

SOUTH GIPPSLAND SHIRE COUNCIL

Annual Report 2023/24



Report for the year ending 30 June 2024



South Gippsland
Shire Council

Acknowledgement of Country

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

Our Contact Information



9 Smith Street, Leongatha 3953



5662 9200



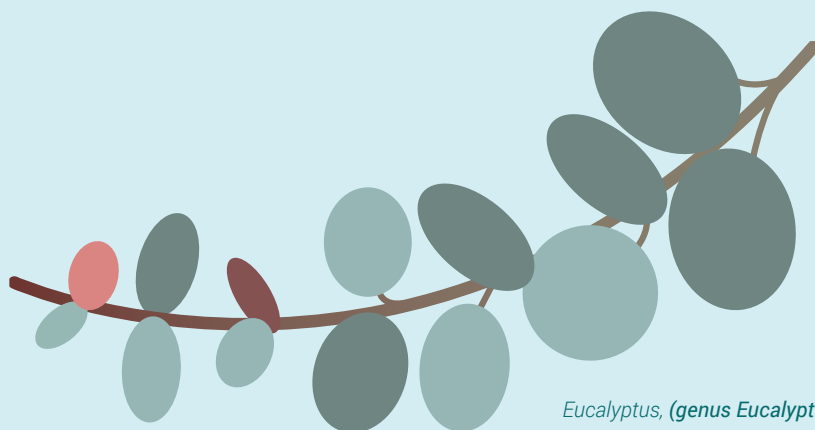
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[www.facebook.com/
southgippslandshirecouncil](https://www.facebook.com/southgippslandshirecouncil)



Eucalyptus, (genus Eucalyptus)

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About our Annual Report

South Gippsland Shire Council's 2023/24 Annual Report provides a detailed account of Council's achievements, challenges and performance during the past financial year. It demonstrates the breadth of Council's operations and the diversity of services and projects delivered to the South Gippsland community. The 2023/24 Annual Report is also a reflection of the tremendous work we've done over the past 12 months, which this year has been some of our best.

This report is prepared as a key component of Council's commitment to transparent reporting and accountability to our community and to meet statutory reporting requirements under the *Local Government Act 2020* (Act). All councils must present an Annual Report to an open meeting of Council by 31 October each year.

How to Read the Report

Our Annual Report is divided into six broad sections:

Report Overview

This section contextualises the Annual Report and provides a snapshot of the Shire and the year that was.

Our Performance – An Overview

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

Our Organisation

This provides an overview of our organisational structure and staff.

Our Performance

This section is grouped in accordance with our 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 Governance

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

Financial Statements and Performance Statement

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

Our Vision Statement

South Gippsland: celebrating our First Peoples, diverse populations, culture, heritage, environment, agriculture and industries. We support and empower positive change through education and action. We sustainably adapt to protect and enhance our unique natural environment, towns and villages through community-led planning and initiatives. We're an inclusive community, a place where people come to visit and want to stay.

Our Values

- Community and Outward Focussed
- Accountable
- Respectful
- Proactive
- Acting in the interests of the whole Shire



About South Gippsland

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

South Gippsland spans 3,308 square kilometres of agriculturally-rich land which is used for dairy, beef, sheep and vegetable production. Viticulture, fishing and tourism also contribute significantly to the local economy.

Key attractions include the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, Coal Creek Community Park and Museum, the Great Southern Rail Trail, the Grand Ridge Rail Trail, Agnes Falls and, of course, the iconic Wilsons Promontory National Park.

Regional Statistics



30,823 residents live in South Gippsland.



12,234 people work in South Gippsland.



35,869 forecast population by 2036 in South Gippsland.



Population density of 9.22 people per square kilometre.



Almost half, or 49.2 per cent of the population is aged 50 or over.



824 kilometres of sealed roads.



1,275 kilometres of unsealed roads.



Our Economy

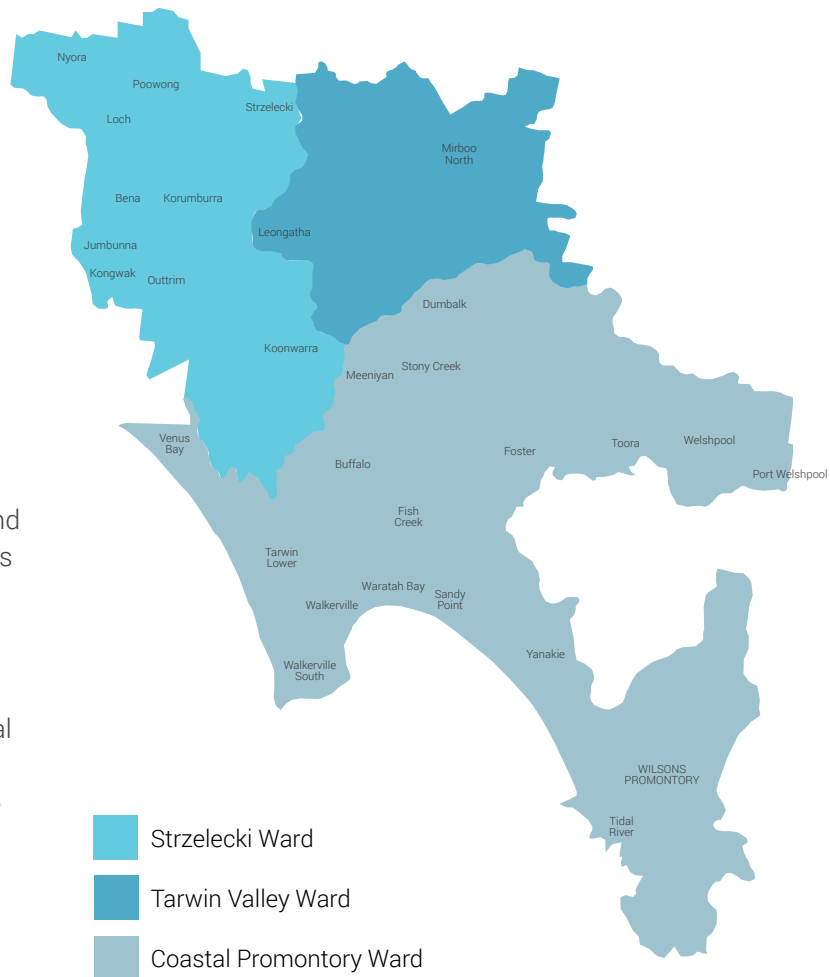
The past year has seen continued growth in South Gippsland's economic output, with businesses demonstrating their resilience and capability. Challenges have also continued, particularly with regards to the impacts of inflation, significant local storm events and international influences. These factors saw impacts to costs, availability of materials and constraints on milk supply. Despite these factors, the South Gippsland economy maintained its strength overall and South Gippsland Shire Council continued to receive regular enquiries from businesses seeking to establish or expand operations within the Shire.

On the latest figures, the Shire has an annual economic output of \$4.7 billion and Gross Regional Product of almost \$2.3 billion (Source: REMPLAN Economic Modelling and Planning System). These are both the highest ever recorded figures for the Shire and notably high for a population of our size. Much of this growth continues to be driven by our Agricultural sector.

The unemployment rate has remained low throughout the past year and was 2.2 per cent in March 2024 (the latest available figures from Jobs and Skills Australia). This is the equal lowest figure recorded for South Gippsland, the lowest rate of Gippsland local government areas and was significantly lower than the Victorian average of 3.8 per cent.

The level of local consumer spending reached almost \$338 million over the financial year. The highest spending month of the year was January 2024 at \$35.1 million. The highest month for local resident spending was December 2023 at \$17.9 million (Spendmapp data provided by Geografia).

South Gippsland has approximately 1.2 million visitors per year and they account for 43.5 per cent of consumer spending across the Shire. This is even more significant in the Shire's smaller towns where it can be more than 75 per cent of the consumer spend. A continuing impact is the significant spend by visitors at local events that are closely connected to Main Street activities, such as the Mirboo North Italian Festa and Loch Food and Wine Festival. These festivals are the largest single spending days in those towns by a considerable margin.



Key Figures



\$4.7 billion annual economic output.



\$2.3 billion gross regional product.



2.2 per cent unemployment rate.
(lower than the Victorian average of 3.8 per cent)



4,000 businesses.
(including more agriculture, forestry and fishing businesses than any local government area in Victoria)



\$337.9 million local consumer spend of the financial year.



1.2 million visitors per year.



Councillors – Coastal Promontory Ward

Cr Mohya Davies

Elected: November 2021

☎ 0484 926 093

✉ Cr.mohya.davies@southgippsland.vic.gov.au

Cr Sarah Gilligan

Elected: November 2021

☎ 0484 921 547

✉ Cr.sarah.gilligan@southgippsland.vic.gov.au

Cr Scott Rae

Elected: November 2021

☎ 0484 929 738

✉ Cr.scott.rae@southgippsland.vic.gov.au

Councillors – Strzelecki Ward

Cr Nathan Hersey (Deputy Mayor)

Elected: November 2021

☎ 0458 974 564

✉ Cr.nathan.hersey@southgippsland.vic.gov.au

Cr Mick Felton

Elected: November 2021

☎ 0484 941 411

✉ Cr.mick.felton@southgippsland.vic.gov.au

Cr Jenni Keerie

Elected: November 2021

☎ 0484 919 264

✉ Cr.jenni.keerie@southgippsland.vic.gov.au

Councillors – Tarwin Valley Ward

Cr Clare Williams (Mayor)

Elected: November 2021

☎ 0484 918 850

✉ Cr.clare.williams@southgippsland.vic.gov.au

Cr Adrian Darakai

Elected: November 2021

☎ 0484 919 887

✉ Cr.adrian.darakai@southgippsland.vic.gov.au

Cr John Schelling

Elected: November 2021

☎ 0418 595 346

✉ Cr.john.schelling@southgippsland.vic.gov.au

Please note: Due to the 2024 Local Government Election, and in-line with Council's Election Period Policy, photos and biographies of Councillors are unable to be included in the 2023/24 Annual Report.

Message from the Mayor

As we present the final annual report for this Councillor group, I am pleased with what we have achieved together with our community.

When a new Council is elected, one of the first tasks that needs to be delivered is the development of a Council Plan that will effectively act as a roadmap for our Council term and provide a foundation for the next Council to build upon. It outlines our collective goals, aligns with the 2040 Community Vision and provides a tangible way to measure performance.

As I read through this Annual Report, I can't help but be proud of how much has been accomplished by Council on behalf of our local community. We have delivered numerous projects and programs, provided critical support, and implemented strategies to strengthen and grow our region. Importantly, we have also maintained three fiscally responsible budgets, ensuring the next Council will be well-positioned for continued success.

The 2024 Community Satisfaction survey produced mixed results. However, one area where we went well was in overall Council direction, receiving a score of 51. This is notably higher than the average scores for similarly sized large rural councils (42) and the state-wide result (45). To me, this shows that our community recognises that we are endeavouring to work on their behalf and that the achievements of Council are also achievements for our region.

As the first democratically elected Councillors following a period of administration, this Councillor group was keen to try to rebuild trust with our community and to increase engagement opportunities. During 2023/24 Council provided 18 engagement opportunities where local residents could have their say on projects, playgrounds, plans and strategies in South Gippsland. These engagements received a collective 17,240 online visits and included consultation on the General Local Law, a new Children and Families Plan and a variety of art and culturally based projects

Our advocacy for South Gippsland has also yielded significant successes this year:

- **Increase in Road Funding:**

We successfully advocated for an increase in the Australian Government's Roads to Recovery

funding program, which will support the maintenance of our road infrastructure. We also received \$3.03M in funding for bridge repairs under the Australian Government's Safer Local Roads and Infrastructure Program.

- **Disaster Recovery Infrastructure Funding:**

In response to post-storm needs, we secured \$200,000 from the Victorian Government for a Community and Business Resilience Hub in Mirboo North. This hub will provide emergency food supplies, medical device charging, and communication access.

- **Early Years Infrastructure:**

Our lobbying efforts have resulted in the establishment of a new childcare and kindergarten in Meeniyah, expected to open in 2026, to accommodate the increased demand from extended three-year-old kinder and pre-prep programs.

- **Resilient Coastal Communities:**

We secured \$200,000 in funding through the Victoria's Resilient Coasts grants program for Coastal Hazard Risk Assessments along key locations of the South Gippsland coastline.

Representing the South Gippsland community is an honour, and I speak on behalf of the entire Councillor group when I say that we have approached this role with dedication and commitment. I hope the achievements highlighted in this report reflect the hard work and progress we have made.

I would like to extend my gratitude to my fellow Councillors for their unwavering support and dedication to South Gippsland's best interests. Thank you also to our Chief Executive Officer, Kerry Ellis, the Executive Leadership team—Allison Jones, Renae Littlejohn, and Tony Peterson—and all Council staff for their dedication and contributions to our long list of initiative achievements.

Lastly, thank you to our local community for your support, ideas, and active participation in making this year a success for South Gippsland.

Cr Clare Williams

Mayor

South Gippsland Shire Council

OUR ORGANISATION

- MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
- OUR EXECUTIVE LEADERSHIP TEAM
- OUR ORGANISATIONAL STRUCTURE
- OUR PEOPLE



Message from the Chief Executive Officer

It is my pleasure to present the South Gippsland Shire Council Annual Report for the 2023/24 financial year. This is the final Annual Report for the current Council and provides a satisfying conclusion to a successful Council term.

The 2023/24 year has been particularly noteworthy, characterised by the successful completion of numerous projects, reaching key milestones, and fulfilling significant actions.

Key Achievements:

1. Capital Works Program:

We delivered a robust \$27.6M capital works program, encompassing major projects such as:

- o The completion of the Korumburra Community Hub.
- o The Venus Bay Streetscape project.
- o Road improvements including the sealing of Ross Street in Meeniyan and the reconstruction of Millar Road in Dumbalk, Shingler Street in Leongatha, and Hulls Road in Nerrena.

2. Regional Collaboration:

- o We partnered with Wellington Shire Council to extend the Great Southern Rail Trail between Welshpool and Alberton, enhancing economic, recreational, and health benefits for residents across both municipalities.
- o We completed a Renewable Energy Impact and Readiness Study in partnership with Latrobe City Council. The Study will assist in positioning South Gippsland for the arrival of nationally significant renewable energy projects to be established off the Gippsland coast.

3. Ongoing Infrastructure Projects:

Significant progress was made on several key projects:

- o The Meeniyan Community Hub.
- o The Korumburra Streetscape.
- o Redevelopment of the Leongatha and Korumburra Rail Precincts.

These projects were supported by both the Victorian and Australian governments, and we extend our gratitude for their continued backing.

Operational and Community Achievements:

- Professional Development: We provided comprehensive professional development for staff, including coaching, mentoring, and secondment opportunities. These initiatives were delivered in-house and proved to be both effective and economically prudent.



• **State Award:** In November, we were honoured to receive a state-wide award for Planning Excellence from the Planning Institute of Australia. This accolade, in the Climate Change and Resilience category, recognised the South Gippsland Coastal Strategy and its pivotal role in enhancing social resilience amidst the absence of state policy reform and statutory tools.

Challenges and Response:

The past year was not without its challenges. South Gippsland faced two severe weather events: the Boxing Day floods and February storms. These events caused extensive damage and disruption within our community. In response, the Council and community came together to manage the aftermath, focusing on clean-up efforts, emergency management, and coordinated support. We also engaged in extensive advocacy, with Mayor Clare Williams and I holding over ten meetings with local and federal politicians to address our recovery needs.

Acknowledgements:

I would like to extend my heartfelt congratulations to South Gippsland's Mayor Cr Clare Williams, Deputy Mayor Cr Nathan Hersey, and Councillors Mohya Davies, Adrian Darakai, Mick Felton, Sarah Gilligan, Jenni Keerie, Scott Rae, and John Schelling. Their leadership and collaborative efforts have driven the Council's direction and facilitated numerous successful outcomes.

It has been a privilege to work alongside such dedicated and community-focused individuals over the past three years. I am immensely proud of our accomplishments and grateful for the opportunity to serve this community.

Thank you for your support and commitment to South Gippsland Shire.

A handwritten signature in black ink that reads "Kerry Ellis". The signature is written in a cursive, flowing style.

Kerry Ellis

Chief Executive Officer

South Gippsland Shire Council

Our Executive Leadership Team



The Council appoints a Chief Executive Officer to manage the day-to-day operations of South Gippsland Shire Council in accordance with the strategic directions of the Council Plan. The Chief Executive Office together with three directors, form an Executive Leadership Team that leads the organisation with support from department managers and staff.



Kerryn Ellis

Chief Executive Officer

Kerryn Ellis is a passionate public sector leader with over twenty five years' experience, who is energised by working with communities in a context of rapid change. Kerryn's main professional love is building high performing, ethical and agile organisations with values-based leadership working in partnership to deliver great outcomes with the community.

Kerryn's current role is Chief Executive Officer of South Gippsland Shire Council. Prior to this position, Kerryn held the positions of Director Corporate Services at Victoria's Independent Broad-based Anti-corruption Commission and Director Corporate Performance with the City of Greater Bendigo.

Kerryn holds a Bachelor of Arts, a Master of Commerce and a Graduate Diploma of Public Policy and Management, and is a graduate of the Australian Institute of Company Directors' course. Kerryn is an active board member of several for purpose organisations, and was recognised as one of the IPAA Top 50 Public Sector Women in 2021.



Allison Jones

Director Performance and Innovation

Allison Jones is a highly accomplished, visionary, humble and collaborative senior executive in the local government sector.

With over 20 years experience delivering at the executive level and a track record in financial management, Allison has an engaging and empowering leadership style that is strong in governance and advocacy.



Renae Littlejohn

Director Future Communities

Renae is a future-focussed people leader who is passionate about building resilient, safer, socially connected and economically prosperous communities. Renae's strong leadership of high performing teams fosters an environment where a balanced approach to growth and development walks alongside a creative vision for the future. Her strategic approach, passion for growing and empowering people, and commitment to centring community, leads to sustainable organisational and place-based outcomes.

Renae holds a Bachelor of Arts, a Graduate Diploma in Education, and a Master of Arts and Entertainment Management. She is also a graduate of LGPro's XLP and Mastering Management Program, the Gippsland Community Leadership Program and Women and Leadership Australia's Advanced Leadership Program.



Tony Peterson

Director Sustainable Infrastructure

Tony has over 30 years' experience across private and local government sectors in all areas of infrastructure.

He holds a Bachelor Degree of Engineering (Civil), a Diploma of Project Management and is a graduate of LGPro's Emerging Leaders Program. He also has a Masters in Business Administration and is a Board Director of Gippsland Southern Health Service.

Council Organisational Chart

COUNCILLORS

CHIEF EXECUTIVE OFFICER - KERRY N ELLIS

CHRISTIAN STEFANI

Manager Regional Partnerships

Economic Development
CEO Office and Councillor Support
Communications, Engagement and Advocacy

DIRECTOR PERFORMANCE AND INNOVATION - ALLISON JONES

TARYN ABRAHAMSSON

Manager Financial Strategy

Procurement
Risk
Accounting
Rates

SIMON DEAN

Manager Digital and Technology

Information Management
IT Systems and Support
Business Analysis

MICHELLE JORGENSEN

Manager People and Culture

OH&S
Organisational Development
Human Resources
Payroll

RHYS MATULIS

Manager Governance and Integrity

Corporate Planning and Reporting
Council Business

DIRECTOR SUSTAINABLE INFRASTRUCTURE - TONY PETERSON

WENDY OLLINGTON

Manager Infrastructure Maintenance

Plant / Fleet Maintenance
Roads and Drains
Routine Maintenance
Periodic Maintenance
Workshop

LYNDAL PETERSON

Manager Open Space and Environment

Biodiversity
Parks and Gardens
Public Amenities
Vegetation

JARETH GOSS

Manager Infrastructure Delivery

Buildings
Design
Development Referrals
Engineering
Project Delivery

KATE REISKE

Manager Infrastructure Planning

Property
Project Planning
Sustainability Asset Management
Waste Management

DIRECTOR FUTURE COMMUNITIES - RENAE LITTLEJOHN

LUCAS GARDINER

Manager Planning and Building Services

Statutory Planning
Strategic Planning
Building and Planning Compliance
Planning Liaison

MOZMA TATE

Manager Community Health and Safety

Community Safety
Children and Family Services
Environmental Health
Immunisation
School Crossings

SOPHIE DIXON

Manager Community Customer and Visitor
Community Development
Arts, Culture and Visitor Economy
Customer Experience

Our People

At South Gippsland Shire Council, our people are the key to our success. As such, it is important we strive to be an employer of choice and embed our values in everything that we do. They are: Accountability, Customer Focus and Excellence.

Organisational Development

South Gippsland Shire Council continues to deliver a comprehensive professional development program for staff, from the beginning of their employment and throughout their career. The opportunities provided include:

- Online and in-person training, webinars and conference events related to specific disciplines.
- Coaching and mentoring from within the organisation and across the sector.
- Higher duties and secondment opportunities.
- Special Interest Groups where employees from numerous councils meet regularly to share learning, content and problem-solve common challenges together.
- A study assistance program that supports employees to seek further education in their chosen field.
- Onboarding and induction programs, offering a blend of online and face to face programs to support new employees as they enter the organisation, as well as a customised Leaders Induction Program

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

Supporting change across the organisation, building teams and strategic relationships, facilitating coaching through leaders and job shadowing programs, and collecting feedback on organisational culture and engagement of staff, all fall within the Organisational Development focus. These efforts continue to support a culture that attracts, retains and continuously develops its people. This year, we were also pleased to finalise development on a new and contemporary office space. The new space promotes working collaboratively and has strengthened employee morale.

Health and Safety and Wellbeing

South Gippsland Shire Council continues to focus on ensuring the health, safety and wellbeing of all employees, contractors, volunteers and other people who may be affected by our operations. This is being achieved through:

- Proactive identification and management of health and safety hazards and risks.
- Developing the health and safety knowledge and capability of recently elected Health and Safety representatives.
- Developing the skills and capability of staff representatives across various groups including Mental Health Champions, First Aiders, Emergency Wardens and Contact Officers.
- Active post-incident reviews and the implementation of safe work practices and engineering to prevent recurrence.
- Sharing the knowledge and lessons learned.
- Training and professional development of all employees in areas of compliance, wellbeing and risk management.
- Providing and delivering accredited training for leaders in Mental Health First Aid.
- Providing a range of supports through the Employee Assistance Program.

A key focus in 2023/24 has been the strengthening of industry-wide networks, both within the sector and beyond. This has resulted in:

- The development of sector-wide approaches to occupational violence and aggression.
- Shared learning across Gippsland regarding hazard reduction and risk mitigation.
- The opportunity to leverage a wide network of experience and knowledge across all areas.

In 2024/25 Council will focus on employee support in-line with its *People Strategy*. This includes holistic employee health, safety and wellbeing and is supported in the *Health, Safety and Wellbeing Strategic Plan 2024 – 2026*.

Equal Opportunity Employment Program

In line with the *Equal Opportunity Act 2010*, South Gippsland Shire Council is committed to providing a workplace that is free from discrimination, bullying and harassment and in which each employee is treated with dignity, courtesy and respect.

Council adopts a proactive approach to the prevention of discrimination through training, policy development, equal employment opportunities and the support provided through our trained Contact Officers.

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

Enterprise Agreement

South Gippsland Shire Council's Enterprise Agreement expired in June 2022, with negotiations for a new agreement commencing in March 2022.

The new *South Gippsland Shire Council Enterprise Agreement 2022* (the Agreement) went to a vote in November 2022, and achieved an 83 per cent 'yes' vote.

The Agreement was submitted to the Fair Work Commission in November and received approval in December 2022.

The new four-year Agreement came into operation on 26 December 2022 and has a nominal expiry date of 30 June 2026.

Workforce Planning, Recruitment & Career Development

Council continues to support workforce planning initiatives across the organisation, and within the community. This has been achieved through the following activities over the past 12 months:

- Supporting local secondary schools with mock interview training and career conversations for students in years 10, 11 and 12 students.
- Participating in the annual *Gippsland Jobs Expo*, promoting careers at South Gippsland and connecting with jobs and employment pathways across the region.
- Provision of a scholarship and graduate placement program, through a partnership with Federation University.
- Participation in the annual Careers Expo, welcoming students from multiple schools across Gippsland and sharing pathways to employment in local government.
- Provision of apprenticeship and traineeship opportunities.
- Welcoming Work Experience students from Secondary Schools across South Gippsland into placements within multiple departments of Council throughout 2023 and 2024.



Gender Equality and Prevention of Violence against Women

Council completed a number of critical objectives in line with our obligations under the *Gender Equality Act 2020*.

These include:

- Completing Council's *Gender Equality Action Plan Progress Report* and *Workplace Gender Audit* to assess our progress against seven key indicators:
 - Gender pay equity.
 - Gender composition at all levels of the workforce.
 - Gender composition of governing bodies.
 - Workplace sexual harassment.
 - Recruitment and promotion.
 - Gendered work segregation.
 - Leave and flexibility.
- Undertaking Gender Impact Assessments on all new or revised policies, programs or services that have a direct and significant impact on the public.
- Progressing the initiatives outlined in Council's four-year *Gender Equality Action Plan*.
- The *Gender Equality Action Plan* is in its third year of implementation. Actions that have been progressed to date include:
 - Promoting flexible work practices.
 - Developing our internal trainer network for *Active Bystander* training and extending the partnership for delivering this program across Gippsland through partnerships within and external to local government.
 - Conducting analysis into identified pay gaps, to identify reasons for the gap in pay and its relationship with intersectional factors and the implementation of an internal *People & Remuneration Committee* to ensure clear oversight and governance is applied to remuneration reviews and recruitment practices.
 - Improving the review and reporting of employment data to provide gender disaggregated data to allow for deeper analysis and understanding of trends.
 - Enhancements to Council's parental leave provisions to support parents of all genders.
 - Continued delivery of *Gender Equality and Responding to Disclosures* training for leaders, as well as *Active Bystander*, and *Respect in the Workplace* training for all employees.
 - Design of a Learning and Development and Leadership Framework to support and embed gender equality across multiple streams of development at Council.





