

SOUTH GIPPSLAND SHIRE COUNCIL

# Organisational Performance Report

July 2022 to December 2022



*South Gippsland Shire  
Organisational Performance in 2022/23*

South Gippsland Shire Council Meeting No. 480 - 15 March 2023



## Purpose of Document

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 (Planning and Reporting) Regulations 2020*. This report provides a detailed account to the community on Council's financial and organisational performance against the 2022-2026 Council Plan.

To address the Governance principles in the Local Government Act 2020 (Act), Council has developed an Integrated Planning and Reporting Framework. Progress results for the reporting time frame of 1 July 2022 to 31 December 2022 are reported back to the community through this quarterly Organisational Performance Report, Local Government Performance Reporting Framework (LGPRF) and the Annual Report.

## *Acknowledgment of Country*

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





Agnes Falls

Front Cover: Mossvale Park

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## Section 1 - Council Plan Overview and Progress

Council developed the following equally important six Strategic Objectives of the Council Plan for the next four-years:

- Connecting our People and Places
- Economy and Industry
- Healthy and Engaged Communities
- Leading with Integrity
- Protecting and Enhancing our Environment
- Sustainable Growth



Koonwarra

Council's measures its performance delivering the Plan through:

- Results achieved against the Strategic Objectives in the Council Plan;
- Progress against the Annual Major Initiatives identified in the 2022/23 Annual Budget; and
- Progress against the Service Performance Outcome Indicators to monitor relevant trends (reported six-monthly).







## Council Plan Summary

The following three pages list a high-level summary of Council's performance against the six Strategic Objectives of the 2022-2026 Council Plan. Refer to the [Appendix A - Council Plan Progress](#) which highlights detailed progress on the individual annual initiatives for each Strategic Objective.

The table below provides a summary of Council's performance against the 48 Annual Initiatives, indicated under each Strategic Objective of the 2022-2026 Council Plan.

**Table 1: Progress of Annual Initiatives per Council Plan Theme**

Strategic Objective	TARGET ACHIEVED 	ON TRACK 	MONITOR 	NOT REPORTED 
Connecting our People and Places		6	2	
Economy and Industry	2	4		
Healthy and Engaged Communities		11	3	
Leading and Integrity	1	4		
Protecting and Enhancing our Environment	1	7		
Sustainable Growth		7		
<b>Total</b>	<b>4</b>	<b>39</b>	<b>5</b>	

Legend	
<b>Target Achieved (blue)</b>	Project has achieved target and is completed. No further action is required.
<b>On Track (green)</b>	The progress performance for the indicator is achieving target. All elements of the indicator/project are on track.
<b>Monitor (orange)</b>	The progress performance for the indicator is close to target and is being monitored to achieve target. All elements of the indicator/ project are improving to 'on track' or 'target achieved' status.
<b>Not Reported (Grey)</b>	The performance indicator is not reported in this quarterly performance report and is reported in the Annual Report.

### Connecting our People and Places

#### Objective Overview

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

#### Highlights

- Council was successful in receiving funding from a Government Grant to assist with a feasibility study for future pedestrian and bike paths in Venus Bay and Sandy Point.
- Design work well progressed for Ross Street, Meeniyan and Lesters Road, Yanakie.
- Council engaged with representatives from Department of Transport, Telstra and NBNC to advocate for opportunities for improvements in telecommunications and transport within the Shire.
- Implementation of Council's Blueprint for Community and Economic Infrastructure Strategy continues to progress well.

#### Challenges

- High fuel costs, materials and labour shortages and cost escalation continue to hamper the delivery of the Shire's road network and Capital Works Program.

### Economy and Industry

#### Objective Overview

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.

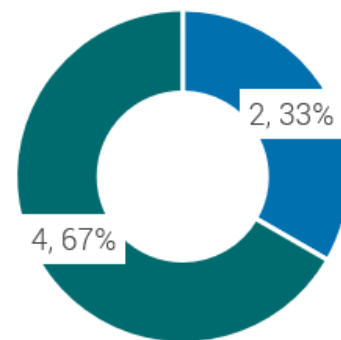
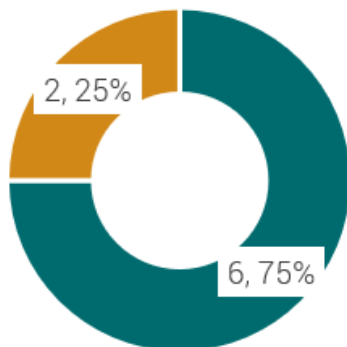
We see the arts and tourism as a way to share our story, to welcome newcomers and support economic growth, whilst communicating and protecting what's special about our environment and way of life. We understand the need to act now for future generations to contribute to our long-term viability, so we will focus on providing more reasons for young people to stay, study, work and invest in South Gippsland.

#### Highlights

- Over 25 government agency, industry and community stakeholders attended Council's Annual Stakeholder Roundtable on 23 November 2022.
- Continued implementation of the Great Southern Rail Trail (GSRT) Marketing and Visitor Experience Plan; including interpretive and town signage development and marketing material for the new GSRT extension (Korumburra to Nyora).
- Completed the establishment of an Arts Advisory Committee.
- An Expression of Interest was completed with a number of local South Gippsland events supported for funding via the event acquisition fund with Events Gippsland (Destination Gippsland).

#### Challenges

- Renewable energy resourcing and meeting and engaging with key stakeholders to ensure projects benefit the community of South Gippsland.



■ TARGET ACHIEVED     ■ ON TRACK     ■ TARGET ACHIEVED     ■ ON TRACK  
■ MONITOR                     ■ NOT REPORTED/ON HOLD     ■ MONITOR                     ■ NOT REPORTED/ON HOLD

### Healthy and Engaged Communities

#### Objective Overview

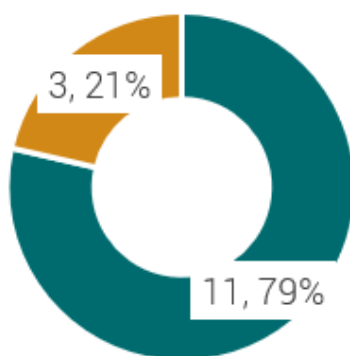
Our vision for South Gippsland is to be a place where our communities have a strong sense of belonging and purpose, where neighbours know each other, and new ideas are welcomed and encouraged. A place where everyone has the opportunity to live a physically, socially and culturally active life. Our communities know what they need, we are not a one size fits all municipality.

Council will continue to invest in people, developing community leadership and partnering in community plans and initiatives that tackle the many different challenges that come with population and demographic change. We acknowledge that volunteers play an important role in our community and we are committed to celebrating and supporting them.

We aim to create and encourage more all-ability, vibrant and engaging places to meet and undertake recreational and social activities. We will support and promote inclusive sporting, cultural and social activities recognising these activities as key to our success in building healthy communities.

#### Highlights

- Council's 2022-2025 Municipal Public Health and Wellbeing Plan adopted at the 19 October 2022 Council Meeting.
- Review of Council's General Local Law 2014 has commenced with organisational consultation.
- The review of the Proposed Draft of the 2022-2026 Open Space Asset Management Plan has commenced.



■ TARGET ACHIEVED   
 ■ ON TRACK  
■ MONITOR           
 ■ NOT REPORTED/ON HOLD

### Leading with Integrity

#### Objective Overview

Over the next four years, we will endeavor to always lead with integrity, care, good governance and accountability. Council will be outward focused and engage regularly and genuinely with our community. We recognise trust

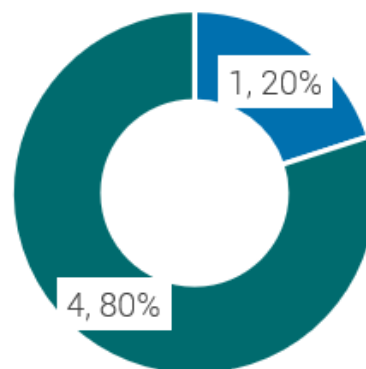
between Council and the community was broken, and that it's our job to earn that trust back, and to do that we first must be trustworthy.

We will not always get everything right but 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.

#### Highlights

- Councillor Hersey was elected Mayor and Councillor Williams as Deputy Mayor on 23 November 2022.
- Service Reviews were completed in the areas of Community Strengthening and Environmental Health resulting in improved efficiencies.
- Council's Governance Rules (C82) adopted at the October 2022 Council Meeting.
- Council's Customer First Project working group continues to implement the annual initiatives across the organisation.
- Advertising for participants of the Community Leadership Program has commenced.



■ TARGET ACHIEVED   
 ■ ON TRACK  
■ MONITOR           
 ■ NOT REPORTED/ON HOLD



## Protecting and Enhancing our Environment

### Objective Overview

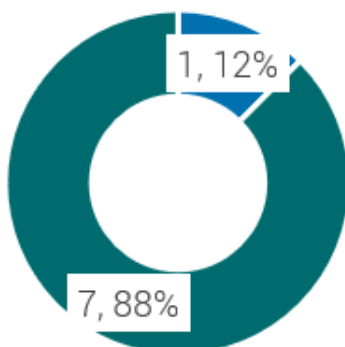
Agriculture, bushland, residential and tourism can thrive side by side. South Gippslanders will leave a legacy of a healthier integrated environment for future generations. Council will proactively work with landholders and land management agencies in preparing for changes in weather patterns, extreme 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 bio-security, 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.

### Highlights

- Working with a range of stakeholders such as land managers, farmers and LandCare on a number of projects to improve weed and pest mitigation.
- A Greenhouse Alliance group with other Gippsland councils has been established and a Gippsland Alliance of Climate Action Officer has also been appointed by the group.
- The development of the Integrated Water Management Plan is currently in the procurement phase of engaging a consultant to assist in the development of the Plan.



■ TARGET ACHIEVED ■ ON TRACK  
 ■ MONITOR ■ NOT REPORTED/ON HOLD

## Sustainable Growth

### Objective Overview

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 environmental values and cultural heritage of our 28 towns, villages and hamlets are a drawcard 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.

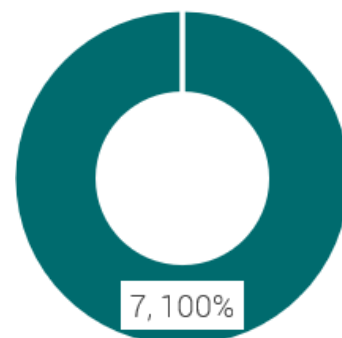
We value local knowledge, history and experience, and are committed to including the community in conversations around important change decisions and processes. We will consider the environmental and cultural impacts of growth and land use change in our actions and decision making.

### Highlights

- Council commenced engagement with Department of Families, Fairness and Housing (DFFH) and is advocating towards improving eligible local social housing allocations within the Shire.
- Community consultation on Council's Coastal Strategy commenced in December 2022, which will include pop-ups at markets and festivals, an online survey and written submissions.

### Challenges

- Higher housing costs and low affordability leads to increased pressure on Social Affordable Housing within the Shire.



■ TARGET ACHIEVED ■ ON TRACK  
 ■ MONITOR ■ NOT REPORTED/ON HOLD



## Section 2 - Financial Performance Overview and Progress

The following quarterly financial report provides a summary and analysis of Council's financial performance for the six months to December 2022.

### 2.1 Budget Information

- The Annual Original Budget referred to in this report is the budget adopted by Council at the 29 June 2022 Council Meeting.
- The Quarter 1 Forecast 2023 was endorsed by Council on 16 November 2022.
- The Proposed Annual Forecast includes any adjustments identified as at the end of December 2022.
- The Year to Date Forecast represents the phased Quarter 1 Forecast to 31 December 2022.

### 2.2 Overview

The surplus as at 31 December 2022 is favourable to forecast by \$4.3M.

The favourable variance is largely due to a favourable variance in total grants received, mainly related to storm events \$3.1M, as well as an underspend of \$1.1M on materials and consumables, mainly related to road re-sheeting works largely as a result of timing and further phasing adjustments required. Adjustments to budget phasing will be finalised upon approval of the proposed forecast for Quarter Two.

Capital works expenditure is tracking at \$11.82M as compared to the year to date forecast of \$14.12M. The delivery of the program, one of the largest Council has budgeted for, has been severely impacted by the conditions of the construction industry and weather.



