	(360)	(579)	-	(579)
At fair value 30 June 2023	9,884	1,475	4,206	15,565	436	16,001
Accumulated depreciation at 30 June 2023	(5,437)	(1,372)	(3,205)	(10,014)	-	(10,014)
	4,447	103	1,001	5,551	436	5,987

Notes to the Financial Report
For the Year Ended 30 June 2023

(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 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 1 July 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
	347,890	3,017	43,023	91,461	23,698	12,586	10,310	2,594	534,579	2,287	536,866
Movements in fair value											
Additions	7,516	-	459	403	585	390	141	187	9,681	2,542	12,223
Contributions	1,500	-	648	3,810	223	385	138	-	6,704	-	6,704
Revaluation	271,216	6,691	-	20,650	-	-	5,673	2,158	306,388	-	306,388
Disposal	-	-	(15)	-	-	(113)	-	-	(128)	-	(128)
Write-off	(4,593)	-	(104)	(133)	(299)	(117)	(43)	-	(5,289)	(22)	(5,311)
Transfers	1,110	-	315	37	130	134	22	-	1,748	(1,844)	(96)
Impairment losses recognised in revaluation reserve	(30)	-	-	-	-	-	-	-	(30)	-	(30)
Impairment losses recognised in operating result	(81)	-	-	-	-	-	-	-	(81)	-	(81)
	276,638	6,691	1,303	24,767	639	679	5,931	2,345	318,993	676	319,669
Movements in accumulated depreciation											
Depreciation	(7,695)	(94)	(898)	(1,433)	(1,648)	(1,206)	(191)	(483)	(13,648)	-	(13,648)
Revaluation	(119,572)	(3,527)	-	(7,126)	-	-	(2,387)	(1,564)	(134,176)	-	(134,176)
Accumulated depreciation of disposals	-	-	6	-	-	54	-	-	60	-	60
Accumulated depreciation of write offs	2,035	-	54	33	202	89	12	-	2,425	-	2,425
	(125,232)	(3,621)	(838)	(8,526)	(1,446)	(1,063)	(2,566)	(2,047)	(145,339)	-	(145,339)
At fair value 30 June 2023	723,062	12,407	55,247	164,453	39,213	22,482	17,759	10,181	1,044,804	2,963	1,047,767
Accumulated depreciation at 30 June 2023	(223,655)	(6,320)	(11,759)	(56,751)	(16,322)	(10,280)	(4,084)	(7,289)	(336,460)	-	(336,460)
Accumulated impairment at 30 June 2023	(111)	-	-	-	-	-	-	-	(111)	-	(111)
	499,296	6,087	43,488	107,702	22,891	12,202	13,675	2,892	708,233	2,963	711,196

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. Depreciation periods that have changed from the prior year are stated in the prior year column, those that are consistent with the prior year are not recorded.

Asset recognition thresholds and depreciation periods

		Depreciation Period	Depreciation Period	Threshold Limit
			Prior Year*	\$'000
(a) Property				
Heritage Buildings		100 - 150 years		5
Buildings - Complex	Structure	100 years		5
	Roof	60 years	50 years	5
	Fit Out	25 years		5
	Services	35 years	20 years	5
	Pools	3 - 50 years		5
Buildings - Simple	40-50 years	40 years		5
(b) Plant and Equipment				
Plant, machinery and equipment		2 - 15 years	3 - 20 years	1
Fixtures, fittings and furniture		3 - 10 years	10 years	1
Computers and telecommunications		3 - 10 years	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		70 years	60 - 70 years	5
Traffic Control Devices		25 - 80 years		5
Bridges and Major Culverts	Bridges	100-140 years	60 - 150 years	5
	Major Culverts	80 years	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 - 150 years	80 - 100 years	5
	Sewerage	80 years		5
	Septic Tanks	30 years		5
	Wetlands and WSUD	10 - 100 years	80 years	5
Recreation, leisure and community facilities		10 - 100 years	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		2 - 45 years	3 - 45 years	5

* Prior year is disclosed if different from current year.

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 capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer, Opteon as at 31 March 2023. 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.

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
	\$'000	\$'000	\$'000		
Land	-	7,590	-	31/03/2023	Independent
Specialised land	-	-	273,643	31/03/2023	Independent
Land Under Roads			108,920	30/06/2023	Independent
Buildings	-	7,945	87,903	31/12/2021	Independent
Total	-	15,535	470,466		

Valuation of infrastructure

Valuation of Road and Offstreet Car Park assets has been determined in accordance with a valuation undertaken by independent valuer, Infrastructure Management Group Pty Ltd and Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 31 December 2022. 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 31 December 2022. 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. Due to increasing costs for drainage items, the fair value of Drainage was indexed as at 30 June 2023.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on the overall movement of all components of the asset class, a full revaluation of these assets will be conducted in 2024/25.