2024 Candlelight Vigil

Employee Data

At 30 June 2024, South Gippsland Shire Council had 272.68 full-time equivalent (FTE) employees including ongoing, temporary and casual positions. The tables below break down these positions based on organisational structure, employment type, gender and banding.

Workforce Data by Full-Time Equivalent and Gender

Employment Type	Office of the CEO/Regional Partnerships	Performance and Innovation	Sustainable Infrastructure	Future Communities	Total 2022/23 FTE	Total 2023/24 FTE
Full Time (FT)						
Female	9	28	21	34	87	92
Male	2	16	101	17	139	136
Total	11	44	122	51	226	228
Part Time (PT)						
Female	0.55	6.19	2.35	18.17	27.31	27.26
Male	0	0.80	7.80	3.25	11.61	11.85
Total	0.55	6.99	10.15	21.42	38.92	39.11
Casual						
Female	0	1.01	0.83	1.70	3.21	3.54
Male	0	1.49	0.29	0.65	2.18	2.43
Total	0	2.50	1.12	2.35	5.39	5.97
Total Overall	11.55	53.49	133.27	74.77	270.31	273.08

Note: At 30 June 2024, South Gippsland Shire Council had 273.08 full-time equivalent (FTE) employees including ongoing, temporary and casual positions. This data is provided at a single point in time. It does not consider employment context such as fixed term, grant funded, capital works, or leave replacement in sourcing of previously contracted services.

Workforce Data by Classification and Gender

Employment Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other EFT
Ongoing Full Time (FT)									
Female	0.0	0.0	6.0	12.0	14.0	26.0	10.0	11.0	11.0
Male	1.0	0.0	47.0	14.0	16.0	20.0	17.0	17.0	5.0
Total	1.0	0.0	53.0	26.0	30.0	46.0	27.0	28.0	16.0
Ongoing Part Time (PT)									
Female	2.5	0.0	0.9	4.8	4.8	7.1	6.0	2.1	0.0
Male	2.5	0.0	4.5	0.8	0.0	1.8	2.2	0.0	0.0
Total	5.0	0.0	5.4	5.6	4.8	8.9	8.2	2.1	0.0
Casual									
Female	0.0	0.0	0.8	1.6	0.0	0.5	0.5	0.0	0.0
Male	0.9	0.0	0.8	0.7	0.0	0.0	0.0	0.0	0.0
Total	0.9	0.0	1.6	1.3	0.0	0.5	0.5	0.0	0.0
Total Overall	6.9	0.0	60	32.9	34.8	55.4	35.7	30.1	16.0

* Please note that this table reflects ongoing positions only.

REPORT OVERVIEW

- FINANCIAL OVERVIEW
- DESCRIPTION OF OPERATIONS
- CAPITAL WORKS
- COMMUNITY GRANTS

Financial Overview

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

Operating Position

South Gippsland Shire Council's 2023/24 Comprehensive Income Statement shows that Council returned a deficit of \$9.8 million (\$20.35 million surplus in 2022/23). It should be kept in mind that the deficit for the year is not a cash-based result but remains an accounting deficit which includes depreciation and excludes net asset revaluation increments. The accounting deficit is primarily due to the financial assistance grant for 2023/24 being fully paid in 2022/23, as well as additional storm-related expenditure.

A review of South Gippsland Shire Council's asset valuations led to a revaluation increment of \$66.5 million mainly in the value of Council's buildings, road and bridge assets leading to a Comprehensive Income Statement surplus outcome of \$56.7 million.

Comprehensive Income Statement Income

South Gippsland Shire Council's operating income for 2023/24 was \$80 million (\$96.7 million in 2022/23).

Major categories of income include:

- Rates and charges income – \$50.78 million.
- Operating grants – \$6 million.
- Capital grants – \$11 million.
- Contributions of non-monetary assets, mainly from subdivision activity – \$2.5 million.
- Other income – \$2.9 million.

Expenditure

Total operating expenditure for 2023/24 including depreciation was \$89.8 million (\$76.4 million in 2022/23).

Major categories of expenditure include:

- **Employee costs** (\$29.9 million). Employee and labour costs including salary on-costs such as WorkCover premium, provision for employee entitlements and South Gippsland

Shire Council's superannuation contributions on behalf of employees.

- **Materials and services** (\$39.0 million). Included in this category are the following major costs relating to:
 - › Contractors – \$7 million.
 - › Natural disasters – \$7 million.
 - › Materials – \$6.1 million.
 - › Waste contract expenditure – \$5.3 million.
- **Depreciation** (\$13.2 million). This reflects the reduction in the value of assets due to wear and tear and obsolescence. It has no impact on the cash position of South Gippsland Shire Council. Cash flow is impacted only at the time of purchase and sale of assets.
- **Other expenses** (\$7.3 million). Major items of expenditure in this category include \$2.6 million of assets written off during the year (non-cash) and a \$1.6 million library contribution.

Capital Expenditure

Council spent \$27.6 million on capital expenditure during the year. This comprised of:

- New - \$0.5 million
- Renewal – \$20.6 million.
- Expansion – \$0.7 million.
- Upgrade – \$5.8 million.

Balance Sheet

This discloses South Gippsland Shire Council's net worth and clearly defines what Council owns as assets and what it owes as liabilities. Assets and liabilities are further separated into current and non-current categories.

Current assets or current liabilities are those which will fall due in the next 12 months, or cannot be deferred for greater than 12 months.

Net assets or total equity represents Council's accumulated net worth and includes many infrastructure and community assets such as buildings, land, parks, roads and drains.

Property, infrastructure, plant and equipment is the largest component of Council's worth (\$843 million) and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up over many years.

Financial Sustainability Indicators

The following financial sustainability indicators are used by the Victorian Auditor General's Office (VAGO) to assess South Gippsland Shire Council's financial sustainability risks.

Adjusted Underlying Result

The five-year average result of negative 6.1 per cent is skewed by the 2023/24 operating result. This is due to the timing of Council's Victorian Grants Commission payment. It has been normal practice for the Grants Commission to pay these grants in advance for the following year however this was not the case in 2023/24.

The other exception to the result is in 2019/20 where there was an accounting adjustment for the value of Land Under Roads and in 2021/22 funding related to Natural Disaster events had not been received at year end.

Liquidity

The working capital ratio, which assesses South Gippsland Shire Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities.

Council's result of 1.88 is a decrease on the prior years result of 2.92 working capital capacity. This indicator conveys that for every \$1 of current liability, Council has \$1.88 in current assets.

This is an indicator of a sound financial position and is above the expected target 1.50 with a five-year average of 2.78.

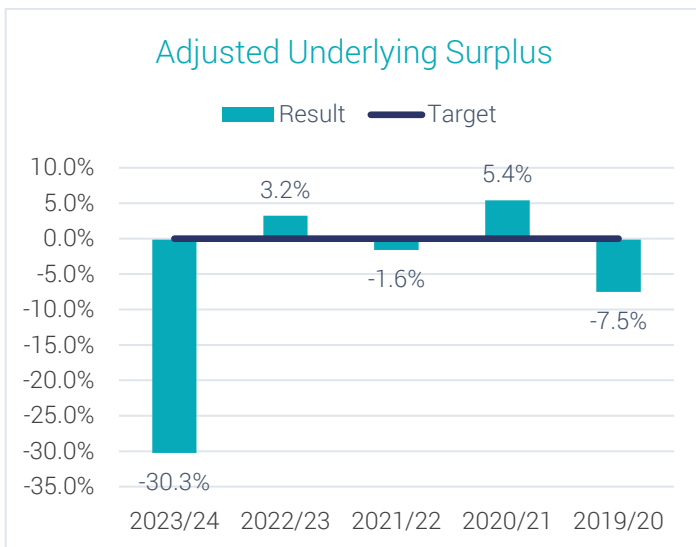


Figure 1: Adjusted Underlying Result

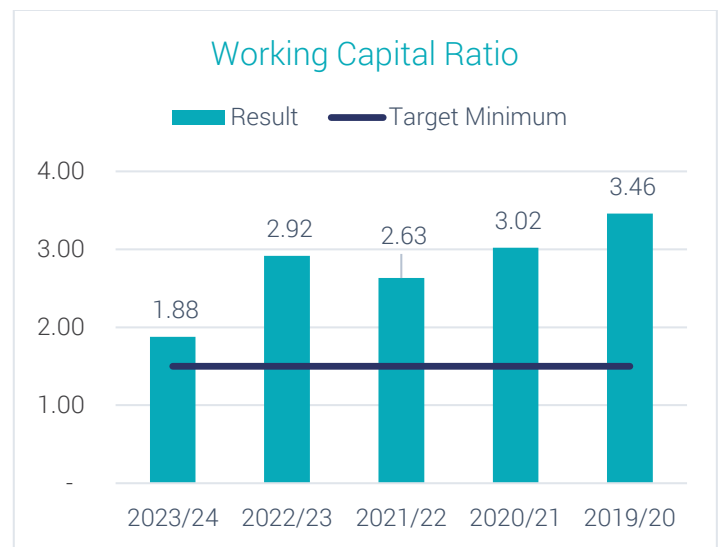


Figure 2: Working Capital Ratio

Obligations

South Gippsland Shire Council's borrowings have increased over the past two years due to the draw-down of loan facilities through Treasury Corporation Victoria.

The Community Infrastructure and Community Sports Infrastructure Loan Schemes were a Victorian Government initiative which allowed local government organisations to access low interest government-guaranteed loans in order to deliver infrastructure projects.

Council was successful in obtaining funds to assist in the delivery of the Korumburra Community Hub and the redevelopment of the Mirboo North Pool.

Council utilises borrowings on such significant capital projects to ensure the intergenerational equity of the community in that the benefit of these assets is paid for by the people using them.

Despite that, South Gippsland Shire Council remains in a healthy financial position as indicated in the graph below. This financial measure demonstrates Council's ability to pay the principal and interest on its borrowings when they are due from the funds it generates.

In calculating this ratio, own-sourced revenue is used rather than total revenue, because it does not include grants or contributions. At 40 per cent or lower, the Victorian Auditor General rates this risk as low and there is no concern over the ability to repay debt from own source revenue.

Asset Renewal

South Gippsland Shire Council aims to ensure it is able to maintain its infrastructure assets at the expected levels, while also continuing to deliver the services needed by the community. Council invested \$20.5 million in asset renewal in 2023/24 (\$27.9 million in 2022/23).

Council's capital replacement ratio compares the rate of spending on new infrastructure, property plant and equipment with its depreciation. Ratios of higher than 1:1 indicate that spending is faster than the depreciation rate. Council's five year average of 2.24 exceeds the Victorian Auditor General's target of 1.5 which indicates there is a low risk of insufficient spending on asset renewal.

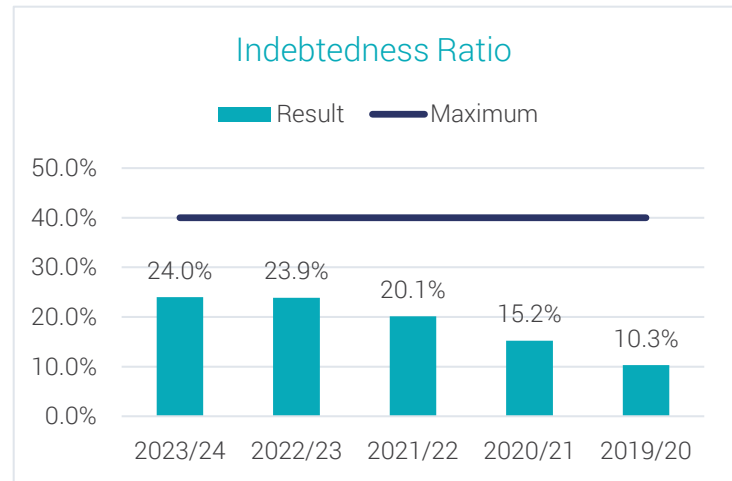


Figure 3: Indebtedness Ratio

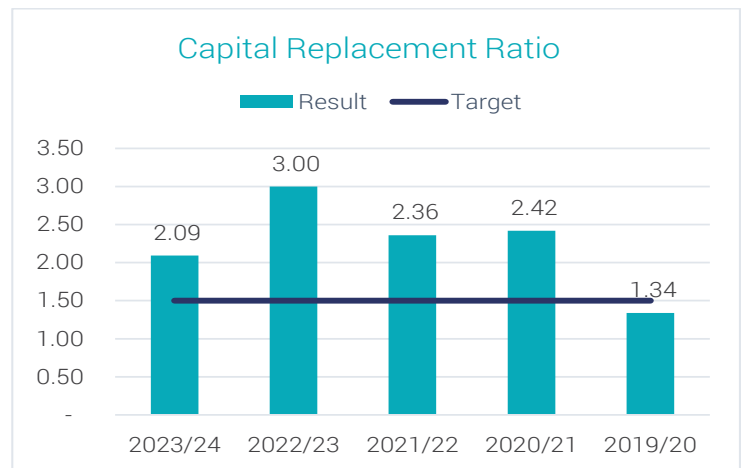


Figure 4: Capital Replacement ratio

Description of Operations

South Gippsland Shire Council delivers more than 100 services for the South Gippsland community including:

- Children and family services;
- Sealed and gravel road maintenance;
- Open space and recreation services;
- Youth programs;
- Waste management;
- Business support;
- Land-use planning; and
- Customer service.

These services are delivered within a good governance framework and in accordance with Council's *Long-Term Financial Plan*.

South Gippsland Shire Council's vision, strategic objectives and initiatives are outlined in the *Council Plan 2022-2026* and supported by the *2022/23 Annual Budget*. Each of the objectives are measured by a set of performance indicators.

Council operates in accordance with the *Local Government Act 2020* and in-line with other Victorian and Commonwealth legislation.

Economic Factors

The increasing costs of inflation on materials and services coupled with escalating capital works costs continues to challenge South Gippsland Shire Council to find more efficient ways to deliver services within the rate-capped environment.

The annual Financial Assistance Grants Commission Funding payment was fully paid in 2022/23 with nothing paid in 2023/24, which has impacted income by \$12 million. Additionally, storm related expenses of \$7 million have been incurred during the year.

Major Changes

During 2023/24, South Gippsland Shire Council embarked on organisational realignments to streamline performance and prepare for the potential impacts of offshore renewable energy in South Gippsland. The realignment resulted in the creation of a new department called Regional Partnerships reporting directly to the Chief Executive Officer, and minor structural changes to better align the function of existing teams. In June, further realignments occurred in the Infrastructure Maintenance area. This was the first significant alignment to the area in over 10 years.

Major Achievements

South Gippsland Shire Council delivered \$27.6 million of capital works projects during 2023/24. Major projects delivered this financial year included:

- Buildings – \$3.6 million, including the Korumburra Community Hub.
- Roads – \$11.1 million was allocated to road improvement projects
- 35 projects were completed over the year, with a further eight on track.

\$293,281 was provided to local community groups via the Community, Emergency and Small Grants programs.

Council successfully completed its 2023/24 Council Plan initiatives.



Council's Roads Crew hard at work

Capital Works

South Gippsland Shire Council delivered an impressively large capital works program in 2023/24. A total of 35 projects were successfully delivered and an additional eight were on-track at the end of the financial year.

Status as at 30 June 2024	Project Count
On Track	8
Behind Schedule	5
Hold	1
Carry Forward to 2024/25	1
Completed	35

Completed Lighting Projects

Lighting - Meeniyam – Tompkins Road

Completed Path Projects

Welshpool to Hedley - Great Southern Rail Trail

Leongatha to Nyora - Great Southern Rail Trail – Drainage Improvements

Footpath Renewal Program

Completed Streetscape Projects

Korumburra – Rail Precinct Carpark Stage 1

Streetscape - Venus Bay - Tourist Precinct

Electric Vehicle Charging Program

Leongatha Railway Precinct Redevelopment - Stage

Completed Building Projects

Fish Creek - Bowling Club Flooring and Other Works

Korumburra Community Hub

Mirboo North Transfer Station Retaining Wall

Loch - Retaining Wall/Fence between Kinder and Hall

Mirboo North - Toilets in Baromi Park

Completed Recreation Projects

Loch Bowls Club - Synthetic Surface

Korumburra - Recreation Reserve Soccer Lighting

Mirboo North - Walter J Tuck Recreation Reserve Oval Lighting

Fish Creek - Recreation Reserve Oval Lighting

Meeniyam - Recreation Reserve Oval Lighting

Toora - Recreation Reserve Oval Lighting

Completed Road and Car Park Projects

Mirboo North Pool Carpark

Leongatha Early Learning Centre Carpark

Drainage improvements - Laura Rise, Mirboo North

Drainage Rehabilitation Program

Koonwarra - Intersection Koonwarra-Pound Creek road - Blackspot

Guardrail - Nyora and Bena - Blackspot Funding

Guardrail Renewal Program

Leongatha - Simons Lane Construction Stage 1

Reseal Preparation Program

Reseal Program

Sealed Road Rehabilitation - Shingler Street Leongatha

Sealed Road Rehabilitation - Hulls Road Nerrena

Sealed Road Rehabilitation - Miller Street Dumbalk

Sealed Road Rehabilitation - Leongatha Yarragon Road, Leongatha North

Major Culvert Renewal Program

Meeniyam - Ross Street - Gravel to Seal

Community Grants

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

Community Grants Program

Organisation	Project Details	Area	Approved Funding
Port Welshpool & District Bowling Club Inc	Irrigation system upgrade	Port Welshpool	\$10,000
Foster War Memorial Arts Centre Community Asset Committee	Foster War Memorial Arts Centre, Strategic Plan Proposal (2023)	Foster	\$6,600
Woorayl Golf Club	Installation of Diamond Grid on Boundary Fence track behind 8/17th Green, 7/16th Tee, 6/15th Green to 9/18th Tee	Leongatha	\$5,000
The Friends of the Mirboo North Swimming Pool Inc	Summer time fun at the Mirboo North swimming pool for 23/24 season	Mirboo North	\$3,000
Nyora Football Netball Club	Purchase of new male and female umpires change rooms	Nyora	\$10,000
SETA - Meeniyan Archery Club	SETA - Strategic Plan	Meeniyan	\$5,000
Friends of Toora and District Swimming Pool	Shade umbrellas	Toora	\$6,000
South Gippsland Gliding Club Inc.	Purchase of Tug Aircraft to Launch Gliders	Multiple	\$10,000
(it's no) drama LTD	MELT: the creation of a new performance work for disabled artists and regional arts workers	Multiple	\$5,000
Venus Bay, Tarwin Lower & District Men's Shed Inc	"Dragging us into the 21st century" - technology upgrade	Venus Bay & Tarwin Lower	\$2,000
Korumburra Gun Club	New trap houses	Korumburra	\$10,000
Leongatha Knights Football Club	Playing the long game: A Strategic Plan to build momentum for Leongatha Knights Football Club 2024-2029	Leongatha	\$5,100
Mirboo Country Development Inc	Christmas in the Boo	Mirboo North	\$5,000
Poowong Community Consultation Committee	Celebrating Poowong's 150th Anniversary	Poowong	\$7,000
Welshpool and District Advisory Group	Welshpool Community Garden	Welshpool	\$4,000
Bena Public Hall Incorporated	Bena Hall Floor Resurfacing	Bena	\$5,300
Mirboo Country Development Incorporated	Community Signage upgrade.	Mirboo North	\$4,000

Organisation	Project Details	Area	Approved Funding
Poowong North Association Incorporated	Poowong North Hall Facilities	Poowong	\$2,500
Meeniyan Progress Association	Town Mural	Meeniyan	\$6,000
Loch-Poowong Uniting Church Parish	Heating/cooling for Play Group room and Mya Mya Cafe	Poowong	\$4,500
Mirboo North United Football Club	Mobile Senior Goals	Mirboo North	\$5,000
Korumburra Italian Social Club	Repair upstairs Floor and Kitchen	Korumburra	\$10,000
Leongatha Recreation Reserve Committee of Management	Grandstand stair replacement	Leongatha	\$8,000
Leongatha Business Association	Biketoberfest Leongatha	Leongatha	\$3,500
(it's no) drama LTD	Arts-Specific Disability Awareness Training	Multiple	\$2,000
Gippsland Southern Health Service	Dolly Parton Imagination Library (DPIL)	Multiple	\$5,000
Low Rez Melbourne Male Choir	16! Celebrating 16 years of Low Rez	Foster	\$1,700
Fish Creek Memorial Hall Association Inc	Chairs, Chairs, Chairs	Fish Creek	\$5,000
Leongatha Community Garden	Garden Bed Renewal Program	Leongatha	\$7,500
Leongatha and District Historical Society	The Historical Society Kitchen project	Leongatha	\$2,000
Leongatha & District Equestrian Club	Security at Equestrian Club grounds	Leongatha	\$1,000
Arawata Landcare Group	2024 Pedal and Plant at Kardella	Arawata	\$5,000
Koonwarra / Leongatha RSL Cricket Club	Koonwarra/Leongatha RSL Cricket Club - Irrigation	Koonwarra / Leongatha	\$7,500
Prom Coast Centres for Children Inc	A Welcoming Space, Scoping Project	Foster	\$3,750
Bena Public Hall Incorporated	Kitchen Air Conditioner	Bena	\$1,600
Yanakie Hall and Recreation Reserve Committee Incorporated	Essential Remedial Works to Yanakie Hall	Yanakie	\$7,500
Port Welshpool Flotilla - Australian Volunteer Coastguard Association	Dolphin 1- Purchase of Equipment (Remote Controlled Lifebuoy)	Port Welshpool	\$2,000
Pearl Park Music Festival Committee	Pearl Park Music Festival 2025	Foster	\$7,500
Manna Gum Community House	Foster Community Hygiene Station Feasibility Study	Foster	\$8,800
Korumburra Men's Shed	Korumburra Men's Shed Crossover and Accessible Parking	Korumburra	\$7,650

Organisation	Project Details	Area	Approved Funding
Mirboo North Pony Club	Safe Horse Yards	Mirboo North	\$7,500
Venus Bay Community Centre	Promoting Sunny - Venus Bay's community electric minibus	Venus Bay	\$3,000
Walter J Tuck Reserve Committee of Management	Small Tractor and Mower Combination	Mirboo North	\$7,500
		Total	\$237,000



2023/24 Small Grants Program

The Small Grants Program opens on the first day and closes on the last day of each month. They are assessed and announced by the close of the following month. Small Grants provide a maximum of \$1,000 at any time. Organisations may only receive two Small Grants per calendar year.

Organisation	Project Details	Area	Approved Funding
South Eastern Victorian Sheep Dog Trials	Purchase Uniform Wet Weather Gear	Korumburra	\$750
Karmai Community Children's Centre Inc.	Supporting a Healthy Community	Korumburra	\$750
Venus Bay & District Community Emergency Response Team Inc (CERT)	Training and Storage	Venus Bay	\$1,000
Mirboo North Lions Club Inc	Lions' Marquee	Mirboo North	\$500
Scots Pioneer Church Ltd	Scots Pioneer Church Toilet Refurb	Mardan	\$200
Poowong Garden Club Inc	Computer/Laptop	Poowong	\$900
Darlimurla Community Association	Car park at Darlimurla Hall	Darlimurla	\$1,000
Lions Club of Korumburra	Halloween at Coal Creek Community Park and Museum	Korumburra	\$1,000
Venus Bay Tarwin Lower & District Men's Shed Incorporation	Advertising Tarwin District Community Lifestyle and Automotive Festival	Tarwin Lower & Venus Bay	\$1,000
The Meeniyan Pony Club Inc	Body Protectors- Level 3	Meeniyan	\$1,000
Friends of Toora and District Swimming Pool	Flippers for swimmers	Toora	\$500
Mirboo North Pony Club Inc	New Uniforms	Mirboo North	\$1,000
Korumburra Showgrounds Amenities Complex	Curtains Replacement	Korumburra	\$1,000
South Gippsland Camera Club Incorporated	4k Data Projector	Multiple	\$1,000
Fish Creek Community Development Group	The Lace Fence Project	Fish Creek	\$400
Leongatha and District Historical Society	History Equipment project	Leongatha	\$225
Equip Church Leongatha	Chest Freezer	Multiple	\$500
Korumburra Amateur Swimming & Life Saving Club Inc	Purchase replacement Photometer	Korumburra	\$600
Leongatha Art and Craft Society Inc	Replacing Project	Leongatha	\$800
Port Welshpool & District Bowling Club Inc.	Air Conditioner System Replacement	Port Welshpool	\$750

Organisation	Project Details	Area	Approved Funding
South Gippsland Shire Brass Band	Playout Chairs	Multiple	\$700
Leongatha & District Historical Society	Leongatha Business Streetscape	Leongatha	\$500
Leongatha Croquet Club	Kitchen Upgrade	Leongatha	\$700
South Gippsland Genealogical Society Inc.	New printer	Multiple	\$185
Leongatha Senior Citizens Centre Inc	Repair of audio system	Leongatha	\$400
Stockyard Gallery	Signage	Foster	\$750
Loch Memorial Reserve Inc.	Security	Loch	\$750
Nyora Men's Shed Incorporated	Cordless tools and safety equipment	Nyora	\$1,000
Woorayl Probus Club Inc. (WPC)	Portable AED Defibrillator	Leongatha	\$900
Prom Coast Centres for Children	Computer replacement	Foster	\$1,000
Meeniyah Community Garden Inc	Sustainable automated watering system to support the Meeniyah Community Garden.	Meeniyah	\$1,000
Koonwarra / Leongatha RSL Cricket Club	Koonwarra / Leongatha RSL Cricket Club - Tablet Update	Koonwarra & Leongatha	\$500
Leongatha Senior Citizens Centre Inc	Replace Projector Screen	Leongatha	\$870
Welshpool Recreation Reserve Inc	Welshpool Lawn Mower Race Day	Welshpool	\$500
Sandy Point Community Group Incorporated	Sandy Point International Women's Day Celebration	Sandy Point	\$450
Hallston Mechanics Institute Inc	Remembering Hallston	Hallston	\$1,000
Mirboo North Junior Basketball Association	New Equipment for Aussie Hoops Program	Mirboo North	\$500
South Gippsland Singers Inc.	Music to our ears – A collaboration between the Australian Men's Welsh Choir and South Gippsland Singers.	Multiple	\$350
Fish Creek Community Development Group	Great Vic Bike Ride in Fish Creek	Fish Creek	\$1,000
		Total	\$27,930

2023/24 Emergency Grant Program

The Emergency Grant Program provides funding of up to \$5,000 for projects that require immediate funding. Applications are generally assessed within two weeks.