Road Safety Crew

## 2.3 Financial Performance Statement

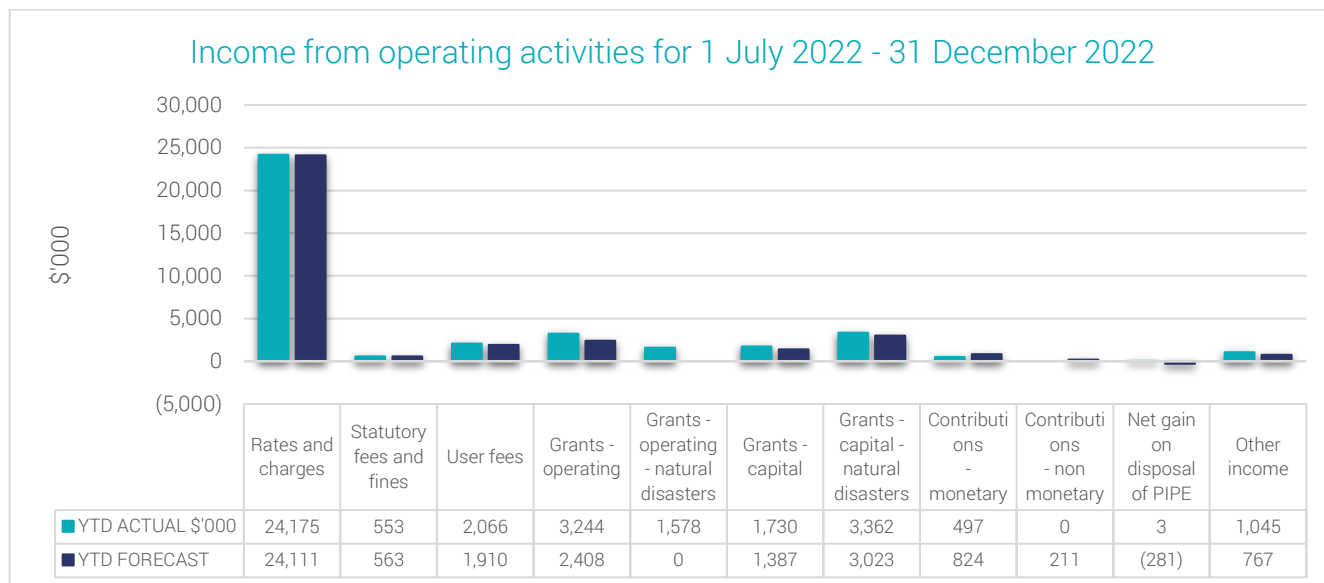
For the period 1 July 2022 to 31 December 2022

	Note	YTD ACTUAL \$'000	YTD FORECAST \$'000	YTD VARIANCE \$'000	PROPOSED ANNUAL FORECAST \$'000	QUARTER 1 FORECAST \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>INCOME</b>	<b>A1</b>						
Rates and charges		24,175	24,111	64	48,090	48,107	48,108
Statutory fees and fines		553	563	(10)	1,125	1,138	1,138
User fees		2,066	1,910	156	4,769	4,035	4,025
Grants - operating		3,244	2,408	836	5,449	4,795	3,689
Grants - operating - natural disasters		1,578	0	1,578	470	0	0
Grants - capital		1,730	1,387	343	8,361	9,153	10,553
Grants - capital - natural disasters		3,362	3,023	339	6,221	6,313	0
Contributions - monetary		497	824	(327)	2,047	2,044	1,438
Contributions - non-monetary		0	211	(211)	422	422	422
Net gain on disposal of PIPE		3	(281)	284	81	(598)	761
Other income		1,045	767	278	1,939	1,220	1,186
<b>Total Income</b>		<b>38,253</b>	<b>34,923</b>	<b>3,330</b>	<b>78,974</b>	<b>76,629</b>	<b>71,320</b>
<b>EXPENSES</b>	<b>A2</b>						
Employee costs		13,413	13,673	260	29,753	28,788	28,544
Materials and consumables		12,525	13,649	1,124	28,398	27,966	23,768
Natural disasters		558	0	(558)	0	0	0
Depreciation		5,926	6,115	189	11,329	12,166	12,871
Borrowing costs		35	42	7	107	84	73
Other expenses		2,042	2,008	(34)	3,229	3,208	3,195
<b>Total Expenses</b>		<b>34,499</b>	<b>35,487</b>	<b>988</b>	<b>72,816</b>	<b>72,212</b>	<b>68,451</b>
<b>Net Surplus / (Deficit)</b>		<b>3,754</b>	<b>(564)</b>	<b>4,318</b>	<b>6,158</b>	<b>4,417</b>	<b>2,869</b>

## 2.4 Notes to the Financial Performance Statement

### Operating Income

The chart below shows the categories of operating income against their respective year to date forecasts.



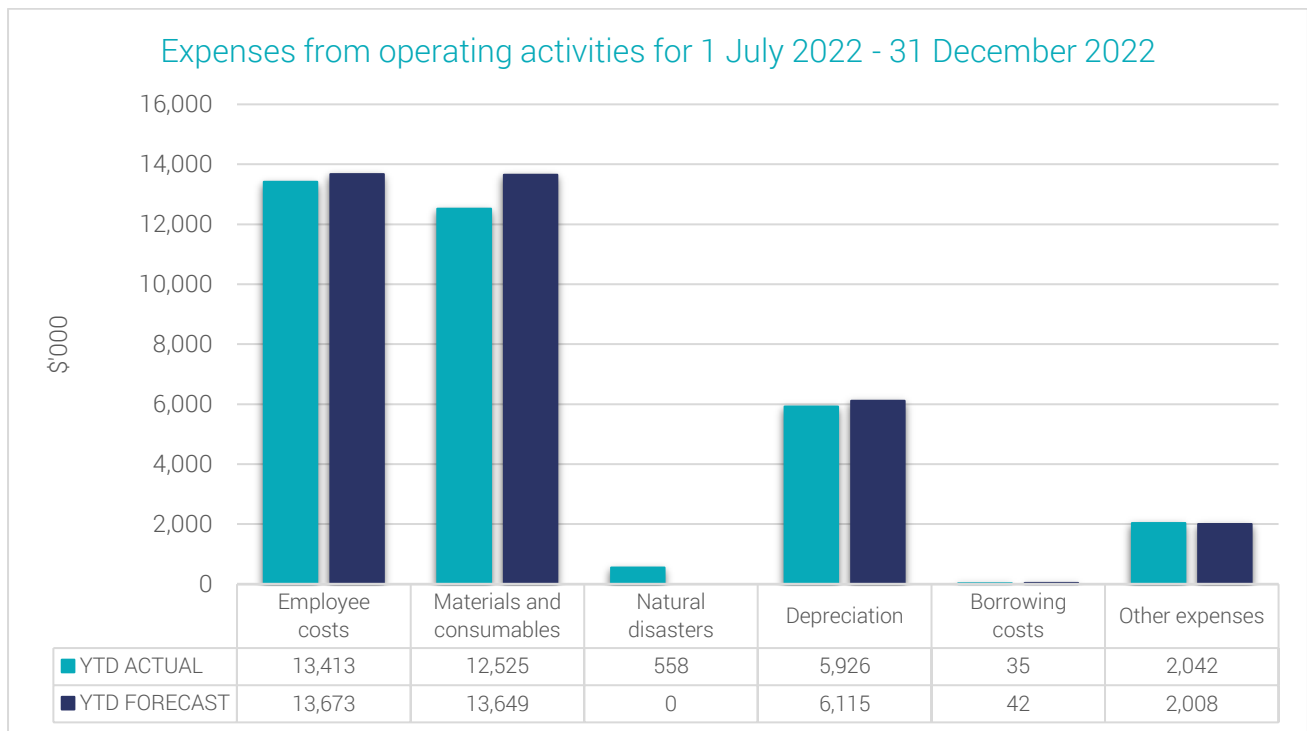
Income for the period ended 31 December 2022 is favourable against the budget. This is primarily due to the following:

- **Favourable – User Fees \$156K:** Largely due to user fees received by the caravan parks up to December 2022 (\$521K) that were not previously included in the budget but are now included in the proposed Quarter Two forecast. Offset by a \$375K unfavourable variance in local laws due to incorrect phasing which has been adjusted as part of the proposed Quarter Two forecast.
- **Favourable – Grants – operating \$836K:** Due to funding received for Municipal Emergency Resourcing Program (\$417K) and Korumburra Soccer Lighting major project (\$320K) that were not previously budgeted for. These have been included in the proposed Quarter Two forecast.
- **Favourable – Grants – operating – natural disasters \$1.58M:** Due to amounts received for the June 2021, August 2019 and October 2021 storm events that were not previously budgeted.
- **Favourable – Grants – capital \$343K:** Largely due to accounting treatment related to the recognition of capital grants as projects are completed.
- **Favourable – Grants – capital – natural disasters \$339K:** Due to funding received for various slip repairs for storm events that were not previously budgeted but are now included in the proposed Quarter Two forecast.
- **Unfavourable – Contributions – monetary (\$327K):** Largely due to developer contributions budgeted to December 2022 but not yet received.
- **Unfavourable – Contributions – non-monetary (\$211K):** No non-monetary contributions have been recorded to the end of December 2022.
- **Favourable – Other Income \$278K:** Largely due to interest income earned above budget (\$265K) as a result of increasing interest rates. An increase in interest income has been included in the Quarter Two forecast.



## Operating Expenses

The chart below shows the categories of operating expenses against their respective year to date forecasts.



Operating expenses for the period ended 31 December 2022 is favourable against the budget. This is primarily due to the following:

- Favourable – Materials and consumables \$1.12M:** This underspend is largely due to timing delays for Resheets (\$490K) due to wet weather. Also due to timing of expenses for the Maternal and Child Health Sleep & Settling program (\$118K) and Information Technology software and annual licenses (\$142K).
- Unfavourable – Natural disasters (\$558K):** Due to costs for the 13-14 August 2022 storm event (\$542K).

## 2.5 Capital Works Statement

As at 31 December 2022.

	Note	YTD ACTUAL \$'000	YTD FORECAST \$'000	YTD Variance \$'000	PROPOSED ANNUAL FORECAST \$'000	QUARTER 1 FORECAST \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Property</b>	<b>B1</b>						
Buildings		5,509	7,679	2,170	11,223	13,514	8,505
<b>Total Property</b>		<b>5,509</b>	<b>7,679</b>	<b>2,170</b>	<b>11,223</b>	<b>13,514</b>	<b>8,505</b>
<b>Plant and equipment</b>	<b>B2</b>						
Plant, machinery and equipment		609	174	(435)	3,056	2,713	2,367
Computers and telecommunications		174	923	749	1,156	1,156	467
<b>Total Plant and Equipment</b>		<b>783</b>	<b>1,097</b>	<b>314</b>	<b>4,212</b>	<b>3,869</b>	<b>2,834</b>
<b>Infrastructure</b>	<b>B3</b>						
Roads		1,549	1,297	(252)	11,311	12,673	9,964
Bridges		0	84	84	253	253	253
Major culverts		19	50	31	184	184	67
Footpaths and cycleways		859	516	(343)	1,764	2,514	1,522
Drainage		0	0	0	85	85	0
Car parks		1,022	228	(794)	2,114	1,894	0
Land stabilisation		7	0	(7)	0	0	0
Waste		38	152	114	760	747	528
Other infrastructure		2,030	3,012	982	7,138	8,971	7,793
<b>Total Infrastructure</b>		<b>5,524</b>	<b>5,339</b>	<b>(185)</b>	<b>23,609</b>	<b>27,321</b>	<b>20,127</b>
<b>Total Capital Works Expenditure</b>		<b>11,816</b>	<b>14,115</b>	<b>2,299</b>	<b>39,044</b>	<b>44,704</b>	<b>31,466</b>

Notes to the Capital Works Statement:

### B1 Property

- **Under budget – Buildings \$2.2M:** Due to the Korumburra Community Hub (\$1.69M) and Main Office Refurbishment (\$420K) behind schedule due to supply issues.

### B2 Plant and equipment

- **Over budget – Plant, machinery and equipment (\$435K):** Due to plant and fleet items delivered earlier than anticipated.
- **Under budget – Computers and telecommunications \$749K:** Due to phasing required for projects carried forward from 2021/22.

### B3 Infrastructure

- **Over budget – Roads (\$252K):** Largely due to phasing required for the sealed roads rehabilitation program.
- **Over budget – Footpaths and cycleways (\$343K):** Due to Footpaths Extension and Renewal programs and Great Southern Rail Trail works running ahead of schedule.
- **Over budget – Car parks (\$794K):** Due to Port Welshpool Boat Ramp Car Park Enhancement project being completed ahead of schedule.
- **Under budget – Waste \$114K:** Due to delays on completion of the transfer station upgrades project. It is anticipated that this project will still be completed this financial year.
- **Under budget – Other infrastructure \$982K:** Due to Leongatha & Korumburra Railway Station Precincts (\$288K), Toora Jetty Pontoon (\$248K) and Korumburra Commercial Streetscape (\$159K) behind schedule due to weather and supply issues. In addition, phasing adjustments required for Yanakie Caravan Park (\$250K).

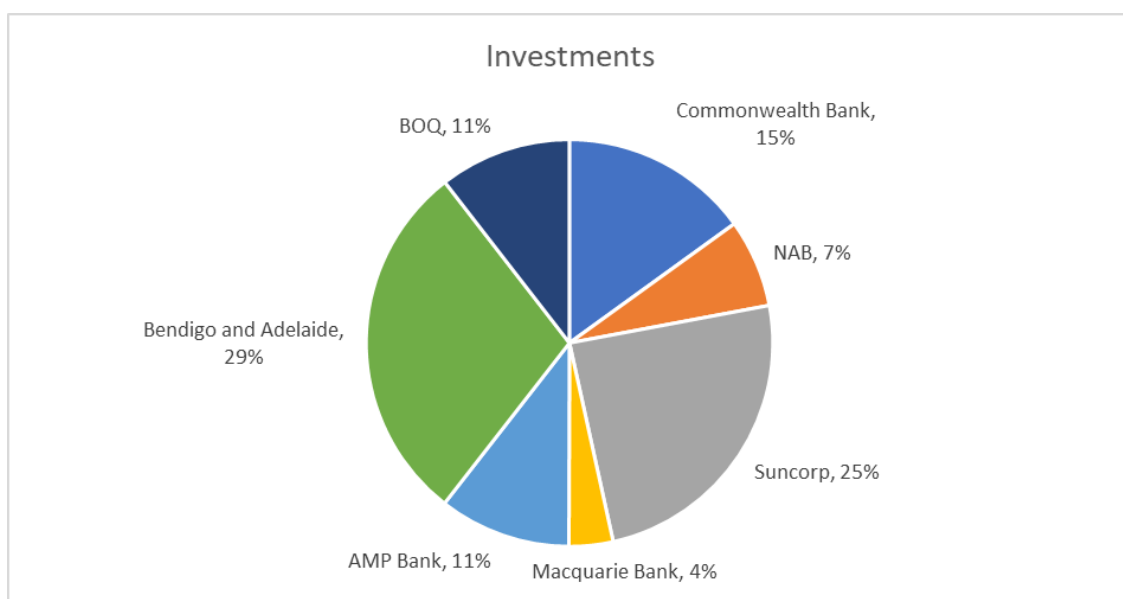
## 2.6 Treasury

### Cash Position

Cash and investment holdings total \$35.3M as of 31 December 2022, a decrease of \$9.8M from the 30 June 2022 balance of \$45.1M. Total cash flows for the period ended 31 December 2022 was a positive result of \$3.2M. The breakdown of Council's cash and investments is:

Cash at Bank	6,711,610
Term deposit under 90 days	4,297,191
Term deposit over 90 days	24,271,403
<b>TOTAL</b>	<b>35,280,204</b>

The average current interest rate on the term-deposits held is 3.10%.





### Treasury Management Policy

Council's Treasury Management Policy C24 provides measures to ensure the responsible and strategic management of Council's treasury activities, specifically investing and borrowings. This Policy has been developed to support the Council to comply with its good governance and conduct obligations in line with various legislation, principally the Local Government Act 2020.

The policy states who Council can invest money with and details investment limits which are in line with Council's risk appetite based on Standard and Poor's rating agency.