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 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
	\$'000	\$'000	\$'000		
Roads	-	-	499,296	31/12/2022	Independent
Bridges	-	-	6,087	31/12/2022	Independent
Footpaths and cycleways	-	-	43,488	30/06/2022	Independent
Drainage and sewerage	-	-	107,702	30/06/2023	Indexation
Recreational, leisure and community facilities	-	-	22,891	31/12/2020	Independent
Parks, open space and streetscapes	-	-	12,202	31/12/2020	Independent
Off street car parks	-	-	13,675	31/12/2022	Independent
Waste management	-	-	2,892	30/06/2023	Independent
Total	-	-	708,233		

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 \$0.62 and \$2,915.25 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 \$234 to \$8,576 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 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.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Parks and reserves	233,174	207,624
Public use	35,711	32,147
Waste	1,009	877
Car Parks	3,749	3,491
Total specialised land	273,643	244,139

6.2 Investments in associates	2023 \$'000	2022 \$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Geelong Regional Library Corporation	276	275
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 <i>Local Government Act 1989</i> 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 2.54% (2022 2.66%) 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	276	275
Council's share of accumulated surplus		
Council's share of accumulated surplus at the start of the year	275	291
Council's share of accumulated surplus/(deficit) for the year	1	(16)
Council's share of accumulated surplus at the end of year	276	275
Movement in carrying value of specific investment		
Carrying value of investment at start of year	275	291
Share of share of accumulated surplus/(deficit) for the year	1	(16)
Carrying value of investment at end of year	276	275

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 Council is the parent entity.

Associates

Investments 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, General Managers and Executive Manager are deemed KMP.

Councillors	Councillor Liz Pattison - Mayor 16/11/22 to current, Deputy Mayor 1/7/22 to 15/11/22
	Councillor Mike Bodsworth - Deputy Mayor 16/11/22 to current
	Councillor Libby Stapleton - Mayor 1/7/22 to 15/11/22
	Councillor Gary Allen
	Councillor Paul Barker
	Councillor Kate Gazzard
	Councillor Rose Hodge
	Councillor Adrian Schonfelder
	Councillor Heather Wellington

Key management personnel	Chief Executive Officer
	General Manager Community Life
	General Manager Placemaking & Environment
	General Manager Strategy & Effectiveness
	Executive Manager Strategic Projects and Partnerships

	2023	2022
	No.	No.
Total number of Councillors	9	9
Total of Chief Executive Officer and other key management personnel	5	5
Total number of key management personnel	14	14

(c) Remuneration of key management personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of key management personnel and other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2023	2022
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,506	1,330
Post-employment benefits	119	99
Long-term benefits	28	24
Termination benefits	-	62
Total	1,653	1,515

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

\$20,000 - \$29,999	1	6
\$30,000 - \$39,999	5	2
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	-	2
\$150,000 - \$159,999	1	-
\$200,000 - \$209,999	-	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	1	2
\$260,000 - \$269,999	1	-
\$350,000 - \$359,999	-	1
\$360,000 - \$369,999	1	-
	14	14

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

	2023 \$'000	2022 \$'000
Total remuneration of other senior staff was as follows:		
Short-term benefits	1,635	1,471
Post-employment benefits	172	147
Long-term benefits	41	36
Termination benefits	-	352
Total	1,848	2,006

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Income Range:		
\$160,000 - \$169,999	3	6
\$170,000 - \$179,999	6	2
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	-	1
\$290,000 - \$299,999	1	-
	10	11

Total Remuneration for the reporting year for Senior Officers included above, amounted to	1,848	2,860
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* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

	2023	2022
	\$'000	\$'000
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	826	806
Contributions paid to G21 - Geelong Region Alliance Ltd	86	80
Contributions paid to Great Ocean Road Regional Tourism Ltd	154	155
Fees for the use of Council facilities	4	5
Family member employed under normal employment conditions and terms	3	-
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 assets and liabilities

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

(a) Contingent assets

There are no contingent assets as at 30 June 2023.

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, 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.

(c) Guarantees to other entities

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

	2023 \$'000	2022 \$'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 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 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's 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.

The increase to interest rates during 2022/23, together with a larger investment portfolio, has driven a favourable to budget interest return of (\$2,498k).

(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. 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(c).

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(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.00% and - 1.00% in market interest rates (AUD) from year-end rates of 4.10%.