Organisation	Project Details	Area	Approved Funding
Fish Creek Football Netball Club	Purchase and Installation of new hot water system	Fish Creek	\$5,000
Lions Club of Strzelecki	South Gippsland Dairy and Farming Expo	Korumburra	\$3,500
Mirboo North Cricket Club Inc	Wicket Mower Replacement	Mirboo North	\$3,151
Fish Creek Football Netball Club	Establish Temporary Facilities	Fish Creek	\$5,000
The Meeniyon Pony Club Inc	Sand Arena Refurbishment	Meeniyon and Stony Creek	\$2,000
Welshpool Recreation Reserve Inc	Roof Replacement	Welshpool	\$5,000
Mirboo North Pony Club Inc	Storm Damage Repair	Mirboo North	\$4,700
Total			\$28,351



Funding was provided to the Fish Creek Development Group to support the 'Snowy to Sea' Great Victorian Bike Ride

OUR PERFORMANCE

- OUR HIGHLIGHTS
- OUR PERFORMANCE AGAINST THE COUNCIL PLAN:
 - › THEME ONE: Connecting our People and Places
 - › THEME TWO: Economy and Industry
 - › THEME THREE: Healthy and Engaged Communities
 - › THEME FOUR: Leading with Integrity
 - › THEME FIVE: Protecting and Enhancing our Environment
 - › THEME SIX: Sustainable Growth



Highlights of 2023/24

THEME ONE: Connecting Our People and Places

- Approximately \$27 million of capital works were completed in 2023/24, representing a significant investment in infrastructure in South Gippsland.

Significant projects completed include:

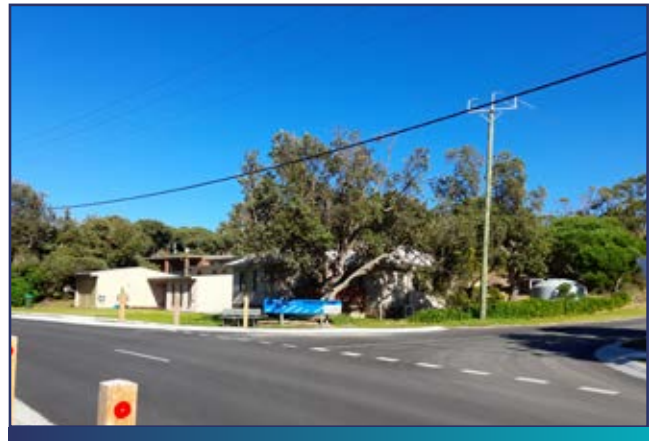
- › Design and construction of Ross Street in Meeniyan (gravel to seal).
 - › Detailed designs and planning completed for the sealing of North Poowong Road, Nyora. This is a significant piece of work that involves negotiations with state and federal authorities and environmental considerations due to Gippsland Giant Earthworm habitat and native vegetation impacts.
 - › A multi-functional Community Hub in Korumburra, which was officially opened in November 2023. The Hub co-locates a number of services including Milpara Community House, Myli Community Library and the Korumburra and District Historical Society.
 - › A new car park, located at the Mirboo North Swimming Pool.
 - › An updated streetscape in Venus Bay. These works included new footpath works, landscaping, and improved accessibility.
 - › Road reconstruction projects successfully completed on Millar Road Dumbalk, Shingler Street Leongatha, Hulls Road Nerrena and Leongatha Yarragon Road, Leongatha North.
- Contracts were awarded and works well progressed for the Meeniyan Community Hub and the Korumburra-Bena Football and Netball change rooms.



Korumburra Community Hub



Concept drawing for Meeniyan Community Hub



Venus Bay Streetscape



Lighting projects officially launched

THEME TWO: Economy and Industry

- Supported events through the Gippsland Events Acquisition Fund, helping to boost regional visitation. Events included the Italian Festa in Mirboo North and the Loch Food and Wine Festival.
- Facilitated an Annual Stakeholder Roundtable event in November, to bring together business, education and government with a focus on learning about the possible impacts of offshore renewable energy. The event was well supported and helped initiate valuable conversations that will help inform future economic development planning.
- Hosted a Jobs Expo in Leongatha that was strongly attended and included over 200 job vacancies on a virtual 'jobs board'.
- Supported another careers event in Korumburra that hosted over 200 students and provided them with information about possible career paths in local government.
- Successfully completed a mural in the Korumburra Railway Precinct. The design was determined via popular vote.



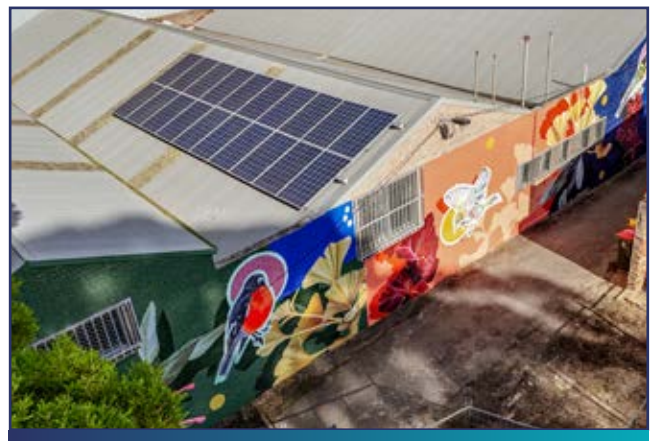
Stakeholder Round Table



Council Display at the Jobs Expo

THEME THREE: Healthy and Engaged Communities

- Worked closely with impacted communities following the February 2024 storm event, staffing relief centres and providing support.
- 2024 General Local Law adopted.
- Service agreements are in place with all service providers located in Council buildings.
- The Community Planning Network continues to meet and be supported by Council.
- A comprehensive community training calendar was implemented with workshops well-attended in particular social media, event planning, grant writing and committee governance training
- All animal management prosecutions undertaken by Council were successful.
- South Gippsland Shire Council continues to achieve 100 per cent for infant enrolments in the Maternal and Child Health service
- Successful breakfast with local plumbers facilitated to provide wastewater updates.



Korumburra Railway Precinct Mural by Melanie Caple



100 per cent infant enrolment achieved

THEME FOUR: Leading with Integrity

- Adopted the 2024 Advocacy priorities with success in many key areas.
- Eighteen separate community engagement activities undertaken with the local community.
- Infrastructure Maintenance Service review completed and initiated.
- Staff customer service training progressed with senior staff completing stage one.
- 2024/25 Annual Budget adopted at Council.



Stage 1 customer service training complete

THEME FIVE: Protecting and Enhancing Our Environment

- Integrated Water Management Plan and Waste and Resource Recovery Plan complete following community consultation.
- The first stage of development of the Climate Action Plan has commenced.
- Clean-up efforts across South Gippsland were supported by Council following the February 2024 storm event. During the response phase it is estimated that approximately 70 per cent of Council staff were redirected to clean up and support efforts, including all of the outdoor teams.
- Over 500 street trees and more than 1,000 tube stock planted.
- Educational programs and planting events facilitated, including a successful public forum following the storm event and pest control workshops.



February storm impacts

THEME SIX: Sustainable Growth

- Actions from the Social Affordable Housing Strategy implemented, including a planning review and the development of Terms of Reference for an Advisory Committee.
- Planning controls to support the South Gippsland Coastal Strategy commenced.
- Won a Statewide award from the Planning Institute of Australia for the *South Gippsland Coastal Strategy*.
- Secured \$200,000 in funding support from the Victorian Government through the 'Victoria's Resilient Coasts' grants program. This will allow Council to initiate Coastal Hazard Risk Assessments in key locations along the South Gippsland coastline.



Street Tree Planting Program



Funding for coastal hazard risk assessments secured

COUNCIL PLAN THEME ONE:

Connecting our People and Places

Objective

Improving the safety and condition of our sealed and gravel road networks and connectivity for residents and basic services is a major community and South Gippsland Shire Council priority.

We commit to continuous safety improvement in our road management, planning and processes, and a commitment to advocacy for public and community transport options and Shire-wide digital connectivity.

Priorities

- Continuously improve our road maintenance processes and community feedback mechanisms.
- Prioritise safety black-spots with advocacy for appropriate speed limits, signage and traffic calming measures.
- Advocate for improved regional connections and improved maintenance of the infrastructure.
- Enhance the network of trails and footpaths to improve pedestrian accessibility and flow to create all-ability connections between towns, tourism sites, health services and within local neighbourhoods.
- Plan and advocate for public and community transport solutions to connect residents to our larger service towns and health services.
- Advocate for whole-of-Shire digital telecommunications coverage and emergency backup planning.





Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
Percentage of sealed road rehabilitation program delivered.	Maintain or Increase	<p>The Sealed Road Rehabilitation Program has been successfully delivered this year, with several notable reconstruction projects completed including Venus Bay Streetscape, Millar Road Dumbalk, Shingler Street Leongatha, Hulls Road Nerrena and Leongatha Yarragon Road Leongatha North.</p> <p>Nelson Street Foster and Mt Lyall Road Nyora have been rescheduled to take place in the 2024/25 construction season due to being dependent on fine weather conditions.</p> <p>A significant amount of kerb and channel was also renewed at eight locations on the sealed road network using funds from this program. The total combined program expenditure was over \$4M for 2023/24. 100 per cent complete.</p>	Achieved
Percentage of reseal program delivered.	Maintain or Increase	The 2023/24 reseal program was completed to a high standard, having taken place primarily during the summer period, as planned. 100 per cent complete.	Achieved
Percentage of footpath extension program delivered.	Maintain or Increase	There is no budgeted footpath extension program for 2023/24 and therefore no projects were delivered.	Not Applicable
Percentage of sealed roads that are below the renewal intervention level set by Council and do not require renewal. <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council/Number of kilometres of sealed local roads]</i>	Equal to or above 95 per cent	Council's funding levels for the renewal of sealed roads has allowed Council to be consistently above the target standard for local sealed roads. The percentage of sealed local roads maintained to condition standards is 99.83 per cent.	Achieved
Satisfaction with sealed local roads. <i>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</i>	Maintain or increase	Community satisfaction with sealed roads remains relatively low (37), despite asset condition data indicating that sealed roads in the Shire are generally in a good state of repair and within nominated service levels. Sections of road asset renewal via the road reseal and rehabilitation programs have been successfully delivered in 2023/24.	Not Achieved

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2023/24 Annual Initiatives of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Initiative	Comment	Target
<p>The sustainability and improvement of South Gippsland Shire Council's infrastructure will be measured by the percentage of completed capital works projects due for delivery in the current financial year, excluding grant funding reliant projects with funding pending.</p> <p><i>Target: 60 per cent or greater completion each year.</i></p>	<p>Capital works completion rates are high with over \$27M of the \$36.8M program delivered, representing 75% completion. Notable projects completed include Korumburra Community Hub, Venus Bay Streetscape, Ross Street Meeniyen Gravel to Seal, and Great Southern Rail Trail Welshpool to Alberton Extension. Significant progress has been made on key projects such as the Meeniyen Community Hub, Korumburra Streetscape and Rail Precinct Redevelopments.</p>	<p>Achieved</p>
<p>Develop designs for sealing priority gravel roads (a minimum of two kilometres per annum).</p>	<p>The construction of Ross Street Meeniyen gravel to seal has been completed. The detailed design for North Poowong Road Nyora gravel to seal is effectively complete, along with relevant environment studies and reports. Council is now in a position to apply for relevant planning and environmental permits, and is on track to commence construction in 2024/25 as planned.</p>	<p>Achieved</p>
<p>Improve the conditions of gravel roads via ongoing additional investment in the annual Re-sheet Program.</p>	<p>Program fully delivered.</p>	<p>Achieved</p>
<p>Successful implementation and use of the revised Community and Economic Infrastructure Blueprint.</p>	<p>Projects can be submitted to Council via the Blueprint and will be assessed and added to Project Management 365 (PMO365) Software.</p>	<p>Achieved</p>

Parks and Gardens team conducting spraying



Services: Performance Indicators

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

Local Government Service Performance Indicators					
Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
ROADS					
Satisfaction of use					
Sealed local road requests. [Number of sealed local road requests / Kilometres of sealed local roads] x 100	102	97	72	78	Variation not greater or less than 10%
Condition					
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] x 100	98%	100%	100%	100%	Council's funding levels for the renewal of sealed local roads has allowed Council to be consistently above the target standard for local sealed roads.
Service cost					
Cost of sealed road reconstruction. [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$74	\$54	\$83	\$86	Variation not greater or less than 10%
Service cost					
Cost of sealed local road resealing. [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$3.85	\$4.28	\$4.94	\$6.07	The increase in the square metre rate of resealing from the previous year is mainly associated with a change in the type of sealing treatment selected on some of Council's heavier trafficked roads, along with a general price rise in bitumen and quarry product.
Satisfaction					
Satisfaction with sealed local roads. [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	43	42	39	37	Community satisfaction with sealed roads remains relatively low, despite asset condition data indicating that sealed roads in the Shire are generally in a good state of repair and within nominated service levels. Sections of road asset renewal via the road reseal and rehabilitation programs have been successfully delivered in 2023/24. The poor condition of some arterial roads in the Shire and the extent of roads adversely impacted by storm events, may also be contributing to lower community satisfaction.

Services Funded

The following statement provides information in relation to the services funded in the 2023/24 Budget that supports the Council Plan Theme 'Connecting our People and Places' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$000	Budget \$000
		Result \$000	
Infrastructure Planning	The Infrastructure Planning department is responsible for the planning and managing of South Gippsland Shire Council assets to enable Council services to be delivered in an effective and efficient manner. This also encompasses waste management services, sustainability services, and sport and recreation.	\$1,866	
		\$878	
		<hr/>	
		\$988	
Infrastructure Delivery	The Infrastructure Delivery department delivers Council's civil and building Capital Works Program, building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.	(\$2,474)	
		(\$2,450)	
		<hr/>	
		(\$24)	
Infrastructure Maintenance	The Infrastructure Maintenance department provides a safe and trafficable road network by maintaining Council's roads and associated road infrastructure asset network as per Council's relevant Asset Management Plans and adopted Road Management Plan. The network of assets includes unsealed and sealed roads, drainage, stormwater, bridges, culverts, footpaths, gabion, and rock-wall formations. The department delivers part of the Capital Works Program, including the Fleet and Plant Replacement Program. The rapid response and after-hours call out service ensures the safety of Council's roads and associated road infrastructure assets, sits within this department. The Operational Support and Plant and Fleet teams also support the Open Space and Environment department.	\$7,488	
		\$5,633	
		<hr/>	
		\$1,855	

COUNCIL PLAN THEME TWO: Economy and Industry

Objective

The next four years are a time of change and growth for South Gippsland. We see this as an opportunity to define who we are and grow our economy, and to welcome innovation and investment in our key industries: agriculture, tourism and the arts.

Farming is our economic backbone and we will actively encourage investment, partnership and new business aligned with our core rural and environmental values.

We see the arts and tourism as a way to share our story, to welcome newcomers and support economic growth, whilst communicating and protecting what's special about our environment and way of life.

We understand the need to act now for future generations to contribute to our long-term viability, so we will focus on providing more reasons for young people to stay, study, work and invest in South Gippsland.

Priorities

- Support agriculture, food and fibre production to remain a competitive and significant contributor to our local and national economy.
- Strengthen economic resilience and encourage innovation to build the economy of the future.
- Enhance and diversify the visitor experience through investment attraction, product development, strategic branding and marketing.
- Ensure land-use planning and economic development are aligned to facilitate appropriate business investment, particularly in areas zoned for commercial, industrial, farming and rural activity zones.
- Implement our Economic Development, Visitor Economy and Art, Culture and Creative Industries Strategies to strengthen our economic output, jobs and creative industries.
- Provide career pathways through Council-supported scholarships, traineeships and apprenticeships, mentoring programs and work experience.
- Encourage commercial opportunities for improved visitor accommodation, encouraging tourists to visit and remain longer in our region.
- Partner with youth, education providers and industry to facilitate education and employment pathways.





Exhibition - Coal Creek

Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
Percentage change in economic output. <i>[Measure of the Gross Revenue of businesses of all industry sectors in South Gippsland]</i>	Increase	REMPPLAN figures show an Economic Output (Gross Revenues) for South Gippsland remaining at \$4.7 billion. This is an increase of approximately \$900 million from the base figure of the 2021/22 year, or 23.7 per cent from base line figure of \$3.8 billion.	Achieved
Percentage change in Gross Regional Product. <i>[Measure of all goods and services produced within the Shire]</i>	Increase	Latest figures released by REMPLAN were in April 2024 and show a Gross Regional Product (GRP) for South Gippsland increasing to approximately \$2.3 billion. This is an increase of \$434 million on the baseline figure or 23.4 per cent increase.	Achieved
Percentage change in employment rates within the Shire.	Increase	December Quarter 2023 data shows an employment rate of 97.8 per cent. This is an increase of 0.1 percentage points from the September quarter 2023. This is the equivalent of an unemployment rate of 2.2 per cent.	Achieved
Percentage change in in-bound investment.	Increase	Appropriate data has still not been released over the year for evaluation or comparison to inform baseline investment in South Gippsland.	Not Applicable
Number of businesses within the Shire. <i>[Number of businesses in the Shire as measured by the Australian Business Register]</i>	Increase	The latest Australian Business Register data for the December Quarter 2023 showed 189 new ABNs registered during the quarter for a total of 8,835. This is a net decrease of 34 over the financial year. We have not received an update on the data since December 2023, which means an accurate figure can not be obtained at this time.	Not Applicable

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2023/24 Annual Initiatives of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Initiative	Comment	Target
Continue the annual contribution to Destination Gippsland's Event Acquisition Fund to attract and deliver events to South Gippsland.	<p>Events supported by the Events Acquisition Fund in 2023/24 include:</p> <ul style="list-style-type: none"> • Mirboo North Italian Festa. • Fish Creek Tea Cosy Festival. • Loch Food and Wine Festival. 	Achieved
Implement the annual Action Plan of the 2021-2031 Economic Development Strategy.	<p>Implementation of actions from the Economic Development Strategy include:</p> <ul style="list-style-type: none"> • Completed the South Gippsland and Latrobe City Renewable Energy Impact and Readiness Study. • Continued support of Business and Tourism Associations. • Supported businesses impacted by the February storm event. • Completed submissions to Parliamentary Inquiry on Victorian Food Supply, VicGrid Community Benefit Plan and Victorian Freight Plan. • Conducted a business workshop on circular economy and ICN tender writing workshop. • Coordinated South Gippsland Jobs Expo and participated in Careers Expo. • Hosted SEATS Executive Meeting in Port Welshpool. 	Achieved
Commence the development of a Strategic Plan for Coal Creek Community Park and Museum.	The draft Coal Creek Community Park and Museum Strategic Plan was endorsed by Council in June 2024 for the final round of community consultation and engagement.	Achieved
Implement the annual actions of the Arts, Culture and Creative Industries Strategy.	<ul style="list-style-type: none"> • Successful grant application for external funding for Lyrebird Arts Council. • Endorsement by Council of an updated Terms of Reference for Arts Advisory Committee and review of previous 12 months activities. • ArtCubes have moved to locations across South Gippsland. • Korumburra mural completed. • Small Halls music program held at Mirboo and Strzelecki Halls. • Storm recovery music event held at Mirboo North. 	Achieved

Initiative	Comment	Target
<p>Implement the annual Action Plan of the 2021–2031 Visitor Economy Strategy and the 2022-2031 Great Southern Rail Trail Visitor Experience and Marketing Plan to encourage tourism and visitation across the Shire.</p>	<p>Implementation of the annual Action Plan for the 2021–2031 Visitor Economy Strategy continued with:</p> <ul style="list-style-type: none"> • Roll out of the South Gippsland tourism branding with a focus on Mirboo North and major events. • Commencement of alignment of the Visit South Gippsland website to new branding. • Attendance at the Australian Tourism Exchange event in Melbourne. <p>Implementation of the 2022-2031 Great Southern Rail Trail Visitor Experience and Marketing Plan continues through:</p> <ul style="list-style-type: none"> • Commencement of re-development of a new Great Southern Rail Trail (GSRT) website. • Contract awarded for the installation of signage along the GSRT (Nyora to Yarram). • Commenced development of a new GSRT Brochure. • Approval of \$100,000 for the GSRT Activation Project. 	<p>Achieved</p>



South Gippsland Food and Drink

Services Funded

The following statement provides information in relation to the services funded in the *2023/24 Budget* that supports the Council Plan Theme '*Economy and Industry*' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost
		Actual \$000
Economy and Community Management	The Economy and Community Management provides services including: <ul style="list-style-type: none"> • Economic Development; • Arts, Culture and Visitor Economy; and • Community Strengthening. 	Budget \$000
		Result \$000
		\$359
Economy, Community and Investment	The Economy, Community and Investment department provides a wide variety of community-focused services that lead South Gippsland Shire Council's functions in community strengthening, economic development, business support, tourism, events, advocacy, emergency management, arts and culture and social planning. It leads the development and implementation of key Council Strategies and Policies related to these service areas while connecting and engaging with key stakeholders across the community, business and government.	\$301
		\$3,180
		\$3,622
		(\$442)



COUNCIL PLAN THEME THREE:

Healthy and Engaged Communities

Objective

Regional Australia is going through unprecedented growth and demographic change and South Gippsland Shire Council plays an important role in advocacy across all levels of government to attract funding and implement planning controls that ensure South Gippsland's growth is socially, environmentally and economically sustainable. The unique environmental values and cultural heritage of our 28 towns, villages and hamlets are a draw card to the region. We will protect the visual character of our landscapes and streetscapes via community plans, land-use reviews, environmental assessments and township design frameworks.

Council will plan for sustainable growth with an appropriate mix of residential properties, farming and lifestyle, industrial and commercial properties, encouraging affordable housing projects, options for aged and health care, and suitable investment in services, transport, childcare and open space.

We value local knowledge, history and experience, and are committed to including the community in conversations around important change decisions and processes. We will consider the environmental and cultural impacts of growth and land use change in our actions and decision making.

Priorities

- Develop a strong relationship and partnership with the Bunurong and Gunaikurnai people to support our common environmental, cultural, social and economic objectives.
- Create places and spaces for people to connect and participate in local activities, sports and leisure, community events, and enjoy our libraries, parks, gardens and coastal areas.
- Advocate for improved health services for our community.
- Foster a sense of belonging and connectedness through involvement in community groups, fostering community leadership and engaging with our creative industries.
- Support and celebrate our volunteers through community grants and National Volunteer Week.
- Advocate for increased access to early years services including kindergarten, playgroups, childcare and for equitable access to health and social services for our community.
- Support community sport and recreation groups to grow, to build our healthy communities and enhance community connections.





Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
Animal management prosecutions <i>[Percentage of successful animal management prosecutions]</i>	Maintain	All animal management prosecutions initiated by Council were successful and the result remains within the expected range. Council investigates all issues under the <i>Domestic Animal Act 1994</i> and initiates legal proceedings for animal-related offences, to safeguard and protect the community, whilst enhancing compliance. Where appropriate, Council plays a proactive role directly resolving animal-related issues with the involved parties.	Achieved
Utilisation of Aquatic Facilities. <i>[Number of visits to aquatic facilities per head of municipal population]</i>	Maintain or Increase	A major storm event in February 2024 resulted in the immediate closure of one aquatic venue which impacted on the overall attendance for the year.	Achieved
Percentage of critical and major non-compliance outcome notifications followed up by Council. <i>[Percentage of critical and major non-compliance outcome notifications about a food premises that are followed up by Council]</i>	60 per cent to 100 per cent	This result (78.26) is within the expected range, although slightly lower due to a temporary decrease in food premises follow-ups which was due to the team having reduced capacity as a result of leave. In total there were 54 critical and major non-compliance outcome notifications about food premises followed up. Council prioritises food safety and ensuring that any high-risk issues are identified during an assessment, and are attended to immediately, with action taken to remove and reduce the risk. Council continues to provide ongoing learning and development to the Environmental Health team in line with the Department of Health guidance.	Achieved
Library membership <i>[Number of registered library members / Population]</i>	New LGPRF Indicator	New Indicator for 2023/24. The expected range is 20% to 40% Council's result for 2023/24 was 34.63%	Achieved

Indicator	Target or Desired Trend	Comment	Target
<p>Infant enrolments in the Maternal and Child Health (MCH) service.</p> <p><i>[Percentage of infants enrolled in the MCH service]</i></p>	95 per cent to 110 per cent	100 per cent complete. South Gippsland Shire Council continues to achieve 100 per cent for infant enrolments in the Maternal and Child Health service. Highlighting a highly effective engagement with our children and families.	Achieved
<p>Participation in the Maternal and Child Health (MCH) service.</p> <p><i>[Percentage of children enrolled who participate in the MCH service]</i></p>	70 per cent to 100 per cent	71.40 per cent complete. This result remains within the expected range. The slight decrease compared to the 2022/23 financial year is most likely due to unexpected staff shortages. Council is committed to providing high-quality Maternal and Child Health services.	Achieved
<p>Participation in the Maternal and Child Health (MCH) service by Aboriginal children.</p> <p><i>[Percentage of Aboriginal children enrolled who participate in the MCH service]</i></p>	60 percent to 100 per cent	77.36 per cent complete. Council continues to maintain a high level of engagement with our First Nation families with young children. There has been a focus on cultural safety and awareness to be more inclusive and supportive. Council has also partnered with the Best Start initiative to focus on referral pathways and engagement with First Nations families. In addition, two Aboriginal families have moved into the area and are accessing services.	Achieved
<p>Participation in the Maternal and Child Health (MCH) four-week Key Ages and Stages visits.</p> <p><i>[Percentage of infants enrolled who participate in this Maternal and Child Health service]</i></p>	90 per cent to 110 per cent	South Gippsland Shire Council recorded an attendance rate of 90.31% for infants at the four-week Key Ages and Stages Visit in the 2023/24 financial year. This result remains within the expected range.	Progressed

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2023/24 Annual Initiatives of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Initiative	Comment	Target
Complete the review of the General Local Law 2014 and develop the General Local Law 2024.	The General Local Law 2024 was adopted by Council on 20 March 2024. The Gazettal Notice has been submitted, and it has been published on Council's website, with a copy also having been sent to the Minister	Achieved
Implement the annual priorities from the Early Years Position Paper.	<p>Implementation of the annual priorities from the Early Years Position Paper demonstrates four actions are completed, two actions are in progress, and one is ongoing.</p> <p>Achievements include:</p> <ul style="list-style-type: none"> • Distribution of the Early Years Position Paper to all service providers. • Completion of the Kindergarten at Korumburra Primary School with the installation and operation of a 66 place two room modular kindergarten. • A signed eight-year lease with the Department of Education and sublet to Karmai Community Children's Centre. • Implementation of the service agreements with all early years service providers located in Council buildings. 	Achieved
Implement actions from the 2022–2026 Municipal Public Health and Wellbeing Plan.	The development and implementation of a Municipal Early Years Plan was successfully undertaken with Council endorsing the South Gippsland Shire Council Children and Families Plan on 20 March 2024 to facilitate positive outcomes for children and families in our communities.	Achieved
Engage with recognised First Nations groups to strengthen Council's knowledge, connection and understanding of the traditional custodians in South Gippsland.	<p>In partnership with First Nations and other key stakeholders Council has supported the provision of Welcome to Country activities at:</p> <ul style="list-style-type: none"> • The Candlelight Vigil as part of Domestic Violence Remembrance Day • IDAHOBIT day and during • Volunteer Week. <p>Planning for NAIDOC Week activities are complete.</p>	Achieved
Support and provide funding towards the Live4Life Youth Program. Delivered in partnership with Bass Coast Shire Council and secondary schools across the two municipalities	Youth Live4Life successfully delivered Teen Mental Health First Aid Training to 2,010 young people across six secondary colleges, (five in South Gippsland and one in Bass Coast), with 71 young people participating on the youth crew delivering positive youth mental health messages across their communities. The program also delivered Youth Mental Health First Aid Training to 103 adults. Bass Coast Shire Council and South Gippsland Shire Council continued to act as lead agencies, with a partnership group of 14 organisations representing schools, health and youth meeting regularly throughout the year.	Achieved

Initiative	Comment	Target
<p>Annual implementation of the Domestic Animal Management Plan (DAMP) 2022-2025.</p>	<p>Annual implementation of the Domestic Animal Management Plan 2022-2025 has demonstrated a series of successful initiatives to ensure responsible pet ownership with consideration to the wider environment and municipality.</p> <p>Actions implemented include:</p> <ul style="list-style-type: none"> • Continued proactive education and promotion of responsible pet ownership. • Continued focus on animal registrations. • Continued delivery of our ongoing animal management compliance and enforcement work. • Learning and development, including training of authorised officers in a Certificate IV in Animal Management. 	<p>Achieved</p>
<p>Continue to facilitate Community Plan development, consistent with the objectives of Council's Community Strengthening Strategy.</p>	<p>Community training calendar delivered successfully and well attended, in particular social media, event planning, grant writing and committee governance training. Community Clusters and Community Planning network meets regularly.</p>	<p>Achieved</p>

Note: Council will annually prepare and include new Major Initiatives within each year's Budget preparation.



IDAHOBIT Day 2024

Services: Performance Indicators

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

Local Government Service Performance Indicators					
Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
ANIMAL MANAGEMENT					
Timeliness					
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]	2.04	3.37	2.84	3.42	In 2023/24, there was a 20 per cent increase in animal management requests compared to 2022/23. This is due to Council taking over the management of the pound internally, which has resulted in an increase in the number of animal management requests the Community Safety team are responding to.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	61%	58%	47%	40%	
Service standard Animals re-homed [Number of animals re-homed / Number of animals collected] x 100	31%	50%	52%	77%	Of the 113 animals reclaimed, many were returned directly to their owner rather than being impounded first. Whilst returning animals directly to their owner is Council's first preference, it has been noticed that with the increased cost of living, there has been an increase in the number of animals not being reclaimed. Council is working on initiatives to improve this result.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Municipal population]	\$17.31	\$18.95	\$17.96	\$20.48	By working closely with rescue organisations, Council has achieved a 48 per cent increase in animals re-homed since last year. It has been noticed that increased cost of living pressures has seen an increase in the number of animals surrendered for re-homing.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	67%	100%	The cost of animal management services has increased by \$2.52 (14%) compared to the previous year due to increased costs to Council for pound services and natural inflation. This result remains within the range expected by Council.
					All animal management prosecutions initiated by Council were successful and the result remains within the expected range. Council plays a proactive role directly resolving animal-related issues with the involved parties.

Local Government Service Performance Indicators

Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
AQUATIC FACILITIES					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.47	3.62	4.85	4.47	A major storm event in February 2024 resulted in the immediate closure of one aquatic venue which impacted on the overall attendance for the year.
Service costs					
Cost of aquatic facilities					
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$11	\$12	\$10	\$12	New contract arrangements that commenced from November 2023 have increased service delivery cost.
FOOD SAFETY					
Timeliness					
Time taken to action food complaints					
[Number of days between receipt and first response action for all food complaints / Number of food complaints]	1	1.73	1.38	1.75	Council continues to prioritise food safety and public health, with a high level of responsiveness in the 2023/24 financial year. Food-related complaints were investigated in under two days on average.
Service standard					
Food safety assessments					
[Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	28%	81%	98%	100%	South Gippsland Shire Council works with local businesses to provide assessments, education, and guidance in relation to food safety, ensuring food is prepared and sold safely. During the 2023/24 financial year 257 food safety assessments were undertaken, 11 more than the previous year. This is within the expected range.
Service cost					
Cost of food safety service					
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$459	\$457	\$516	\$365	The cost of food safety per premise has decreased from the previous year, demonstrating a commitment towards the food safety service, and is within the expected range.

Local Government Service Performance Indicators

Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100%	100%	99%	78%	This result is within the expected range, although slightly lower due to a temporary decrease in food premises follow ups due to staff shortages, which temporarily reduced capacity. In total there were 54 critical and major non-compliance outcome notifications about food premises followed up. Council prioritises food safety and ensuring that any high-risk issues are identified during an assessment, and are attended to immediately, with action taken to remove and reduce the risk. Council continues to provide ongoing learning and development to the Environmental Health team in line with the Department of Health guidance.
LIBRARIES					
Utilisation Loans per head of population [Number of library collection item loans per head of population]	N/A	N/A	N/A	3.96	New Indicator for 2023/24
Resource Standard Recently purchased library collection [Number of library collection items purchased in the last five years / Number of library collection items] x 100	65%	64%	57%	58%	Variation not greater or less than 10 per cent.
Participation Library Membership [Number of registered library members/Population] x 100	N/A	N/A	N/A	35	New Indicator for 2023/24. The expected range is 20 to 40 per cent.
Participation Library visits per head of population [number of library visits per head of population]	N/A	N/A	N/A	2.91	New Indicator for 2023/24
Service cost Cost of library service per population [Direct cost of the library service / Municipal population]	\$45	\$39	\$41	\$43	Variation not greater or less than 10 per cent.

Local Government Service Performance Indicators

Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
MATERNAL AND CHILD HEALTH					
Service standard					
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	99%	98%	100%	100%	Council continues to achieve 100% for infant enrolments in the Maternal Child Health service. This highlights highly effective engagement with our children and families.
Service cost					
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$71	\$74	\$80	\$75	Council places a strong emphasis on delivering services in a cost-efficient manner. The cost of service at \$75.30 demonstrates Council's commitment to delivering the MCH service within the expected budget and requirements.
Participation					
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] x 100	76%	72%	73%	71%	This result remains within the expected range. The slight decrease compared to the 2022/23 financial year is most likely due to unexpected staff shortages. Council is committed to providing high-quality Maternal and Child Health services.
Participation					
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] x 100	70%	73%	45%	77%	Council continues to maintain a high level of engagement with First Nation families with young children. There has been a focus on cultural safety and awareness to be more inclusive and supportive. Council has also partnered with the Best Start initiative to focus on Aboriginal and Torres Strait Islander families and children to create a culturally safe environment that acknowledges and is respectful of culture. Additionally, Council has partnered with the Aboriginal Network and multiple support agencies to encourage and support referral pathways and engagement with First Nations families. In addition, two Aboriginal families have moved into the area and are accessing services.
Satisfaction					
Participation in four-week Key Ages and Stages visit [Number of four-week Key Ages and Stages visits / Number of birth notifications received] x 100	94%	95%	89%	90%	Council recorded an attendance rate of 90.31% for infants at the 4-week Key Age and Stage Visit in the 2023/24 financial year. This result remains within the expected range.

Services Funded

The following statement provides information in relation to the services funded in the 2023/24 Budget that supports the Council Plan Theme '*Healthy and Engaged Communities*' and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$000	Budget \$000
Community Health and Safety	The Community Health and Safety department delivers essential, efficient and responsive services that enhance the health, safety and wellbeing of communities, families, children and individuals in South Gippsland.	\$1,157	\$1,319
			<u>(\$162)</u>





COUNCIL PLAN THEME FOUR: Leading with Integrity

Objective

Over the next four years, we will endeavour to always lead with integrity, care, good governance and accountability. South Gippsland Shire Council will be outward focused and engage regularly and genuinely with our community.

We recognise trust between Council and the community was broken, and that it's our job to earn that trust back, and to do that we first must be trustworthy.

We will not always get everything right but we promise to always look for continuous improvement in the way we do things, to listen to your problems and ideas, to answer your questions and genuinely engage with you around the challenges ahead in these uncertain times.

Council will provide and promote community leadership, investing in our people and the people of South Gippsland. We are a new Council, this is a new relationship, our firm commitment is that we will listen to learn, and act with integrity. We hope you join us.

Priorities

- Understand our community's priorities, ensure their needs are being met, and engage openly and often.
- Place our community at the centre of everything we do and be outward focused.
- Explore alternatives for revenue opportunities and manage our resources sustainably.
- Develop our people to build our organisation's capacity, create efficiencies and deliver quality services to the community.
- Strategically advocate with our partners to the State and Federal Government on issues and opportunities that impact our community.
- Invest in the leadership skills of existing and emerging community leaders, volunteers, community groups and networks.





Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
Financial viability of South Gippsland Shire Council regarding the Victorian Auditor General's Office (VAGO) financial sustainability indicators.	Within desirable limits	This is considered complete upon the adoption of the Annual Report which includes VAGO sustainability indicators. The 2022/23 Annual Report was adopted in October 2023.	Achieved
Number of opportunities provided and people reached via community engagement practices.	Increase/quality improvement	There were 17 participatory engagement opportunities undertaken over the past 12 months and one deliberative engagement opportunity (Coal Creek Strategic Plan). Council's online engagement platform Your Say attracted 17,240 visits during this period.	Achieved
Community satisfaction with Council decisions. <i>[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community]</i>	Increase	Council's score of 46 for community decisions is in-line with the result for similarly sized large rural councils (46).	Achieved
Council decisions made at meetings closed to the public. <i>[Percentage of Council resolutions made at Council Meetings closed to the public]</i>	Decrease	Council continues to only make decisions in Closed Council in limited circumstances and has reduced these decisions from the previous year.	Achieved
Councillor attendance at Council Meetings. <i>[Percentage of attendance at ordinary and special Council Meetings by Councillors]</i>	80 to 100 per cent	90.74 per cent attendance target achieved.	Achieved

Indicator	Target or Desired Trend	Comment	Target
<p>Community satisfaction with community consultation and engagement.</p> <p><i>[Community satisfaction rating out of 100 with the consultation and engagement efforts of the Council]</i></p>	<p>Increase</p>	<p>Council's <i>Community Satisfaction</i> result for community consultation and engagement performance decreased slightly from last year despite increased engagement activity. The score is one point lower than the average score for similarly sized large rural councils (48).</p> <p>Significant community engagement was undertaken in 2023/24 with 17 participatory and one deliberative engagements occurring. These were delivered in-line with Council's Community Engagement Policy and included:</p> <ul style="list-style-type: none"> • Children and Families Plan; • General Local Law Review; • Access and Inclusion Committee; • Coal Creek Strategic Plan. 	<p>Achieved</p>



Art in South Gippsland

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2022/23 Annual Initiatives of the *2022-2026 Council Plan* identified in the *2023/24 Budget*.

Initiative	Comment	Target
Develop and adopt Council's 2024/25 Advocacy Priority Projects.	Council's 2024/25 advocacy priorities were endorsed at the October 2023 Council Meeting. At the Municipal Association of Victoria (MAV) State Council meetings held in October 2023 and May 2024, Council successfully raised and supported Motions related to amending and strengthening the Land Subject to Inundation Overlay, renewable energy and coastal hazard assessments.	Achieved
Explore partnership opportunities with other councils towards the delivery of a Community Leadership Program in 2024/25.	Consultation between Bass Coast and South Gippsland has resulted in an 'in-principle' agreement to provide a Community Leadership Program in the 2024/25 year and a budget allocation has been approved by Council.	Achieved
Continue implementation of the Customer First Project.	The Senior Leadership Team have completed customer service training and an insights report has been developed, to inform future Customer First activities. A series of online payment forms to support customer needs have been developed.	Achieved
Lead an outwardly focused, innovative and financially sustainable organisation that delivers maximum community benefit by conducting Service Reviews and Business Improvement of individual services.	In 2023/24 Council embarked on organisational realignments to streamline performance and prepare for the potential impacts of offshore renewable energy in South Gippsland. The realignment resulted in the creation of a new department and minor structural changes to better align the function of existing teams. In June, further realignments occurred in the Infrastructure Maintenance area. This was the first significant alignment to the area in over 10 years.	Achieved
Strengthen Council's Privacy and Cybersecurity mechanisms to improve safety of Council data and systems.	<ul style="list-style-type: none"> • Remote and on-premises system testing complete or significantly progressed. • Technology training in progress with a number of staff successfully completing ICS2 certification in Cybersecurity. • Targeted investment in privacy and cyber security performed, with a vendor selected to begin development of Information Asset Register (IAR). • Remediation activities progressed. 	Achieved

Initiative	Comment	Target
Council meets its legislative requirements for financial performance reporting via the 2023/24 Annual Report process and unqualified VAGO Audit.	Completed as part of the 2023/24 Annual Report process with an unqualified audit opinion received from VAGO and presented to the Audit and Risk Committee.	Achieved
Annual Budget (plus three-year Plan) (2024/25 – 2027/28) and Financial Plan (10-year Plan) (2024/25 – 2033/34) to be adopted by 30 June 2024.	Both documents adopted by Council on 26 June 2024	Achieved

Services: Performance Indicators

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

Local Government Service Performance Indicators					
Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
GOVERNANCE					
Transparency					
Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meeting of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	25%	20%	21%	17%	Council continues to only make decisions in closed Council in limited circumstances and has reduced these decisions from the previous year.
Consultation and Engagement					
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	44	44	50	47	Significant community engagement was undertaken through 18 separate consultations (17 participatory and one deliberative). These were delivered in line with Council's Community Engagement Policy and included the General Local Law, Children and Families Plan, and Access and Inclusion Committee. The score of 47 is one point lower than the result for similarly sized large rural councils (48).
Attendance					
Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100	96%	97%	90%	91%	Councillor attendance remained high.

Local Government Service Performance Indicators

Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
Service Cost					
Cost of elected representation [Direct cost of governance service / Number of Councillors elected at the last Council general election]	\$155,586	\$70,869	\$59,378	\$55,276	No comment – material variation not greater or less than 10 per cent.
Satisfaction					
Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	46	48	54	46	Council's score of 46 for community decisions is in-line with the result for similarly sized large rural councils (46).



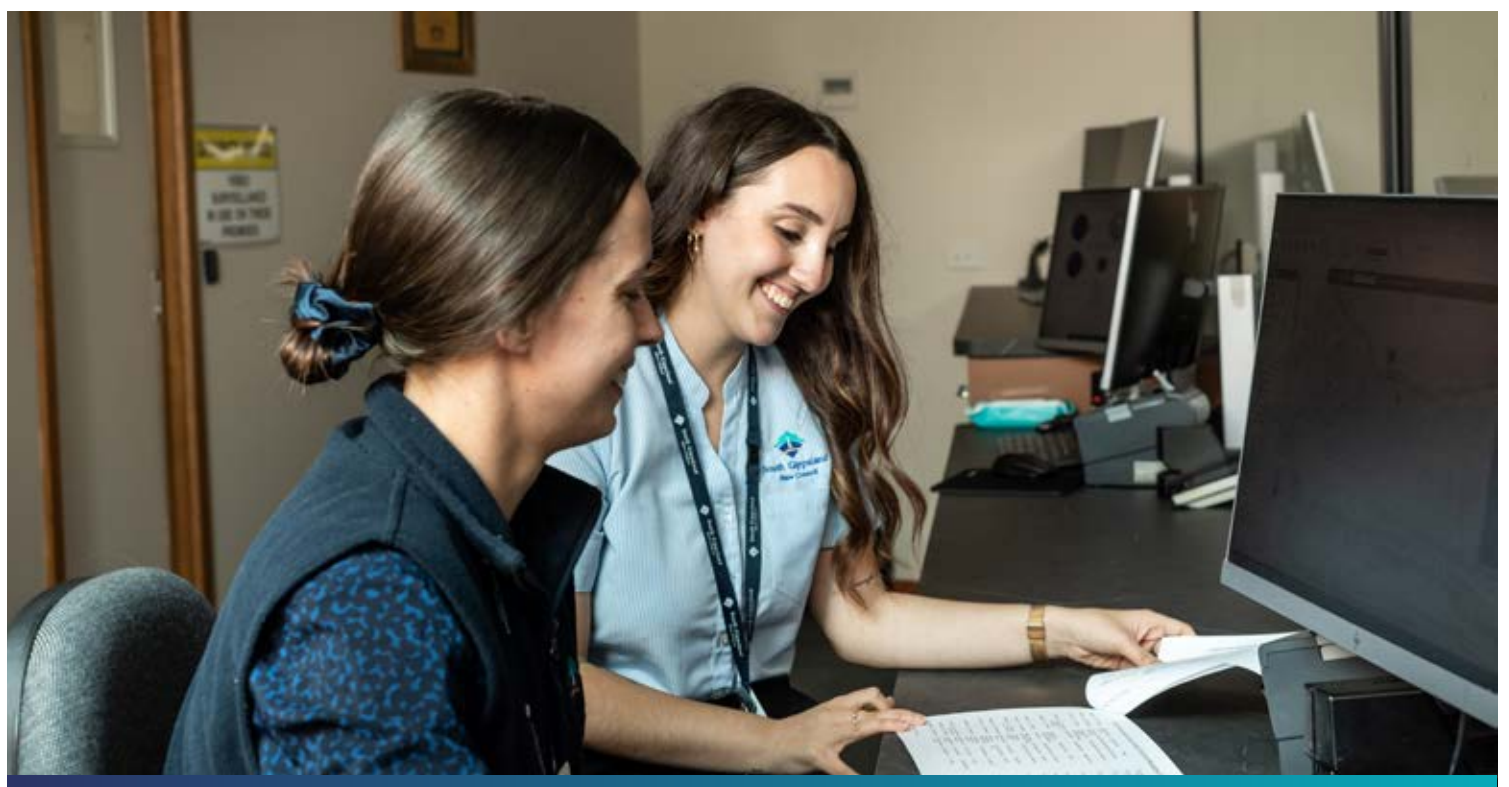
Art in South Gippsland

Services Funded

The following statement provides information in relation to the services funded in the 2023/24 Budget that supports the Council Plan Theme Leading with Integrity and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$000	Budget \$000
		Result \$000	
Chief Executive Office	<p>The Chief Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of the South Gippsland Shire Council.</p> <p>The Chief Executive Office is accountable for ensuring that the objectives of the Council Plan are achieved through the allocation of appropriate resources, the provision of strategic policy and legal advice to Council, and the establishment of good governance practices to guide the management of the organisation.</p>	\$300	
		\$285	
			\$15
Performance and Innovation Management	<p>The Performance and Innovation Directorate provides services including:</p> <ul style="list-style-type: none"> • People and Culture. • Customer, Communications and Advocacy. • Financial Strategy. • Innovation and Technology. • Governance. • Library Board liaison. 	\$1,948	
		\$1,880	
			\$68
Financial Strategy	<p>The Financial Strategy department delivers financial planning, budget management, legislative compliance, rates and valuation services and internal support to departments, teams and individuals in relation to finance functions.</p> <p>Risk, Assurance and Procurement is responsible for contract management, risk and insurance, Freedom of Information and information privacy, internal auditing, regulatory compliance and tendering. This team is responsible for the coordination and reporting to the Audit and Risk Committee for the organisation.</p>	(\$23,283)	
		(\$31,495)	
			\$8,212
Digital and Technology	<p>The Digital and Technology department work across all areas of Council to provide cost-effective technology and services. It aims to deliver the best quality services to the community and provide contemporary tools for staff to operate efficiently. The team consists of Information Systems, Information Management, and Business Innovation.</p>	\$3,173	
		\$3,516	
			(\$343)

Business Area	Description of Services Provided	Net Cost	
		Actual \$'000	Budget \$'000
		Result \$'000	
People and Culture	<p>The People and Culture department strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally.</p> <p>It manages recruitment; workplace relations and industrial relations; gender equity and diversity; inclusion; organisational learning and development; occupational health, safety and wellbeing; human resources and performance management; workers compensation and return to work management; and payroll.</p>	\$1,791	
		\$1,595	
			\$196
Governance	<p>The Governance department delivers services to the community, Councillors and staff.</p> <p>It provides support for Council Meetings, briefings and hearings, policy compliance, corporate planning, monitoring and reporting including development of the Community Vision, Council Plan and Annual Report. It leads policy review and provides governance reform support, including requirements of the <i>Local Government Act 2020</i>.</p>	\$854	
		\$891	
			(\$37)
Customer, Communication and Advocacy	<p>The Customer, Communication and Advocacy department delivers customer service, website maintenance, social media, front-desk customer service, media liaison, coordination of Council Noticeboard and the Mayors' Message, advocacy materials to support Council's key projects, maintenance of the online Community Directory, production and distribution of the e-newsletter In The Know, and Australia Day Awards.</p>	\$1,175	
		\$774	
			\$401



Council's Customer Service team

COUNCIL PLAN THEME FIVE:

Protecting and Enhancing our Environment

Objective

Agriculture, bushland, residential and tourism can thrive side-by-side. South Gippslanders will leave a legacy of a healthier integrated environment for future generations. South Gippsland Shire Council will proactively work with landholders and land management agencies in preparing for changes in weather patterns, extreme storms, flooding and coastal erosion and the impacts of climate change.

Our aim is to support appropriate regeneration and revegetation initiatives and the development of bio-link corridors, particularly around our waterways, and acknowledge the importance of protecting our agricultural land's biosecurity, whilst expanding biodiversity. We will do this with community partnerships, planning controls and weed and feral pest management education and support for those who farm our lands.

Over the next four years, we will reduce landfill across the Shire via our circular waste strategy. In our own organisation, we are setting a target of reducing our emissions through energy and waste efficiency measures. We will also drive change toward improved consumer behaviour of all in our Shire, through a 'buy less' campaign whilst also encouraging residents to reduce, reuse and recycle.



Priorities

- Lead by example, developing internal practices and policies to reduce our carbon footprint as an organisation and encouraging innovative industries.
- Use our Strategic Planning mechanisms to prioritise protecting and enhancing our natural environment.
- Advocate, plan and encourage the protection of our natural landscapes and coastline.
- Support and encourage sustainable industries such as agroforestry.
- Plan and implement bio-link corridors to increase the percentage of tree cover and habitat in our Shire, and support our community including landowners to partner with us in implementing bio-links.
- Educate and empower our communities to reduce and control weeds and pests.
- Build resilience in our community and organisation to mitigate risk and damage caused by extreme weather events.
- Empower our community through education and information to improve their waste management.
- As part of the Domestic Animal Management Plan, investigate enforceable dogs on leashes and curfews for domestic cats.
- Engage with the relevant State Government agencies regarding the use of jet skis in relation to personal safety, amenity and threats to marine wildlife.

Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
The number of planted trees to offset trees removed by Council.	Trees planted	Council replaces 100 per cent of the trees it removes as well as when there is an essential need. In addition, we plant approximately 500 street trees and thousands of tube stock each year in Council managed reserves and in partnership with Landcare and landowners.	Achieved
Number of partnered revegetation activities with Landcare each year.	Minimum of two per annum	Council continues to work in partnership with Landcare on planting events and are working towards formalising the arrangement with a Memorandum of Understanding in 2024/2025.	Achieved
Number of Council environmental educational activities held.	Minimum of two per annum	Council is frequently supporting community education events in partnership with Landcare and local schools. Most recently Council presented at a community event in Mirboo North community where the recent storm event impact on the biodiversity at Baths Road Reserve, was discussed.	Achieved
Inspections of the Great Southern Rail Trail for general condition and hazard identification.	Quarterly inspections	Council continues to undertake weekly maintenance along the Great Southern Rail Trail, supported by quarterly inspections.	Achieved
Percentage of kerbside collection waste diverted from landfill. <i>[Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill]</i>	Maintain or Increase	52.55 per cent of kerbside waste diverted. Council has seen a slight decrease in the landfill diversion rate, primarily due to a slight increase in the amount of waste disposed to landfill (comparable to average annual fluctuations) and a 9% decrease in the weight of recyclables collected. The reduction in the weight of recyclables collected is attributed to the introduction of the state-wide Container Deposit Scheme which commenced in November 2023. The target for this measure is 50 per cent.	Achieved

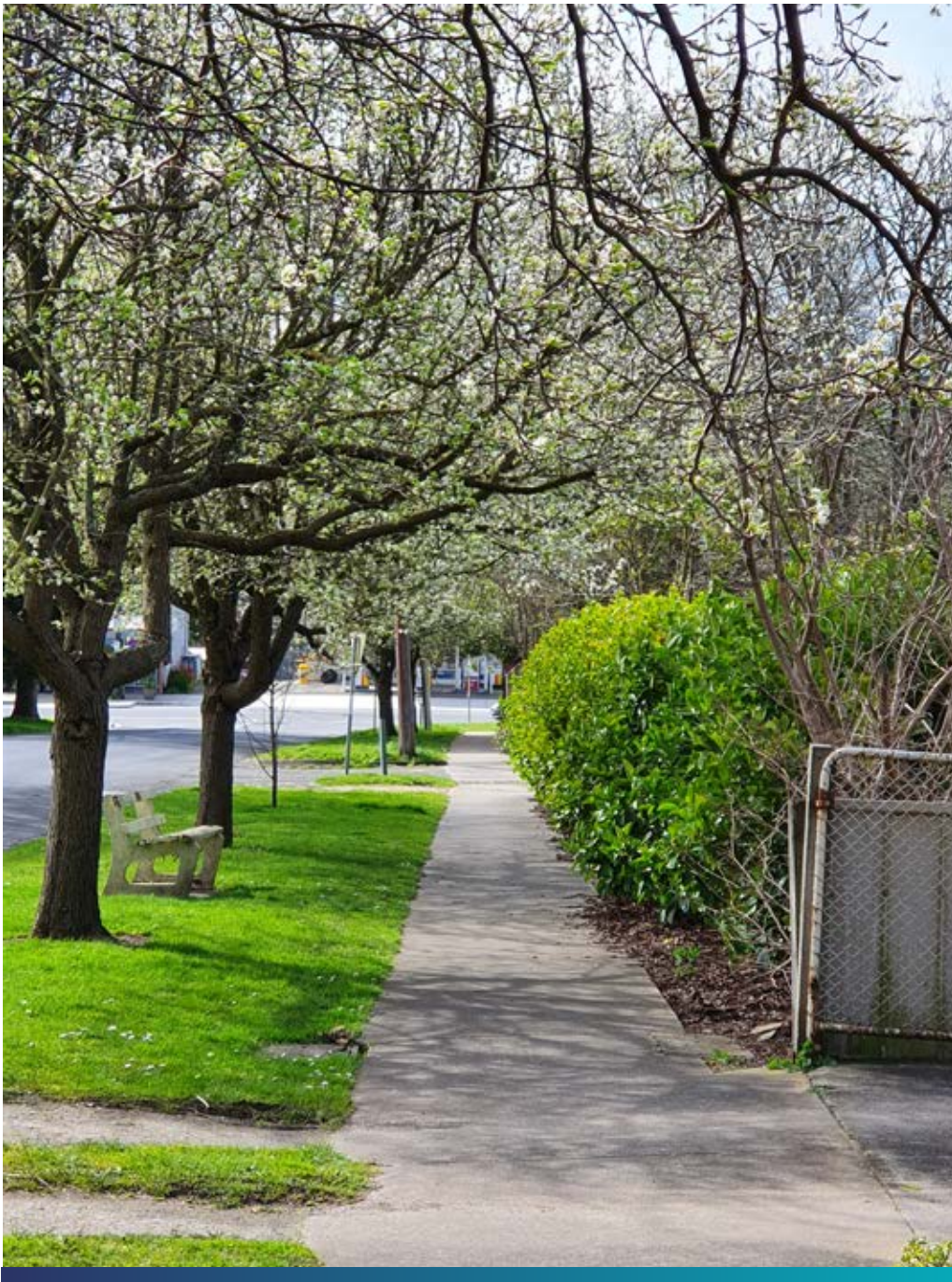


Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2023/24 Annual Initiatives of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Initiative	Comment	Target
Commence the development of a Climate Action Plan.	The first stage of the Climate Action Plan has commenced and staff are involved in workshops to discuss their roles and department activities.	Achieved
Annual implementation of the Domestic Wastewater Management Plan (DWMP) 2022-2026.	<p>Actions implemented include:</p> <ul style="list-style-type: none"> • Education and community consultation, with the annual <i>Onsite Wastewater Management System Conversation</i> with local plumbers and drainers. Approximately 15 people were in attendance. • Initiating a review of Council's Wastewater Policy, including a review of information systems, process mapping and evaluation of online lodgement. • Ongoing monitoring and management of commercial properties, including a successful wastewater performance outcome in Venus Bay. 	Achieved
Finalise the development of the Waste and Resource Recovery Plan (formerly Waste Management Strategy).	Community engagement on the draft Waste and Resource Recovery Plan (WRRP) is being received. Following assessment of feedback, the draft Plan will be presented to Council for adoption.	Achieved
Commence implementation of Council's Integrated Water Management (IWM) Plan for South Gippsland.	Draft Integrated Water Management Plan has been presented to Council and community feedback sought. Following assessment of responses, the plan will be presented for adoption in August 2024.	Progressed
Continue to support Landcare's advocacy for improved pest management and control including feral animals within the Shire.	Council has committed \$50,000 in the 2024/25 Annual Budget toward the development of a Memorandum of Understanding (MOU) with Landcare. The MOU will build upon the existing land management partnership and assist with weed control and biodiversity initiatives. Council also collaborated with Landcare on a draft South Gippsland Biodiversity Protection Plan, that provides a framework for a coordinated approach to conserving local biodiversity.	Achieved

Initiative	Comment	Target
Implement and maintain the Tree Replacement Plan for trees removed by Council.	There was only one major tree removal and replacement project for 2023/24 - the removal of dangerous trees along Gripp Road Avenue of Honour, Toora.	Achieved



Street Trees of South Gippsland

Services: Performance Indicators

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

Local Government Service Performance Indicators					
Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
WASTE COLLECTION					
Service standard					
Service standard Kerbside collection bins missed					
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	5	4	4	4	The decrease in the number of bins missed is a result of improved service initiatives implemented by the contractor.
Service cost					
Cost of kerbside garbage bin collection service					
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$141	\$161	\$165	\$173	Material variation not greater or less than 10 per cent.
Service cost					
Cost of kerbside recycling bin collection service					
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$75	\$75	\$80	\$85	Material variation not greater or less than 10 per cent.
*Cost of Kerbside recyclables collection service					
Waste diversion					
Kerbside collection waste diverted from landfill					
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	52%	52%	54%	53%	Council has seen a slight decrease in the landfill diversion rate, primarily due to a slight increase in the amount of waste disposed to landfill (comparable to average annual fluctuations) and a 9% decrease in the weight of recyclables collected. The reduction in the weight of recyclables collected is attributed to the introduction of the state-wide Container Deposit Scheme which commenced in November 2023. The target for this measure is 50 per cent.

Services Funded

The following statement provides information in relation to the services funded in the 2023/24 Budget that supports the Council Plan Theme *Protecting and Enhancing our Environment* and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$000	Budget \$000
		Result \$000	
Sustainable Infrastructure Management	The Sustainable Infrastructure Management provides services including: <ul style="list-style-type: none"> • Infrastructure Planning • Infrastructure Delivery • Infrastructure Maintenance • Open Space and Environment. 	\$908	
		\$302	
		<hr/>	
		\$606	
Open Space and Environment	The Open Space and Environment department manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban/ rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.	\$9,954	
		\$3,920	
		<hr/>	
		\$6,034	



Storm Event - Mirboo North Pool

COUNCIL PLAN THEME SIX: Sustainable Growth

Objective

Regional Australia is going through unprecedented growth and demographic change and Council plays an important role in advocacy across all levels of government to attract funding and implement planning controls that ensure South Gippsland's growth is socially, environmentally and economically sustainable.

The unique environment values and cultural heritage of our 28 towns, villages and hamlets are a draw card to the region. We will protect the visual character of our landscapes and streetscapes via community plans, land-use reviews, environmental assessments and township design frameworks.

Council will plan for sustainable growth with an appropriate mix of residential properties, farming and lifestyle, industrial and commercial properties, encouraging affordable housing projects, options for aged and health care, and suitable investment in services, transport, childcare and open space.

We value local knowledge, history and experience, and are committed to including the community in conversations around important change decisions and processes. We will consider the environmental and cultural impacts of growth and land use change in our actions and decision making.



Priorities

- Manage urban growth within defined town boundaries to deliver fit-for-purpose infrastructure in partnership with other agencies that share this responsibility.
- Protect the character of our communities, including our built, natural and cultural heritage.
- Celebrate our communities and foster a sense of pride in the unique characters of our townships.
- Support new developments that include diverse block sizes and make a positive long-term contribution to the community and increased affordable housing opportunities.
- Support our coastal communities to respond to existing and emerging risks to their liveability and environmental health.
- Align land use planning and economic development planning to facilitate appropriate business investment.
- Investigate opportunities to better manage the impacts of unregistered Short Stay Accommodation.



Measure of Success

The following statement reviews the performance of South Gippsland Shire Council against the Measure of Success Indicators of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Indicator	Target or Desired Trend	Comment	Target
<p>Number of planning applications decided within required time frame.</p> <p><i>[Percentage of planning application decisions made within 10 days and regular planning application decisions made within 60 days]</i></p>	Increase	<p>Council has allocated extra resources to tackle the backlog of planning applications. As a result, there has been a decrease in the number of legacy applications which has been balanced by more efficient processing of new applications.</p>	Achieved
<p>Council planning decisions upheld at VCAT.</p> <p><i>[Percentage of planning application decisions subject to review by VCAT that were not set aside]</i></p>	Increase	<p>Variation not greater or less than 10 per cent.</p>	Achieved
<p>Time taken to decide planning applications.</p> <p><i>[Median number of days between receipt of a planning application and a decision on the application]</i></p>	Decrease	<p>Council has allocated extra resources to tackle the backlog of planning applications. As a result, we've seen a decrease in the number of legacy applications, which has been balanced by more efficient processing of new applications.</p>	Achieved



MILK DEPOT

Major Initiatives

The following comments review the performance of South Gippsland Shire Council against the 2023/24 Annual Initiatives of the 2022-2026 Council Plan identified in the 2023/24 Budget.

Initiative	Comment	Target
Complete actions from the Social and Affordable Housing Strategy to increase Victorian and Australian Government support to service agencies.	Implementation activities include: - A planning review - Advocacy within the sector - Development of Terms of Reference for a Community Advisory Committee.	Achieved
Implement actions from the Industrial Land Supply Study.	Awaiting finalisation/adoption of the Strategy to inform future implementation options.	Progressed
Implement the findings of the Coastal Strategy investigation and recommend new Planning Scheme provisions through a Planning Scheme Amendment.	Commenced application of new planning scheme controls to address key outcomes of the Coastal Strategy 2023.	Achieved
Review planning controls for the LDRZ land north of the Railway Reserve in Nyora, with the intent of controlling the form and density of residential subdivision to protect the planned future conversion of this land to higher density residential living.	A consultation and engagement process has been developed and supported by research and investigation.	Progressed
Undertake Planning Scheme Amendments to implement the recommendations from the recent review of South Gippsland Shire Planning Scheme.	The Planning Scheme Amendment to implement the recommendations of the Planning Scheme Review has been adopted by Council and submitted to the Minister for Planning for approval.	Achieved

Services: Performance Indicators

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

Local Government Service Performance Indicators					
Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
STATUTORY PLANNING					
Timeliness					
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	83	99	174	139	Council has allocated extra resources to tackle the backlog of planning applications. As a result, we've seen a decrease in the number legacy applications, which has been balanced by more efficient processing of new applications.
Service standard					
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] x 100	48%	40%	25%	32%	Council has allocated extra resources to tackle the backlog of planning applications. As a result, there has been a decrease in the number of legacy applications which has been balanced by more efficient processing of new applications.
Service cost					
Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,385	\$1,442	\$1,944	\$3,612	The increased cost of planning services can be attributed to a range of factors including the use of additional resources, utilising agency staff, and representation at VCAT.
Decision making					
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside South Gippsland Shire Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	50%	75%	60%	60%	Material variation not greater or less than 10 per cent.

Services Funded

The following statement provides information in relation to the services funded in the 2023/24 Budget that supports the Council Plan Theme *Sustainable Growth* and the persons or sections of the business area responsible.

Business Area	Description of Services Provided	Net Cost	
		Actual \$000	Budget \$000
		Result \$000	
Planning and Building	<p>Planning Services</p> <p>The Planning Services team undertakes strategic planning to prepare long-term land use planning policies and planning schemes, aligned to Victorian Government requirements, to address a range of environmental, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits.</p> <p>This team also includes Strategic Planning which produces land use and development policy for South Gippsland Shire Council and processes amendment and other applications under the <i>Planning and Environment Act 1987</i> and the <i>Subdivision Act 1988</i> mainly to rezone land. It also undertakes Town Structure Planning, Open Space Planning, Rural Planning and a wide range of issues related to rural and regional planning.</p> <p>Building Services</p> <p>The Building and Planning Compliance team serves the community by promoting compliance with various Acts and Regulations which exist to ensure that the community are safe when occupying buildings and that the general public are adherent to applicable legislative requirements with respect to land use objectives.</p> <p>South Gippsland Shire Council is bound by section 212 of the <i>Building Act 1993</i> and the <i>Planning and Environment Act 1987</i>.</p>	\$1,438	\$364
		<hr/>	
		\$1,074	



OUR GOVERNANCE

- GOVERNANCE INFORMATION
- STATUTORY INFORMATION
- GOVERNANCE AND MANAGEMENT CHECKLIST

Governance Information

Legislation

South Gippsland Shire Council is constituted under the *Local Government Act 2020 (Act)*. The Act outlines that all Victorian councils have the functions and the powers the Parliament considers are necessary to ensure the peace, order and good government of Council's municipal district.

Participation with Council

South Gippsland Shire Council welcomes community attendance and participation at Council and Council Meetings and provide their input into Council's decision-making processes in a variety of different ways.

Community members are encouraged to register an *Expression of Interest* if they are interested in meeting with Council on matters of community interest.

Depending on the request, appropriate arrangements are put in place for the community member to meet with the Mayor and Councillors, the Chief Executive Officer and/or with Council Officers who can assist them. Where practicable, these can be incorporated into Council's *Community Days*. Details on how to submit an Expression of Interest are available on Council's website.

Council holds *Community Days* on the fourth Wednesday of each month. These days create opportunities for members of the community or community groups to meet with Councillors and show them projects in their local areas and talk about matters they wish to share with Councillors.

There are also opportunities to speak directly with Councillors, provide feedback on Council strategies and plans, and through other opportunities or by reaching out directly to Councillors.

Council Meetings

South Gippsland Shire Council's formal decision-making processes are conducted through monthly scheduled and occasional additional Council Meetings. Council Meetings are generally held on the third Wednesday of each month and are open to the public. These meetings are live-streamed from Council's website.

Council Meetings, Special Committees and the Election of the Mayor and Deputy Mayor are governed by the adopted Governance Rules (C82). South Gippsland Shire Council delegates its administrative decision-making to the Chief Executive Officer, and under some specific pieces of legislation, directly to staff. Council also delegates decision-making for specific facilities/reserves to the community through Community Asset Committees. The Chief Executive Officer has the authority to sub-delegate decision making to staff. These delegations are regularly reviewed and are exercised in accordance with adopted Council policies and relevant legislation.

Meetings are held in an open manner, only closing parts of some meetings to consider confidential matters or other exceptions as designated under section 66 and section 3(1) of the *Local Government Act 2020*.

Attendance at Meetings

Councillor	Council Meetings Attended
Councillor Adrian Darakai	12 of 12 meetings
Councillor Mohya Davies	10 of 12 meetings
Councillor Mick Felton	9 of 12 meetings
Councillor Sarah Gilligan	9 of 12 meetings
Councillor Nathan Hersey <i>Mayor until November 2023. Deputy Mayor from November 2023.</i>	11 of 12 meetings
Councillor Jenni Keerie	12 of 12 meetings
Councillor Scott Rae	12 of 12 meetings
Councillor John Schelling	12 of 12 meetings
Councillor Clare Williams <i>Deputy Mayor until November 2023. Mayor from November 2023.</i>	11 of 12 meetings

South Gippsland Shire Council's formal decision-making processes are conducted through monthly scheduled and occasional additional Council Meetings. Council Meetings are held on the third Wednesday of each month and are open to the public. These meetings are live-streamed on the internet. Meetings are held in an open manner, only closing parts of some meetings to consider confidential matters or other exceptions as designated under section 66 and section 3(1) of the *Local Government Act 2020*.

Delegated Committees

No delegated committees were held in the period 2023 to 2024 as there were no delegated committees created under section 63 of the *Local Government Act 2020*.

Community Asset Committees

South Gippsland Shire Council's Community Asset Committees are formed under section 65 of the *Local Government Act 2020* to manage a range of community facilities and assets on the community's behalf, and make an important and valued contribution to community life in South Gippsland. These Committees have limited delegations, including minor financial delegations for site-specific facilities and areas of responsibility.

The following table contains a list of all Community Asset Committees established by Council that are in operation and the purpose for which each was established.

Community Asset Committees	Purpose of the Committee
Sandy Point Community Centre and TP Taylor Reserve Community Asset Committee	To manage the Sandy Point Community Centre and TP Taylor Reserve.
Dumbalk Hall Community Asset Committee	To manage the Dumbalk Hall.
Foster Stockyard Gallery Community Asset Committee	To manage the Foster Stockyard Gallery.
Mirboo North Hall Community Asset Committee	To manage the Mirboo North Hall.
Meeniyah Sports Stadium Community Asset Committee	To manage the Meeniyah Sports Stadium.
Allambee South Community Hall Community Asset Committee	To manage the Allambee South Community Hall.
John Terrill Memorial Park and Fish Creek Recreation Reserve Community Asset Committee	To manage the John Terrill Memorial Park and Fish Creek Recreation Reserve.
Foster War Memorial Arts Centre and Senior Citizens Centre	To manage the Foster War Memorial Arts Centre and Senior Citizens Centre.
Korumburra Recreation Reserve Community Asset Committee	To manage the Korumburra Recreation Reserve.
Foster Showgrounds Community Asset Committee	To manage the Foster Showgrounds.
Walter J. Tuck Reserve Community Asset Committee	To manage the Walter J. Tuck Reserve.
Port Welshpool and District Maritime Museum Community Asset Committee	To manage the Port Welshpool and District Maritime Museum Community Asset Committee.

Councillor Code of Conduct

The *Councillor Code of Conduct* (C14) (the Code) provides the foundation of core principles, values and behaviours Councillors are required to demonstrate as they work together to achieve the Community Vision. Between November 2021 and January 2022, the newly elected Councillors reviewed and updated the Code. The initial version was signed in the presence of the Chief Executive Officer at their swearing-in ceremony on 16 November 2021.

All Councillors then signed the revised code, again in the presence of the Chief Executive Officer following Council's adoption of it on 16 February 2022, in accordance with the *Local Government Act 2020*. The Code was considered again by Councillors at the 19 October 2022 Council Meeting to ensure that it was in-keeping with good governance practices. The Code was again signed by each Councillor in the presence of the Chief Executive Officer.

Conflicts of Interest

Councillors are elected by residents and ratepayers to act in the best interests of the community. Being a Councillor requires personal interests to be set aside so decisions can be made impartially. When Council delegates its powers to a Council Officer or Committee of Council, the Committee and Officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability of the Mayor and Councillors as the Council, Committees of Council or Officers to act in the public interest.

A conflict of interest exists even if no improper act results from it. Declaration of a conflict of interest is a standard agenda item for all Council, Committee and briefing meetings. Council has comprehensive procedures in place to accommodate the disclosure of a conflict of interest. In general, the declaration is made in a particular way, captured in writing and then the individual steps aside from the relevant decision-making process, or exercise of the public duty. A register is maintained to record all disclosed conflicts of interest for Councillors.

During 2023/24, there were 15 conflict of interest declarations by Councillors at Council Meetings.



Walter J Tuck Recreation Reserve – Mirboo North

Councillor Remuneration and Expenses

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duties. Throughout this financial year, South Gippsland Shire Council has covered the mandatory remuneration and reimbursement expenses for Mayor, Deputy Mayor and Councillor allowances and reimbursements of expenses.

The Victorian Independent Remuneration Tribunal (VIRT) makes determinations on a regular basis to set the allowances to be paid to the Mayor Deputy Mayor and Councillors. This can be found on the VIRT website. The *Councillor Support and Expenditure Policy*, adopted by Council at the 20 November 2019 Council Meeting, was reviewed and updated by Council and re-adopted on 16 March 2022. The Policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Councillors to enable them to conduct their duties.

The following table contains a summary of Councillor expenses for 2023/24 with each category explained on the next page:

Councillor Allowances	Allowance inc. Superannuation	Travel and Vehicle Expenses	Conference, Training and Development	Other	Total
Councillor Adrian Darakai	\$32,633	\$0	\$0	\$420	\$33,053
Councillor Mohya Davies	\$32,908	\$5,092	\$1,671	\$621	\$40,292
Councillor Mick Felton	\$32,633	\$0	\$0	\$529	\$33,162
Councillor Sarah Gilligan	\$32,633	\$527	\$3,491	\$585	\$37,236
Councillor Nathan Hersey <i>Mayor until November 2023. Deputy Mayor from November 2023.</i>	\$68,803	\$5,497	\$8,554	\$420	\$83,274
Councillor Jenni Keerie	\$32,901	\$0	\$1,374	\$585	\$34,860
Councillor Scott Rae	\$32,862	\$4,169	\$2,840	\$456	\$40,327
Councillor John Schelling	\$32,633	\$0	\$0	\$456	\$33,089
Councillor Clare Williams <i>Deputy Mayor until November 2023. Mayor from November 2023.</i>	\$88,521	\$1,605	\$9,560	\$661	\$100,347

* There was a \$300 overpayment in 2023/24 to Cr Keerie which will be corrected in payments in 2024/25.

* Please note that some allowances include remote travel which not all Councillors are eligible for.

Expense Categories

- **Allowances including Superannuation.**
 - › To support their service to South Gippsland Shire Council, the Mayor, Deputy Mayor and Councillors each receive an allowance, including the required superannuation contribution.
- **Travel/Childcare Reimbursements and Vehicle Expenses.**
 - › Council's *Councillor Support and Expenditure Policy (C51)* adopted on 16 March 2022, provides for the reimbursement of travel costs, depreciation, insurance and/or use of private vehicles and childcare while conducting Council business. Councillors use of private vehicles is at the prescribed Australian Tax Office rate of reimbursement. Reimbursements also include parking fees and public transport costs. Two Councillors have the use of a Council-supplied vehicle.
- **Conference, Training and Development.**
 - › This category covers costs associated with the Mayor and Councillors attendance at professional development courses and conferences. Advocacy costs are also covered in this category and refer to costs associated with Councillors attending meetings on behalf of Council. These costs include airfares, parking, accommodation, meals (where applicable) and subscription fees.
- **Other Expenses.**
 - › Council provides access to materials, printing, stationery, subscriptions, memberships, uniforms, mobile telephone and other resources to assist Councillors to fulfil their roles. These costs include various usage of these resources throughout the year.



Mirboo North Winterfest

Audit and Risk Management Framework

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

The *Local Government Act 2020* requires Council to undertake an assessment of its governance against the prescribed Governance and Management Checklist and include this in its Report of Operations in the Annual Report. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

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

Section 54 of the *Local Government Act 2020* requires Council to prepare and approve an Audit and Risk Committee Charter, which was last adopted by Council at its 15 February 2023 Meeting.

Committee Membership

The Audit and Risk Committee Charter requires the Committee to have three independent members who may serve a maximum of two consecutive terms of three years, subject to satisfactory performance. Two independent members (Mr Mick Jaensch and Ms Marilyn Kearney) were appointed in February 2023 and are in their first three-year term in the Committee. Jennifer Johanson was appointed to her second three year term on 22 November 2024.

The Audit and Risk Committee Charter requires the Committee to have two Councillor members. The current Councillor members are Councillor Sarah Gilligan, whose term commenced in November 2021, and Councillor Jenni Keerie, whose term commenced in February 2023. The Councillor member terms will be ending soon with the upcoming Council elections.

Independent member Jennifer Johanson was re-appointed as the Committee Chair on 16 February 2024.

Attendees	2023/24 Meetings Attended
Independent Members	
Ms Jennifer Johanson	4 of 4 meetings
Mr Mick Jaensch	4 of 4 meetings
Ms Marilyn Kearney	4 of 4 meetings
Council Members	
Cr. Sarah Gilligan	4 of 4 meetings
Cr. Jenni Keerie	4 of 4 meetings
Ex-Officio Members	
Cr Clare Williams (Mayor)	1 of 4 meetings
Cr. Nathan Hersey (Mayor)	1 of 4 meetings
Auditors	
Victorian Auditor General Office representative	4 of 4 meetings
Crowe (Internal Audit Provider)	4 of 4 meetings

Internal Audit

South Gippsland Shire Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, an independent accounting and advisory firm, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concludes on 1 July 2026 (option of a one year extension).

A risk-based Internal Audit Program is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers:

- Council's Risk Management Framework;
- Council Plan;
- The impact of any change on operations, systems or the business environment;
- Prior audit outcomes; and
- Management input.

The Internal Audit Program is reviewed and approved by the Audit and Risk Committee annually.

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

The Internal Audit Program for 2023/24 was completed with the following reviews conducted:

- Child Safety Standards
- Essential 8 Maturity Assessment.

External Audit

South Gippsland Shire Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2023/24 financial year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by VAGO. External auditors from VAGO attended all Audit and Risk Committee Meetings to present the audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

Council's strategic risk register was last adopted on 18 October 2023 following an extensive review. The review included consultation and engagement with Council's Internal Auditors, the Executive Leadership Team, the Audit and Risk Committee and Councillors, to ensure they are reflective of current trends seen across the sector and that they align with the *2022-2026 Council Plan*.