Standard and Poor's (S&P)	Max. % of Total Funds with one financial institution	Max. % of Total Investment
Long Term Rating		
AAA to AA-	50%	100%
A+ to A-	40%	90%
BBB+ to BBB-	20%*	80%

The two main compliance protocols are Counterparty compliance (the maximum % of total funds held by one financial institution) and Credit quality (the maximum % of total investments held within institutions holding certain Long Term S&P ratings). These limits are summarised in the table below. Council are currently compliant on both aspects of total funds held.

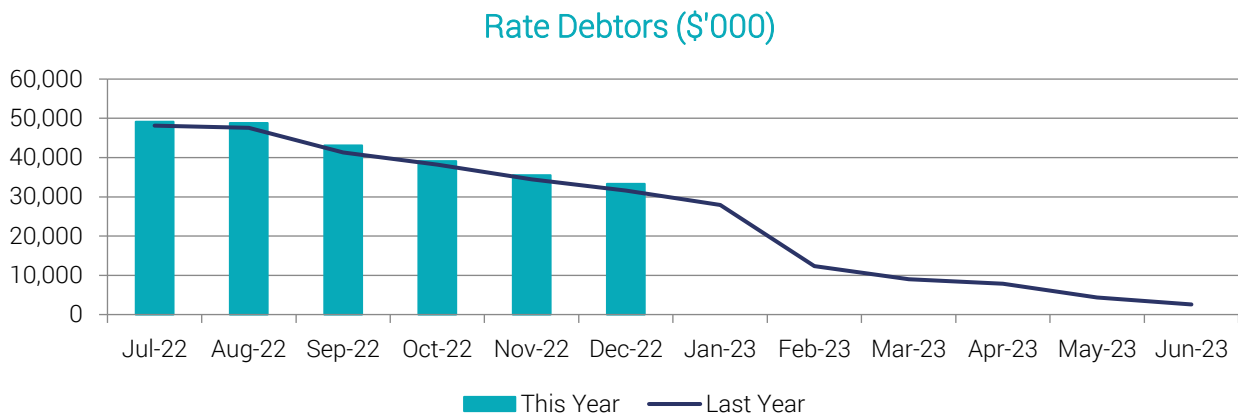
Bank	S &P Rating	Total invested by Rating	Investment	Total funds invested by Institution	Term
Commonwealth Bank	A-1+	22%	4,297,191	15%	Under 90 days
NAB	A-1+		2,000,000	7%	Over 90 days
Suncorp	A-1	28%	7,000,000	25%	Over 90 days
Macquarie Bank	A-1		1,000,000	4%	Over 90 days
AMP Bank	A-2	50%	3,000,000	11%	Over 90 days
Bendigo and Adelaide	A-2		8,271,403	29%	Over 90 days
BOQ	A-2		3,000,000	11%	Over 90 days
<b>Total</b>			<b>28,568,594</b>		

## Debtors

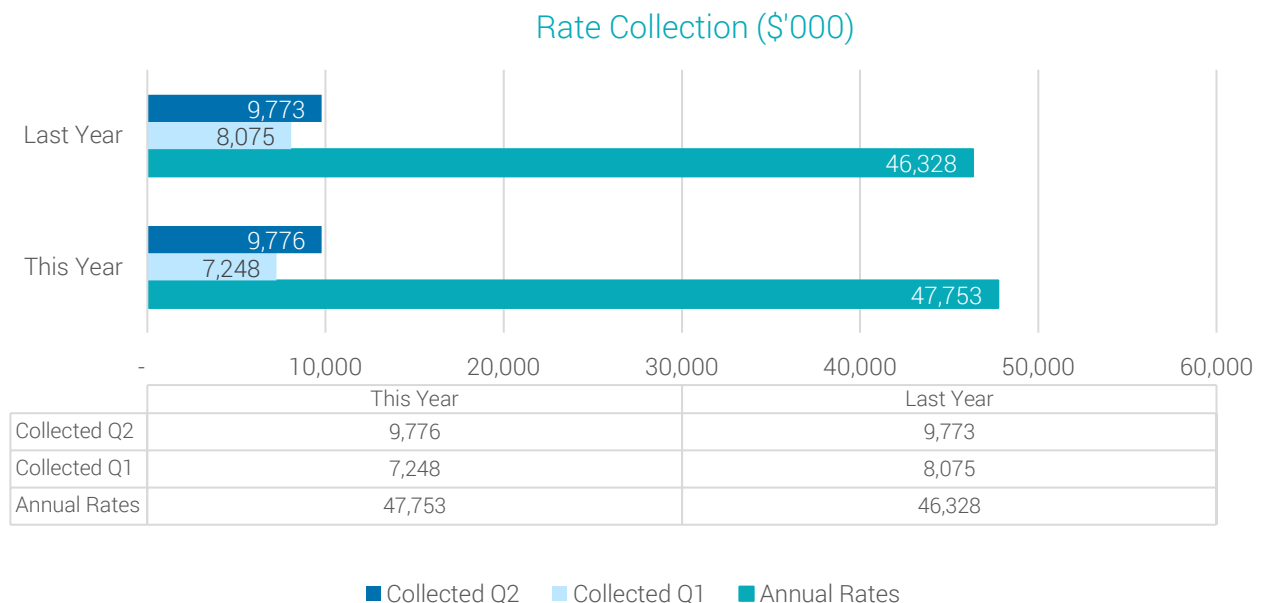
### Rates Debtors

The outstanding rates balance as at 31 December 2022 is \$33.3M, compared to \$31.6M as at 31 December 2021.

The outstanding rates balance has increased by \$1.7M (5.4%) from the same period last year. The slight increase is consistent with rates raised for 2022/23.



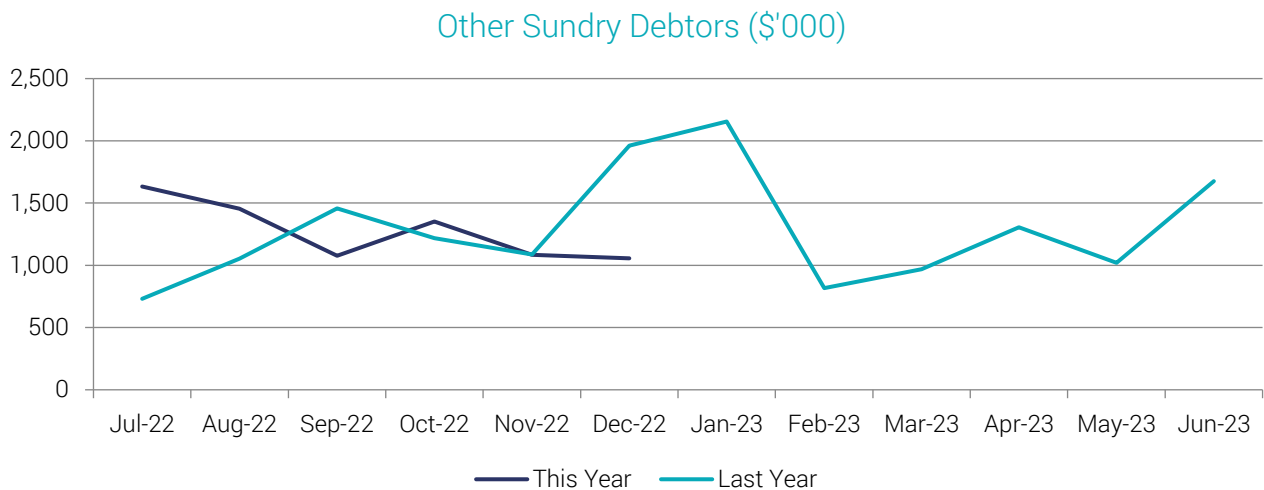
The amount collected during Quarter Two was \$9.8M (20.5% of total rates raised in 2022/23), the amount collected in Quarter Two last year was \$9.8M (21.1% of total rates raised in 2021/22).



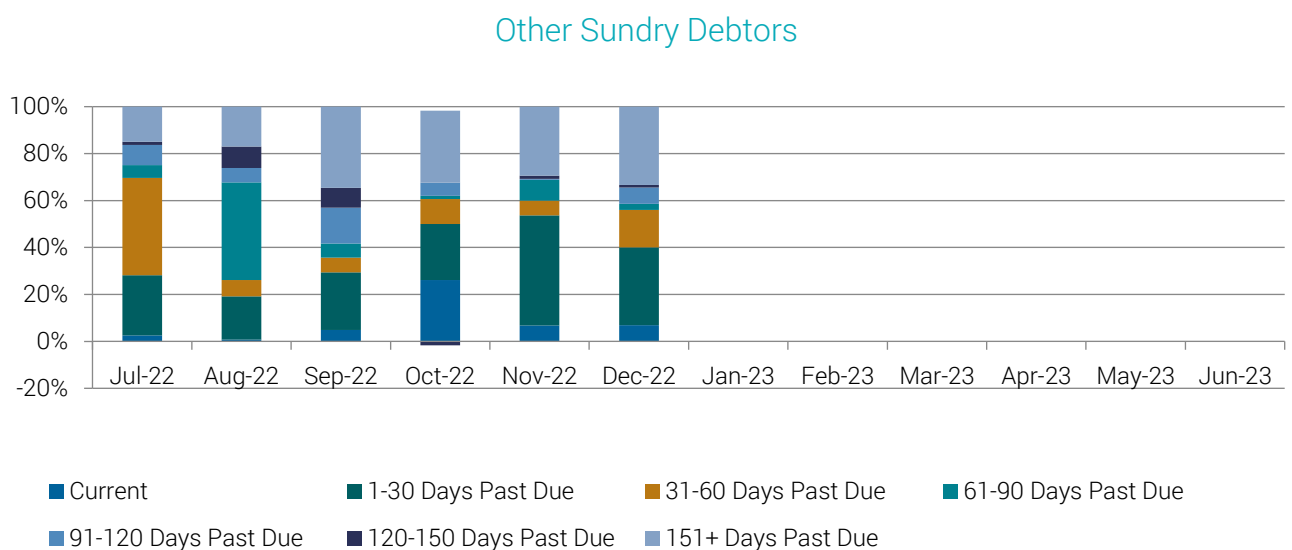
*Other Sundry Debtors*

The outstanding other sundry debtors balance as at 31 December 2022 is \$1.1M, compared to \$2.0M as at 31 December 2021.

The outstanding other sundry debtors balance has decreased \$0.9M (45%) from the same period last year due to a large outstanding invoice to the Department of Education and Training for \$0.95M for the Leongatha Early Learning Centre being collected since 31 December 2021.



Approximately 40% of other sundry debtors outstanding are current or less than 30 Days Past Due. \$352K of other sundry debtors have been outstanding greater than 151 Days Past Due. Large invoices outstanding greater than 151 Days Past Due include \$29K from Ausnet Electrical Services relating to the Leongatha Business Precinct Project, \$110K from Department of Jobs, Precincts and Regions relating to the GSRT Extension project and \$34k from Goldsmith Quarries relating to rent for the Fish Creek Quarry.





## Section 3 - Financial Statements

## 3.1 Balance Sheet as at 31 December 2022

	Notes	YTD Actual December 2022 \$'000	YTD Actual December 2021 \$'000	Year over Year Variance \$'000	%	Original Budget June 2023 \$'000	Proposed Annual Forecast June 2023 \$'000
<b>Current Assets</b>	<b>C1</b>						
Cash and cash equivalents		11,009	7,073	3,936	55.6%	10,550	12,737
Trade and other receivables		40,529	38,280	2,249	5.9%	5,265	5,855
Other financial assets		24,271	23,779	492	2.1%	17,000	19,000
Inventories		165	233	(68)	-29.2%	210	176
Non-current assets classified as held for sale		0	1,691	(1,691)	100.0%	1,691	0
Other assets		20	40	(20)	-50.0%	240	348
<b>Total Current Assets</b>		<b>75,994</b>	<b>71,096</b>	<b>4,898</b>	<b>6.9%</b>	<b>34,956</b>	<b>38,116</b>
<b>Non-Current Assets</b>	<b>C2</b>						
Property, infrastructure, plant and equipment		666,471	592,450	74,021	12.5%	630,015	685,878
Right-of-use-assets		407	39	368	943.6%	0	362
Investment property		727	615	112	18.2%	615	727
Intangible asset		0	194	(194)	100.0%	0	0
<b>Total Non-Current Assets</b>		<b>667,605</b>	<b>593,298</b>	<b>74,307</b>	<b>12.5%</b>	<b>630,630</b>	<b>686,967</b>
<b>TOTAL ASSETS</b>		<b>743,599</b>	<b>664,394</b>	<b>79,205</b>	<b>11.9%</b>	<b>665,586</b>	<b>725,083</b>
<b>Current Liabilities</b>	<b>C3</b>						
Trade and other payables		6,059	5,628	(431)	-7.7%	5,649	6,266
Unearned income		4,536	4,951	415	8.4%	3,000	4,922
Trust funds and deposits		846	747	(99)	-13.3%	1,527	1,552
Provisions		6,551	6,680	129	1.9%	6,534	6,684
Interest-bearing loans and borrowings		645	349	(296)	-84.8%	1,049	1,011
Lease liabilities		45	48	3	6%	0	91
Unearned rates revenue		23,876	23,149	(727)	-3.1%	0	0
<b>Total Current Liabilities</b>		<b>42,558</b>	<b>41,552</b>	<b>(1,006)</b>	<b>-2.4%</b>	<b>17,759</b>	<b>20,526</b>
<b>Non-Current Liabilities</b>	<b>C4</b>						
Provisions		6,190	4,759	(1,431)	-30%	4,728	6,141
Interest-bearing loans and borrowings		7,235	2,904	(4,331)	-149%	9,447	8,488
Lease liabilities		364	0	(364)	-100%	0	273
<b>Total Non-Current Liabilities</b>		<b>13,789</b>	<b>7,663</b>	<b>(6,126)</b>	<b>-79.9%</b>	<b>14,175</b>	<b>14,902</b>
<b>TOTAL LIABILITIES</b>		<b>56,347</b>	<b>49,215</b>	<b>(7,132)</b>	<b>-14.5%</b>	<b>31,934</b>	<b>35,428</b>
<b>NET ASSETS</b>		<b>687,252</b>	<b>615,179</b>	<b>72,073</b>	<b>11.7%</b>	<b>633,652</b>	<b>689,655</b>
<b>Equity</b>	<b>C5</b>						
Accumulated Surplus		255,499	243,452	12,047	4.9%	260,925	257,903
Asset Revaluation Reserve		430,672	371,184	59,488	16.0%	371,182	430,671
Other Reserves		1,081	543	538	99.1%	1,545	1,081
<b>TOTAL EQUITY</b>		<b>687,252</b>	<b>615,179</b>	<b>72,073</b>	<b>11.7%</b>	<b>633,652</b>	<b>689,655</b>

