

Strathbogie Shire Council

2021-2022 Annual Report

Strathbogie
SHIRE COUNCIL

Acknowledgement of Country

Strathbogie Shire Council acknowledges the traditional custodians of the lands on which we strive, the peoples of the rivers and the hills of the Strathbogie Shire region who walked these lands for generations.

We pay our respects to the elders of the past, and the speakers of the first words, who lived in harmony with this country.

We acknowledge the elders of the present, who seek to regain their culture, and to teach the elders of the future their law, their history and their language.

We pay our respects to them and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

We honour their spirit – and the memory, culture, art and science of the world’s oldest living culture through 60,000 years.

Photography by Bethanie Photography, Peter Ward and Council staff.

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Introduction

The Strathbogie Shire Council Annual Report 2021/22 provides a comprehensive account of our performance from 1 July 2021 to 30 June 2022.

With a population of almost 11,000 people, our Shire covers about 3,300 square kilometres and is located about 125km to the north of Melbourne CBD.

Key natural features of the region include the granite rock formations in the Strathbogie Ranges, the Goulburn River system, Nagambie Lakes, Gooram Falls and the cascading Polly McQuinns.

Community Vision

The Strathbogie Shire is a region of natural beauty with vibrant communities who are respectful, optimistic and inclusive.

We have a strong sense of belonging and of our collective history.

We care deeply for Country and First Nations people.

We are bold. We embrace opportunities. We welcome you.

Our Strategic Focus

At Strathbogie Shire Council we're working hard to transform our organisation. We're committed to being better, delivering for our community and responding to its needs.

The development of our 2021/25 Council Plan is proof of our commitment to change.

Its development saw us engage with our community like never

before. For the first time we also used deliberative engagement techniques that empowered our community to write its own vision and drive the inputs into our Council Plan.

Our engagement program allowed us to develop a clear understanding of our community's values and priorities. These are reflected in the focus areas in our

Council Plan, these being:

- 1. Engage. Create. Unite.
- 2. Live. Access. Connect.
- 3. Protect. Enhance. Adapt.
- 4. Inclusive. Productive. Balanced.
- 5. Strong. Healthy. Safe.
- 6. Accountable. Transparent. Responsible.

Our Year In Review

A Council Plan like no other

In 2021/22 Council adopted two of its most significant documents – the Community Vision and the 2021–2025 Council Plan.

The Community Vision describes how our Shire will look and feel like to live, work and visit in the future, while the Council Plan outlines the objectives, strategies and actions to be implemented to get us there.

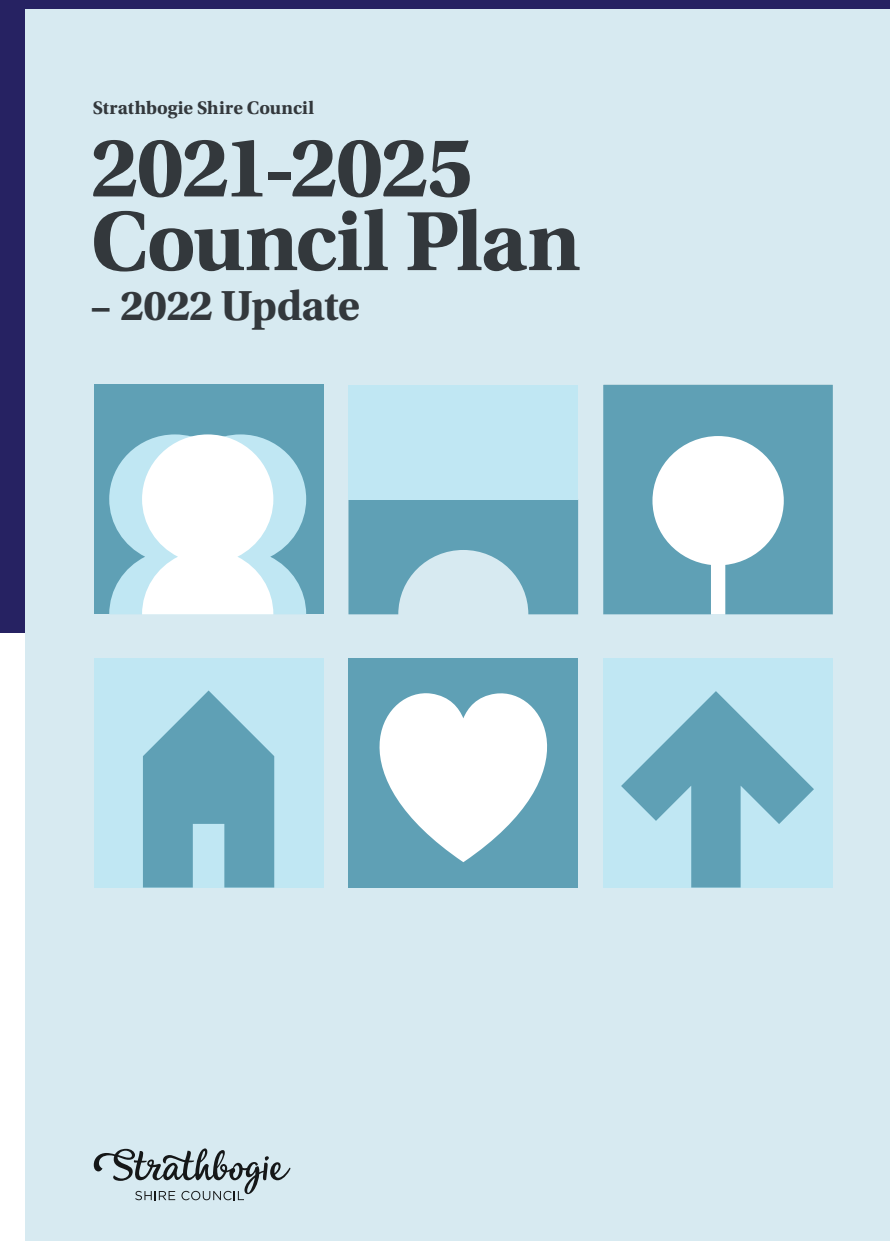
The adoption of these important strategic documents followed more than eight months of community engagement to ensure they reflected the views, vision, and direction of those living in the Shire.

It also included Council's first ever Community Forum.

The forum ensured an independently recruited representative sample of representatives from across the Shire came together to debate, learn, and made recommendations to include in the Council Plan.

For the very first time we also set the development of our Community Vision at the empower level. This meant we put the development of our vision entirely in the hands of our panellists and promised to implement what they decided.

The Council Plan identified more than 35 initiatives which Council will deliver, advocate for, or partner with a community group or organisation to drive.



Key initiatives include:

- Adopt the draft Memorandum of Understanding with the Taungurung Land and Waters Council.
- Launch a new Strathbogie Shire website
- Review and implement the Tracks and Trails Strategy
- Scope and secure funding for the development of a Cycling Strategy.
- Prepare a playground strategy following the adoption of the Open Space Strategy.
- Complete an Asset Plan to guide future investment in buildings, plant and infrastructure through the 10 Year Capital Budget.

- Implement the Climate Change Action Plan for Council operations.

- Prepare a planning scheme amendment to include an environmentally sustainable development policy.

We are proud of our Community Vision and Council Plan. We believe they are bold, but achievable.

The Council Plan is available on our website.



We showed how our Shire Rocks in our podcast series

We launched a series of podcasts that captured the spirit of our Shire we called the Strathbogie Shire Rocks campaign.

Completed in conjunction with start-up company Storytowns, the podcasts feature the Shire's towns – Avenel, Longwood, Strathbogie, Euroa, Violet Town, Nagambie and Ruffy – as well as an episode exploring our many tracks and trails.

A selection of locals were interviewed as part of the series – focusing on what each town has to offer when it comes to tourism.

The podcasts are a fantastic way to showcase the many incredible things our Shire has to offer. Our Shire is a destination area and these podcasts will only help to drive tourism, boosting the local economy for businesses.

To listen to the podcasts, visit www.strathbogiestory.com



Feasibility study into Transfer Station resale shops

A feasibility study looking into introducing resale shops at Council's Resource Recovery Centre's (RRC) recommended the initial introduction of one shop at Nagambie RRC.

The study was conducted after Council received a \$10,000 grant from Sustainability Victoria.