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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). 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. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	2 years
Buildings	3 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage and sewerage	3 years
Recreational, leisure and community facilities	3 years
Parks, open space and streetscapes	3 years
Off Street car parks	3 years
Waste management	3 years
Landfill airspace	1 year

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

9.1 Reserves	Balance at beginning of reporting period	Increment	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2023			
Property			
Land	197,401	31,444	228,845
Land under roads	30,674	23,898	54,572
Buildings	40,740	-	40,740
	<u>268,815</u>	<u>55,342</u>	<u>324,157</u>
Furniture and equipment			
Furniture and equipment	32	-	32
Infrastructure			
Roads	114,685	151,614	266,299
Bridges	1,893	3,164	5,057
Footpaths and cycleways	25,774	-	25,774
Drainage and sewerage	39,307	13,524	52,831
Recreational, leisure and community facilities	18,152	-	18,152
Parks, open space and streetscapes	2,238	-	2,238
Offstreet car parks	1,712	3,287	4,999
Waste	-	594	594
Intangibles			
Waste Air Space	13,199	155	13,354
	<u>216,992</u>	<u>172,338</u>	<u>389,330</u>
Total asset revaluation reserves	485,807	227,680	713,487
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>
Furniture and equipment			
Furniture and equipment	32	-	32
Infrastructure			
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	342,946	142,861	485,807

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2023				
Open space	3,301	363	(119)	3,545
Main drainage	210	-	(96)	114
Developer contributions	320	110	(8)	422
Airey's Inlet aged care units	330	2	-	332
Waste	8,002	107	(3,645)	4,464
Gravel pits	1,335	96	-	1,431
Defined benefits superannuation	1,224	-	-	1,224
Carried forward capital works	25,835	55,150	(25,835)	55,150
Carried forward operational projects	2,101	3,165	(2,101)	3,165
Adopted strategy implementation	5,905	5,553	(4,896)	6,562
Asset renewal	2,180	11,073	(11,813)	1,440
Torquay Jan Juc Developer Contributions	7,282	5,617	(4,502)	8,397
Winchelsea infrastructure plan	1,276	358	(330)	1,304
Annual Leave Cash Reserve	326	-	-	326
Accumulated unallocated cash	4,364	3,626	(833)	7,157
Total other reserves	63,991	85,220	(54,178)	95,033
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

(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 <i>Subdivision Act 1988</i> .
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 <i>Planning and Environment Act 1987</i> .
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 <i>Housing Act 1983</i> .
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.

	2023	2022
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	1,204	4,670
Depreciation	18,481	18,199
Amortisation - intangibles	3,629	4,040
Amortisation - right of use	316	392
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,678	(337)
Assets written-off / impaired	3,343	2,885
Found Assets	-	(1,351)
Borrowing costs	326	371
Finance costs - leases	16	18
Contributions - Non-monetary assets	(7,605)	(11,301)
Share of net profits/(losses) of Geelong Regional Library Corporation	(1)	16
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	148	(57)
Decrease in prepayments	87	59
Increase in accrued income	(1,493)	(124)
Decrease in inventories	103	181
(Increase)/decrease in trade and other payables	516	(798)
Increase in unearned income	6,000	7,566
Increase in provisions	3,953	5,464
(Increase)/decrease in trust funds and deposits	391	(3,470)
Net cash provided by operating activities	<u>31,092</u>	<u>26,423</u>

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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022 : 10.0%).

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. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.70% pa

Salary information 3.50% pa

Price inflation (CPI) 2.80% pa

As at 30 June 2022, 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 102.2%. The financial assumptions used to calculate the 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

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at 30 June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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 2022 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). 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 2022 interim 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 2022 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 2022 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:

	2022 (Interim) \$m	2021 (Interim) \$m
A VBI surplus	44.6	214.7
A total service liability surplus	105.8	270.3
A discounted accrued benefits surplus	111.9	285.2

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 2022.

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 2022.

The discounted accrued benefits 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 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.70% pa	5.60% pa
Salary inflation	3.50% pa	2.50% pa for the first two years and 2.75% pa thereafter
Price inflation	2.80% pa	2.00% pa

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 2022-23 year.



Main office

Location: 1 Merrijig Drive, Torquay

Hours: 8.30 am - 5 pm (Monday to Friday)

Phone: (03) 5261 0600 or 1300 610 600

Fax: (03) 5261 0525

Postal Address: PO Box 350, Torquay, 3228

Email: info@surfcoast.vic.gov.au

surfcoast.vic.gov.au

Visitor centres

Torquay Visitor Centre 1300 614 219

Lorne Visitor Centre 1300 891 152