## 3.2 Statement of Cash flows for the period 1 July 2022 to 31 December 2022

	Notes	YTD Actual \$'000	Proposed Annual Forecast \$'000	Annual Original Budget \$'000	Full Year Forecast Variance \$'000	%
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	D1					
Rates and charges		16,837	48,741	47,061	1,680	4%
Statutory fees and fines		553	1,140	1,117	23	2%
User fees		2,056	4,834	3,953	881	22%
Grants - operating		4,216	5,999	3,623	2,376	66%
Grants - capital		5,092	14,780	10,364	4,416	43%
Contributions - monetary		497	2,048	1,438	610	42%
Interest received		242	650	150	500	333%
Other receipts		661	1,333	1,176	157	13%
Employee costs		(13,605)	(29,683)	(27,778)	(1,905)	7%
Materials and services		(15,438)	(28,331)	(23,131)	(5,200)	22%
Other payments		(2,025)	(3,220)	(3,109)	(111)	4%
<b>Net cash provided by (used in) operating activities</b>		<b>(914)</b>	<b>18,291</b>	<b>14,864</b>	<b>3,427</b>	<b>23%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	D2					
Payments for property, infrastructure, plant & equipment		(11,814)	(39,044)	(31,467)	(7,577)	24%
Proceeds from sale of property, infrastructure, plant & equipment		24	3,006	3,787	(781)	-21%
Payments for / from Other Financial Assets		12,999	18,270	0	18,270	100%
<b>Net cash provided by (used in) investing activities</b>		<b>1,209</b>	<b>(17,768)</b>	<b>(27,680)</b>	<b>9,912</b>	<b>-36%</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>						
	D3					
Finance costs		(32)	(100)	(73)	(27)	37%
Proceeds from borrowings		0	5,300	4,000	1,300	33%
Repayment of borrowings		2,944	(737)	(870)	133	-15%
Repayment of leases		(44)	(96)	0	(96)	-100%
<b>Net cash provided by (used in) financing activities</b>		<b>2,868</b>	<b>4,367</b>	<b>3,057</b>	<b>1,310</b>	<b>43%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>3,163</b>	<b>4,890</b>	<b>(9,759)</b>	<b>14,649</b>	<b>-150%</b>
Cash and cash equivalents at the beginning of the financial year	D4	7,846	7,847	20,309	(12,462)	-61%
<b>Cash and cash equivalents at the end of the period</b>		<b>11,009</b>	<b>12,737</b>	<b>10,550</b>	<b>2,187</b>	<b>21%</b>

## 3.3 Notes to the Financial Statements

### *Balance Sheet*

Council's net assets are valued at \$687M as at the end of December 2022.

### *Year over Year variances*

#### **C1 Current Assets**

- **Favourable – Cash and cash equivalents \$3.9M:** Due to less surplus cash invested as at the end of December 2022 compared to December 2021.
- **Favourable – Trade and other receivables \$2.2M:** Increase due to rates receivable compared to December 2021 of \$1.95M; an increase in planning applications receivable by \$691K mostly related to public open space payments; and an increase in grants receivable of \$495K. This is offset by a decrease in other sundry debtors of \$0.9M.
- **Unfavourable – Non-current assets classified as held for sale \$(1.7M):** Due to the wind-up of West Gippsland Regional Library Corporation and assets gifted to My Community Library as of 30 June 2022.

#### **C2 Non-Current Assets**

- **Favourable – Property, infrastructure, plant and equipment \$74M:** Due to an increase in the revaluation of land and buildings by \$59.8M as of 30 June 2022, as well as capital works performed since December 2021.
- **Favourable – Right-of-use-assets \$368K:** Due to recognition of new right-of-use asset upon lease renewal of the Leongatha Library in June 2022.
- **Favourable – Investment property \$112K:** Due to fair value adjustment for the investment property recognised as of 30 June 2022.
- **Unfavourable – Intangible asset (\$194K):** Due to recognising amortisation for the period since 31 December 2021.

#### **C3 Current Liabilities**

- **Unfavourable – Trade and other Payables (\$431K):** Largely due to timing of payroll paid in December 2021 as well as other accrual adjustments. This does not represent an ongoing increase in outstanding debts.
- **Favourable – Unearned income \$415K:** Due to accounting treatment of capital grants as projects are completed.
- **Unfavourable – Interest-bearing loans and borrowings (\$296K):** Due to addition of current portion of new loans for the Korumburra Community Hub and Korumburra Streetscape since 31 December 2021.

#### **C4 Non-Current Liabilities**

- **Unfavourable – Provisions (\$1.4M):** Due to increase in landfill provision as of 30 June 2022 by \$1.8M as a result of an increase in index and discount rates.
- **Unfavourable – Non-current Interest-bearing loans and borrowings (\$4.3M):** Due to \$3.6M drawings on the TCV loan for the Korumburra Community Hub and \$1.2M for the Korumburra Streetscape. This is net of payment of the loans over the period up to 31 December 2022.
- **Unfavourable – Lease liabilities (\$364K):** Due to recognition of lease liability upon lease renewal of the Leongatha Library in June 2022.

**C5 Equity**

- **Favourable – Asset Revaluation Reserve \$59.5M:** Due to an increase in the revaluation of land and buildings by \$59.8M as of 30 June 2022.
- **Favourable – Other Reserves \$538K:** Due to an increase in the Public Open Space reserve recognised as of 30 June 2022.

*Cash flow Statement**Forecast variances to budget***D1 Cash flows from operating activities**

- **Favourable \$3.4M:** Due to an increase in Rates and Charges of \$1.7M and an increase in operating and capital grants of \$6.8M. Offset by an increase in employee costs of \$1.9M and materials and consumables of \$5.2M.

**D2 Cash flows from investing activities**

- **Favourable \$9.9M:** Due to an increase in proposed redemptions of Other Financial Assets by \$18.3M (investments) to fund the capital asset program. This is offset by an increase in the capital works program by \$7.6M due to carry forwards from 2021/22 net of any carry forwards to 2022/23.

**D3 Cash flows from financing activities:**

- **Favourable \$1.3M:** Due to the timing of loan fund drawdowns which driven by completion to the Korumburra Community Hub.

**D4 Cash and cash equivalents at the beginning of the financial year**

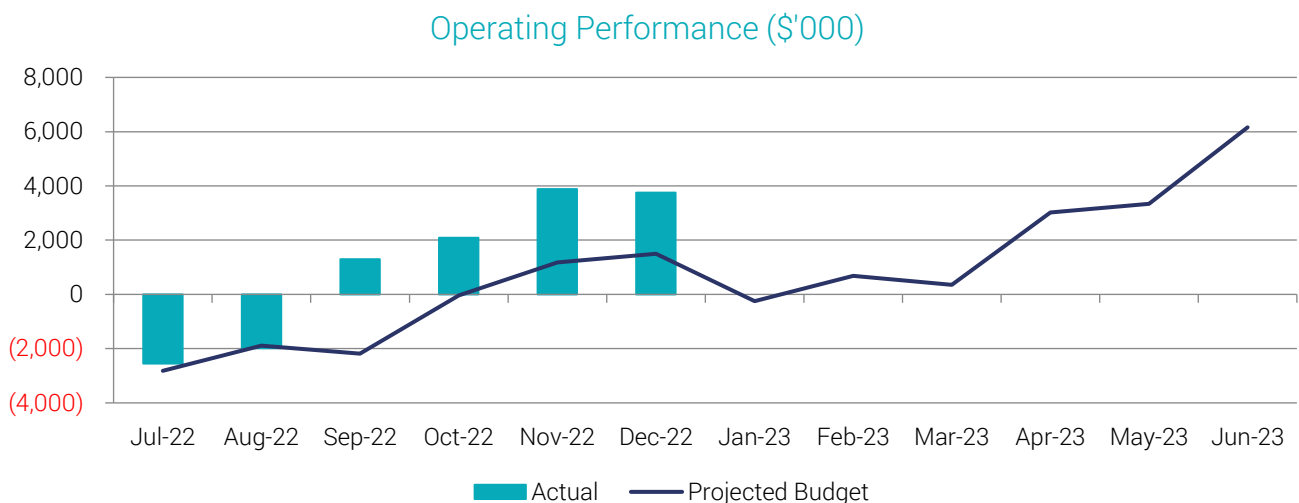
- **Unfavourable (\$12.5M):** Due to updating the forecast based on the actual cash and cash equivalents balance as of 30 June 2022. This is primarily due to delays in the delivery of the capital works program that have in turn not required the redemption of investment funds to date.

## Section 4 – Annual Year to Date Financial Analysis

This section analyses the implications of the year to date performance and the projected outcome for the financial year.

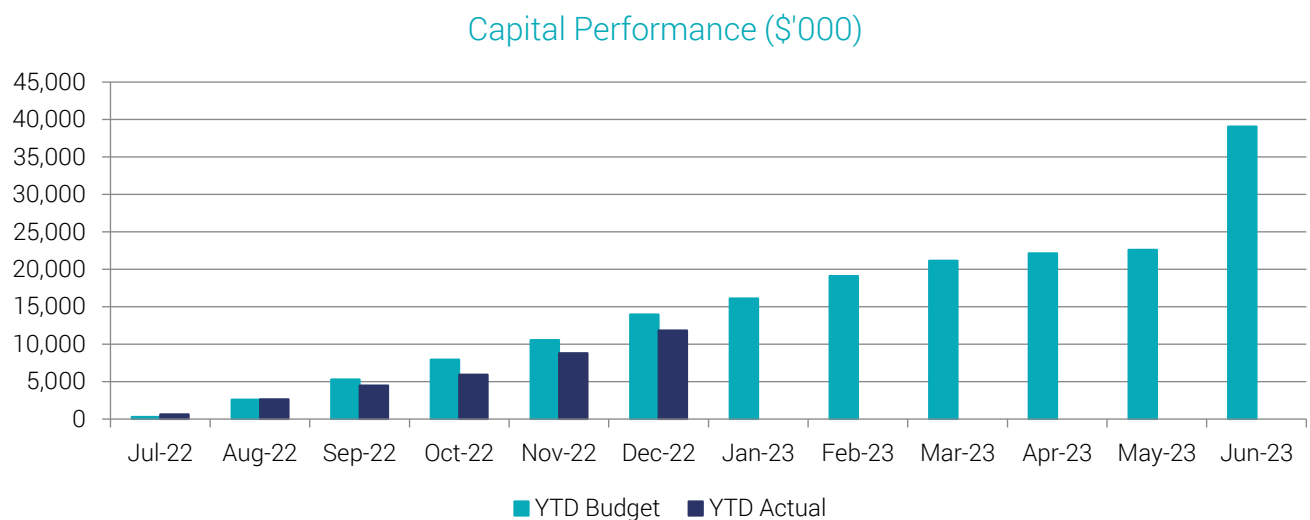
### 4.1 Operating Performance

The operating result is a \$3.7M surplus for the period July 2022 to December 2022. This is a favourable variation of \$2.4M compared to the forecast deficit of \$1.3M for the period July 2022 to December 2022. Further detail can be found on the Income Statement for the period ended 31 December 2022.



### 4.2 Capital Performance

The capital expenditure is \$11.8M for the period July 2022 to December 2022. This is \$2.2M behind the forecast of \$14.0M for the period July 2022 to December 2022. Further detail can be found on the Statement of Capital Works for the period ended 31 December 2022.

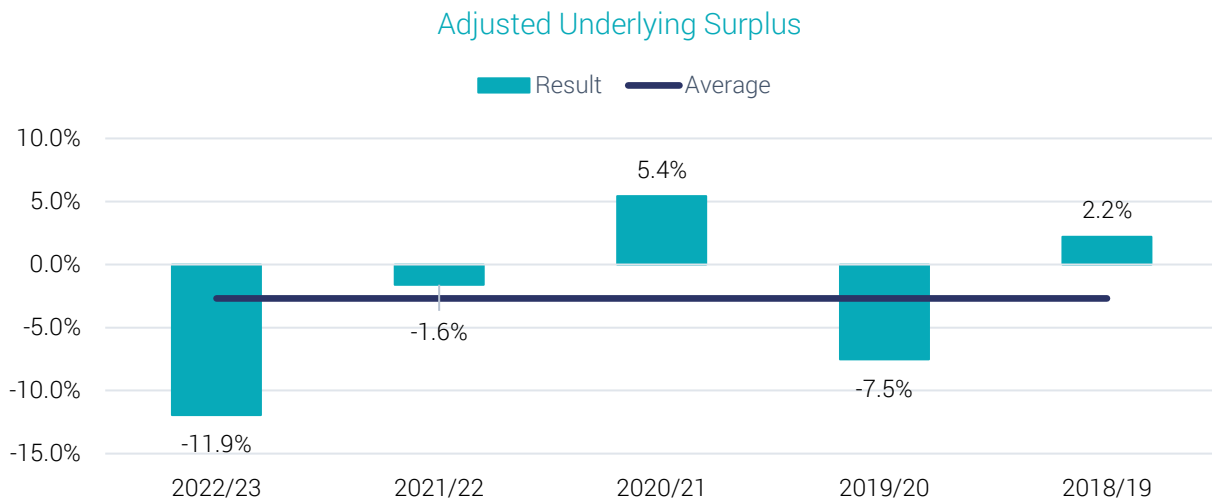




## 4.3 Financial Ratios

### Operating position

Council proposed forecast result is an \$8.0M adjusted underlying deficit for the year ended 30 June 2023.