The report highlighted the following recommendations:

- Due to favourable social, economic and environmental conditions, it is initially recommended to introduce one Resale Shop
- The shop's most fit-for-purpose management model will be Council-managed and staffed
- Council could staff the shop with the Transfer Station Operator on Mondays, Thursdays, and Fridays, with an additional member hired for Saturday and Sunday operations; and
- An operational surplus of approximately \$20,904 is anticipated to be generated from the savings through waste diversion and shop takings.

There is an expected cost of about \$105,000 to upgrade the site which means Council will be required to seek funding to establish the Resale Shop.



We covered the cost to keep toxic mercury out of the environment

Council covered the cost to keep fluorescent lights out of landfill to keep toxic mercury from damaging the environment, by allowing residents to drop off old lights at the Euroa, Nagambie and Violet Town transfer stations for free!

Fluorescent lights contain a small amount of mercury and it is estimated 95 per cent of mercury-containing lamps are currently sent to landfill in Australia. Mercury in landfill becomes toxic, creating risks to environmental and human health as it spreads through the wider environment via the air, water and soil.





We established Youth Crews across the Shire

Council established township-based youth crews and a FReeZa Crew, made up of young people aged between 12 and 25.

The crews work alongside our youth development officer to organise local activities, advocate for youth-focused needs in their community, learn leadership skills and connect with other young people in their community.

Youth event in Violet Town a success

The new Violet Town skatepark was jam-packed with action during a live music youth event. Supported by FReeZA, the free event featured local music acts Splinter X, Ynot and Mason Rae-Green as well as an impressive demonstration from local BMX stars.

Euroa artist Lauren Erikson from Everyday Lines created a beautiful mural and attendees also had the chance to join in the fun, creating artworks for another mural overseen by Kate Van Nooten. Young people were also able to practise their event skills with two young Violet Town locals Zeke Coles and Abbie Fuller MCing throughout the day.



A boost in support for small businesses

Council partnered with the Victorian Small Business Commission (VSBC) to provide more support to local businesses to do business. The new partnership is through the Small Business Friendly Council Initiative, which the VSBC is seeking to roll out to all local government areas in Victoria. Council was one of 60 Councils to sign the initiative's Charter.

NAIDOC Celebrations

We celebrated NAIDOC Week in July with a flag raising ceremony, Welcome to Country and Smoking Ceremony. It was a small gesture to embrace First Nations' cultural knowledge and understanding of Country as part of Australia's national heritage.

Council took the opportunity to celebrate the rich history, diverse cultures and achievements of Aboriginal and Torres Strait Islander peoples.

Kicked off the development of our Eco Dev Strategy

We worked with businesses throughout the Shire to start work on an Economic Development Strategy for the next five years. Council's engagement included an online survey, and face-to-face business workshops, to ensure input from local businesses. The aim of the strategy is to strengthen existing and create new economic opportunities for the businesses in the Shire.

Council hosted free waste workshop

In celebration of Clean Up Australia Day, we put on a Waste Wise Workshop. The workshop provided the chance for our community to learn about all things waste and recycling. Participants learnt about Council's current three-bin system and had the opportunity to provide their thoughts on the new four-bin system due to roll out in 2025.



We sought community input into a Climate Change Action Plan

Council spent more than eight months running many different stages of community engagement opportunities to develop our Draft Climate Change Action Plan. It followed Council becoming the 100th Council in Australia to declare a Climate Emergency in 2021 and just the third to pass this Notice of Motion unanimously.

We are serious about mitigating against the risks that climate change pose for the social, economic, and environmental prosperity of our community. We believe leadership is needed on this issue. The Climate Change science is undeniable, and we must act now to protect the future for our children and their children.



Community grants awarded

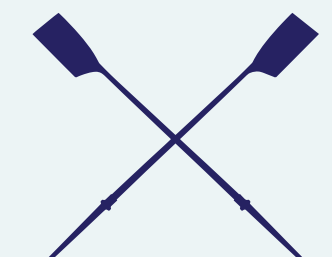
Council successfully awarded 21 grants as part of the 2021/22 Community Grants Program.

The Grants Program encourages organisations to apply for grants of up to \$5,000. We're proud to have funded projects such as:

- Avenel Kindergarten - expanded 'stage area' to allow access to children of all ages and abilities.
- Violet Town Junior Football Club - Uniform and Equipment purchase to offset fees for new and existing junior participants.
- Nagambie Senior Citizens - Audio Visual equipment upgrade.
- Strathbogie Memorial Hall - New blinds for the hall
- Ruffy Tablelands Community Centre - Equipment and supplies for the Tablelands Community Pottery Studio
- Euroa Miniature Railway - New fixed seating around the facility.
- Longwood Community Centre - Folding tables

2022 Australian Rowing Championships in Nagambie

We hosted the 2022 Australia Rowing Championships at the Nagambie Lakes Regatta Centre! The championships saw the country's best rowers come to Nagambie providing a huge economic boost to our region and putting the Regatta centre in spotlight.





Nagambie Active Youth Hub and Nagambie Netball Court Redevelopment officially opened

The Nagambie Active Youth Hub and Nagambie Netball Court Redevelopment were officially opened. Victorian Parliamentary Secretary for Sport and Regional Victoria Danielle Green MP joined Councillors and Council staff in proceedings to officially open the dynamic new spaces.

The \$590,593 project was jointly funded by Strathbogie Shire Council and the Victorian Government's 2020-21 Local Sports Infrastructure Fund and contains an array of exciting features, including:

- Social Lawn
- Park Entrance
- Table Tennis tables
- Social Spaces
- Basketball Half Court
- 2 – 3m High Climbing Wall with soft-fall sand
- Line Marking for games
- Flat Bank with Hip, Jersey Barrier and Sub Box
- Skatepark

The area provides a fantastic space for youth to test their sporting skills, while the grassed social areas provide a place for young people to relax with their friends.



MOU signed with TLaWC

A Memorandum of Understanding between the Taungurung Land and Waters Council (TLaWC) and Strathbogie Shire Council was officially signed and adopted in 2021. The MoU with the TLaWC will ensure compliance with the following legislation, reducing Council's risk exposure and most importantly strengthening the relationship with first peoples, and the Traditional Owners of Taungurung Country:

- *Native Title Act 1993* (Commonwealth)
- *Traditional Owner Settlement Act 2010* (State)
- *Victorian Aboriginal Heritage Act 2006* (State)

In addition, the MoU recognises Australia's (and therefore Council's) obligations arising out of the United Nations Declaration on the Rights of Indigenous Peoples. In the spirit of reconciliation and partnership, the MoU will build practical and mutually respectful and beneficial connections between Council and the TLaWC.

Taking a stand against violence towards women

We took part in the 16 Days of Activism Campaign to call for action against one of the world's most persistent violations of human rights – violence against women.

Orange cut-outs of children were displayed throughout the Shire featuring QR codes which could be scanned to view an informative video created by Our Watch for its 'Change the Story' campaign.

Summer Splash Series

Young people participated in pool parties at Council pools across our Shire. The events featured healthy food, music and games at the outdoor pools in Avenel, Euroa, Nagambie and Violet Town.



New grader to tackle Council's Road Grading Program

An impressive new grader joined Council's machinery fleet to undertake our Grading Program. The new John Deere grader is responsible for the important task of maintaining almost 1500km of gravel roads. The new machine is one of three graders employed by Council to work across roads on rotation.

Nagambie Waterways Rules Review

In December 2021 to January 2022 we embarked on a significant community engagement project to seek feedback on proposed rule changes for the waterways in Nagambie managed by Council.

Waterway users, Strathbogie Shire Council and key stakeholders had voiced safety concerns, in part due to an increasing number of swimmers, non-powered vessels and powered vessels, sharing the waterway.

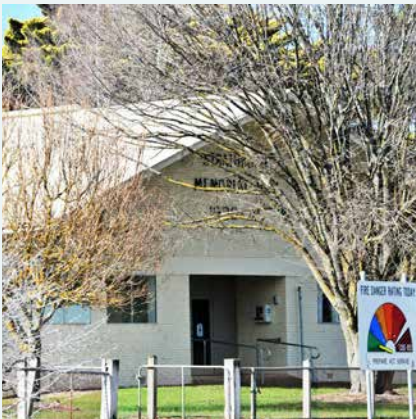
All the identified potential rule changes aimed at improving safety on the waterway.



Energy audits to reduce costs at three community facilities

The Tablelands Community Centre in Ruffy, Strathbogie Memorial Hall and Euroa Historical and Genealogical Society Inc received energy audits with the aim of reducing energy bill cost, energy use and greenhouse gas emissions.