Statutory Information

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

Documents Available for Public Inspection

In accordance with section 57 and 58 of the *Local Government Act 2020*, documents and information available to the public will be managed as set out in South Gippsland Shire Council's Public Transparency Policy.

A list of documents available for inspection under the various Acts Council is subject to, can be found in Council's Part II Statement in accordance with section 7 of the *Freedom of Information Act 1982*, which is available on Council's website.

Procurement

South Gippsland Shire Council adopted a revised *Procurement Policy* on 20 July 2022 to comply with sections 108 and 109 of the *Local Government Act 2020*. The Policy sets out the processes and procedures that apply to the purchase of goods and services, while ensuring our commitment to guiding principles apply to each procurement.

In the 2023/24 financial year, 33 tenders were advertised which comprised of 22 public tenders, one Expression of Interest, one Request for Information and nine Request for Closed Tender.

Contracts

In accordance with South Gippsland Shire Council's *Procurement Policy* adopted on the 20 July 2021 as required by section 108 of the *Local Government Act 2020*, Council followed the policy for Request for Tenders, Request for Quotes and Expression of Interests.

Unless an exclusion applied under the *Procurement Policy*, the formal competitive procurement processes were followed for any contracts over the amount of \$250,000 (ex GST) – Council's public tender threshold under the Procurement Policy –

and the closed tender competitive process was followed for contracts under \$249,999 (ex GST) and above \$50,000 (ex GST). In the 2023/24 financial year 27 tenders, from both public and closed tender thresholds, proceeded to Awarded Contracts.

Contracts awarded by Council can be found on Council's website.

Disability Action Plan

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

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

A structure to support an Access and Inclusion Committee was developed in 2023/24, with Terms of Reference established. A program of training and support was rolled out, to provide partner organisations' and community members with lived experience of barriers to access and inclusion, with confidence to undertake an Access and Inclusion Development Plan in 2024/25.

Further to this the *Municipal Public Health and Wellbeing Plan 2021-25* includes actions which support access and inclusion, this included IDAHOBIT Day, supporting Senior Week activities and ensuring the recently installed ArtCubes had access for community members who have a disability.

Domestic Animal Management Plan

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

The *Domestic Animal Management Plan 2022-2025* was adopted at the 16 November 2022 Council Meeting and outlines the services, programs and policies established to address the administration of the *Domestic Animals Act 1994* and the management of dog and cat issues in the community.

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

- 'Lifetime tags' for animal identification.
- Lost/found dogs and cats advertised on Council's social media platforms.
- Animal registration database used to identify unregistered Domestic Animal Businesses.
- Menacing, dangerous and restricted breed dog legislation actively enforced.
- Training register maintained for individual officers.
- Officers attend at least one training/networking session per year.
- Officers provided with access to the Bureau of Animal Welfare extranet site.

Food Act Ministerial Directions

In accordance with section 7E(6) of the *Food Act 1984*, if a Council, or the Chief Executive Officer of a Council, is given a direction under subsection (1), a copy of the direction must be published in the Annual Report required to be published by the Council under section 98 of the *Local Government Act 2020*.

No such ministerial directions were received by South Gippsland Shire Council during this financial year.

Road Act Ministerial Directions

In accordance with section 22 of the *Road Management Act 2004*, South Gippsland Shire Council must publish a copy or summary of any ministerial direction in its Annual Report.

No such ministerial directions were received by Council during this financial year.

Freedom of Information

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

Documents can be requested as detailed in section 17 of the *Freedom of Information Act 1982*. To be valid, an application must:

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

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Council processed a total of 49 Freedom of Information applications in 2023/24. 10 were carried over from the previous year, and six were carried into the new financial year.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's Annual Report.

There were no developer contributions in 2023/24.

National Competition Policy

South Gippsland Shire Council adheres to a *National Competition Policy*. To the best of its knowledge Council has not undertaken any anti-competitive behaviour and has complied with the requirements of the Policy during 2023/24.

Public Interest Disclosure

A Council must include in their Annual Report information about how to access procedures established by the Council under Part 9 of the *Public Interest Disclosures Act 2012*.

It provides a way for people to make a disclosure of improper conduct and detrimental action by Councillors and Council staff. It is required by Council to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

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

During the 2023/24 financial year, no disclosures were received by Council Officers appointed to receive disclosures to which the Public Interest Disclosure Guidelines applied.



Grand Ridge Rail Trail

Governance and Management Checklist

The following are the results in the prescribed form of South Gippsland Shire Council's assessment against the prescribed Governance and Management Checklist. Unless otherwise stated 'the Act' refers to the *Local Government Act 2020*.

Item No.	Government and Management Items	Assessment
1	<p>Community Engagement Policy</p> <p>Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest.</p>	<p>Adopted in accordance with section 55 of the Act. Communication and Engagement Policy.</p> <p>Date of Adoption: 24 February 2021</p>
2	<p>Community Engagement Guidelines</p> <p>Guidelines to assist staff to determine when and how to engage with the community.</p>	<p>Community Engagement Strategy 2020-2024.</p> <p>Date of Adoption: 19 May 2021</p>
3	<p>Financial Plan</p> <p>Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.</p>	<p>Adopted in accordance with section 91 of the Act Long Term Financial Plan (10 Year Plan)</p> <p>Date of Adoption: 26 June 2024</p>
4	<p>Asset Plan</p> <p>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.</p>	<p>Adopted in accordance with section 92 of the Act. Asset Plan 2022/23-2031/32.</p> <p>Date of Adoption: 29 June 2022</p>
5	<p>Revenue and Rating Plan</p> <p>Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.</p>	<p>Adopted in accordance with section 93 of the Act. Revenue and Rating Plan 2022-2026.</p> <p>Date of Adoption: 29 June 2022</p>
6	<p>Annual Budget</p> <p>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.</p>	<p>Adopted in accordance with section 94 of the Act Annual Budget 2024/25</p> <p>Date of Adoption: 26 June 2024</p>
7	<p>Risk Policy</p> <p>Policy outlining Council's commitment and approach to minimising the risks to Council's operations.</p>	<p>Risk Management Policy.</p> <p>Date of Adoption: 24 February 2021</p>
8	<p>Fraud Policy</p> <p>Policy outlining Council's commitment and approach to minimising the risk of fraud.</p>	<p>Fraud and Corrupt Conduct Policy.</p> <p>Date of Adoption: 19 May 2021</p>
9	<p>Municipal Emergency Management Planning</p> <p>Council's participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC).</p>	<p>Municipal Emergency Management Planning meetings attended by one or more representatives of Council (other than the chairperson) during the financial year.</p> <p>These were held on:</p> <ul style="list-style-type: none"> • 23 August 2023 • 28 November 2023 • 27 February 2024 • 28 May 2024

Item No.	Government and Management Items	Assessment
10	<p>Procurement Policy</p> <p>Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council.</p>	<p>Procurement Policy prepared and adopted in accordance with sections 108 and 109 of the Act.</p> <p>Date of Adoption: 20 July 2022.</p>
11	<p>Business Continuity Plan</p> <p>Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.</p>	<p>The Business Continuity Management Policy was last adopted 3 June 2021 and the Business Continuity Plan was reviewed on 22 November 2022 by the Executive Leadership Teams and endorsed by the Audit and Risk Committee 13 December 2022.</p>
12	<p>Disaster Recovery Plan</p> <p>Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.</p>	<p>Disaster Recovery Plan</p> <p>Date of Adoption: February 2019.</p> <p>Audit and Risk Committee: 5 December 2023.</p>
13	<p>Complaint Policy</p> <p>Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.</p>	<p>Complaint Handling Policy developed in accordance with section 107 of the Act.</p> <p>Date of Commencement: 23 December 2021</p>
14	<p>Workforce Plan</p> <p>Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.</p>	<p>Established in accordance with section 46 of the Act Workforce Management Strategy 2022 - 2026.</p> <p>Commenced: March 2022</p>
15	<p>Payment of Rates and Charges Hardship Policy</p> <p>Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.</p>	<p>Rates and Charges Hardship Policy</p> <p>Date of Commencement: 26 February 2024.</p>
16	<p>Risk Management Framework</p> <p>Framework outlining Council's approach to managing risks to Council's operations.</p>	<p>Risk Management Framework</p> <p>Developed in accordance with International Risk Management Standard AS/NZS ISO 31000: 2009</p> <p>Council Adopted: 27 February 2019</p> <p>Commenced: 27 February 2019</p> <p>Revision Date: 27 February 2023</p>
17	<p>Audit and Risk Committee</p> <p>Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions.</p>	<p>Audit and Risk Committee established in accordance with section 53 of the Act.</p> <p>Date of Establishment: 26 August 2020.</p> <p>South Gippsland Shire Council's Audit and Risk Committee Charter was adopted by Council on 15 February 2023 in accordance with section 54 of the Act.</p>
18	<p>Internal Audit</p> <p>Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.</p>	<p>Internal Auditor engaged. Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concludes on 1 July 2026, with the option of a one year extension.</p>

Item No.	Government and Management Items	Assessment
19	<p>Performance Reporting Framework</p> <p>A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act.</p>	<p>Performance Reporting Framework is set out in the Council Plan 2022-2026 and the 2023/24 Annual Budget.</p> <p>Date of framework: 28 June 2023 .</p>
20	<p>Council Plan Reporting</p> <p>Council Plan 2022-2026 - the Financial Plan and Budget, including the 2024/25 Annual Major Initiatives provide the resources to progress the achievement of the Strategic Objectives and Strategies outlined in the 2022 - 2026 Council Plan. A report reviewing the performance against the Council Plan was presented to Council and adopted on 26 June 2024.</p>	<p>Council Plan 2022-2026.</p> <p>Date of Adoption: 29 June 2022.</p> <p>Council Plan and Annual Plan reporting is provided in the <i>Organisational Performance Reports</i> to Council conducted quarterly.</p> <p>Date of reports:</p> <ul style="list-style-type: none"> › 15 November 2023 › 20 March 2024 › 15 May 2024
21	<p>Quarterly Budget Reports</p> <p>Quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variation.</p>	<p>Reports presented to Council in accordance with section 97 of the Act.</p> <p>Financial reporting provided in Quarterly Performance Reports to Council.</p> <p>Date reports presented:</p> <ul style="list-style-type: none"> • 2023/24 first quarter report adopted: 15 November 2023 Council Meeting • 2023/24 half-year report adopted 20 March 2024 Council Meeting • 2023/24 third quarter report adopted 15 May 2024 Council Meeting
22	<p>Risk Reports</p> <p>Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.</p>	<p>Risk Management Reports presented to Audit and Risk Committee:</p> <ul style="list-style-type: none"> • 26 September 2023 • 05 March 2024
23	<p>Performance Reporting</p> <p>Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act.</p>	<p>The <i>Council Plan 2022-2026</i>, Annual Initiatives, Budget and Strategic Objectives are reported quarterly in Council's Organisational Performance Reports as follows:</p> <ul style="list-style-type: none"> • First quarter report: July 2023 to September 2023 • Half-year report: July 2023 to December 2023 • Third quarter report: July 2023 to March 2024
24	<p>Annual Report</p> <p>Annual report under sections 98, 99 and 100 of the Act 2020 to the community containing a report of operations and audited financial and performance statements.</p>	<p>Presented at a meeting of Council in accordance with section 100 of the Act.</p> <p>Date of presentation: 18 October 2023</p> <p><i>The adoption of the Annual Report, inclusive of the endorsement of the Annual Financial and Performance Statements occurred at the Council Meeting on 18 October 2023. An unqualified opinion was received from the Victoria Auditor-General's Office and the certificate was included in the 2022/23 Annual Report and published on Council's website.</i></p>

Item No.	Government and Management Items	Assessment
25	<p>Councillor Code of Conduct</p> <p>Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.</p> <p>Delegations</p> <p>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.</p>	<p>Reviewed and adopted in accordance with section 139 of the Act.</p> <p>Date of Adoption: 16 February 2022. Updated 19 October 2022 with minor amendments.</p> <p>The delegations were reviewed in accordance with section 11(7) of the Act and a register kept in accordance with section 11(8) and 47(7) of the Act.</p> <p>The delegations were signed by the CEO on:</p> <ul style="list-style-type: none"> • Council to CEO (S5) - 16 March 2022. • Council to Staff (S6) - 15 May 2024 • Sub-delegation by CEO to Staff (S7) – 1 February 2024 • Sub-delegation by CEO to Staff (S7A) – CEO to staff - Miscellaneous Delegations – 1 February 2024 • Municipal Building Surveyor to Staff (S12) - 5 September 2023. • CEO Powers, Duties and Functions to Staff (S13) - 1 February 2024 • Sub-delegation by CEO Powers, Duties and Functions to Staff (S13A) - 10 June 2020 • CEO to Staff (VICSmart Applications) under the Planning and Environment Act 1987 (S14) - 1 February 2024 • CEO to Staff (Bushfire Reconstruction Application under the Planning and Environment Act 1987) (S16) - 6 October 2023 • CEO to Staff under the Child Wellbeing and Safety Act 2005 (S20a) – 21 July 2023
26		
27	<p>Meeting procedures</p> <p>Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.</p>	<p>Adopted in accordance with section 60 of the Act.</p> <p>Governance Rules (C82).</p> <p>Date of Adoption: 19 October 2022.</p>

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



Kerryn Ellis
Chief Executive Officer
Date: 2 October 2024



Cr Clare Williams
Mayor
Date: 2 October 2024

PERFORMANCE STATEMENT

FOR YEAR ENDED 30 JUNE 2024



Korumburra Mural

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Certification of the Performance Statement for the year ended 30 June 2024

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*.



Taryn Abrahamsson
Principal Accounting Officer CPA
Date: 2 October 2024

In our opinion, the accompanying Performance Statement of the South Gippsland Shire Council for the year ended 30 June 2024 presents fairly the results of South Gippsland Shire 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 the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.



Councillor Clare Williams
Mayor
Date: 2 October 2024



Councillor Jenni Keerie
Audit and Risk Committee Member
Date: 2 October 2024



Kerryn Ellis
Chief Executive Officer
Date: 2 October 2024

Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion I have audited the accompanying performance statement of South Gippsland Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2024
- service performance indicators for the year ended 30 June 2024
- financial performance indicators for the year ended 30 June 2024
- sustainable capacity indicators for the year ended 30 June 2024
- notes to the accounts
- certification of the performance statement.

In my opinion, the performance statement of South Gippsland Shire Council in respect of the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

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 performance statement 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 performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 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.

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
10 October 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of Municipality

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

South Gippsland spans 3,308 square kilometres of agriculturally rich land which is used for dairy, beef, sheep and vegetable production. Viticulture, fishing and tourism also contribute significantly to the local economy.

Key attractions include the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, Coal Creek Community Park and Museum, the Great Southern Rail Trail, the Grand Ridge Rail Trail and, of course, the iconic Wilsons Promontory National Park.

Section 2. Service Performance Indicators for the year ended 30 June 2024

	2021	2022	2023	2024	2024	
Service	Results Actual	Results Actual	Results Actual	Target per budget	Results Actual	Comments
AQUATIC FACILITIES						
Utilisation						
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.47	3.62	4.85	N/A	4.47	A major storm event in February 2024 resulted in the immediate closure of one aquatic venue which impacted on the overall attendance for the year.
ANIMAL MANAGEMENT						
Health and safety						
Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	66.67%	N/A	100%	All animal management prosecutions initiated by Council were successful and the result remains within the expected range. Council plays a proactive role directly resolving animal-related issues with the involved parties.
FOOD SAFETY						
Health and safety						
Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100	100%	100%	98.51%	N/A	78.26%	This result is within the expected range, although slightly lower due to a temporary decrease in food premises follow ups due to staff shortages, which temporarily reduced capacity. In total there were 54 critical and major non-compliance outcome notifications about food premises followed up. Council prioritises food safety and ensuring that any high-risk issues are identified during an assessment, and are attended to immediately, with action taken to remove and reduce the risk. Council continues to provide ongoing learning and development to the Environmental Health team in line with the Department of Health guidance.
GOVERNANCE						
Satisfaction						
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with the consultation and engagement efforts of Council]	44	44	50	46	47	Council's <i>Community Satisfaction</i> result for community consultation and engagement performance decreased slightly from last year despite increased engagement activity. The score is one point lower than the average score for similarly sized large rural councils (48).

	2021	2022	2023	2024	2024	
Service	Results Actual	Results Actual	Results Actual	Target per budget	Results Actual	Comments
LIBRARIES						
Participation						
Library membership [Percentage of the population that are registered library members] x 100	N/A	N/A	N/A	N/A	34.63%	New measure for 2023/24.
MATERNAL AND CHILD HEALTH (MCH)						
Participation						
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] x 100	75.78%	71.87%	73.13%	N/A	71.40%	This result remains within the expected range. The slight decrease compared to the 2022/23 financial year is most likely due to unexpected staff shortages. Council is committed to providing high-quality Maternal and Child Health services.
Participation						
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] x 100	70.45%	72.73%	45.45%	N/A	77.36%	Council continues to maintain a high level of engagement with our First Nation families with young children. There has been a focus on cultural safety and awareness to be more inclusive and supportive. Council has also partnered with the Best Start initiative to focus on Aboriginal and Torres Strait Islander families and children to create a culturally safe environment that acknowledges and is respectful of culture. Additionally, Council has partnered with the Aboriginal Network and multiple support agencies to encourage and support referral pathways and engagement with First Nations families. In addition, two Aboriginal families have moved into the area and are accessing services.
ROADS						
Condition						
Sealed local roads below the intervention level [Percentage of sealed local roads that are below the renewal intervention set by Council and not requiring renewal]	98.12%	99.88%	99.95%	95%	99.83%	Council's funding levels for the renewal of sealed roads has allowed Council to be consistently above the target standard for local sealed roads.

	2021	2022	2023	2024	2024	
Service	Results Actual	Results Actual	Results Actual	Target per budget	Results Actual	Comments
STATUTORY PLANNING						
Service standard						
Planning applications decided within the relevant required time [Percentage of planning application decisions made within the relevant required time]	48.03%	39.93%	25.27%	42%	32.24%	Council has allocated extra resources to tackle the backlog of planning applications. As a result, there has been a decrease in the number of legacy applications which has been balanced by more efficient processing of new applications.
WASTE MANAGEMENT						
Waste diversion						
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	52.47%	51.93%	53.61%	50%	52.55%	Council has seen a slight decrease in the landfill diversion rate, primarily due to a slight increase in the amount of waste disposed to landfill (comparable to average annual fluctuations) and a 9% decrease in the weight of recyclables collected. The reduction in the weight of recyclables collected is attributed to the introduction of the state-wide Container Deposit Scheme which commenced in November 2023.

Section 3. Financial Performance Indicators for the year ended 30 June 2024

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variation/Comments
Dimension / Indicator / Measure	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
EFFICIENCY										
Expenditure level										
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,217.20	\$4,035.55	\$3,636.38	\$3,495.00	\$4,400.65	\$3,559.73	\$3,616.64	\$3,684.80	\$3,758.53	The increase in expenses per property assessment in 2023/24 compared to 2022/23 is primarily due to an increase in significant one-off expenses such as natural disasters, adjustment to the landfill rehabilitation provision and an increase in major projects. The increase compared to target is also primarily due to the one-off unbudgeted expenses due to natural disasters, adjustment to landfill rehabilitation provision and disposal of infrastructure assets. Future forecasts are still valid.
Revenue level										
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	\$2,085.50	\$2,124.70	\$2,073.71	N/A	\$2,218.59	\$2,292.01	\$2,347.37	\$2,404.08	\$2,462.24	Variation not greater or less than 10%.
LIQUIDITY										
Working capital										
Current assets compared to current liabilities [Current assets / Current liabilities] x 100	298.39%	263.15%	291.57%	129.40%	187.69%	172.46%	176.71%	178.92%	182.13%	The decrease in this measure compared to 2022/23 primarily relates to the lower investment balance, as investments were redeemed to fund the capital works program and the costs related to natural disasters. The increase in this measure compared to the target is due to a higher investment balance as a result of some capital works carried forward to 2024/25, as well as lower unearned income due to grants income recognised in 2023/24 as projects are completed.

	2021	2022	2023	2024	2025	2026	2027	2028	Material Variation/Comments	
Dimension / Indicator / Measure	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
LIQUIDITY										
Unrestricted cash										
Unrestricted cash compared to current liabilities	-28.41%	-99.31%	6.31%	N/A	42.56	-23.53%	8.02%	7.75%	8.60%	The amount of cash held in cash and cash equivalents in 2022/23 was high as a result of receiving 100% of the 2023/24 financial assistance grant prior to the end of the year. Cash held in cash and cash equivalents in 2023/24 returned to historically normal levels.
[Unrestricted cash / Current liabilities] x 100										
OBLIGATIONS										
Loans and borrowings										
Loans and borrowings compared to rates	7.50%	10.56%	19.16%	N/A	16.32%	19.72%	16.75%	13.89%	11.14%	The decrease relates to repayments of loans. There were no new draw downs of loan proceeds in 2023/24.
[Interest bearing loans and borrowings / Rate revenue] x 100										
Loans and borrowings repayments compared to rates	0.54%	0.82%	1.59%	N/A	2.13%	2.35%	2.79%	2.71%	2.63%	The increase relates to a full year of repayments on loans for the Korumburra Community Hub and Korumburra streetscape, as the loan proceeds were received part way through 2022/23.
[Interest and principal repayments on interest bearing loans and borrowings / rate revenue] x 100										
Indebtedness										
Non-current liabilities compared to own source revenue	15.20%	20.11%	23.90%	N/A	24.01%	23.55%	20.60%	17.95%	15.29%	Variation not greater or less than 10%
[Non-current liabilities / Own source revenue] x 100										

	2021	2022	2023	2024	2025	2026	2027	2028	Material Variation/Comments	
Dimension / Indicator / Measure	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
OBLIGATIONS										
Asset renewal and upgrade										The decrease in this measure compared to the previous years is largely due to an increase in depreciation expense.
Asset renewal and upgrade compared to depreciation	230.08%	217.83%	255.90%	292.70%	200.20%	284.92%	140.18%	136.44%	132.32%	The decrease in this measure compared to the target, is largely due to various capital works budgeted in 2023/24 that were not completed and are expected to be completed in 2024/25.
[Asset renewal and asset upgrade expense / Asset depreciation] x 100										
OPERATING POSITION										
Adjusted underlying result										
Adjusted underlying surplus (or deficit)	5.42%	-1.60%	3.22%	N/A	-30.25%	6.16%	6.46%	6.40%	6.63%	The underlying result in 2023/24 was a deficit as a result of decreased revenue due to receiving 100% of the 2023/24 financial assistance grants in 2022/23, as well as an increase in expenses due to a significant increase in natural disaster costs related to the February 2024 storm.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100										
STABILITY										
Rates concentration										
Rates compared to adjusted underlying revenue	66.63%	58.85%	61.04%	67.00%	73.61%	67.59%	67.90%	68.26%	68.34%	Increase in this indicator is due to a decrease in adjusted underlying revenue due to receiving 100% of the 2023/24 financial assistance grants in 2022/23.
[Rate revenue / Adjusted underlying revenue] x 100										
Rates effort										
Rates compared to property values	0.47%	0.45%	0.27%	N/A	0.29%	0.30%	0.29%	0.28%	0.28%	Variation not greater or less than 10%
[Rate revenue / Capital improved value of rateable properties in the municipality] x 100										

Section 3. Sustainable Capacity Indicators for the year ended 30 June 2024

Service	Results 2021	Results 2022	Results 2023	Results 2024	Material Variation
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,127.22	\$2,650.17	\$2,489.05	\$2,914.97	The increase in expenses per head in 2023/24 is primarily due to a significant increase in expenses related to natural disasters compared to 2022/23.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$16,663.85	\$18,060.29	\$21,154.95	\$23,367.94	Asset unit rates have increased in value because of material and construction cost increases. Indexations were performed across all infrastructure asset classes as a result.
Population density per length of road [Municipal population / Kilometres of local roads]	14.43	14.52	14.62	14.76	Variation not greater or less than 10%
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,672.90	\$1,769.73	\$1,831.49	\$1,962.37	Variation not greater or less than 10%
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$456.33	\$599.87	\$602.22	\$142.36	Decrease in recurrent grants is due to receiving 100% for the 2023/24 financial assistance grants in 2022/23.
Disadvantage					
Relative socioeconomic disadvantage [Index of relative socioeconomic disadvantage by decile]	5.00	5.00	5.00	5.00	Variation not greater or less than 10%
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	12.46%	11.09%	9.61%	13.75%	Increased turnover is the result of nine terminations due to genuine redundancy, and summary dismissal during the Financial Year.

Section 5. Notes to the accounts

Basis of Preparation

South Gippsland Shire Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. 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 or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its *Financial Plan* on 26 June 2024 and which forms part of the *2022-2026 Council Plan*. The *Financial Plan* 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 *Financial Plan* can be obtained by contacting Council or visiting Council's website.

5.2 Definitions

Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
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
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
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
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
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
non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2024

Great Southern Rail Trail

Annual Financial Report

for the year ended 30 June 2024

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Annual Financial Report

for the year ended 30 June 2024

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Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for South Gippsland Shire Council.

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 2 October 2024. Council has the power to amend and reissue these financial statements.

Annual Financial Report

for the year ended 30 June 2024

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.