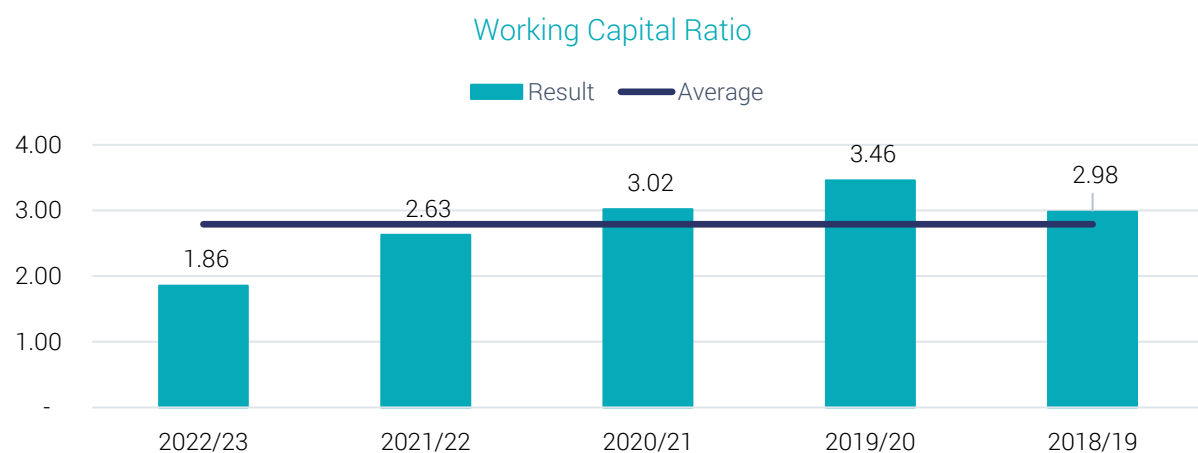


The proposed deficit of \$8.0M is largely due to 75% of the Financial Assistance allocation for 2022/23 being paid in advance during 2021/22 (\$8.8M). The adjusted underlying result demonstrates Council's ability to generate a surplus in its ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions to fund capital works from its net result. A surplus or increasing surplus suggest an improvement in operations.

### Liquidity

The Working Capital Ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities.

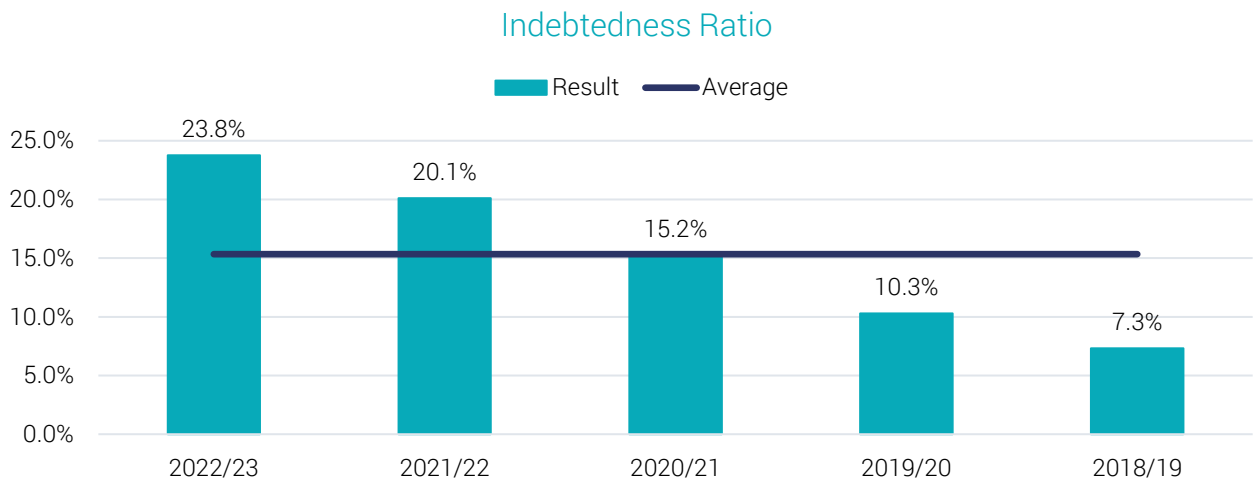
Council's proposed forecast as of 30 June 2023 has a Working Capital Ratio of 1.85. This is within the targeted range above 1.5. The decrease in the forecast compared to previous years is due to a decline in cash and cash equivalents and other financial assets (expected to be \$31.6M as of 30 June 2023), to fund the capital works program.



### Obligations

The Indebtedness Ratio Percentage measures Council's ability to pay the principal and interest on borrowings when they are due from the funds it generates. Own-sourced revenue is used in the calculation, not including any grants or contributions.

Council's proposed forecast Indebtedness Ratio as of 30 June 2023 is 23.8%, and is well within the target of 40% or lower. The increase over the previous years is due to additional construction drawdown facilities through TCV during 2022/23.

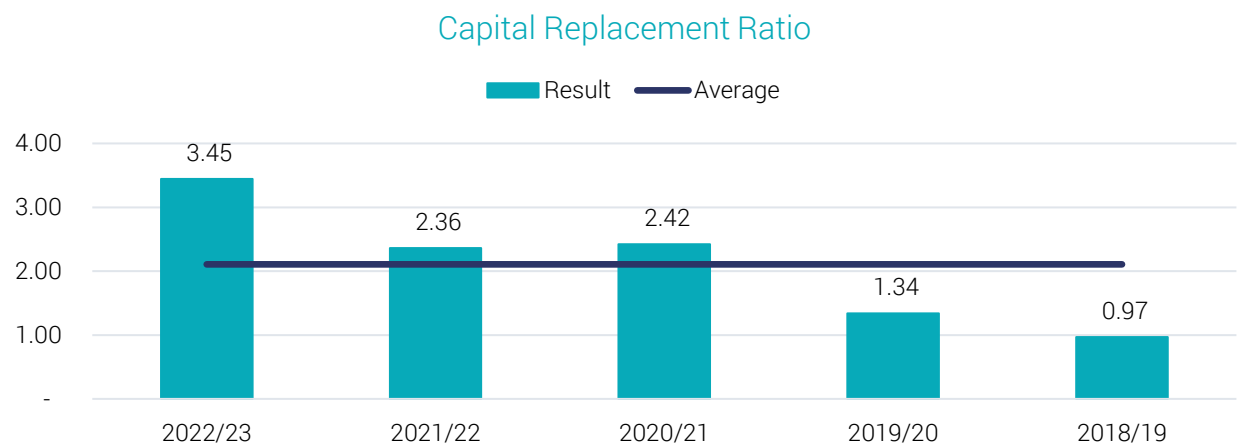


### Asset Renewal

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. The investment in asset renewal for the 2022/23 year is forecasted to be \$30.2M.

The Capital Replacement Ratio compares the total 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 proposed forecast Capital Replacement Ratio of 3.45 for the year ending 30 June 2023, which is well above the target of 1.5.



## Appendix A – Council Plan Progress

Annual Council Plan initiatives are adopted each year in conjunction with the adoption of the Budget.

These initiatives aim to contribute to the delivery of each of Council's six Council Plan Objectives.

Appendix A provides comments on the performance of Council against the 2022/23 Annual Initiatives and the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

The table below provides a summary of Council's performance against the 48 Annual Initiatives in the 2022-2026 Council Plan.

Legend	Number of Initiatives	Description
Target Achieved (blue)	4	Project has achieved target and is completed. No further action is required.
On Track (green)	39	The progress performance for the indicator is achieving target. All elements of the indicator/project are on track.
Monitor (orange)	5	The progress performance for the indicator is close to target and is being monitored to achieve target. All elements of the indicator/ project are improving to 'on track' or 'target achieved' status.
Not Reported (Grey)	0	The performance indicator is not reported in this quarterly performance report and is reported in the Annual Report.

## Strategic Objective - Connecting our People and Places

### Our 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 neighborhoods.
- 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.

### Service Performance Indicators

The following comments provide the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

Indicator	Target or desired trend	Previous Year Result	Current Year Result	Status
<p><b>Road Management</b></p> <p><i>Satisfaction with sealed local roads</i></p> <p>Community satisfaction rating out of 100 points with how council has performed on the condition of sealed local roads</p>	Maintain or Increase	43 /100 Points	Community Satisfaction Survey results will be available in the 2022/23 Annual Report due to the time frame of the survey results.	

*LGPRF Indicator: Local Government Performance Reporting Framework by councils*

## 2022/23 Annual Initiatives








The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
<p>The sustainability and improvement of Council's infrastructure will be measured by the percentage of completed capital works projects due for delivery in the current financial year, excluding grant funding reliant projects with funding pending.</p> <p>Below is a list of some of the significant projects:</p> <ul style="list-style-type: none"> <li>• Falls Road, Fish Creek Rural Road Rehabilitation</li> <li>• Footpath Renewal and Extension Program</li> <li>• Great Southern Rail Trail Extension - Leongatha to Nyora and Welshpool to Hedley</li> <li>• New Footpath Sweeper for Town CBD Cleaning</li> <li>• Simons Lane, Leongatha Upgrade</li> <li>• Road Reseal Program</li> </ul> <p>TARGET: 70% or greater completion each year</p>	<p>Program generally progressing well with many contracts recently tendered and awarded. However, some projects face significant delays, such as: Venus Bay Streetscape, Meeniyah Hub renewal and Korumburra Railyards Project.</p> <p>There are a variety of causes for delays on these projects, including land acquisition processes, delays to obtaining permits and extended stakeholder consultation periods.</p> <p>Poor weather conditions, materials and labour shortages and cost escalation also continue to hamper delivery of the Capital Works Program.</p>	<p style="text-align: center;">●</p>



Council Parks and Gardens Team



INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Advocate to the relevant level of Government for connectivity improvements within the Shire, including telecommunications and transport.	Council adopted the 2022 Advocacy Strategy and its Advocacy Priorities for 2022/23 at the 29 June 2022 Council Meeting. Following this endorsement an Advocacy Priorities document has been developed seeking increased investment in transport and telecommunications.  Mobile blackspot investment in Walkerville has been announced and Connecting Victoria are increasing capacity and range of local network. During this reorting period, Council engaged with representatives from Department of Transport, Telstra and NBNC0.	
Implement Council's Blueprint for Community and Economic Infrastructure Strategy process to prioritise and schedule asset and capital works and development.	Implementation of Council's Blueprint for the Community and Economic Infrastructure is progressing well, with all new proposals which are not asset renewals being evaluated against the Blueprint principles.  Council's Community Infrastructure Advisory Committee met in November 2022. The Committee will assess upgrade and expansion proposals at the next meeting to be held in February 2023.	
Review the unfunded project list in the Paths and Trails Strategy for inclusion in future Capital Works Program, with a focus on connecting small towns where population growth is occurring.	This initiative has not commenced as yet and will be reported in the next quarter of the Organisational Performance Report.	
Improve the conditions of gravel roads through extending the Re-sheet Program. <b>TARGET:</b> [An additional 20 kilometres re-sheeting on top of the existing program]	Annual Resheet program is underway. Increases in fuel prices and materials will impact the total number of kilometres that will be delivered. Due to the increased costs, it is unlikely that the target of 20 kilometres will be achieved.	
Improve maintenance, visual aesthetics and safety of our urban activity areas with a new, versatile Street Sweeping service that will regularly clean footpaths in the shopping precincts across the Shire.	Recruitment of resource has taken place and commenced in November 2022. Evaluation and assessment on plant requirements has taken place for purchasing, following the tender process.	
Invest \$100,000 in the detailed design work for sealing priority gravel roads (a minimum of two kilometres per annum).	Design work well progressed for Ross Street, Meeniyan and Lesters Road, Yanakie. Investigations are underway for Walkerville South Road and Cape Liptrap Road.	
Undertake a feasibility study for future pedestrian and bike paths in Venus Bay and Sandy Point.	Council was successful in receiving funding from a Government Grant application process to assist with the scope and feasibility study of pedestrian and bike paths in Venus Bay and Sandy Point.	

## Strategic Objective – Economy and Industry

### Our 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.






Annual Stakeholder Roundtable – November 2022

## 2022/23 Annual Initiatives

The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Facilitate an annual round table for key stakeholders to bring together business, education and government to understand and support local priorities and opportunities	The Annual Stakeholder Roundtable was successfully completed on 23 November 2022 with 25 government agency, industry and community stakeholders in attendance.	
Contribute to Destination Gippsland's event acquisition fund to attract and deliver events to South Gippsland.	<p>Council has entered into a partnership with Events Gippsland (Destination Gippsland) and contributed \$55,000 to the event acquisition fund.</p> <p>An Expression of Interest (EOI) was completed with a number of local South Gippsland events supported for funding under the title of South Gippsland Festival Series in 2022/23. These include:</p> <ul style="list-style-type: none"> <li>• Mirboo North Italian Festa;</li> <li>• Meeniyan Garlic Festival;</li> <li>• Prom Coast Festival;</li> <li>• Loch Village Food and Wine Festival (LVF&amp;WF) - including prelude event Loch Long Lunch; and</li> <li>• Mirboo North Winterfest.</li> </ul>	
Implement the annual action plan of the 2021–2031 Economic Development Strategy.	<p>Annual actions underway or completed in this reporting period include:</p> <ul style="list-style-type: none"> <li>• Continuation of the Industrial Land Supply Strategy;</li> <li>• Business support services;</li> <li>• Renewable Offshore Wind Energy investment facilitation and advocacy;</li> <li>• Economic Benefit Study for the Stage Two of Leongatha Alternate Heavy Vehicle Route; and</li> <li>• Completion of the Outdoor Activation Fund projects including CBD footpath and furniture enhancement and Arts Cubes Project.</li> </ul> <p>Officers have continued to coordinate multiple business workshops in partnership with Victorian Government and commenced the Investment Attraction Program review.</p>	