The audits were funded through the \$797 million 'Helping Victorians pay for their energy bill' package and following this, Sustainability Victoria will work with community groups to upgrade the energy efficiency of community facilities and adopt renewable energy solutions.



Women celebrated at Yulong Stud event

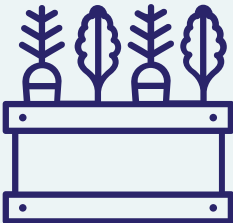
Council hosted a sold out event at Yulong Stud in Mangalore to celebrate International Women's Day. The day provided an opportunity to reflect and celebrate the role women play in the world, while enjoying lunch and a stallion parade!

Skatepark Series held in Euroa and Nagambie

The Skatepark League's Northeast Skatepark Series held competitions in Euroa and Nagambie. The events saw young skaters, BMX riders and scooters from across the region descend on the local skateparks to test their skills.

Pop-ups in Binney Street, Euroa received revamp

The pop-up attractions in Binney Street, Euroa were updated and given a winter-themed facelift. Council supported DESIGNEuroa to install the attractions which proved to be a popular spot for locals and tourists alike since they were established last year.



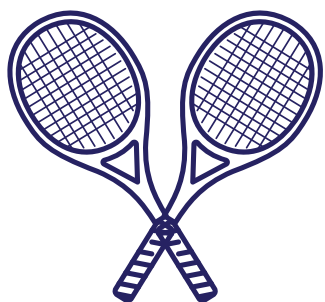


Avenel got a health and wellbeing boost

Avenel's new tennis club upgrades and exercise equipment were officially opened by Federal Member for Nicholls Damian Drum, Strathbogie Shire Council Hughes Creek Ward Councillor Paul Murray, Avenel Tennis Club's Steve Garner and Avenel Active Inc's Jeff Moran.

The tennis club upgrades were funded by the Federal Government Drought Communities Support Initiative. Strathbogie Shire Council received \$76,500 of Federal funding for the Avenel Tennis Club which went towards the removal of asbestos; recladding the exterior; a new storeroom and refurbishment of clubrooms.

The new Avenel Fitness Hub exercise equipment was funded through a \$50,000 Strathbogie Shire Council grant as well as \$1000 from Avenel Active and \$750 from Jubilee Park Trustees.



Euroa cinema revamp benefits more facilities

Old second-hand seating at the Euroa Community Cinema was replaced with new comfortable seats thanks to a \$130,000 cultural and infrastructure grant from the Victorian Government.

The makeover also included re-sanding and polishing floorboards, repainting walls and steam-cleaned drapes. The new seating included a new floorplan that has dedicated wheelchair spaces and improved accessibility.

The Nagambie community picked its splash park equipment

Council asked the Nagambie community to pick the equipment for the town's new splash park. More than 400 people contributed to the voting which saw a water play structure with slide top the list, followed by a mushroom umbrella, rainbow tunnel, tilting cones and splash bucket. Thanks to the community's input, works on the splash park in Buckley Park kicked off in May 2022.

Pitch My Project initiative opened for applications early

Our innovative Pitch My Project initiative was launched early to ensure local community groups and residents had the opportunity to submit projects ideas to the 2022/23 Budget.

We received almost 50 applications and were excited to fund 13 projects.

The Pitch my Project initiative is another example of Council's commitment to community engagement. It ensures we're funding the projects, plans and areas that matter to our community.



New Asset Plan adopted

We adopted a new Asset Plan which outlines how assets are managed in the municipality, including maintenance, renewal, acquisition, expansion, and decommissioning.

Council manages assets on behalf of the community with a value of more than \$283 million.

This includes 2204km of roads (735km sealed and 1469km unsealed), 125 road bridges, eight foot bridges, 387 buildings and structures, 37km of footpaths, 11 parks and reserves, four aquatic centres, 26 playgrounds and 42 hard courts and bowling greens.

Over the next 10 years Council expects to budget a total of \$71.4 million for renewing, improving, and growing our assets. We are also projected to allocate about \$93.2 million over the same period to operate and maintain our assets. Combined, on average 42 per cent of our total annual expenditure is asset related.

This investment is made so that our assets remain fit-for-purpose, are safe, and support the delivery of services to our community. It is vital that we are responsible asset managers, so our assets continue to support community outcomes.



We created community connection with creative fun

Budding songwriters participated in a free song writing workshop with acclaimed folk-music singer Lucy Wise. It was an opportunity for our diverse community to reconnect post COVID-19 restrictions, try something new and have fun in the process.

Impressive plans for Nagambie Foreshore Walk

Work on one of Council's most impressive projects kicked off - the \$3.8 million Nagambie Foreshore Walk. The path - which stretches for 1.6km along the southern edge of Lake Nagambie - will provide a safe and accessible pedestrian link between the Nagambie Regatta Centre and the Nagambie township.

The project is made possible by a \$3 million Victorian Government Regional Development Victoria Grant, along with \$350,000 Federal Government grant provided in May 2019, \$250,000 from Strathbogie Shire Council and \$200,000 provided by Nagambie businesses.



Kirwans Bridge Community Panel gathering knowledge

The Kirwans Bridge Community Panel started discussion about the future of the historic bridge. Expressions of interest were received from 12 people to join the Community Panel to facilitate community involvement in discussions regarding the bridge's future.

It is a way of capturing local knowledge, concerns and opportunities so that Council can plan a future for Kirwans Bridge. With local Darren Lyons appointed as chair, the panel is a great example of Council's new approach to community engagement and working with the community to create better outcomes.



We built lots of new footpaths

We built more than \$267,000 of new concrete and gravel pathways to increase pedestrian safety and access within four townships of our townships. More than 1.4km of new concrete footpaths were installed in Nagambie, Violet Town and Euroa, including works in residential streets and at two primary school crossings. On top of this more than 2km of new gravel pathways were built at two sites in Avenel.

We celebrated our volunteers

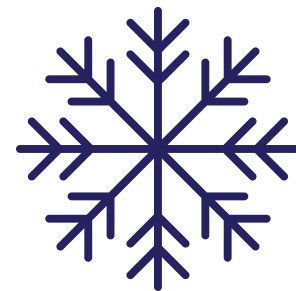
Events were held across the Shire throughout National Volunteers Week to thank our community's volunteers. There was a hilarious performance from Greg Champion of the Couldabeen Champions at the Violet Town Bowls Club, a bowls challenge in Avenel and Longwood and a luncheon and musical afternoon in Euroa



Upgrades officially opened at Southern Aurora Memorial Gardens

New mural artworks and other upgrades at the Southern Aurora Memorial Gardens in Violet Town were officially opened. The Southern Aurora Memorial Garden project was co-funded through Federal Government's Stronger Communities Programme Round 6, the Australian Rail Track Corporation's Supporting Local Communities Grant, the Victorian Government's Community Crime Prevention Program, and Strathbogie Shire Council.

Painted by local Benalla artist Tim Bowtell, the two murals depict the Southern Aurora tragedy which took place in Violet Town in 1969 when a head-on train crash occurred just after 7am.



Nagambie and Euroa were transformed into a winter wonderland

Jacobson's Outlook in Nagambie and the old Gambles Nursery Site in Euroa became winter wonderlands in June. Council, Go Nagambie and the Euroa Chamber of Business and Commerce created family friendly events that brought ice skating to our Shire.

The free events were made possible after Council received Victorian Government funding through the Outdoor Activation Fund. There was also music, a virtual reality Swiss Alps activity, hot chocolate, mulled wine, photobooths, snow play and much more.



Streetscape works started in Avenel, Euroa and Longwood

Works started on streetscape upgrades in Avenel, Euroa and Longwood. The designs were developed after an extensive community consultation program, which provided our communities many opportunities to have their say. Works include, new paving surfaces, gardens, lighting and so much more!

We established a Cloth Nappy Reimbursement Program

We launched a fantastic program that allowed residents to access a one-off reimbursement to cover half the costs of cloth nappies and associated accessories. The Cloth Nappy Reimbursement Program (six-month trial) was created to encourage local families to reduce waste produced by disposable nappies.

Disposable Nappies currently make up around 10 per cent of Australia's waste going to landfill. They take up a huge amount of space, can take up to 500 years to decompose and release a significant amount of methane in the decomposition process.



Big screen installed at Avenel Memorial Hall

A \$16,000 audio-visual system was installed at Avenel Memorial Hall to increase the facility's multi-use capacity for community and commercial events. The hall now has a 3.5m x 1.9m (160 inch) motorised projector screen for PowerPoint presentations and films, thanks to \$14,300 from Strathbogie Shire Council and \$1778 from Avenel Active Inc.