Taryn Abrahamsson, CPA
Responsible Accounting Officer
Dated: 02 October 2024

In our opinion, the accompanying financial statements present fairly the financial transactions of South Gippsland Shire Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances which 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 Clare Williams
Mayor
Dated: 02 October 2024



Cr Jenni Keerie
Councillor
Dated: 02 October 2024



Kerryn Ellis
Chief Executive Officer
Dated: 02 October 2024

Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion	<p>I have audited the financial report of South Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • 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 material accounting policy information • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
10 October 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement
for the year ended 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Income / Revenue			
Rates and charges	3.1	50,776	48,170
Statutory fees and fines	3.2	1,002	1,031
User fees	3.3	4,385	4,557
Grants - operating	3.4	5,968	20,050
Grants - capital	3.4	10,955	14,831
Contributions - monetary	3.5	118	606
Contributions - non monetary	3.5	2,487	1,860
Net gain on disposal of property, infrastructure, plant and equipment	3.6	633	–
Fair value increment on investment properties	6.2	37	93
Other income	3.7	2,881	2,339
Found assets	3.8	772	3,175
Total income / revenue		80,014	96,712
Expenses			
Employee costs	4.1	29,915	28,957
Materials and services	4.2	39,185	24,829
Depreciation	4.3	13,197	11,374
Depreciation - Right of use assets		92	92
Allowance for impairment losses		(11)	24
Borrowing costs		143	108
Finance Costs - Leases		5	7
Net loss on disposal of property, infrastructure, plant and equipment	3.6	–	122
Other expenses	4.4	7,322	10,851
Total expenses		89,848	76,364
Surplus/(deficit) for the year		(9,834)	20,348
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	66,531	84,943
Total items which will not be reclassified subsequently to the operating result		66,531	84,943
Total other comprehensive income		66,531	84,943
Total comprehensive result		56,697	105,291

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

Balance Sheet

as at 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	8,671	17,782
Trade and other receivables	5.1	7,662	6,654
Other financial assets	5.1	16,326	31,271
Inventories		296	159
Prepayments		582	587
Total current assets		33,537	56,453
Non-current assets			
Property, infrastructure, plant and equipment	6.1	843,214	763,945
Investment property	6.2	857	820
Right-of-use assets		269	361
Total non-current assets		844,340	765,126
Total assets		877,877	821,579
Liabilities			
Current liabilities			
Trade and other payables	5.2	5,623	6,638
Trust funds and deposits	5.2	2,434	1,686
Contract and other liabilities	5.2	1,709	3,342
Provisions	5.4	7,045	6,673
Interest-bearing liabilities	5.3	965	940
Lease liabilities		92	83
Total current liabilities		17,868	19,362
Non-current liabilities			
Provisions	5.4	7,020	4,860
Interest-bearing liabilities	5.3	7,324	8,289
Lease liabilities		181	281
Total non-current liabilities		14,525	13,430
Total liabilities		32,393	32,792
Net assets		845,484	788,787
Equity			
Accumulated surplus		261,785	272,278
Reserves	9.1	583,699	516,509
Total Equity		845,484	788,787

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

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2024					
Balance at beginning of the financial year		788,787	272,278	515,613	896
Surplus/(deficit) for the year		(9,834)	(9,834)	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	66,531	–	66,531	–
Other comprehensive income		66,531	–	66,531	–
Total comprehensive income		56,697	(9,834)	66,531	–
Transfers to other reserves	9.1	–	(835)	–	835
Transfers from other reserves	9.1	–	176	–	(176)
Balance at end of the financial year		845,484	261,785	582,144	1,555
2023					
Balance at beginning of the financial year		683,496	251,744	430,670	1,082
Surplus/(deficit) for the year		20,348	20,348	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	84,943	–	84,943	–
Other comprehensive income		84,943	–	84,943	–
Total comprehensive income		105,291	20,348	84,943	–
Transfers to other reserves	9.1	–	(867)	–	867
Transfers from other reserves	9.1	–	1,053	–	(1,053)
Balance at end of the financial year		788,787	272,278	515,613	896

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 2024

	Note	2024 Inflows/ (Outflows) \$ '000	2023 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		49,527	47,661
Statutory fees and fines		1,102	1,031
User fees		4,799	4,557
Grants - operating		5,234	20,031
Grants - capital		10,225	13,270
Contributions - monetary		118	606
Interest received		1,609	1,112
Trust funds and deposits taken		1,136	411
Other receipts		1,525	1,966
Net GST refund/payment		5,696	4,972
Employee costs		(29,840)	(28,842)
Materials and services		(44,254)	(29,505)
Trust funds and deposits repaid		(388)	(277)
Other payments		(3,263)	(5,181)
Net cash provided by/(used in) operating activities	9.2	3,226	31,812
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(27,605)	(34,093)
Proceeds from sale of property, infrastructure, plant and equipment		1,502	2,127
Payments for term deposits		(55,836)	(48)
Redemption of term deposits		70,781	6,047
Net cash provided by/(used in) investing activities		(11,158)	(25,967)
Cash flows from financing activities			
Finance costs		(143)	(108)
Proceeds from borrowings		-	4,950
Repayment of borrowings		(940)	(657)
Interest paid - lease liability		(5)	(7)
Repayment of lease liabilities		(91)	(88)
Net cash flow provided by/(used in) financing activities		(1,179)	4,090
Net Increase (decrease) in cash and cash equivalents		(9,111)	9,935
Cash and cash equivalents at the beginning of the financial year		17,782	7,847
Cash and cash equivalents at the end of the financial year		8,671	17,782
Financing arrangements	5.5	12,289	12,846

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

Statement of Capital Works

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Property		
Land	225	–
Total land	<u>225</u>	<u>–</u>
Buildings	3,624	9,778
Heritage buildings	82	–
Total buildings	<u>3,706</u>	<u>9,778</u>
Total property	<u>3,931</u>	<u>9,778</u>
Plant and equipment		
Plant, machinery and equipment	3,795	2,087
Computers and telecommunications	240	567
Total plant and equipment	<u>4,035</u>	<u>2,654</u>
Infrastructure		
Roads	11,129	12,531
Bridges	211	228
Major culverts	250	72
Footpaths and cycleways	752	1,475
Drainage	204	1
Kerb & channel	444	–
Recreational, leisure and community facilities	111	–
Car parks	299	1,892
Land stabilisation	–	7
Waste management	3,229	545
Parks, open space and streetscapes	2,146	–
Other infrastructure	864	4,910
Total infrastructure	<u>19,639</u>	<u>21,661</u>
Total capital works expenditure	<u>27,605</u>	<u>34,093</u>
Represented by:		
New asset expenditure	465	–
Asset renewal expenditure	20,573	27,912
Asset expansion expenditure	720	4,987
Asset upgrade expenditure	5,847	1,194
Total capital works expenditure	<u>27,605</u>	<u>34,093</u>

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview

Introduction

The South Gippsland Shire Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 9 Smith Street, Leongatha.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with 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.

Accounting policy information

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. Specific 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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview (continued)

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 Statements

for the year ended 30 June 2024

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of 5 percent and \$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*.

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income / Revenue and expenditure					
Income / Revenue					
Rates and charges	50,491	50,776	285	1%	
Statutory fees and fines	1,144	1,002	(142)	(12)%	1
User fees	4,117	4,385	268	7%	
Grants - operating	13,486	5,968	(7,518)	(56)%	2
Grants - capital	7,539	10,955	3,416	45%	3
Contributions - monetary	966	118	(848)	(88)%	4
Contributions - non monetary	431	2,487	2,056	477%	5
Net gain on disposal of property, infrastructure, plant and equipment	665	633	(32)	(5)%	
Fair value increment on investment properties	-	37	37	100%	
Other income	1,875	2,881	1,006	54%	6
Found Assets	-	772	772	100%	7
Total income / revenue	80,714	80,014	(700)	(1)%	
Expenses					
Employee costs	29,634	29,915	(281)	(1)%	
Materials and services	26,788	39,185	(12,397)	(46)%	8
Depreciation	12,047	13,197	(1,150)	(10)%	9
Depreciation - right of use assets	92	92	-	0%	
Allowance for impairment losses	-	(11)	11	100%	
Borrowing costs	211	143	68	32%	
Finance costs - leases	5	5	-	0%	
Other expenses	3,271	7,322	(4,051)	(124)%	10
Total expenses	72,048	89,848	(17,800)	(25)%	
Surplus/(deficit) for the year	8,666	(9,834)	(18,500)	(213)%	

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Lower statutory fees revenue was received than budgeted, due to both a decrease in the number of statutory planning applications and lower fees per application which are subject to the type of application.
2.	Operating grants received are lower than budgeted because the Victorian Grants Commission provided the full \$12.1M allocation for the 2023/24 Financial Assistance Grant in advance during the previous financial year. This shortfall is partially offset by several other unbudgeted grants awarded throughout the year.
3.	Capital grants received are higher than budgeted because of the approval and payment of various storm event claims from 2021.
4.	Developer contributions have been delayed for several developments. Council has no control over when developers choose to act on subdivision permits, making budgeting challenging. In 2023/24, budgeted developments for several projects were not completed to the point of requesting a statement of compliance (which triggers payment of contributions) and are now expected in 2024/25.
5.	Due to the timing of gifted assets being handed over from developers and the conservative approach to budgeting these contributions.
6.	Higher interest rates has resulted in increased interest earned on investments.
7.	Due to the nature of found assets, they are not budgeted for.
8.	Higher materials and services expenses are primarily due to unbudgeted costs of \$7M related to storm events, including the significant storm on 13 February 2024. Additionally, there was a \$2.5M adjustment to the landfill provision in recognition of the present value of the expected cost of works to restore the Koonwarra landfill site.
9.	Higher depreciation than budgeted is due to an increase in the value of property and infrastructure assets due to indexation applied, as well as increase in depreciation on plant & equipment due to capital additions in the year.
10.	Higher other expenses due to infrastructure asset disposals that are not budgeted for of \$4M largely due to being disposed of prior to renewal capital works.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	–	225	225	100%	1
Total land	–	225	225	100%	
Buildings	6,980	3,624	(3,356)	(48)%	2
Heritage buildings	110	82	(28)	(25)%	
Total buildings	7,090	3,706	(3,384)	(48)%	
Total property	7,090	3,931	(3,159)	(45)%	
Plant and equipment					
Plant, machinery and equipment	3,825	3,795	(30)	(1)%	
Computers and telecommunications	985	240	(745)	(76)%	3
Total plant and equipment	4,810	4,035	(775)	(16)%	
Infrastructure					
Roads	11,121	11,129	8	0%	
Bridges	263	211	(52)	(20)%	
Major culverts	100	250	150	150%	4
Footpaths and cycleways	900	752	(148)	(16)%	5
Drainage	184	204	20	11%	
Kerb & channel	–	444	444	100%	6
Recreational, leisure and community facilities	441	111	(330)	(75)%	7
Car parks	–	299	299	100%	8
Waste management	3,907	3,229	(678)	(17)%	9
Parks, open space and streetscapes	7,507	2,146	(5,361)	(71)%	10
Other infrastructure	509	864	355	70%	11
Total infrastructure	24,932	19,639	(5,293)	(21)%	
Total capital works expenditure	36,832	27,605	(9,227)	(25)%	
Represented by:					
New asset expenditure	450	465	15	3%	
Asset renewal expenditure	25,888	20,573	(5,315)	(21)%	
Asset expansion expenditure	1,120	720	(400)	(36)%	
Asset upgrade expenditure	9,374	5,847	(3,527)	(38)%	
Total capital works expenditure	36,832	27,605	(9,227)	(25)%	

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	The purchase of land at Power Street Foster, which was originally budgeted for within the Buildings category.
2.	Actual buildings spend is lower than originally budgeted due to the following projects: <ul style="list-style-type: none"> • The Meeniyah Community Hub project is behind the original schedule and will continue into 2024/25. The project has been delayed by a number of factors including resolution of design matters, weather conditions and specialist subcontractor availability. • Roof renewal works at Meeniyah and Poowong Stadiums will continue into 2024/25 after being scheduled to minimise impact on stadium users.
3.	Various projects were still in the planning phase in 2023/24. Throughout 2023/24, an extensive review and evaluation of technology asset procurement practices was conducted to ensure best value for Council was achieved. The review period resulted in better procurement specifications, resulting in multiple contracts to be evaluated and awarded in 2024/25. Implementation for these large projects will commence in 2024/25.
4.	Works undertaken on Woomera Creek Road, Toora North were not included in the original budget for 2023/24 as the budgets were carried forward from 2022/23.
5.	Capital works are still underway for Great Southern Rail Trail signage and toilet blocks with budget to be carried forward to 2024/25. Efforts to coordinate flood repairs to the rail trail at Hedley following the 26 December 2023 flood event, temporarily diverted attention away from other Great Southern Rail Trail projects resulting in delays.
6.	Kerb and channel works were originally budgeted for under the Roads - Sealed Rehabilitation program. Together roads and kerb and channel are over budget due to storm recovery repairs not included in the original budget.
7.	Actual recreational, leisure and community facilities spend is lower than originally budgeted due to the following projects: <ul style="list-style-type: none"> • The Playground Replacement Program has been delayed largey due to the 13 February 2024 storm event, which diverted focus for several months. Budget will be carried forward to 2024/25. • The Korumburra Skate Park has been heavily delayed as planning, heritage and archaeological permitting issues have been progressed on the railway precinct site. These permits have now been issued, subject to conditions. Budget will be carried forward to 2024/25.
8.	Works undertaken on the Mirboo North Pool carpark were not included in the original budget for 2023/24 as the budgets were carried forward from 2022/23.
9.	Construction on Koonwarra Landfill Cell 5 is underway but delayed due to weather, works will continue in 2024-25.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

10. Actual parks, open space and streetscapes spend is lower than originally budgeted due to the following projects:
 - Commencement of the Commercial Street component of the Korumburra Streetscape Project was delayed to coordinate water main replacement works with South Gippsland Water. These works are now underway and the budget will be carried forward to 2024/25.
 - The pedestrian bridge in the Leongatha Railway Station Precinct is behind the original schedule due to contractor delays. The budget will be carried forward to 2024/25.
 - The Korumburra Rail Precinct Redevelopment has been heavily delayed as planning, heritage and archaeological permitting issues have progressed on site. These permits have now been issued, subject to conditions. The budget will be carried forward to 2024/25.

11. Works undertaken on Walter J Tuck Reserve and John Terrill Park lighting upgrades were not included in the original budget for 2023/24 as the budgets were carried forward from 2022/23.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

CEO Directorate

Chief Executive Office

The Office of the Chief Executive Officer builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.

Regional Partnerships

The Regional Partnerships Department leads the development and implementation of key Council Strategies and Policies related to Economic Development and Communications and Advocacy service areas while connecting and engaging with key stakeholders across the community, business and government.

Performance & Innovation Directorate

Performance & Innovation Management

The Performance & Innovation Directorate provides services to the organisation, including:

- Financial Strategy;
- Digital & Technology;
- People & Culture; and
- Governance

The Director of Performance & Innovation is also a Library Board liaison and the budget for Performance & Innovation Management includes Council's annual contribution.

Financial Strategy

The Financial Strategy Department provides financial planning, budget management, rates and valuation services, handling of freedom of information requests, insurance, risk management, regulatory and legislative compliance, procurement and tendering processes, as well as internal financial support to departments, teams and individuals. The department consists of the Finance and Revenue team and the Risk and Procurement team.

Digital & Technology

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

People & Culture

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

Governance

The Governance Department delivers services from the Council Business team to the community, Councillors and staff. It provides support for Council meetings, briefings and hearings, corporate planning, monitoring and reporting, including development of the Council Plan and Annual Report. It leads policy review and provides reform support including the Local Government Act.

Sustainable Infrastructure Directorate

Sustainable Infrastructure Management

The Infrastructure Services Development Directorate provides services including:

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program (continued)

Infrastructure Delivery

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

Infrastructure Maintenance

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

Infrastructure Planning

The Infrastructure Planning Department is responsible for the planning and managing of Council Assets to enable Council services to be delivered in an effective and efficient manner. This also encompasses waste management services, sustainability services, and sport and recreation.

Open Space & Environment

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

Future Communities Directorate

Future Communities Management

The Future Communities Directorate provides services including:

- Community, Customer and Visitor;
- Planning & Building Services; and
- Community Health & Safety

Community, Customer and Visitor

The Visitor, Community & Culture Department provides a wide variety of community-focused services that lead Council's functions in community strengthening, tourism, events, advocacy, arts and culture, social planning and emergency management.

Planning & Building Services

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

Community Health & Safety

The Community Health & Safety Department provides services to the community including animal management, building/planning enforcement, fire prevention, local laws development/ enforcement, litter prevention, permits for places of public entertainment, parking control, registration of food, health and accommodation premises, report and consent applications for new buildings, school crossings and wastewater. It also supports, connects, engages and advocates for communities, children and families and individuals in South Gippsland with Children and Family Services, Community Strengthening, Regional Assessment Service and Social Planning.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program (continued)

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

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2024					
Performance & Innovation Management	–	1,948	(1,948)	–	–
Financial Strategy	51,978	28,695	23,283	1,908	33,806
Digital & Technology	–	3,173	(3,173)	–	1,101
People & Culture	122	1,913	(1,791)	–	–
Governance	40	894	(854)	–	–
Future Communities Management	–	359	(359)	–	–
Community, Customer & Visitor	1,420	4,600	(3,180)	1,337	–
Planning & Building Services	910	2,348	(1,438)	230	–
Community Health & Safety	2,453	3,610	(1,157)	1,558	–
Chief Executive Office	–	300	(300)	–	–
Regional Partnerships	239	1,414	(1,175)	214	–
Sustainable Infrastructure Management	29	937	(908)	29	–
Infrastructure Delivery	8,073	5,599	2,474	7,642	–
Infrastructure Maintenance	3,838	11,326	(7,488)	2,893	10,970
Infrastructure Planning	10,175	12,041	(1,866)	417	832,000
Open Space & Environment	737	10,691	(9,954)	695	–
Total functions and activities	80,014	89,848	(9,834)	16,923	877,877
2023					
Performance & Innovation Management	–	1,817	(1,817)	–	–
Financial Strategy	61,580	25,882	35,698	11,042	57,114
Digital & Technology	–	2,712	(2,712)	–	1,332
People & Culture	83	1,778	(1,695)	–	–
Governance	37	1,040	(1,003)	–	–
Customer, Communications & Advocacy	16	1,022	(1,006)	16	–
Future Communities Management	–	296	(296)	–	–
Community, Customer & Visitor	2,390	5,452	(3,062)	1,575	–
Planning & Building Services	1,026	1,875	(849)	45	–
Community Health & Safety	2,483	3,276	(793)	1,571	–
Chief Executive Office	–	516	(516)	–	–
Sustainable Infrastructure Management	220	314	(94)	220	–
Infrastructure Delivery	10,712	3,685	7,027	10,223	–
Infrastructure Maintenance	9,365	10,727	(1,362)	9,073	9,281
Infrastructure Planning	7,982	11,343	(3,361)	298	753,852
Open Space & Environment	818	4,629	(3,811)	818	–
Total functions and activities	96,712	76,364	20,348	34,881	821,579

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services

	2024 \$ '000	2023 \$ '000
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3.1 Rates and charges

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 land value plus buildings and other improvements.

The valuation base used to calculate general rates for 2023/24 was \$17,375 million (2022/23: \$14,540 million).

General rates	45,084	43,319
Waste management charge	4,905	4,163
Special rates and charges	–	5
Supplementary rates and rate adjustments	213	229
Interest on rates and charges	286	176
Revenue in lieu of rates	288	278
Total rates and charges	50,776	48,170

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2024, and the valuation will be first applied in the rating year commencing 1 July 2024.

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

3.2 Statutory fees and fines

Land information certificates	33	31
Local laws	80	60
Building services	199	207
Statutory planning	447	573
Supervision fees	183	115
Other	60	45
Total statutory fees and fines	1,002	1,031

Statutory fees and fines (including parking fees and fines) are recognised as income 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	301	327
Local Laws	467	456
Waste management services	3,493	2,914
Caravan parks	–	754
Other fees and charges	124	106
Total user fees	4,385	4,557

User fees by timing of revenue recognition

User fees recognised over time	–	754
User fees recognised at a point in time	4,385	3,803
Total user fees	4,385	4,557

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	8,015	21,525
State funded grants	8,908	13,356
Total grants received	16,923	34,881
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants ¹	475	14,696
Immunisation	3	2
Home & Community Care	273	275
Recurrent - State Government		
Family and children	380	301
Home & Community Care	54	136
School crossing supervisors	84	81
Community building	3	-
Community health	20	22
Immunisation	14	22
Maternal and child health	671	536
Other	26	20
Total recurrent operating grants	2,003	16,091
Non-recurrent - Commonwealth Government		
Other	35	-
Non-recurrent - State Government		
Home & Community Care	-	20
Youth Services	121	245
Fire Services Levy Administration	55	54
Sustainability	409	536
Community Building	213	23
Natural Disasters	1,447	1,730
Recreation & Leisure	1,259	507
Community Safety	89	105
Other	337	739
Total non-recurrent operating grants	3,965	3,959
Total operating grants	5,968	20,050

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,385	2,385
Total recurrent capital grants	2,385	2,385
<i>Non-recurrent - Commonwealth Government</i>		
Roads	4,310	3,345
Other Structures	534	822
<i>Non-recurrent - State Government</i>		
Roads	2,490	6,120
Buildings	238	1,657
Footpaths	425	(425)
Other Structures	573	927
Total non-recurrent capital grants	8,570	12,446
Total capital grants	10,955	14,831

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
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(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 point in time or over time when services are rendered.

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

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

Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	475	14,697
Specific purpose grants to acquire non-financial assets	10,955	14,831
Other specific purpose grants	4,286	5,353
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,207	-
	16,923	34,881

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

Operating		
Balance at start of year	1,198	1,231
Received during the financial year and remained unspent at balance date	930	599
Received in prior years and spent during the financial year	(1,192)	(632)
Balance at year end	936	1,198
Capital		
Balance at start of year	-	3,283
Received during the financial year and remained unspent at balance date	1,142	-
Received in prior years and spent during the financial year	-	(3,283)
Balance at year end	1,142	-

Unspent grants are determined and disclosed on a cash basis.

(1) 100% of the estimated 2023/24 Financial Assistance Grants allocation was paid in advance in the previous year. An additional \$475K was paid and recognised in 2023/24 after the final allocation was determined.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	118	606
Total monetary contributions	118	606
Non-monetary contributions		
Non-monetary	2,487	1,860
Total non-monetary contributions	2,487	1,860
Total contributions	2,605	2,466

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

Roads	858	870
Bridges	19	–
Footpaths	255	237
Drainage	1,113	430
Kerb & channels	191	127
Other infrastructure	51	46
Other	–	150
Total non-monetary contributions	2,487	1,860

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Property, infrastructure, plant and equipment		
Proceeds of sale	1,502	2,127
Written down value of assets disposed	(869)	(2,249)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	633	(122)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	633	(122)

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

3.7 Other income

Interest	1,609	1,112
Investment property rental	223	212
Other rent	113	78
Fuel tax credits	134	105
Sales	30	30
Workcover reimbursements	122	83
Other reimbursements	453	537
Other	197	182
Total other income	2,881	2,339

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.

3.8 Found Assets

Found assets were recorded in the following asset classes.

Bridges	–	108
Kerb & channels	129	–
Footpaths	107	–
Drainage	339	–
Off street car parks	197	–
Major culverts	–	10
Waterway infrastructure	–	2,968
Land stabilisation	–	89
Total found assets	772	3,175

Found assets are recorded when discovered by Council during maintenance, capital works or as part of the valuation process.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services

	2024 \$ '000	2023 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	26,409	25,781
WorkCover	611	478
Superannuation	2,867	2,669
Fringe benefits tax	28	29
Total employee costs	29,915	28,957
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	51	55
	51	55
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,288	1,186
Employer contributions - other funds	1,528	1,428
	2,816	2,614
Total superannuation costs	2,867	2,669

Contributions made exclude amounts accrued at balance date.

Accumulation

Contributions to the Fund's accumulation category are paid at the Superannuation Guarantee (SG) rate.

Defined Benefit

Council makes employer contributions to the Fund's Defined Benefit category for the remaining 4 employees consistent with the SG rate.

In the event the Fund Actuary determines there is a shortfall in the financial position, Council will be required to make an employer contribution to cover the shortfall. There is no call expected as of 30 June 2024.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.2 Materials and services		
Natural disasters	6,993	823
Materials General	6,114	5,959
Waste Management	5,357	4,776
Contractors General	4,946	4,459
Landfill Rehabilitation	2,457	(1,407)
State levies	1,788	1,592
Software Maintenance	1,538	1,243
Leisure Centre Operations	1,492	1,248
Major project - Korumburra Showgrounds Changerooms	1,491	48
Consultancies and projects	1,359	787
Fuel & Oils	1,152	1,124
Insurance Premiums	1,108	1,160
Utilities	794	912
Training expenses	601	548
Legal Fees	424	421
Advertising & Promotion Costs	384	323
Major project - Korumburra Soccer Lighting	344	-
Subscriptions, affiliations and conferences	243	245
Gippsland Group Training / Labour Hire	176	30
Major project - Meeniyah Recreation Reserve Lighting Upgrade	170	165
Plant & Equipment Registrations	129	126
Leases & Rentals	66	67
Major project - Toora Recreation Reserve Lighting Upgrade	59	159
COVID-19	-	21
Total materials and services	39,185	24,829

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.3 Depreciation		
Property		
Heritage buildings	128	129
Buildings - non specialised	2,231	1,930
Total depreciation - property	2,359	2,059
Plant and equipment		
Plant machinery and equipment	1,451	1,192
Fixtures fittings and furniture	3	3
Computers and telecomms	569	549
Total depreciation - plant and equipment	2,023	1,744
Infrastructure		
Roads	4,176	3,679
Bridges	699	429
Footpaths and cycleways	305	290
Drainage	452	360
Recreational, leisure and community	979	796
Waste management	73	71
Off street car parks	578	418
Major culverts	175	127
Kerb & channel	241	231
Waterway Infrastructure	94	18
Land Stabilisation	99	130
Other infrastructure	944	1,022
Total depreciation - infrastructure	8,815	7,571
Total depreciation	13,197	11,374

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

4.4 Other expenses

Disposal of infrastructure assets	4,059	7,078
Library contributions	1,573	1,520
Community & Sporting grants	973	1,318
Bank Fees & Charges	136	413
Councillors' allowances	386	395
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	88	75
Auditors' remuneration - Internal Audit	93	52
Other	14	-
Total other expenses	7,322	10,851

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations

	2024 \$ '000	2023 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	1	1
Cash at bank	6,589	13,479
Money market call accounts	2,081	4,302
Total current cash and cash equivalents	8,671	17,782
Total cash and cash equivalents	8,671	17,782
(b) Other financial assets		
Current		
Term deposits	16,326	31,271
Total current other financial assets	16,326	31,271
Total other financial assets	16,326	31,271
Total current financial assets	24,997	49,053
Total cash and cash equivalents and other financial assets	24,997	49,053
Total unrestricted cash and cash equivalents	6,237	16,096

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	4,870	3,621
Net GST receivable	383	607
<i>Non-statutory receivables</i>		
Other debtors	2,433	2,503
Allowance for expected credit loss - other debtors	(24)	(77)
Total current trade and other receivables	7,662	6,654
Total trade and other receivables	7,662	6,654

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
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5.2 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	1,756	3,884
Accrued expenses	3,867	2,754
Total current trade and other payables	5,623	6,638

(b) Trust funds and deposits

Current

Refundable deposits	856	438
Fire services levy	852	609
Retention amounts	273	263
Other refundable deposits	453	376
Total current trust funds and deposits	2,434	1,686

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance:

Grants received in advance - operating	177	1,080
Total grants received in advance	177	1,080

Total current contract liabilities

177	1,080
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Other liabilities

Current

Deferred capital grants	1,532	2,262
Total current other liabilities	1,532	2,262

Total current contract and other liabilities

1,709	3,342
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Trust funds and deposits

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.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of major projects. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant consideration was received from various funding bodies to support the construction of various building and infrastructure assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the assets. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

Purpose and nature of items

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

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

Other refundable deposits - Other deposits held in trust.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
5.3 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	965	940
Total current interest-bearing liabilities	965	940
Non-current		
Treasury Corporation of Victoria borrowings - secured	7,324	8,289
Total non-current interest-bearing liabilities	7,324	8,289
Total	8,289	9,229

Borrowings are secured against rate income.