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
<p>Implement the annual action plan of the 2021–2031 Visitor Economy Strategy to encourage tourism and visitation across the Shire.</p>	<p>The second year of implementing the <i>2021-2031 Visitor Economy Strategy</i> annual action plan commenced with the following actions in this reporting period:</p> <ul style="list-style-type: none"> <li>• Implementation of the South Gippsland Branding Project with adverts developed for regional publications;</li> <li>• Implementation of the <i>Great Southern Rail Trail (GSRT) Marketing and Visitor Experience Plan</i>, including interpretive and town signage development;</li> <li>• Launch of the Gippsland Drives Campaign and Tourism Ambassador Program;</li> <li>• Completion of Gippsland Events Acquisition Fund Program; and</li> <li>• Attraction of the Great Victorian Bike Ride and Melbourne International Food and Wine Event for 2023.</li> </ul>	
<p>Implement the annual actions of the Arts, Culture and Creative Industries Strategy.</p>	<p>Adoption of the <i>Arts, Culture and Creative Industries Strategy</i> by Council was completed in July 2022.</p> <p>Annual actions underway or completed in this reporting period include:</p> <ul style="list-style-type: none"> <li>• Completed portable Art Cubes Project with grant acquittal and soft launch at Coal Creek Community Park and Museum;</li> <li>• Continued the development of a Public Art and Collection Management Policy;</li> <li>• Hosted Live Music events including Mama Kin; and</li> <li>• Completed the establishment of Council's Arts Advisory Committee.</li> </ul>	
<p>Develop and implement the Great Southern Rail Trail Management Plan, including a visitation and marketing plan.</p>	<p>The Draft <i>Great Southern Rail Trail (GSRT) Management Plan</i> is complete. A Councillor workshop was held in November 2022 to finalise the Plan.</p> <p><i>Great Southern Rail Trail (GSRT) Visitor Experience and Marketing Plan 2022-2031</i> completed.</p> <p>Annual actions underway or completed in this reporting period include:</p> <ul style="list-style-type: none"> <li>• Development of interpretative signage for current and new sections of the trail; and</li> <li>• Continued development of marketing material for the new extensions of the trail.</li> </ul>	







## Strategic Objective – Healthy and Engaged Communities

### Our 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.

### Service Performance Indicators








The following comments provide the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

Indicator	Target or desired trend	Previous Year Result	Current Year Result *	Status
<b>Animal Management</b> <i>Percentage of successful animal management prosecutions</i>	Maintain	100%	100%	
<b>Aquatic Facilities</b> <i>Number of visits to aquatic facilities per head of municipal population</i>	Maintain or increase	3 visits	3 visits	
<b>Food Safety</b> <i>Critical and major non-compliance outcome notifications</i>	Maintain	100%	100%	
<b>Libraries</b> <i>Active library borrowers in the municipality</i>	Maintain or increase	14%	9.5%	
<b>Maternal Child and Health</b> <i>Percentage of children enrolled who participation in the MCH service</i>	Equal to or above 70%	75%	62%	
<b>Maternal Child and Health</b> <i>Percentage of aboriginal children enrolled who participation in the MCH service</i>	Equal to or above 65%	70%	46%	
<i>LGPRF Indicator: Local Government Performance Reporting Framework by councils Current Year results is six-months of data compared to the previous financial year of twelve months.</i>				



## 2022/23 Annual Initiatives



The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Review Council's Youth Strategy.	The existing Youth Strategy is currently being reviewed and the Youth Engagement Plan is also in development. Further development will be progressed in 2023.	
Develop and implement the 2022–2026 Municipal Health and Wellbeing Plan and include Council's Disability Action Plan.	Council's 2022-2026 Municipal Public Health and Wellbeing Plan was adopted at the 19 October 2022 Council Meeting and was submitted to the Department of Health. Council's Disability Action Plan will commence review in early 2023.	
Develop a Reconciliation Action Plan (RAP) in partnership with the Bunurong and Gunaikurnai people. RAPs are the best practice way of lifting awareness, understanding and commitment to the reconciliation process.	Council officers continue to engage with recognised indigenous groups and in partnership with the Bunurong and Gunaikurnai people. An opportunity for further engagement and a Welcome to Country is being planned for February 2023.	
Commence the review of the General Local Law 2014.	Planning stage has commenced for the review of the existing General Local Law 2014 to inform potential changes to be incorporated into the new Local Law.	
Partner with the community to open the Korumburra Community Hub as a shared community space.	The Expression of Interest (EOI) period for management of the Korumburra Community Hub has closed and submissions are currently being assessed. Key stakeholders are being worked with closely and present some issues requiring ongoing attention. The building remains on-track for completion and occupancy in first half of 2023.	
Develop, implement and report annually on the Early Years Services Strategy.	Early Years Services Strategy has been suitably renamed as the Early Years Position Paper and guiding principles, and was adopted at the December 2022 Council Meeting. External stakeholder engagement and advocacy has commenced outlining Council's position.	
Develop a 2022-2026 Open Space Asset Management Plan (including Playgrounds).	The Proposed Draft of the 2022-2026 Open Space Asset Management Plan (including Playgrounds) is currently in development and is on schedule.	

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Continue to support our existing and emerging volunteers.	Continued and ongoing support of community volunteers through website support, strategic planning support and through the Community Grants Program.	●
Commence the revision of the Aquatic Strategy.	The revision of the Aquatic Strategy has commenced with community engagement to be undertaken prior to the development of the Strategy.	●
Commence the investigation and feasibility study for the renewal of Korumburra Pool.	This project has been delayed due to budget and Aquatic Strategy discussions on the future renewal program. The community engagement exercise for the Aquatic Strategy will help understand community need and requirements Preliminary works such as surveying are underway.	●
Continue to facilitate Community Plan development, consistent with the objectives of Council's Community Strengthening Strategy.	The Community Planning Network continues to meet and is facilitated by Council. A Network evening was held in October 2022 with six community plan updates provided. The review of existing community plans are supported through a collaborative and consultative approach.	●
Support our Surf Lifesaving Clubs to advocate for Club Upgrades.	Council has contacted Life Saving Victoria for a meeting to discuss potential Club upgrades and advocacy projects for the Shire, to get an understanding of what advocacy support Council may be able to provide.	●



Community Planning Network Day held by Council

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
<p>Advocate for State Government funding to upgrade the Grand Stand at the Leongatha Recreation Reserve.</p>	<p>This project remains a Council Priority Advocacy Project. Council continues to socialise it with State Government, and work in partnership with the Leongatha Recreation Reserve Committee.</p>	
<p>The sustainability and improvement of Council's infrastructure will be measured by the percentage of completed capital works projects due for delivery in the current financial year, excluding grant funding reliant projects with funding pending. Below is a list of some of the significant projects:</p> <ul style="list-style-type: none"> <li>• Korumburra Hub</li> <li>• Meeniyah Hub Renewal (Community room and conveniences)</li> <li>• Leongatha Early Learning Centre</li> <li>• Korumburra Streetscape</li> <li>• Korumburra &amp; Leongatha Station Site Redevelopment</li> <li>• Venus Bay Tourism Precinct Upgrade</li> <li>• Korumburra Recreation Centre Toilet Refurbishment</li> <li>• Mirboo North Transfer Station Renewal</li> <li>• Venus Bay Skate Park</li> </ul> <p>TARGET: 70% or greater completion each year</p>	<p>Program generally progressing well with many contracts recently tendered and awarded.</p> <p>However, some projects face significant delays, such as: Venus Bay Streetscape, Meeniyah Hub renewal and Korumburra Railyards Project.</p> <p>There are a variety of causes for delays on these projects, including land acquisition processes, delays to obtaining permits and extended stakeholder consultation periods.</p> <p>Poor weather conditions, materials and labour shortages and cost escalation also continue to hamper delivery of the Capital Works Program.</p>	



Development of Korumburra Community Hub



## Strategic Objective – Leading with Integrity

### Our 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.



### Service Performance Indicators

The following comments provide the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

Indicator	Target or desired trend	Previous Year Result	Current Year Result	Status
<p><b>Governance</b> <i>Satisfaction with Council's decisions</i></p> <p>Community satisfaction rating out of 100 points with how council has performed in making decisions in the interest of the community</p>	Maintain or Increase	43 /100 Points	Community Satisfaction Survey results will be available in the <i>2022/23 Annual Report</i> due to the time frame of the survey results.	
<i>LGPRF Indicator: Local Government Performance Reporting Framework by councils</i>				

## 2022/23 Annual Initiatives

The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Develop and implement the Advocacy Strategy including Council's Priority Projects.	Council adopted the 2022 Advocacy Strategy and its Advocacy Priorities for 2022/23 at the 29 June 2022 Council Meeting.  Council is currently implementing the Strategy, which includes using it to guide the approach to the November 2022 Victorian State Election.	
Lead an outwardly focused, innovative and financially sustainable organisation that delivers maximum community benefit by conducting Service Reviews of individual services.	During this reporting period, Service Reviews were completed in the areas of Community Strengthening and Environmental Health resulting in improved effectiveness and efficiencies.	
Demonstrate good governance, integrity and accountability through decision making that is ethical, informed and inclusive, incorporating a review of Council's Governance Rules and Audit and Risk Committee Charter.	The Governance Rules (C82) has been reviewed and a community consultation period occurred from 22 September to 7 October 2022 in accordance with Council's Community Engagement Policy (C06). Following community consultation, the Governance Rules was adopted at the 19 October 2022 Council Meeting.  Council's Audit and Risk Committee Charter (C08) is currently under review in consultation with Council and is on schedule to be presented at the February 2023 Council Meeting.	
Implement Council's Customer First Project to enhance customer experience through the transformation of our services to ensure they are easy to access and provide user-friendly experiences.	Council's Customer First Project working group has developed a series of initiatives to be implemented over the next twelve months.  These initiatives focus on upskilling and empowering our people to create an improved culture of Customer First and developing our systems and processes to enable us to improve the customer experience.	
Continue to invest in, and deliver, Community Leadership Programs to strengthen community expertise and volunteering, including a comprehensive review of the Program's structure and delivery model, to meet Council's strategic and future objectives.	Recruitment of the Community Leadership Program Officer was completed and promotion and advertising for the new Community Leadership Program participants commenced.  The ten program sessions will explore topics including emotional intelligence, strategic leadership, public engagement, governance, teamwork and more.	




## Strategic Objective – Protecting and Enhancing our Environment

### Our 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 in townships.
  - Engage with the relevant State Government agencies regarding the use of jet skis in relation to personal safety, amenity and threats to marine wildlife.




### Service Performance Indicators






The following comments provide the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

Indicator	Target or desired trend	Previous Year Result	Current Year Result*	Status
<b>Waste Management</b> <i>Percentage of garbage, recyclables and green organics diverted from landfill</i>	Maintain or increase	52%	55%	
<i>LGPRF Indicator: Local Government Performance Reporting Framework by councils</i> <i>Current Year results is six-months of data compared to the previous financial year of twelve months.</i>				

## 2022/23 Annual Initiatives

The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Partner with land managers, farmers and LandCare to develop and implement weed and pest mitigation programs.	Currently working with a range of stakeholders including LandCare on a number of projects with one program taken place with a pedal and plant day incorporated with education.	
Establish a 'Greenhouse Alliance for Greenhouse Action' with the Gippsland councils to create a shared vision, partner on the development and delivery of projects which will mitigate greenhouse gas emissions and adapt communities to a changing climate.	The Greenhouse Alliance has been formed and a Gippsland Alliance for Climate Action Officer has been appointed by the group.  A strategic planning workshop undertaken including the scope and development of a range of potential future projects. Draft Strategic Plan developed to guide the activities of the alliance for the next twelve months.	
Commence the development of the Waste Management Plan, including investigation of 'Food Organics, Green Organics' (FOGO).	Development of the Waste Management Plan will commence once all Gippswide Kerbside waste management services contracts have been finalised, as they will have a significant influence on the Plan.  The Food Organics Green Organics (FOGO) and Recycling Processing tenders have been awarded. Collection and Transport tender and Residual Waste Processing tender is on schedule to be awarded in the next reporting period.	

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Develop an Integrated Water Management (IWM) Plan for South Gippsland.	The development of an Integrated Water Management (IWM) Plan is currently in the procurement phase of engaging a consultant to assist in its development. A consultant is on schedule to be appointed by the end of the February 2023.	
Develop a Tree Replacement Plan for trees removed by Council.	The Open Space Assets and Project Officer is currently working on data collection for the Proposed Draft of the Tree Replacement Plan which is currently in development.	
Support community led sustainability initiatives including off-grid technologies and totally renewable communities.	Council is represented on the Advisory Group for the Venus Bay Community Centre by its Sustainability Officer, supporting their Community Resilience and Reliable Energy Project, providing guidance and a Council perspective on the Project. This Project is aimed at improving energy resilience and independence for the Venus Bay community and providing a case study of possibilities for other end-of-line communities. Sustainability Officer is also participating in the Latrobe Valley Authority's Community Smart Energy Innovation Network.	
Advocate for improved pest management and control including feral animals within the Shire.	Council continues to work closely with LandCare to support partnered advocacy on pest and weed management, with a focus on support towards local deer control programs.	
Continue to deliver South Gippsland indigenous native vegetation planting program and explore partnership opportunities to expand the Program.	Working with community groups and internally with advocacy to look for further opportunities to expand this program. The Biodiversity Team also delivers annual grants to community groups to undertake revegetation works.	


## Strategic Objective – Sustainable Growth

### Our 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 livability 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.





### Service Performance Indicators




The following comments provide the results of the prescribed service performance outcome indicators in the 2022-2026 Council Plan identified in the 2022/23 Budget.

Indicator	Target or desired trend	Previous Year Result	Current Year Result*	Status
<b>Statutory Planning</b> Percentage of council planning decisions upheld at VCAT	Maintain or increase	71%	100%	
<i>LGPRF Indicator: Local Government Performance Reporting Framework by councils</i> <i>Current Year results is six-months of data compared to the previous financial year of twelve months.</i>				

## 2022/23 Annual Initiatives

The following comments review the performance of Council against the 2022/23 Annual Initiatives of the 2022-2026 Council Plan identified in the 2022/23 Budget.

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Complete actions from the Social and Affordable Housing Strategy to increase State and Federal Government support to service agencies.	<p>Council adopted the Social and Affordable Housing Strategy at the 17 August 2022 Council Meeting.</p> <p>Council has commenced engagement with Department of Families, Fairness and Housing (DFFH) and is advocating towards improving eligible local social housing allocations.</p> <p>A review of Council's crown land in Leongatha, Foster, Mirboo North and Korumburra for consideration towards future social housing contributions will commence with Council's Property Team in early 2023. Meetings with Home Victoria is also scheduled in 2023.</p>	
Review Short Stay Accommodation management and consider future options.	A review of Short Stay Accommodation has commenced and will be considered as part of the General Local Law 2014 review.	
Complete a review of Shire-wide industrial land supply.	<p>An external consultant has been appointed to work with Council to deliver the Industrial Land Supply Strategy who has commenced mapping, literature and policy review.</p> <p>Staff interviews and engagement has commenced with Councillor, stakeholder and greater community engagement is scheduled in early 2023.</p>	
Commence the preparation of a development plan (including developer contributions) for the South Western precinct of Nyora, as part of the Nyora Development Strategy.	Preliminary investigations for a Development Plan has continued for the Nyora area.	