An updated Council brand

We adopted a new corporate brand, which is an update, refresh or renewal of our current brand. The font and use of the 'S' represent the landscape of the Strathbogie Ranges, the meandering path of our rivers, creeks and streams. The deep purple colour reflects the colour that can be seen across the Shire as the sun sets over the ranges. In particular, the flexible elements will allow Council to promote the Shire and individual townships.

The new brand was produced in-house and aims to position the Strathbogie Shire as a progressive, exciting, desirable regional location to live, work and play.



Rockies suspension footbridge started

Work on another of Council's impressive projects began this year – the Rockies Suspension Bridge! The \$560,000 is a community-led project which will provide a connection to the Apex Community walking track, providing two-way all abilities access over the Sevens Creek.

Council sought feedback on January 26

Council asked the community for its input into a review of traditional Australia Day celebrations. The aim was to be more respectful and to begin to recognise the significance of the day to Aboriginal and Torres Strait Islander Australians.

The community was asked to vote on two options, and at an Extraordinary Council Meeting on Tuesday 28 June 2022 Council voted to maintain its current role in conducting ceremonies on January 26.



Delivering capital works for our community



• Delivered 55 capital works and infrastructure projects

• Created benefits across the Shire

• \$14 million of projects for our community

Despite the significant impact of coronavirus (COVID-19) in the 2021/22 financial year – Council’s major projects team continued to kick goals.

It has been the first full year to really monitor the success of Council’s project management framework – that allows projects to be planned, managed and governed from beginning to end – and we can see it works during the most challenging time.

The impact of coronavirus on the construction industry has been huge.

The cost of materials has increased. The availability of contractors has decreased.

Every part of the major projects team has been challenged, but despite this it has delivered.

In the 2021/22 year we have seen 77 per cent per cent of our works complete. This has included some of our municipality’s most significant projects to date, including:

- The \$560,000 community led and designed Rockies Footbridge
- Sewer to Euroa Tennis Club
- The Euroa Farmers Arms Museum pathway upgrades
- A new community toilet in Graytown
- New shade sails at the Avenel Swimming Pool

- A new solar water pump at Nagambie

- More than \$800,000 of streetscape upgrades in Euroa, Avenel and Longwood

- Significant culvert upgrades in Zanelli Rd, Nagambie

- Reseal program on roads across the Shire

- Toilet upgrades at the Euroa Friendlies.

These capital works projects are demonstrating improved liveability and amenities for residents in our Shire. Council is now looking forward to delivering more exciting capital works projects in 2022/23.



Infrastructure upgrades (2021/22):

12,970m

of roads resealed

5,245m

of road pavement rehabilitation

15,096m

of gravel road re-sheeting

4,790m

of Zero to 1 road upgrades

1,700m

gravel footpath upgrades

640m

concrete footpath upgrades



246m

of kerb and channel upgrades

3

major culvert upgrades

Maintenance highlights (2021/22):

1,030km

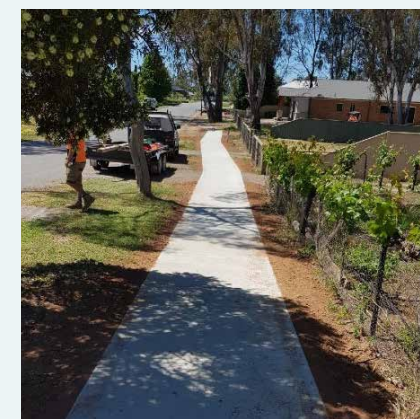
of roads graded

995t

potholes and road edges repaired with premix

214

gravel roads repaired with crushed rock



21

footpath hazard repairs

1350

urban trees maintained

43ha

of parks mowed

42

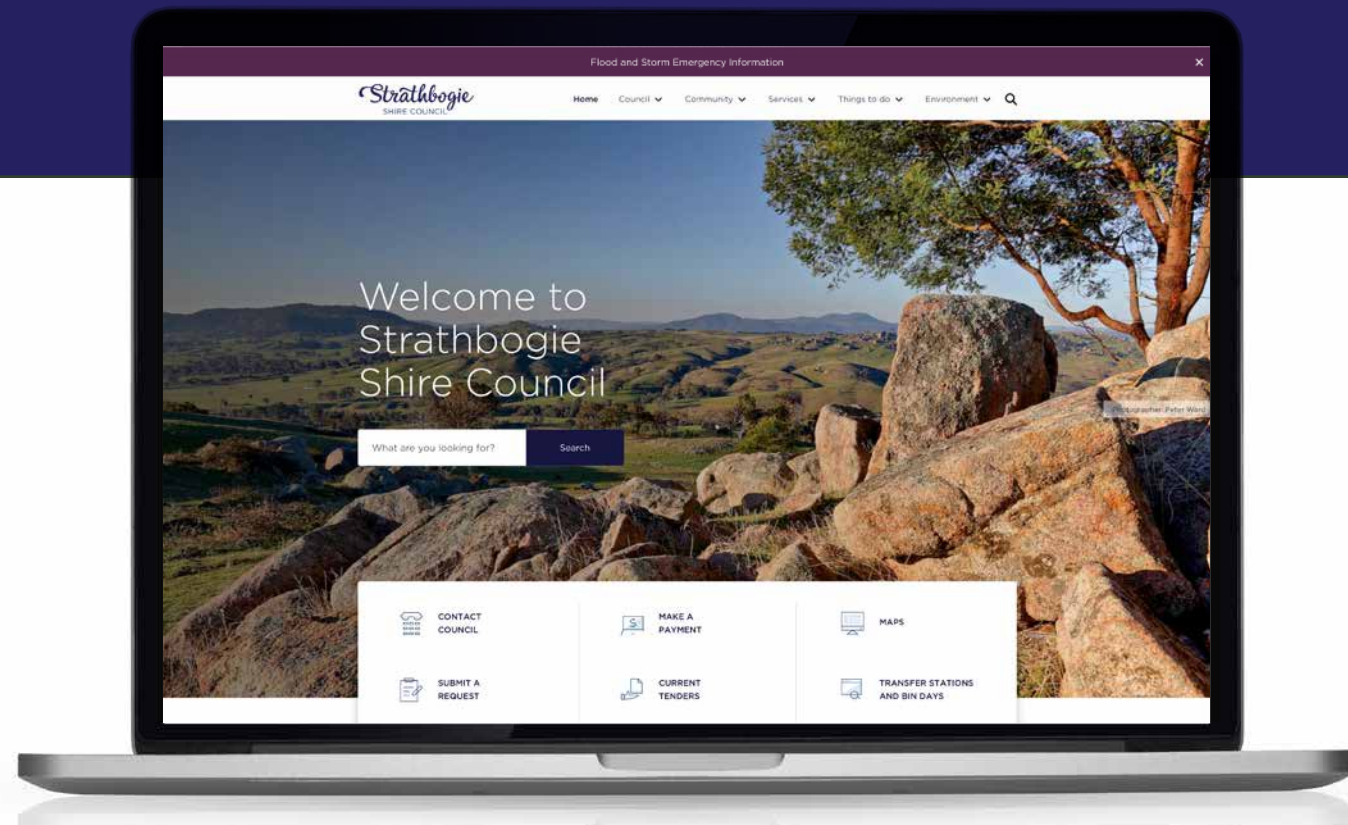
bridges maintained

7

playgrounds topped up with soft fall material



Communications and Engagement – making massive headway!



During the past 12 months Council has worked hard to be better, deliver for our community and respond to its needs. Our commitment is based around key areas we call 'the four Cs'. Communication, consultation and engagement, community-based decisions, and customer service.

We're know we need to improve in these areas. We are listening. And in the past 12 months we have achieved great things.

We have engaged with our community like never before, and just some of our achievements include:

- Launching a monthly eNews to keep our community informed
- Launching a contemporary website that provides easy to find information about Council, updates on what's happening and how to be involved
- Sought community input into 51 projects across Council operations
- Achieved more than 4200 contributions on www.share.strathbogrie.vic.gov.au
- Achieved more than 16,000 visits from more than 10,000 visitors on www.share.strathbogrie.vic.gov.au
- Achieved a social media reach of about 150,000
- Created a community engagement plan that ensured input into our Draft Budget.
- Launched a revised Pitch my Project initiative to allow the community to pitch projects and ideas to Council to include in the 2022/23 Budget
- Held our first deliberative forum by pulling together the first Strathbogrie Shire Community Panel
- Produced a weekly column in the Euroa Gazette and fortnightly column in the Nagambie Community Voice – that's about 78 updates!