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

Not later than one year	965	940
Later than one year and not later than five years	4,137	4,024
Later than five years	3,187	4,265
	8,289	9,229

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.4 Provisions			
2024			
Balance at the beginning of the financial year	7,999	3,534	11,533
Additional provisions	2,919	2,376	5,295
Amounts used	(2,782)	(80)	(2,862)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(62)	161	99
Balance at the end of the financial year	8,074	5,991	14,065
Provisions			
Provisions - current	6,887	158	7,045
Provisions - non-current	1,187	5,833	7,020
Total Provisions	8,074	5,991	14,065
2023			
Balance at the beginning of the financial year	7,884	4,941	12,825
Additional provisions	2,521	(406)	2,115
Amounts used	(2,238)	(89)	(2,327)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(168)	(912)	(1,080)
Balance at the end of the financial year	7,999	3,534	11,533
Provisions			
Provisions - current	6,583	90	6,673
Provisions - non-current	1,416	3,444	4,860
Total Provisions	7,999	3,534	11,533

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,959	1,771
Purchased leave	188	181
Rostered days	305	288
Long service leave	721	393
	3,173	2,633
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,056	1,097
Long service leave	2,658	2,853
	3,714	3,950
Total current employee provisions	6,887	6,583
Non-Current		
Long service leave	1,187	1,416
Total Non-Current Employee Provisions	1,187	1,416
Aggregate Carrying Amount of Employee Provisions:		
Current	6,887	6,583
Non-current	1,187	1,416
Total Aggregate Carrying Amount of Employee Provisions	8,074	7,999

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	4.46%	4.06%
- index rate	3.10%	4.35%

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(b) Landfill restoration		
Current		
Current	158	90
Total current	158	90
Non-current		
Non-current	5,833	3,444
Total non-current	5,833	3,444

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

Key assumptions:

- discount rate	5.03%	5.41%
- index rate	3.59%	5.11%

5.5 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2024.

Bank overdraft	500	500
Credit card facilities	350	350
Treasury Corporation of Victoria facilities	11,439	11,996
Total Facilities	12,289	12,846
Used facilities	8,345	9,272
Used facilities	8,345	9,272
Unused facilities	3,944	3,574

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.6 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Transfer Stations	729	725	1,872	–	3,326
Kerbside Garbage	1,784	–	–	–	1,784
General Materials & Services	3,336	1,691	–	–	5,027
Equipment Hire	4	–	–	–	4
Maintenance Contracts	374	–	–	–	374
Construction Contracts	957	–	–	–	957
Workcover	5	–	–	–	5
Natural disasters	95	–	–	–	95
Software	557	22	–	–	579
Total	7,841	2,438	1,872	–	12,151
Capital					
Buildings	2,557	–	–	–	2,557
Roads	12,002	–	–	–	12,002
Other	159	–	–	–	159
Computers and telecomms	66	–	–	–	66
Plant, machinery and equipment	613	–	–	–	613
Footpaths	158	–	–	–	158
Kerb & channel	11	–	–	–	11
Parks, open space & streetscapes	4,909	–	–	–	4,909
Waste management	1,087	–	–	–	1,087
Recreation & leisure	103	–	–	–	103
Total	21,665	–	–	–	21,665

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	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
2023					
Operating					
Transfer Stations	660	660	1,980	385	3,685
Kerbside Garbage	2,091	–	–	–	2,091
General Materials & Services	3,272	149	133	–	3,554
Equipment Hire	30	–	–	–	30
Maintenance Contracts	380	–	–	–	380
Construction Contracts	104	–	–	–	104
Workcover	9	–	–	–	9
Total	6,546	809	2,113	385	9,853
Capital					
Roads	4,942	–	–	–	4,942
Car Parks	575	–	–	–	575
Computers and telecomms	100	–	–	–	100
Plant, machinery and equipment	2,568	–	–	–	2,568
Other Structures	3,437	–	–	–	3,437
Buildings	1,484	–	–	–	1,484
Footpaths	12	–	–	–	12
Major Culverts	78	–	–	–	78
Transfer Stations	444	–	–	–	444
Total	13,640	–	–	–	13,640
				2024	2023
				\$ '000	\$ '000

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 15 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	205	90
Later than one year and not later than five years	595	289
Later than five years	624	193
	1,424	572

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2023 \$ '000	Additions \$ '000	Contributions \$ '000	Found Assets \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2024 \$ '000
Property	200,085	–	–	–	23,184	(2,359)	(507)	–	7,845	228,248
Plant and equipment	10,467	–	–	–	–	(2,023)	(461)	–	4,087	12,070
Infrastructure	526,048	–	2,487	771	43,347	(8,815)	(3,728)	–	13,327	573,437
Work in progress	27,345	27,605	–	–	–	–	–	(232)	(25,259)	29,459
Total	763,945	27,605	2,487	771	66,531	(13,197)	(4,696)	(232)	–	843,214

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	6,842	3,931	–	(7,419)	3,354
Plant and equipment	88	4,035	–	(4,122)	1
Infrastructure	20,415	19,639	(232)	(13,718)	26,104
Total	27,345	27,605	(232)	(25,259)	29,459

Notes to the Financial Statements
for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land under roads \$ '000	Land non specialised \$ '000	Total land and land improve- ments \$ '000	Heritage buildings \$ '000	Buildings non specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property									
At fair value 1 July 2023	77,647	32,346	4,918	114,911	6,741	114,504	121,245	6,842	242,998
Accumulated depreciation at 1 July 2023	-	-	-	-	(2,602)	(33,469)	(36,071)	-	(36,071)
	77,647	32,346	4,918	114,911	4,139	81,035	85,174	6,842	206,927
Movements in fair value									
Additions	-	-	-	-	-	-	-	3,931	3,931
Contributions	-	-	-	-	-	-	-	-	-
Revaluation	7,744	-	472	8,216	1,117	20,200	21,317	-	29,533
Disposal	(210)	-	(198)	(408)	-	(214)	(214)	-	(622)
Write-off	-	-	-	-	-	-	-	-	-
Transfers	225	-	-	225	-	7,620	7,620	(7,419)	426
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	7,759	-	274	8,033	1,117	27,606	28,723	(3,488)	33,268
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(128)	(2,231)	(2,359)	-	(2,359)
Accumulated depreciation of disposals	-	-	-	-	-	115	115	-	115
Accumulated depreciation on revaluation	-	-	-	-	(453)	(5,896)	(6,349)	-	(6,349)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	(581)	(8,012)	(8,593)	-	(8,593)
At fair value 30 June 2024	85,406	32,346	5,192	122,944	7,858	142,110	149,968	3,354	276,266
Accumulated depreciation at 30 June 2024	-	-	-	-	(3,183)	(41,481)	(44,664)	-	(44,664)
Carrying amount	85,406	32,346	5,192	122,944	4,675	100,629	105,304	3,354	231,602

Notes to the Financial Statements
for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment						
At fair value 1 July 2023	16,990	204	5,711	22,905	88	22,993
Accumulated depreciation at 1 July 2023	(7,868)	(191)	(4,379)	(12,438)	–	(12,438)
	<u>9,122</u>	<u>13</u>	<u>1,332</u>	<u>10,467</u>	<u>88</u>	<u>10,555</u>
Movements in fair value						
Additions	–	–	–	–	4,035	4,035
Contributions	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–
Disposal	(2,052)	–	–	(2,052)	–	(2,052)
Write-off	–	–	–	–	–	–
Transfers	3,760	–	327	4,087	(4,122)	(35)
Impairment losses recognised in operating result	–	–	–	–	–	–
	<u>1,708</u>	<u>–</u>	<u>327</u>	<u>2,035</u>	<u>(87)</u>	<u>1,948</u>
Movements in accumulated depreciation						
Depreciation and amortisation	(1,451)	(3)	(569)	(2,023)	–	(2,023)
Accumulated depreciation of disposals	1,591	–	–	1,591	–	1,591
Impairment losses recognised in operating result	–	–	–	–	–	–
	<u>140</u>	<u>(3)</u>	<u>(569)</u>	<u>(432)</u>	<u>–</u>	<u>(432)</u>
At fair value 30 June 2024	18,698	204	6,038	24,940	1	24,941
Accumulated depreciation at 30 June 2024	(7,728)	(194)	(4,948)	(12,870)	–	(12,870)
Carrying amount	<u>10,970</u>	<u>10</u>	<u>1,090</u>	<u>12,070</u>	<u>1</u>	<u>12,071</u>

Notes to the Financial Statements
for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Major culverts \$ '000	Footpaths and cycleways \$ '000	Kerb & channel \$ '000	Off street car parks \$ '000	Drainage \$ '000	Waterway infra- structure \$ '000	Land stabilisation \$ '000	Waste management \$ '000	Recreation \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure															
At fair value 1 July 2023	426,081	75,221	20,476	21,407	28,218	8,171	52,675	10,509	4,772	4,396	29,427	18,933	700,286	20,415	720,701
Accumulated depreciation at 1 July 2023	(60,287)	(25,564)	(6,054)	(3,140)	(5,473)	(5,188)	(24,179)	(6,064)	(1,371)	(3,569)	(23,846)	(9,503)	(174,238)	–	(174,238)
	<u>365,794</u>	<u>49,657</u>	<u>14,422</u>	<u>18,267</u>	<u>22,745</u>	<u>2,983</u>	<u>28,496</u>	<u>4,445</u>	<u>3,401</u>	<u>827</u>	<u>5,581</u>	<u>9,430</u>	<u>526,048</u>	<u>20,415</u>	<u>546,463</u>
Movements in fair value															
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–	19,639	19,639
Contributions	858	19	–	255	191	–	1,113	–	–	–	–	51	2,487	–	2,487
Revaluation	28,946	6,135	1,662	3,506	3,717	1,634	5,151	854	403	–	6,698	4,605	63,311	–	63,311
Disposal	(3,493)	(23)	–	(387)	(234)	(680)	(264)	–	(42)	–	–	(306)	(5,429)	–	(5,429)
Write-off	–	–	–	–	–	–	–	–	–	–	–	–	–	(232)	(232)
Transfers	6,096	335	–	1,220	1,292	1,461	1,102	–	239	29	–	1,553	13,327	(13,718)	(391)
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Found assets	–	–	–	110	147	197	342	–	–	–	–	–	796	–	796
	<u>32,407</u>	<u>6,466</u>	<u>1,662</u>	<u>4,704</u>	<u>5,113</u>	<u>2,612</u>	<u>7,444</u>	<u>854</u>	<u>600</u>	<u>29</u>	<u>6,698</u>	<u>5,903</u>	<u>74,492</u>	<u>5,689</u>	<u>80,181</u>
Movements in accumulated depreciation															
Depreciation and amortisation	(4,176)	(699)	(175)	(305)	(241)	(578)	(452)	(94)	(99)	(73)	(979)	(944)	(8,815)	–	(8,815)
Accumulated depreciation of disposals	713	13	–	82	58	547	161	–	2	–	–	125	1,701	–	1,701
Accumulated depreciation on revaluation	(4,268)	(2,131)	(506)	(522)	(713)	(913)	(2,293)	(499)	(119)	–	(5,650)	(2,350)	(19,964)	–	(19,964)
Impairment losses recognised in operating result	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	(1)	–	1	–	–	–	–	–	–	–	–
Found Assets	–	–	–	(4)	(18)	–	(3)	–	–	–	–	–	(25)	–	(25)
	<u>(7,731)</u>	<u>(2,817)</u>	<u>(681)</u>	<u>(749)</u>	<u>(915)</u>	<u>(944)</u>	<u>(2,586)</u>	<u>(593)</u>	<u>(216)</u>	<u>(73)</u>	<u>(6,629)</u>	<u>(3,169)</u>	<u>(27,103)</u>	<u>–</u>	<u>(27,103)</u>
At fair value 30 June 2024	458,488	81,687	22,138	26,111	33,331	10,783	60,119	11,363	5,372	4,425	36,125	24,836	774,778	26,104	800,882
Accumulated depreciation at 30 June 2024	(68,018)	(28,381)	(6,735)	(3,889)	(6,388)	(6,132)	(26,765)	(6,657)	(1,587)	(3,642)	(30,475)	(12,672)	(201,341)	–	(201,341)
Carrying amount	<u>390,470</u>	<u>53,306</u>	<u>15,403</u>	<u>22,222</u>	<u>26,943</u>	<u>4,651</u>	<u>33,354</u>	<u>4,706</u>	<u>3,785</u>	<u>783</u>	<u>5,650</u>	<u>12,164</u>	<u>573,437</u>	<u>26,104</u>	<u>599,541</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

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. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Land and land improvements		
Land	-	-
Land improvements	-	10
Buildings		
Heritage buildings	100 years	15
Buildings	20 to 50 years	15
Building and leasehold improvements	20 to 50 years	15
Plant and Equipment		
Plant, machinery and equipment	1 to 25 years	-
Fixtures, fittings and furniture	1 to 5 years	15
Computers, software and telecommunications	1 to 5 years	15
Infrastructure		
Roads - pavements and substructure	130 years	-
Roads - seals	15 to 25 years	-
Roads - formation and earthworks	0	-
Roads - kerb and channel	120 years	15
Bridges	100 years	15
Major culverts	120 years	15
Footpath and cycleways	90 years	15
Off street car parks pavement	130 years	15
Off street car parks seal	20 years	15
Drainage	120 years	15
Waterway infrastructure	60 to 120 years	15
Land stabilisation	60 years	15
Waste management	4 to 50 years	15
Other structures	10 to 40 years	15
Recreation	25 to 75 years	-
Intangible assets		
Landfill air space	4 to 6 years	-
Right-of-use assets		
Building	3 years	10

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land was undertaken in 2021 by a qualified valuer Andrew Begg, AAPI (former Council employee). Valuation of buildings was undertaken by a qualified independent valuer Assetic Pty Ltd MIE(Aust) CPEng, NPER : Membership 1102199 .The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, the valuation on land was based on movements in Valuer General Site Value for rateable properties within the municipal district and recent property sales of Council owned land. The indexed based valuation on buildings was based on Rawlinson's Australian Construction Handbook. A full revaluation of these assets will be conducted in 2026/27.

Details of the Council's land and buildings and information about the fair value hierarchy (Note 8.4) as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land	–	5,192	–	Jun/24	Indexation
Specialised land	–	–	85,637	Jun/24	Indexation
Land Under Roads	–	–	32,346	Jun/23	Revaluation
Heritage buildings	–	–	4,675	Jun/24	Indexation
Buildings	–	–	100,629	Jun/24	Indexation
Total	–	5,192	223,287		

Valuation of Infrastructure

Valuation of footpaths and cycleways, kerb & channel, offstreet car parks and recreation assets were determined in accordance with a valuation undertaken by Tony Peterson, BE Civil Engineering (Council employee) in June 2021.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Valuation of all other infrastructure assets that have been revalued at June 2023 has been determined in accordance with a valuation undertaken independent valuer Assetic Pty Ltd MIE(Aust) CPEng, NPER: Membership 1102199.

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 Rawlinson's Australian Construction Handbook.

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 (Note 8.4) as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	390,470	Jun-24	Indexation
Bridges	–	–	53,306	Jun-24	Indexation
Major culverts	–	–	15,403	Jun-24	Indexation
Footpaths and cycleways	–	–	22,222	Jun-24	Indexation
Kerb & channel	–	–	26,943	Jun-24	Indexation
Drainage	–	–	33,354	Jun-24	Indexation
Waterway Infrastructure	–	–	4,706	Jun-24	Indexation
Land stabilisation	–	–	3,785	Jun-24	Indexation
Off street car parks	–	–	4,651	Jun-24	Indexation
Waste management	–	–	783	N/A	
Recreation	–	–	5,650	Jun-24	Indexation
Other Infrastructure	–	–	12,165	Jun-24	Indexation
Total	–	–	573,438		

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 \$1 and \$749 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$109 to \$15,217 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

Reconciliation of specialised land

	2024 \$ '000	2023 \$ '000
Land under roads	32,346	32,346
Parks and reserves	85,637	77,647
Total specialised land	117,983	109,993

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage

6.2 Investment property

	2024 \$ '000	2023 \$ '000
Balance at beginning of financial year	820	727
Fair value increment	37	93
Balance at end of financial year	857	820

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

Valuation of investment property

Valuation of investment property has been determined using Market Capitalisation of Net Rent. The valuation is at fair value, based on the current market value for the property.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillor - Clare Williams (Mayor 22/11/23 - 30/6/24, Deputy Mayor 1/7/23 - 21/11/23)
	Councillor - Nathan Hersey (Deputy Mayor 22/11/23 - 30/06/24, Mayor 1/7/23 - 21/11/23)
	Councillor - Adrian Darakai
	Councillor - Mohya Davies
	Councillor - Mick Felton
	Councillor - Sarah Gilligan
	Councillor - Jenni Keerie
	Councillor - Scott Rae
	Councillor - John Schelling
Chief Executive Officer and other Key Management Personnel	Chief Executive Officer - Kerryn Ellis
	Director Performance & Innovation - Allison Jones
	Director Future Communities - Renae Littlejohn
	Director Sustainable Infrastructure - Anthony Seabrook (to January 2024)
	Director Sustainable Infrastructure - Tony Peterson

	2024	2023
	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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(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.

	2024 \$ '000	2023 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,347	1,528
Other long-term employee benefits	28	(72)
Post-employment benefits	151	114
Termination benefits	317	–
Total	1,843	1,570

	2024 No.	2023 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$30,000 - \$39,999	7	6
\$40,000 - \$49,999	–	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	1
\$110,000 - \$119,999	–	1
\$220,000 - \$229,999	–	1
\$230,000 - \$239,999	–	1
\$240,000 - \$249,999	1	–
\$250,000 - \$259,999	–	1
\$260,000 - \$269,999	2	–
\$330,000 - \$339,999	1	–
\$340,000 - \$349,999	1	1
	14	14

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 (2023: \$160,000) and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

	2024	2023
	\$ '000	\$ '000
Short-term employee benefits	1,515	1,738
Other long-term employee benefits	38	44
Post-employment benefits	166	183
Termination benefits	–	34
Total	1,719	1,999

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

	2024	2023
	No.	No.
Income Range:		
\$160,000 - \$169,999	–	2
\$170,000 - \$179,999	–	3
\$180,000 - \$189,999	5	4
\$190,000 - \$199,999	3	1
\$200,000 - \$209,999	1	1
	9	11

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

	2024	2023
	\$ '000	\$ '000

7.2 Related party disclosure

(a) Transactions with related parties

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

Total received for sales of goods & services to BJ's Earthmoving	–	3
Total paid for sales of goods & services from BJ's Earthmoving	3,768	3,812

All transactions are in line with normal commercial practice.

There were 87 transactions during the current period with one related party for contractor services to BJ's Earthmoving.

Transactions were made on standard terms through an open tender process. The Councillor with the business interest in the related party was not present during meetings and did not vote during the open tender process.

(b) Outstanding balances with related parties

Included in trade and other payables is \$56K (2023 - \$40K) owing to related parties for purchase of goods & services.

(c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party was \$2.4M (2023 - \$2.6M) in relation to BJ's Earthmoving.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

(b) Performance Guarantees

Council has the following bank guarantees with Commonwealth Bank of Australia for contract performance and security deposits.

Description	Favouree	Amount
Security Deposit Guarantee	Environment Protection Authority	\$451,296
Total		\$451,296

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13. Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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 TCV borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

- Council has a policy for establishing credit limits for the entities Council deals with;
- 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 the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance 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 a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- 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 and percentage of loan principal repayments to rate revenue.

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 2% and -3% in market interest rates (AUD) from year-end rates of 5.03%.

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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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 every 5 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	5 years
Buildings	5 years
Roads	5 years
Bridges	5 years
Footpaths and cycleways	5 years
Drainage	5 years
Recreational, leisure and community facilities	5 years
Waste management	5 years
Parks, open space and streetscapes	5 years
Other infrastructure	5 years

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

Impairment of assets

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

8.5 Events occurring after balance date

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land and land improvements	69,984	8,216	78,200
Land under roads	15,722	–	15,722
Heritage buildings	3,844	664	4,508
Buildings	69,274	–	69,274
Buildings - non specialised	–	14,304	14,304
	<u>158,824</u>	<u>23,184</u>	<u>182,008</u>
Plant and equipment			
Plant machinery and equipment	386	–	386
	<u>386</u>	<u>–</u>	<u>386</u>
Infrastructure			
Roads	270,085	24,678	294,763
Bridges	36,159	4,004	40,163
Footpaths and cycleways	5,283	2,984	8,267
Drainage	12,462	2,858	15,320
Recreational, leisure and community facilities	–	1,048	1,048
Offstreet car parks	1,809	721	2,530
Major culverts	11,082	1,156	12,238
Kerb & channel	16,989	3,004	19,993
Waterway Infrastructure	714	355	1,069
Land Stabilisation	–	284	284
Other infrastructure	1,820	2,255	4,075
	<u>356,403</u>	<u>43,347</u>	<u>399,750</u>
Total asset revaluation reserves	<u>515,613</u>	<u>66,531</u>	<u>582,144</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
2023			
Property			
Land and land improvements	69,984	–	69,984
Land under roads	9,418	6,304	15,722
Heritage buildings	3,844	–	3,844
Buildings	69,274	–	69,274
	<u>152,520</u>	<u>6,304</u>	<u>158,824</u>
Plant and equipment			
Plant machinery and equipment	386	–	386
	<u>386</u>	<u>–</u>	<u>386</u>
Infrastructure			
Roads	236,807	33,278	270,085
Bridges	3,240	32,919	36,159
Footpaths and cycleways	5,283	–	5,283
Drainage	8,140	4,322	12,462
Offstreet car parks	1,809	–	1,809
Major culverts	1,597	9,485	11,082
Kerb & channel	16,989	–	16,989
Waterway Infrastructure	–	714	714
Land Stabilisation	2,079	(2,079)	–
Other infrastructure	1,820	–	1,820
	<u>277,764</u>	<u>78,639</u>	<u>356,403</u>
Total asset revaluation reserves	430,670	84,943	515,613

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	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				
2024				
Public Open Space	735	60	(171)	624
Development Contributions	–	355	–	355
Corner Inlet Reserve	11	–	(5)	6
Venus Bay Surf Life Saving Club	150	–	–	150
Digital & Technology Projects	–	420	–	420
Total Other reserves	896	835	(176)	1,555
2023				
Public Open Space	921	18	(204)	735
Caravan Parks Reserve	–	849	(849)	–
Corner Inlet Reserve	11	–	–	11
Venus Bay Surf Life Saving Club	150	–	–	150
Total Other reserves	1,082	867	(1,053)	896

Public Open Space

Statutory reserve to be used for the future development of land for public purposes.

Development Contributions

Funds held from the collection of development contribution levy income to be expended on infrastructure projects in line with the requirements of the Development Contribution Plan.

Caravan Parks Reserve

Reserve created for future funding of Caravan Parks projects

Corner Inlet Reserve

Reserve for maintenance of a seawall to protect private lands from flooding.

Venus Bay Surf Life Saving Club

Reserve to hold funds from a community capital works allocation to allow the club time to attract further funding from other agencies

Digital & Technology Projects

This reserve was created in 2023/24 for funding of digital transformation projects including the capability to upgrade existing ICT legacy systems.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	2024 \$ '000	2023 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(9,834)	20,348
Non-cash adjustments:		
Depreciation/amortisation	13,289	11,466
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(633)	122
Fair value adjustments for investment property	(37)	(93)
Contributions - Non-monetary assets	(2,487)	(1,860)
Amounts disclosed in financing activities	148	115
Found assets	(771)	(3,175)
Disposal of infrastructure assets	4,059	7,077
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,008)	254
(Increase)/decrease in inventories	(137)	17
(Increase)/decrease in prepayments	5	(239)
Increase/(decrease) in trade and other payables	(1,015)	518
Increase/(decrease) in employee entitlements	75	115
Increase/(decrease) in trust funds and deposits	748	134
(Decrease)/increase in contract and other liabilities	(1,633)	(1,580)
Increase/(decrease) in landfill provision	2,457	(1,407)
Net cash provided by/(used in) operating activities	3,226	31,812

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2023-24 year.

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South Gippsland
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