INITIATIVE DESCRIPTION	PROGRESS COMMENTS	STATUS
Prepare a Coastal Strategy to inform any future Planning Scheme provisions that will seek to guide sustainable land use and development in South Gippsland Shire's coastal townships and communities.	To ensure the Coastal Strategy reflects the views of the South Gippsland community, an external consultant has been appointed to assist Council in an extensive community engagement process. The Coastal Strategy Discussion Paper was endorsed by Council at the December 2022 Council Meeting for public consultation.	
Implement actions from the Industrial Land Supply Study.	A external consultant has been appointed to work with Council to deliver the Industrial Land Supply Strategy in which mapping, literature, policy review and internal engagement has commenced.	
Undertake a comprehensive review of South Gippsland Shire Planning Scheme to assess whether the Scheme's provisions, such as local planning policies, zones, overlays and schedules have been effective and efficient in achieving the objectives and strategies of the Planning Scheme and aligns with the Council Plan. Consider if additional measures including enforceable environment, and design and development overlays are required for future use and amenity by October 2023.	An initial review has commenced and community engagement will commence in 2023.	



## Appendix B – Capital Forecast Changes

1. **Cost Centre 82270 – Korumburra Commercial Streetscape:**
  - a. Carry forward the income budget of \$700,000 to 2023/24
  - b. Carry forward the expenditure budget of \$700,000 to 2023/24

2022/23 Forecast Income:	\$2,000,000	2022/23 Proposed Income:	\$1,300,000
2022/23 Forecast Expenditure:	\$2,239,928	2022/23 Proposed Expenditure:	\$1,539,928

This budget includes three projects budgeted over multiple years; Upper Commercial Street car park in the rail station precinct, Little Commercial Street, and Commercial Street. This program of works has been impacted by the delay to heritage approvals for the car park at the rail station site, which has seen these works delayed and hence an associated reduction in expected 2022/23 income and expenditure. \$700,000 of both income and expenditure is proposed to be carried forward to 2023/24.

2. **Cost Centre 93260 - Leongatha & Korumburra Railway Station Precincts:**
  - a. Carry forward the income budget of \$750,000 to 2023/24
  - b. Carry forward the expenditure budget of \$750,000 to 2023/24

2022/23 Forecast Income:	\$2,600,000	2022/23 Proposed Income:	\$1,850,000
2022/23 Forecast Expenditure:	\$2,845,501	2022/23 Proposed Expenditure:	\$2,095,501

The works in Leongatha Railway Station remain on track and on budget. The proposed carry forward of income and expenditure for this budget relates to works in the Korumburra Railway Station Precinct, which continue to be impacted by delays to heritage approvals. It is expected that minimal work will be able to take place in Korumburra in 2022/23 and therefore \$750,000 of expenditure and Commonwealth Government grant funding income will be carried forward to 2023/24.

3. **Cost Centre 73600 - Leongatha Precinct Project:**
  - a. Carry forward the expenditure budget of \$350,000 to 2023/24

2022/23 Forecast Expenditure:	\$500,000	2022/23 Proposed Expenditure:	\$150,000
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Planning for the Leongatha Precinct Project has not progressed as quickly as expected, as Council have needed time to develop and consider options for the project. It is proposed to carry forward \$350,000 of expenditure into 2023/24.

4. Cost Centre 73880 – Buildings – Operations – Foster – Power Street Depot Building & Yard:

a. Carry forward the expenditure budget of \$400,000 to 2023/24

2022/23 Forecast Expenditure:	\$780,963	2022/23 Proposed Expenditure:	\$380,963
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Building works are progressing well at the relocated Foster Depot site in Power Street. However, the site civil works are unlikely to occur until next year due to land acquisition and design investigation requirements. It is proposed to carry forward \$400,000 of expenditure budget to 2023/24 for the civil works scope.

5. Cost Centre 82280 – Federal Blackspot Program:

a. Carry forward income budget \$41,888 to 2022/23

b. Carry forward expenditure budget \$41,888 to 2022/23

2022/23 Forecast Income:	\$1,237,292	2022/23 Proposed Income:	\$1,195,404
2022/23 Forecast Expenditure:	\$863,258	2022/23 Proposed Expenditure:	\$821,370

The original Federal Blackspot Program budget did not include new projects for 2022/23 as these had not yet been awarded through the Program. Two projects were awarded for delivery this year and included in Quarter One Forecast being Bass Valley Road Bena for \$150,000 and McDonalds Track Nyora for \$326,000. These projects are fully funded by the Program and require no financial contribution from Council. We are looking to carry forward expenditure of \$28,688 to 2022/23 for McDonalds Track and \$13,200 for Timms Road. Therefore, the corresponding income is also carried forward as we don't claim the income until the monies have been fully expended.

6. Cost Centre 82660 - Building Renewal Program - Community Venue - Hall/Meeting Places - 15800 – Meeniyan Hub component:

a. Carry forward the expenditure budget of \$600,000 to 2023/24

b. Increase expenditure budget by \$350,000 in 2023/24

2022/23 Forecast Expenditure:	\$1,149,572	2022/23 Proposed Expenditure:	\$549,572
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The Meeniyan Hub project has been delayed by a prolonged stakeholder consultation and detailed design process, and is now expected to be largely delivered in 2023/24. Revised cost estimates suggest that the project will be impacted by recent cost escalation in the building construction market and therefore require an increased budget to deliver. Therefore, it is proposed to carry forward \$600,000 of expenditure budget to 2023/24 and increase the project budget in 2023/24 by a further \$350,000.

7. **Cost Centre 82690 - Building Renewal Program - Aquatic/Pools - 14920 - Korumburra Swimming Pool component:**

- a. **Carry forward the expenditure budget of \$532,000 to 2023/24**

2022/23 Forecast Expenditure:	\$582,000	2022/23 Proposed Expenditure:	\$50,000
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The planning works for the future of the Korumburra Swimming Pool facility have been delayed whilst Council reviews and considers its Aquatic Strategy. Therefore, the majority of this work is now expected to be conducted in 2023/24 and it is proposed that the expenditure budget of \$532,000 be carried forward accordingly.

8. **Cost Centre 82700 - Building Renewal Program - Recreation/Sport - 24420 - Korumburra Recreation Centre Toilet Refurbishment component:**

- a. **Decrease the expenditure budget by \$515,417**
- b. **Reassess project value and re-establish in a future year with a revised budget amount.**

2022/23 Forecast Expenditure:	\$531,974	2022/23 Proposed Expenditure:	\$16,557
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The Korumburra Recreation Centre Toilet Refurbishment was recently tendered but not awarded due to the high cost that significantly exceeded the project budget. The value for money based on the received tenders is considered questionable and as such the project has been abandoned for 2022/23. It is proposed that the current budget is reduced to \$16,557 to cover design costs already incurred, and that the project is reassessed prior to being re-established in a future year budget.

9. **Cost Centre 82730 - Aquatic/Recreational Leisure Renewal Program (Non-Building) - 16960 - Poowong Swimming Pool component:**

- a. **Decrease the expenditure budget by \$150,000**
- b. **Reassess project value and re-establish in a future year with a revised budget amount.**

2022/23 Forecast Expenditure:	\$150,000	2022/23 Proposed Expenditure:	\$0
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The renewal works for the Poowong Swimming Pool facility have been delayed whilst Council reviews and considers its Aquatic Strategy. No works will take place in 2022/23 and it is likely that a significantly higher budget will be required for the planned pool works. It is proposed that the current budget is reduced to \$0 and that the project is reassessed prior to being re-established in a future year budget.

**10. Cost Centre 93070 - Pools - Renewal Program – Foster Pool component:**

- a. Decrease the expenditure budget by \$191,739
- b. Reassess project value and re-establish in a future year with a revised budget amount.

2022/23 Forecast Expenditure:	\$191,739	2022/23 Proposed Expenditure:	\$0
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The renewal works for the Foster Swimming Pool facility have been delayed whilst Council reviews and considers its Aquatic Strategy. No works will take place in 2022/23 and it is likely that a higher budget will be required for the planned pool works. It is proposed that the current budget is reduced to \$0 and that the project is reassessed prior to being re-established in a future year budget.

**11. Cost Centre 93120 - Great Southern Rail Trail – Capital – Leongatha to Nyora component:**

- a. Carry forward the expenditure budget of \$750,000 to 2023/24

2022/23 Forecast Expenditure:	\$1,747,886	2022/23 Proposed Expenditure:	\$997,886
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It is proposed to carry forward \$750,000 for signage and other works in Leongatha to Nyora Extension section of the Great Southern Rail Trail, which will be delivered in 2023/24. The project is underspent to-date, which will require variation to grant obligations.

**12. Cost Centre 79120 - Plant - Plant Purchases:**

- a. Increase income budget by \$64,431.
- b. Increase expenditure budget by \$342,088

2022/23 Forecast Income:	\$375,130	2022/23 Proposed Income:	\$439,561
2022/23 Forecast Expenditure:	\$2,139,474	2022/23 Proposed Expenditure:	\$2,481,562

Market conditions have resulted in a steep increase in global plant prices, beyond what had been expected and budgeted. It is proposed to increase the expenditure budget to enable plant purchases and replacements to occur.

**13. Cost Centre 82330– Simons Lane, Leongatha Reconstruction:**

- a. Increase expenditure budget of \$250,000

2022/23 Forecast Expenditure:	\$1,000,000	2022/23 Proposed Expenditure:	\$1,250,000
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The gravel to seal section scope of the Simons Lane Leongatha Reconstruction project is expected to be well progressed in 2022/23. However, due to delays with land acquisition processes and design approvals, it is expected that the Intersection Relocation portion of the project will largely take place during 2023/24.

Therefore, an expenditure carry forward amount of \$1,500,000 was proposed in Q1 and an additional request for Reconstruction \$100,000 and Simons Lane realignment \$150,000.

**14. Cost Centre 73530 - Buildings - Early Years Renewal Program - 23790 - Leongatha Integrated Early Years Facility component:**

**a. Increase expenditure budget by \$560,000**

2022/23 Forecast Expenditure:	\$2,400,488	2022/23 Proposed Expenditure:	\$2,960,488
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At the Council Meeting in September 2021 the budget for the Leongatha Integrated Early Years Facility Project was approved to increase by \$560,000 in order to award the construction contract and enable completion of the project. The budget was erroneously not updated at the time and now needs to be adjusted to reflect the increase.

**15. Cost Centre 82460– Car Parking – Jones Street, Foster:**

**a. Increase expenditure budget by \$220,000**

2022/23 Forecast Expenditure:	\$448,915	2022/23 Proposed Expenditure:	\$668,915
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It is proposed to add \$220,000 of expenditure budget from Cost Centre 82210 Roads – Sealed Rehabilitation Program to perform road pavement rehabilitation works at the same time as the car parking works. Significant subgrade improvement works are required for the street due to existing very poor ground conditions.

**16. Cost Centre 82210 – Roads – Sealed Rehabilitation Program:**

**a. Carry forward the expenditure budget of \$600,000 to 2023/24.**

**b. Decrease expenditure budget by \$220,000**

2022/23 Forecast Expenditure:	\$5,976,178	2022/23 Proposed Expenditure:	\$5,156,178
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It is proposed to move \$220,000 of this expenditure budget to Cost Centre 82460 Jones Street, Foster parking project to perform road pavement rehabilitation at the same time. It is also proposed to carry forward \$600,000 of expenditure budget from Venus Bay Streetscape Development project to 2023/24. The works in Venus Bay will be delayed, commencing after Easter holiday period 2023 to avoid peak tourist season and to allow land acquisition to be completed.



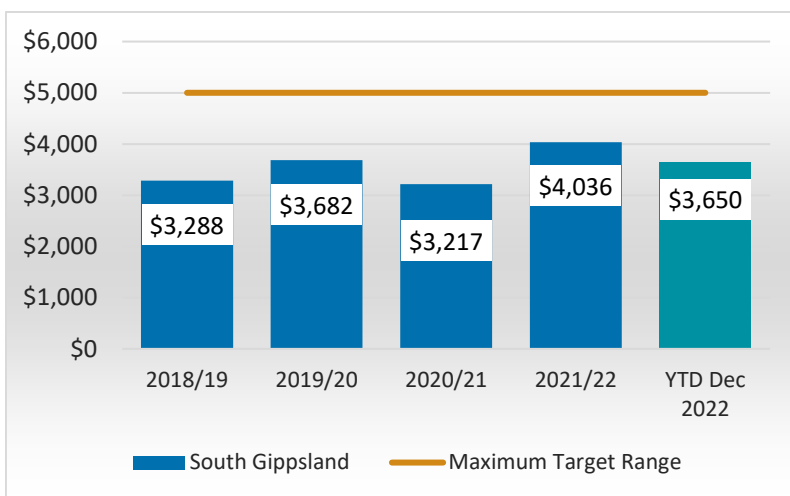
## Appendix C – LGPRF Financial Indicators

Appendix C provides detail on the performance of the Local Government Performance Reporting Framework (LGPRF) financial indicators as at 31 December 2022. The following graphs compare year-to-date data of six months compared to annual results for the previous years.

### EFFICIENCY – EXPENDITURE AND REVENUE

#### Expenditure Level – Expenses per property assessment

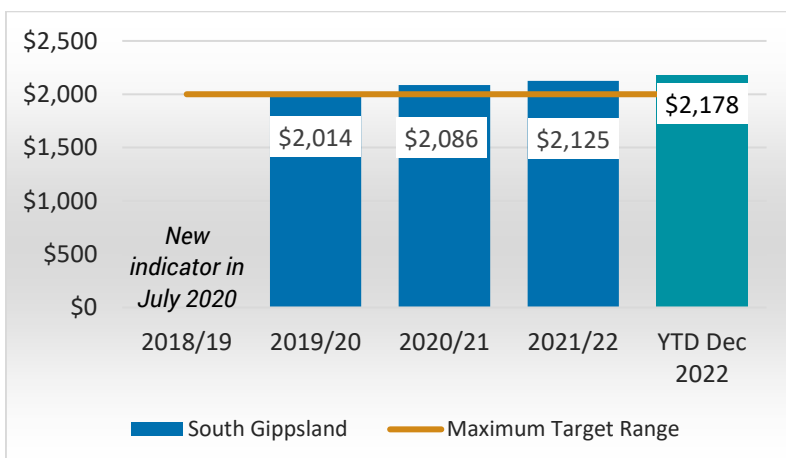
Amount of council expenditure for each property



It is important to note that the expenditure per property in the current year represents six months of expenditure whilst prior years' columns are for full financial years.