51
projects



**Most engaged-
with projects:**

- Australia Day Celebrations Review
- Four-Bin Kerbside Service
- Nagambie Splash Park
- Resale Shops Feasibility Study
- Nagambie Waterways Review

4,215
community
contributions



16,592
website visits



10,106
website visitors

**www.
strathbogrie
story.com**



17,887
website
visitors



35,932
website
page views

Media



242
media
releases &
responses

50+
radio & TV
interviews



**Strathbogrie Shire
Community
Information**

Merry Christmas
With the holiday period fast approaching we wanted to ensure you had all the information on our services and office closures and how to contact us in case of emergency. The Mayor, Councillors and staff all wish you a Merry Christmas and a safe and prosperous New Year. We hope you enjoy the festive season with your loved ones.

Latest news



Our Mayor Cr Chris Raeburn told the Joint Standing Committee inquiry into the National Broadband Network (NBN) that the struggle for internet speed and reliability in the region was unacceptable. Cr Raeburn spoke to the committee at its public hearing on December 4, saying if something is not done the region will be left behind in the digital race and miss out on economic growth.

January emergency we will phone the pro Visitor The Euroa from 10am to 10pm, with the exception of Christmas Day. The Nagambie centre will be open from 10am to 4pm daily with the exception of Christmas Day, Boxing Day and New Year's Eve. Kerbside Collections Collections scheduled for Christmas Day and New Year's Day will occur the following day – so please place your bin out the night before. Transfer Stations Our transfer stations will close on Christmas Day, Boxing Day and New Year's Day. Please remember our transfer stations are also closed on days of Total Fire Ban, Extreme and Code Red Fire Danger Ratings.

Tenders
We are inviting tenders for the following works:
Reconstruction of the Ewing Rd and Livingstone St, Avenel intersection (contract number 20/21 – 60). Tenders will be received until 4pm on Wednesday, December 23. For more information visit



12
eNews
editions

78
Newspaper
columns



149,317
facebook
reach

9,009
instagram
reach



Challenges and Future Outlook



COVID-19 impacts continued

In 2021/22 our region continued to feel the impacts of COVID-19.

While businesses and restrictions eased, the effect of coronavirus continued to be felt throughout our region with staff shortages and businesses struggling to stay open.

Our three-phase community recovery program – the RE3 project to Reset, Reboot and Revitalise our community – moved into the forward-looking phase - Revitalise.

Through this we:

- Ensured access to services was easy, this includes (but is not limited to) health services, playgroups and maternal health services and mental health services.
- Kicked off work on an Economic Development Strategy that will further support, stimulate and strengthen the local economy.
- Launched a new website that took customer services like forms and payments online.
- Created a series of podcasts called the Strathbogie Rocks podcasts to remind visitors our region was open for business and well worth the visit.

- Worked with the business community to understand the best means of supporting them as they recover from the setbacks of the pandemic.
- Worked with neighbouring local government areas to develop a region-based tourism board to showcase the region's natural assets and attract visitation across the Goulburn Valley and the Strathbogie ranges.
- Worked with local education authorities and the business community to develop vocational training and education programs that provide meaningful career pathways for our youth and older workers and facilitate the retention of our youth in the region.

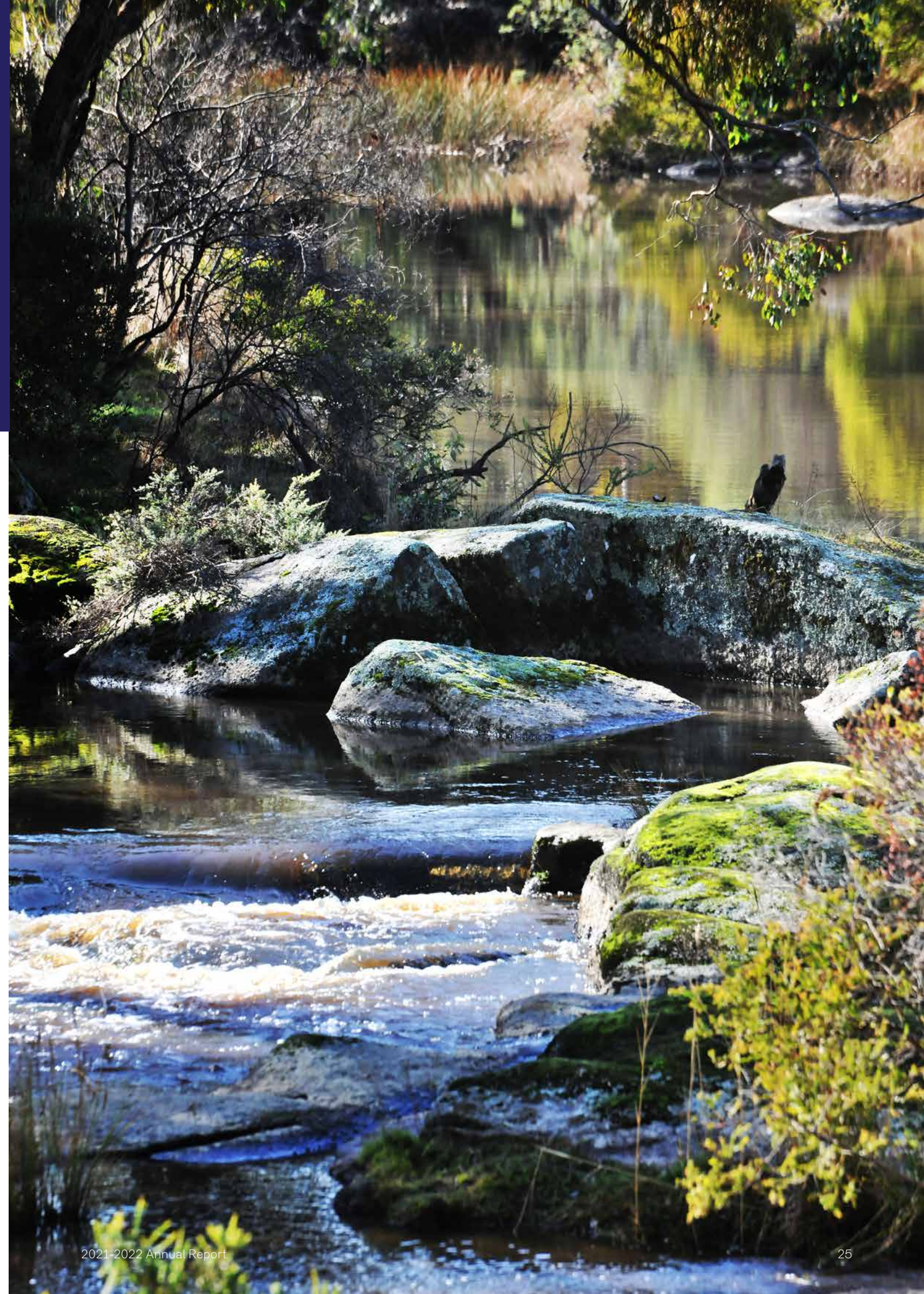
Council gained the support of a Municipal Monitor

In 2021 Council was pleased to announce the appointment of Municipal Monitor Janet Dore to help guide the team. The appointment was made at the request of Council to create learning opportunities.

As a team of seven Councillors across five wards, all but one were first-time Councillors. Sharing the goal of achieving the highest standards of good governance for the community, Ms Dore provided the education and learning to ensure this happened.

Working through the requirements of the Local Government Act 2020 also meant new challenges for Council around roles and responsibilities and Ms Dore's guidance has guided the Council through the new demands of being a councillor.

Ms Dore worked one to two days a week for an initial six-month period, with an additional three-month term approved by the Minister in April 2022. The total cost of this appointment was \$30,210, funded through existing budget allocations using savings from an unfilled position.



Fast facts

We deliver a wide range of infrastructure, services and programs to the Strathbogie Shire community.

In 2020/21 this included:

Hosted the National Rowing Regatta at Lake Nagambie for a week of competition, attracting

6,000

per day including the Governor General and the CEO of World Rowing from Lucerne Switzerland

New Year Scout Jamboree had

1,500

scouts per day for 10 days to enjoy water sports and camp overnight

Hosted two community Winter Wonderland events in Euroa and Nagambie, attracting

1,000's

of families and friends for ice skating fun

Collected

1,164.2

tonnes of kerbside waste

Collected

1,054.59

tonnes of kerbside recyclables

Collected

1,757.08

tonnes of Food Organics and Garden Organics (FOGO)

Achieved a record low Food Organics and Garden Organics FOGO contamination rate of

1.51 %

Managed

11,861

customer requests

Our customer service team answered

19,479

phone calls

We also maintained:

- 2213km of roads (1465km unsealed, 748km sealed)
- 521 bridges and culverts
- 405 buildings and structures
- 13 community halls
- 400SQM garden beds
- 8 public toilets
- 26 playgrounds
- 11 sports grounds
- 42 hard courts and bowling greens
- 4 aquatic centres
- 4 kindergartens
- 4 Maternal Child Health Centres
- 7 transfer stations
- 15,240 street trees



A Message from the Mayor and CEO

At Strathbogie Shire Council we are committed to making change.

To listening. To acting. To doing better.

Our commitment is based around key areas we call 'the four Cs'. Communications, consultation and engagement, community-based decisions and customer service.

We're sure you have heard us talk about 'the four Cs' a lot!

This focus was established after receiving our 2020 Community Satisfaction Survey results. This survey saw our overall performance index score, drop to the lowest level since 2016.

A new Council, Chief Executive Officer and Executive Leadership Team has embraced the focus as has the entire organisation.

And it is working.

Our 2021 Community Satisfaction Survey results saw our overall performance rise by a statistically significant seven points to an all-time high of 57.

It told us our drive to improve communications, consultation and engagement, community-based decisions and customer service was working.

During the 2021/22 year our communications improved through our regular column in the local papers and the proactive information on our social media channels.

Our online engagement platform www.share.strathbogie.vic.gov.au achieved more than 4000 pieces of feedback and achieved more than 16,000 visits to share thoughts, feedback and advice.

We even held our first ever deliberative forum to develop our Community Vision and Council Plan. More recently we launched a new website that is simple to navigate and easy to use.

We're proud of the work we have done to deliver for our community.

We're proud we delivered 55 significant major infrastructure projects in 2021/22 and our maintenance program has seen improvements to local roads and footpaths.

We're proud our customer service team is achieving significantly above average satisfaction results in our annual community survey.

We're proud of the projects that make Strathbogie Shire a better place to live – the Cloth Nappy Reimbursement Program, our Community Grants Program, our two Winter Wonderland Events – and so much more.

This year's Community Satisfaction Survey results showed a consolidation of our results.

However, we're not going to rest. We want to continue to achieve great things with our community.

Our latest satisfaction survey

results (which you can read on the following pages) tell us we need to broaden our focus.

To continue work on 'the four Cs', but also to look at road maintenance and streamlining the planning process.

Our community wants us to get tougher in the local law department and do more when it comes to local streets and footpaths.

In response to this we have developed an Action Plan that will continue driving improvements.

We want to do better. We want to work with our community to achieve great things.

We ask for everyone's support – because we know with our community's help we will get there.

Laura Binks
Mayor

Julie Salomon
Chief Executive Officer

Community Satisfaction Survey Results

Council is proud to be able to consolidate many of the achievements made in community satisfaction in the previous 12 months. Perhaps the biggest

achievement for Strathbogie Shire Council is that we continue to close the gap between our performance compared to other small rural shires.

Strathbogie Shire Council’s Community Satisfaction Survey results for 2022, 2021 compared to the small rural shire average in 2022.

Service	Strathbogie 2022	Strathbogie 2021	Small Rural 2022
Overall performance	56	57	58
Value for money	42	41	51
Council direction	50	55	51
Customer service	73	69	67
Public areas	73	74	73
Recreational facilities	68	65	69
Arts centres and libraries	67	67	71
Waste management	67	67	68
Tourism development	62	61	62
Business / Community Development / Tourism	60	59	63
Environmental sustainability	59	57	59
Enforcement of local laws	57	61	62
Informing the community	55	56	59
Lobbying	54	51	54
Consultation and engagement	52	52	54
Community decisions	51	52	54
Local streets and footpaths	47	52	55
Sealed local roads	47	51	50
Planning and building permits	44	51	48
Unsealed roads	40	42	42

Our Response

Council is committed to continual improvement and has developed an action plan that is designed to:

- Continue our focus on the four Cs - communications, consultation and engagement, community-based decisions and customer service.
- Create a planning application process that better meets community needs
- Create a focus on sealed and unsealed road maintenance
- Proactively maintain local streets and footpaths
- Drive positive outcomes in Strathbogie Shire.

- Improve our maintenance schedule. Reviewing our maintenance regime and service levels will establish better and more effective long-term outcomes.
- Share road management information better. Develop an interactive website content that ensures our community knows what, when, where and how when it comes to road maintenance.

- Innovative information sharing. Launch monthly radio show with Seymour FM Community Radio, that can also be used as a podcast housed on our website – meaning people can listen from anywhere at any time.
- Increase Councillor social media presence. Drive participation in Council engagement activities by sharing news and information.

The 4 Cs

The communications and engagement functions of our organisation have a significant impact on community satisfaction. In this area we commit to:

- ### Road blitz

Strathbogie Shire Council manages 2204km of roads throughout our municipality - 1469km unsealed and 735km sealed – which is further than Euroa to Brisbane! It’s a huge task managing this extensive road network – but we have heard we must make this a priority. Our commitments in this area are:

 - Allocate more money. Council will commit an additional \$1 million in Federal Government funding to roads in 2022/23.
 - Enact the Special Charge Scheme. This co-contribution arrangement will stretch funding further – meaning more road works throughout the Shire.
- Take Council on tour. Build on the success of Talk to the Planner initiative by going bigger and better. We’ll create a Talk to Council program that sees officers from across our organisation and Councillors hitting the streets and visiting townships throughout the Shire.
 - Pop-up shops. Develop a program of pop-up shops across the Shire to create engaging on-street engagement events, interactive activities and community consultation sessions that inspire and motivate participation.

Building, planning and local laws

- Streamline our planning process. We’ll create a Planning Delegations Policy that will mean speedier approvals for our community.
- Local laws on patrol. We’ll increase ranger patrols with a focus on:
 - Responsible pet ownership
 - Livestock on roads, and
 - Ranger walks in the main street.
- Taking permits and licences online. We’ll participate in a State Government pilot program to take local law pet registrations, permits and more online – making it quicker and easier for locals.

Financial Performance Summary

Long-term financial sustainability is a key objective of Council’s Financial Plan. Strathbogie Shire continues to be in a strong financial position. A summary of our performance is outlined below. Detailed information relating to Council’s financial performance is included with the Financial Statements and Performance Statement sections of this report.

Operating position

The balance sheet indicates our assets are more than adequate to meet liabilities, which is an important measure of liquidity.

Debt levels continue to be closely managed with debt decreasing to \$0.19 million at 30 June 2022. Debt levels remain low when comparing to Strathbogie Shire’s asset base of \$324.22 million, providing borrowing capacity for the future. The operating surplus was \$7.02 million and the underlying position remains sound.

Revenue was \$36.36 million with rates and charges raising \$20.52 million, based on 7,859 assessments. The reliance on rate revenue in 2021–2022 was 56 per cent compared with 54 per cent in 2020–2021. This reflects sound financial management

and the Shire’s commitment to infrastructure renewal and financial sustainability. It also strengthens our financial capacity to deliver on the objectives and strategies of the Council Plan and Financial Plan.

Net operating result

Strathbogie Shire achieved an operating surplus of \$7.02 million compared to a budgeted surplus of \$6.26 million. The major reason for this variance was timing of grants income from Victorian Grants Commission and one-off favourable adjustment for landfill rehabilitation (Violet Town Landfill) liability reduction.

Capital expenditure

Strathbogie Shire invested \$7.22 million into capital works. The capital works program funds the ongoing renewal of our existing physical assets of \$3.76 million, as well as the construction of new community assets: \$0.98 million and the upgrade and expansion of existing assets \$1.20 million. Infrastructure works included roads (\$2.57 million), bridges (\$0.32 million), parks and open space (\$1.93 million), drains (\$0.50 million), footpaths and cycleways (\$0.67 million), buildings (\$0.43 million).

Borrowings

No new borrowings were undertaken in 2021–2022. The Shire has low levels of debt when comparing borrowings to non-current assets. The outstanding loan amount as at 30 June 2022 was \$0.19 million.