#### Revenue Level – Average rate per property assessment

Amount of rates charged on average for each property



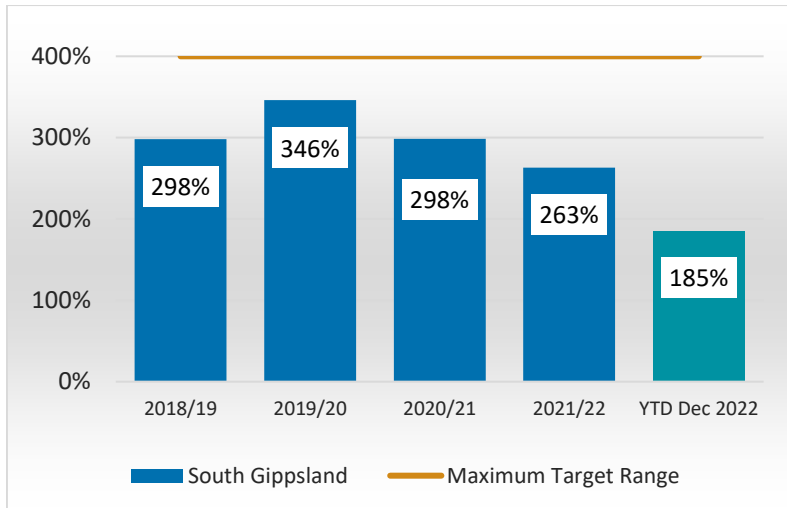
The average rate per property assessment is affected by the Rate Cap and also supplementary rate assessments that occur during the year.

## LIQUIDITY – CURRENT ASSETS AND LIABILITIES

### Current assets as a percentage of current liabilities

Value of current assets at the end of the year

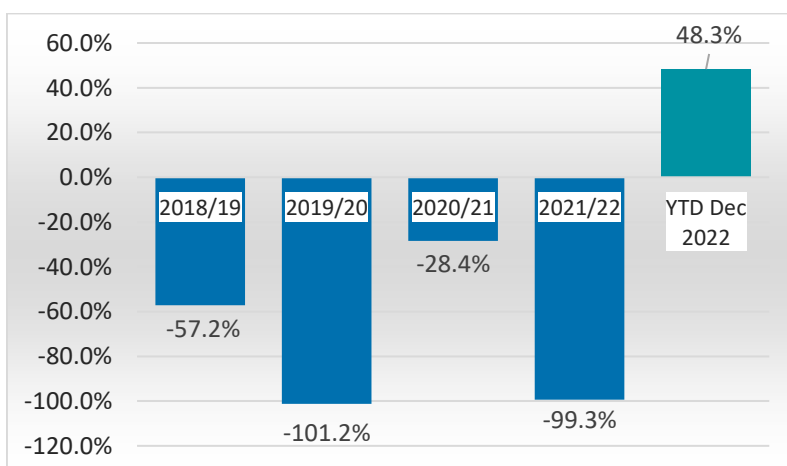
(i.e. assets that can easily be converted to cash within 12 months) divided by the value of current liabilities at the end of year (i.e. obligations due or payable by cash within the next 12 months)



It is important to note that the liquidity ratio for the current year represents the balance sheet at the six-month mark whilst prior years' columns are for full financial years. The major factor affecting the current year is the accounting treatment of rate revenue that it is treated as a reducing current liability as the year progresses.

### Unrestricted cash as a percentage of current liabilities

Amount of cash at the end of the year which is free of restrictions divided by the value of current liabilities at the end of year (i.e. obligations due or payable by cash within the next 12 months)

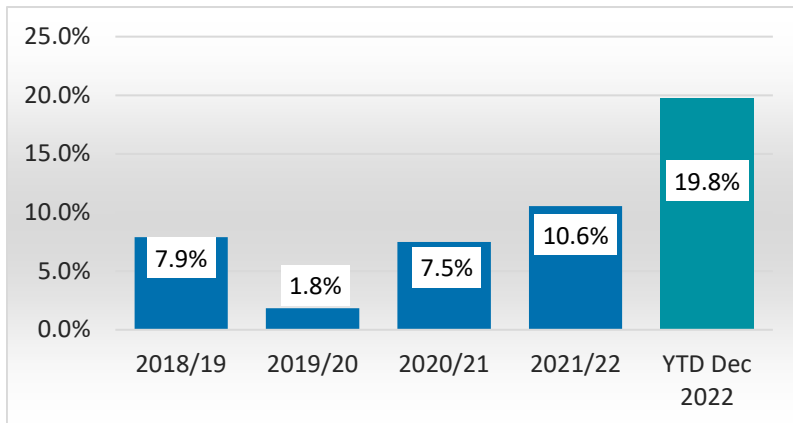


The current year measure is mainly affected by the accounting treatment of rate revenue which is recognised progressively during the year.

## OBLIGATIONS – LOANS AND BORROWINGS

### Loans and borrowings as a percentage of rates

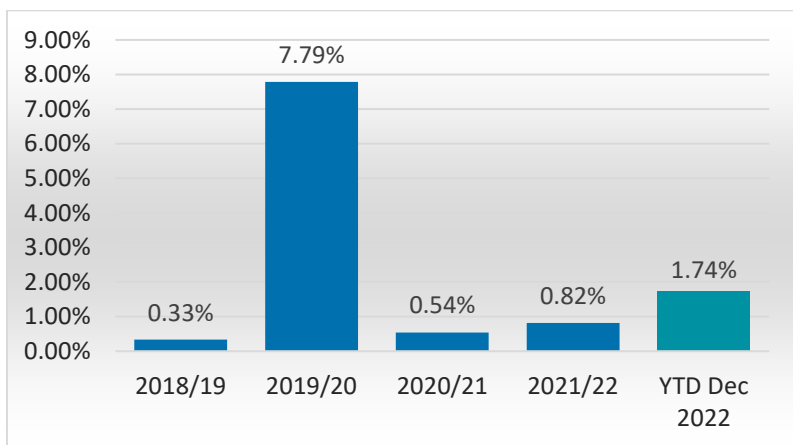
Value of interest bearing loans and borrowings at the end of the year divided by rates raised for the year



The current year's increase is due to the drawdown of loan funds for the Korumburra Hub as works progress.

### Loans and borrowings repayments as a percentage of rates

Interest bearing loan and borrowing repayments for the year divided by rates raised for the year

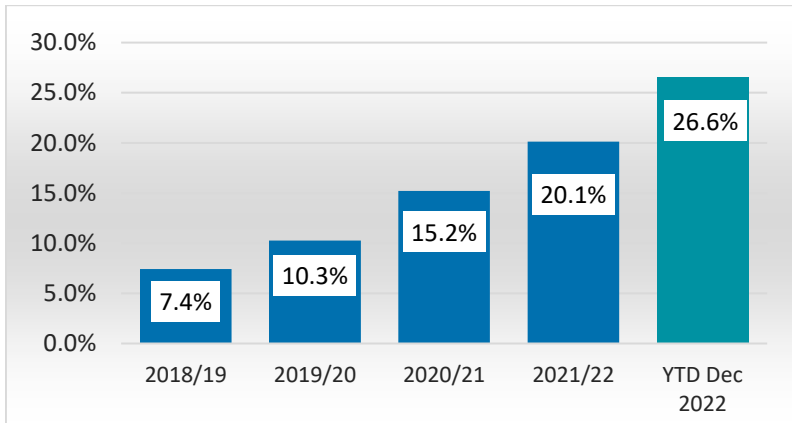


The current year's increase is due to the repayments of loan funds for the Mirboo North Pool and Korumburra Community Hub.

## OBLIGATIONS – NON-CURRENT LIABILITIES AND ASSET RENEWAL

### Non-current liabilities as a percentage of own source revenue

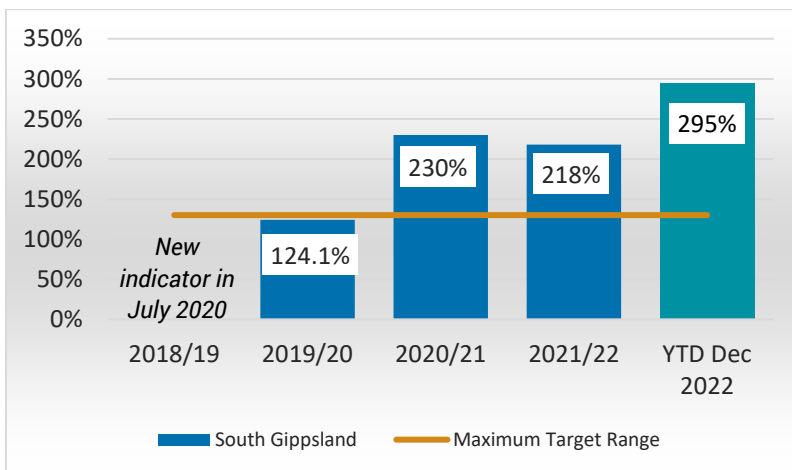
Value of non-current liabilities at the end of year (i.e. obligations not due or payable by cash within the next 12 months) divided by total revenue excluding government grants, contributions for capital works and the value of assets received from developers



As per previous measures, this performance indicator is affected by the progressive recognition of rates revenue over the course of the year.

### Asset renewal and asset upgrade as a percentage of depreciation

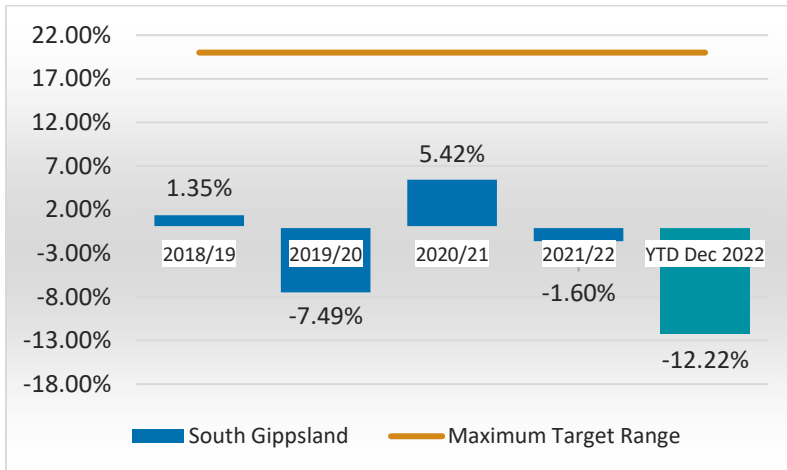
Expenditure on renewing existing assets or upgrading assets divided by the amount of depreciation on all assets



## OPERATING POSITION – UNDERLYING REVENUE

### Adjusted underlying surplus (or deficit) as a percentage of underlying revenue

Surplus or deficit for the year excluding non-recurrent government grants received for capital purposes, contributions for capital works and the value of assets received from developers divided by total revenue excluding non-recurrent government grants received for capital purposes, contributions for capital works and the value of assets received from developers.

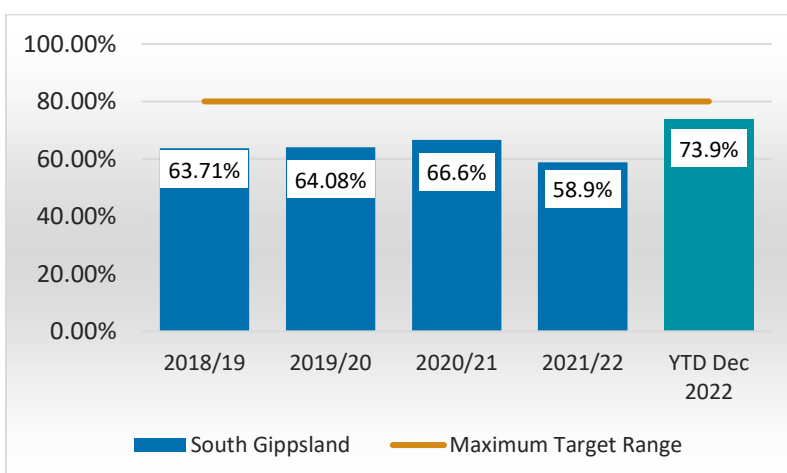


The current year result is lower than prior years as it reflects six-months of activity rather than a full financial year.

## STABILITY – RATES

### Rates compared to adjusted underlying revenue

Rates raised for the year divided by total revenue excluding non-recurrent government grants received for capital purposes, contributions for capital works and the value of assets received from developers

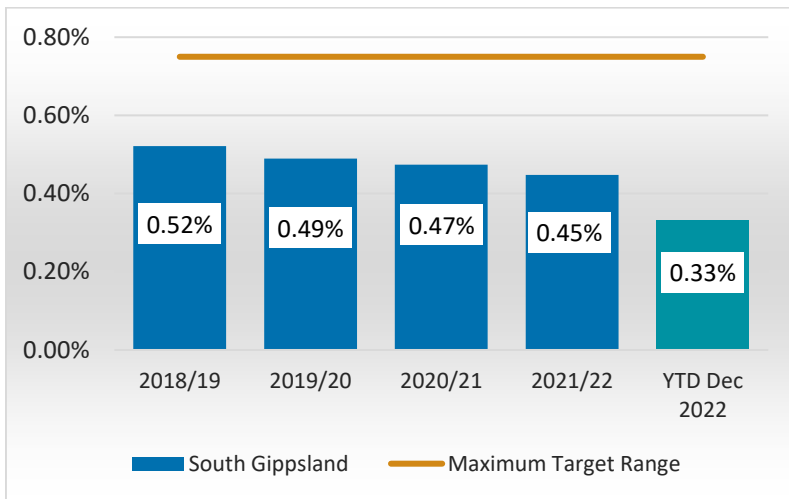


As per previous indicators, the current year is affected by the recognition of rates revenue progressively through the year.



Rates compared to property value

Rates raised for the year divided by the total capital improved value (i.e. market value) of all rateable properties



As per previous indicators, the current year is affected by the recognition of rates revenue progressively through the year.









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