Cash and other financial assets

Cash and current assets at 30 June 2022 totalled \$27.48 million. Strathbogie Shire’s liquidity position – (current assets / current liabilities) continues to be strong

with a ratio of 2.32:1. This means we have \$2.32 of cash and current assets for every \$1 of current liabilities. This ratio is slightly higher than 2021 (2.16:1) due to lower expenditure on capital works. Legislative restrictions on Strathbogie Shire’s cash at 30 June 2022 total \$0.69 million. This statutory obligation means Strathbogie Shire must set aside sufficient cash to fund amounts held in trust and developer levies.

Our Council



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Honeysuckle Creek Ward
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Hughes Creek Ward
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Seven Creeks Ward
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Lake Nagambie Ward
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Seven Creeks Ward
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Lake Nagambie Ward
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Our People



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Director People and Governance
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Director Corporate Operations
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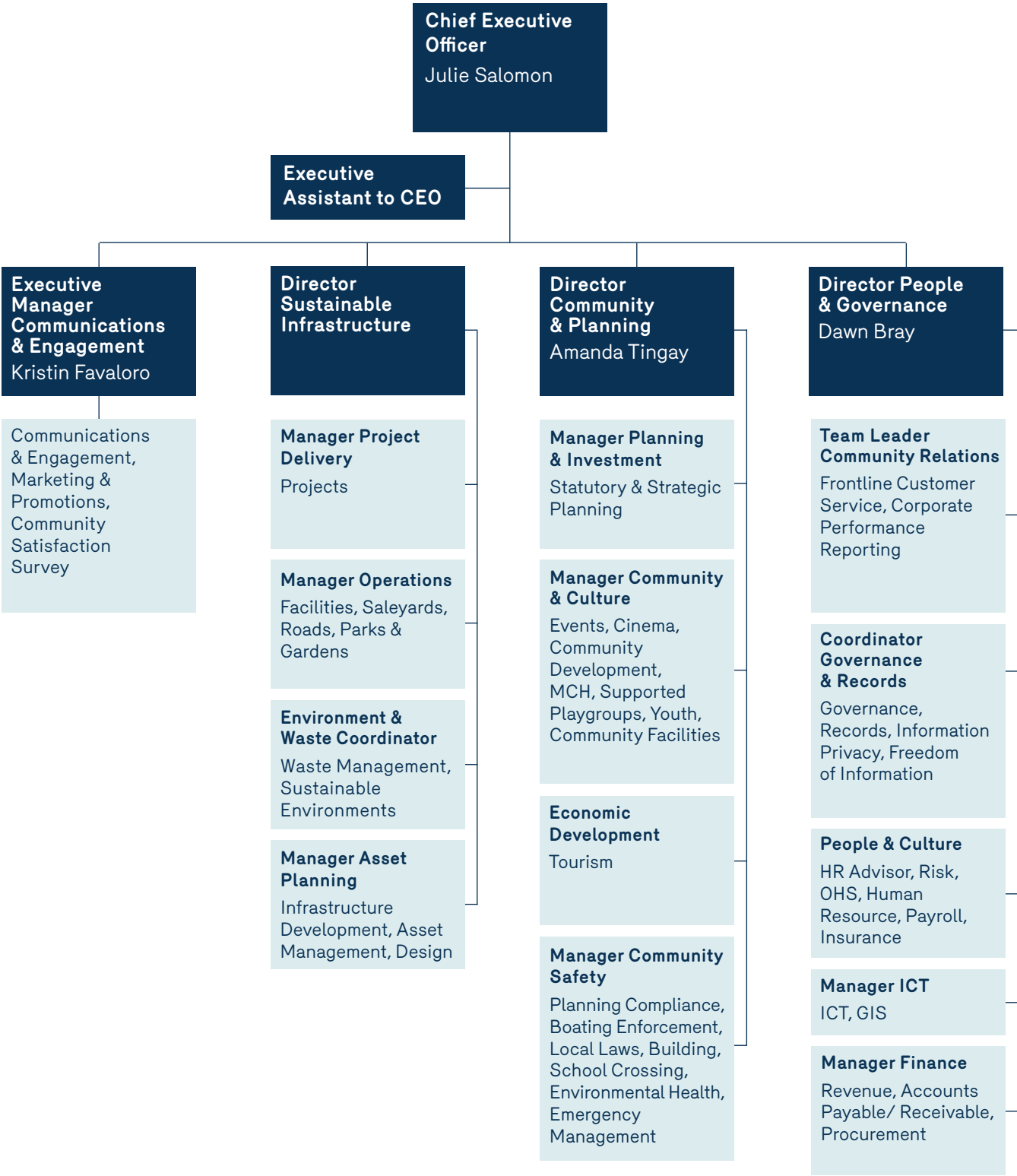


Executive Manager Communications and Engagement
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Director Community and Planning
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Our Organisation



Our Staff

The table below shows the number of full-time equivalent staff in each department.

	Executive/ Communication & Engagement	Community & Planning	Sustainable Infrastructure	People & Governance	Total FTE
Permanent Full Time (F)	5	9	8	10	32
Permanent Full Time (M)	0	8	49	4	61
Permanent Part Time (F)	2.43	8.41	1.57	11.06	23.47
Permanent Part Time (M)	0	0.42	2.89	0	3.31
Casual (F)	0	0.61	0.53	0.42	1.56
Casual (M)	0	0.26	0.45	0	0.71
Total	7.43	26.7	62.44	25.48	122.05

The table below shows the number of full-time equivalent staff in each banding.

	B1 FTE	B2 FTE	B3 FTE	B4 FTE	B5 FTE	B6 FTE	B7 FTE	B8 FTE	Other FTE	Total FTE
Permanent Full Time (F)	0	0	1	3	3	11	6	3	5	32
Permanent Full Time (M)	0	0	28	6	8	4	5	2	8	61
Permanent Part Time (F)	0	0.24	0	7.81	3.92	7.58	1.61	0	2.31	23.47
Permanent Part Time (M)	0	2.22	0	0	0	0.42	0	0	0	3.31
Casual (F)	0.61	0.53	0	0	0	0	0.42	0	0	1.56
Casual (M)	0.26	0	0.45	0	0	0	0	0	0	0.71
Total	0.87	2.99	29.45	16.81	14.92	23	13.03	5	15.98	122.05

Our Staff

Flexible Working Arrangements

Australia and the world have adapted since March 2020 when the COVID-19 pandemic saw a change to the way we operated. For two years, Strathbogie Shire has seen many changes dependant on the Government restrictions including a hybrid workforce of working both onsite and from home.

One positive outcome from the pandemic is the organisation has become accustomed to a new way of working where aspects of roles can be completed from home beyond requirements of the Government restrictions. Strathbogie Shire Council introduced a 60/40 initiative where staff could request to work from home up to 40% of their week. For full time staff, this meant they could be in the office three (3) days per week and at home two (2) days per week.

25 staff took up the Flexible Working Arrangements to allow them to work from home and have a better work/life balance.

Professional Development

To ensure a highly skilled and productive workforce, the Shire provides many avenues for professional development and personal growth.

Opportunities to improve the capacity of the organisation and enhance skill levels are considered against identified strategic objectives and assessment of training needs, which are identified through individual performance and development plans.

During the past year, we have tried to offer as many training opportunities as possible after the previous year's training was impacted by COVID-19. We provided compliance training to 79 employees during 2021/22 including First Aid, CPR, Traffic Management, Chemical User, Chainsaw, Health and Safety Representative and Emergency Warden Training.

We also had 29 employees undertake Mental Health First Aid Training, and five (5) employees undertake Contact Officer Training to be able to support the welfare of our workforce.

Recognition of years of service

Strathbogie Shire values the important role its staff play in the success of the organisation. During 2021/22 numerous staff service awards were presented in recognition of key service milestones. These included:

- One employee for 40 years
- Two employees for 20 years
- Five employees for 15 years
- Four employees for 10 years
- Three employees for 5 years

Gender Equity Action Plan and Audit 2021/25 – responding to the Gender Equality Act 2020

The *Gender Equality Act 2020* commenced on 31 March 2021 and provides legislation to promote gender equality in our policies, programs and services. As a leader in the community, Council should role model gender equality in the public we serve.

Council conducted a workplace gender audit in June 2021 to collect data through an employee experience survey and workforce data. This audit was reported to the Commission for Gender Equality in early 2022.

The findings from our audit was used by Council to develop a four year Gender Equality Action Plan (GEAP), with the help of a comprehensive staff engagement process. Pleasingly, our GEAP was approved by The Commission for Gender Equality in June 2022 without the need for any changes or clarification.

Our GEAP lists 29 actions under the seven (7) key indicators that were developed by the Commission and over the next four (4) years we will report our progress back to the Commission.

Research shows that proactive approaches to gender equity have been proven to deliver measurable benefits, such as:

- increased productivity across an organisation
- improved performance in financial operations, innovation and safety
- reduction in staff turnover
- a boost in staff retention
- an improvement in access to new talent.

Workplace Equity

Following on from our Action Plan created in response to the 2020 Victorian Auditor-General's Office (VAGO) Sexual Harassment in Local Government Audit and our work in the Gender Equality space, Council engaged the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) to deliver workplace equality training to our organisation.

The training focused on preventing and responding to everyday discrimination, bullying, sexism and sexual harassment program and sessions were ran at each level including Councillors, Executive, Management and Employee levels.

Learning outcomes included:

- Acknowledging the importance of inclusive and respectful behaviour in Local Government
- Understanding the 2020 VAGO recommendations to address sexual harassment in Local Government
- Outlining potential liability and risk when unlawful behaviour occurs
- Exploring reporting and complaint mechanisms
- Identifying inappropriate behaviour at work, its gendered drivers and impact on others
- Reviewing customised scenarios of sex discrimination and sexual harassment, including examples of 'everyday sexism'; and explore ways to cultivate respectful team behaviour norms
- Discussing the role of individuals in setting the tone for a healthy workplace
- Practicing ways of responding to inappropriate and unhelpful behaviour.

Workforce Plan 2021/25

Informed by the Gender Equity Audit, data analysis and input from our staff, Council developed a four year Workforce Plan in accordance with the requirements of the *Local Government Act 2020*.

The Workforce Plan sets out the organisation's structure and projected staffing requirements to meet Council's service delivery commitments to the community outlined by the Council Plan 2021/25.

Some of the challenges we face in relation to our workforce are:

- Skills – professional skills shortages in some areas such as project management, planning and engineering areas makes recruitment challenging

- Workforce Profile – workforce diversity gaps and information on diversity need to be addressed to ensure we are effectively representing the broader community and addressing the issues raised by staff in the People Matters Survey 2021

- Succession planning – how to capture the corporate knowledge and develop expertise of existing/new staff to allow for the smooth and orderly exit of staff from the organisation through retirement or resignation.

Actions to address these issues and to ensure that we can deliver the Council Plan and work towards realising the Community Vision are grouped under the four headings:



Delivering our Council Plan

The following reviews the performance of the Shire against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. To summarise our operational performance in the last year of our Council Plan we achieved:

78%
of actions are 100% complete

2%
of actions are more than 90% complete

20%
of actions are under 90% complete

50%
of actions are complete



Engage. Create. Unite.



Action for 2021/22	Percentage complete	Comments
1.1.1 Adopt the draft Memorandum of Understanding with the Taungurung Land and Waters Council.	100	<p>A Memorandum of Understanding between the Taungurung people and Strathbogie Shire Council was officially signed and adopted in October 2021. The MoU with the Taungurung Land and Waters Council (TLaWC) will ensure compliance with the following legislation, reducing Council's risk exposure and most importantly strengthening the relationship with first peoples, and the Traditional Owners of Taungurung Country:</p> <ul style="list-style-type: none">• <i>Native Title Act 1993</i> (Commonwealth)• <i>Traditional Owner Settlement Act 2010</i> (State)• <i>Victorian Aboriginal Heritage Act 2006</i> (State) <p>In addition, the MoU recognises Australia's (and therefore Council's) obligations arising out of the United Nations Declaration on the Rights of Indigenous Peoples. In the spirit of reconciliation and partnership, the MoU will build practical and mutually respectful and beneficial connections between Council and the TLaWC.</p>
1.1.2 Complete and implement a review of the Advisory Committee structure to adopt a best practice approach.	95	<p>Work on this has progressed significantly with a review of the current advisory group structure complete.</p> <p>Councillors and Officers will now complete Engagement Essentially training by the International Association of Public Participation (IAP2). IAP2 is the peak body for the community and stakeholder engagement sector. This training will ensure understanding on the essential elements of a 'best practice' contemporary model for engagement.</p> <p>Following this a report to Council recommending the adoption of a best practice approach will be considered.</p>
1.1.3 Launch a new Strathbogie Shire website with enhanced usability and customer focussed functionality, with a focus on maximising paperless transactions and self-service.	100	<p>Council launched its new website in May 2022 to make it easier for our community members to find information, make payments and access our services. Some of the features of our new website are:</p> <ul style="list-style-type: none">• enhanced search function• simple navigation, and• updated forms which can be filled out online.
1.1.4 Adopt and implement an Advocacy Strategy to outline the approach, principles and focus of Council's advocacy activities.	100	<p>Council released its Advocacy Ask - Invest. Live. Visit. Play - in late 2021. The document outlines our top five advocacy priorities, which include:</p> <ol style="list-style-type: none">1. Equitable digital and telecommunications infrastructure.2. Reliable power supply infrastructure.3. 2026 Commonwealth Games: Lake Nagambie Rowing Bid.4. Greening Euroa Project.5. Nature based play space.

1.1.5 Prepare and adopt a Strathbogie Shire Brand Strategy	100	<p>Council adopted the renewed brand strategy in May 2022. A new corporate brand is an update, refresh or renewal of our current brand. Council will stop using the boxes and instead using a stronger style font that better represents the rivers and ranges of Strathbogie Shire.</p> <p>The font and use of the 'S' represent the landscape of the Strathbogie Ranges, the meandering path of our rivers, creeks and streams. The deep purple colour reflects the colour that can be seen across the Shire as the sun sets over the ranges. In particular, the flexible elements will allow Council to promote the Shire and individual townships.</p> <p>The new brand was produced in house and aims to position the Strathbogie Shire as a progressive, exciting, desirable regional location to live, work and play.</p>
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Performance indicators

Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Satisfaction rating - art centres and libraries	Annual Community Satisfaction Survey	Increase on 2021 result of 67	67	This result reflects a consolidation of the ratings achieved in 2021. This is a pleasing result given the challenges of library closures due to COVID-19 lockdowns and restricted services throughout the year.
Satisfaction rating - lobbying	Annual Community Satisfaction Survey	Increase on 2021 result of 51	54	This result reflects the strong focus on advocacy at State and Federal levels on issues raised by the community, particularly through the Council Plan's deliberative engagement process. We note that our rating is above the cumulative state wide rating.
Satisfaction rating - consultation & engagement	Annual Community Satisfaction Survey	Increase on 2021 result of 52	52	This result is a consolidation of the 2021 result and reflects challenges and limitations on engagement activities due to the COVID-19 pandemic restrictions and lockdowns.
Satisfaction rating - informing the community	Annual Community Satisfaction Survey	Increase on 2021 result of 56	55	This result is a consolidation of the 2021 result. It is expected our new website, launched in May 2022, will help drive our continued efforts to keep our community informed.
Satisfaction rating - community decisions	Annual Community Satisfaction Survey	Increase on 2021 result of 52	51	This result is a consolidation of the 2021 result. This also reflects limitation on engagement process due to the COVID-19 pandemic restrictions and lockdowns.
Meetings conducted with the eight Action Groups	Council data	One meeting per group	1	One session was held in 2021/22 bringing all community action groups together. Active Action Groups continue to meet on a regular basis. In addition, we established a Community Action Group Hub online for Community Action Grants to share ideas, resources and network.

Live. Access. Connect.



Key initiatives 2021/25	Percentage complete	Comments
2.1 Ensure that upgrades of Council facilities, as identified in the capital works program, are compliant with the <i>Disability and Discrimination Act 1992</i> to improve access for people of all abilities.	100	All projects designed and scoped during the year were compliant with the Act to maximise accessibility.
2.2 Develop and promote information to increase awareness of the services available across the Shire and the referral pathways to access them.	100	A brochure increasing awareness around local services and how to access them has been created. Attention now turns to promoting this information via Council's website and through partner agencies and services.
Actions 2021/22	Percentage complete	Comments
2.1.1 Complete an Asset Plan to guide future investment in buildings, plant and infrastructure through the 10 Year Capital Budget.	100	Council adopted the Asset Plan at its 21 June 2022 meeting.
2.1.2 Review resources and service standards to align with the Asset Plan and Road Management Plan.	0	The Assets Plan was adopted in June 2022 and therefore the resource review will follow in 2022/23.
2.1.3 Work with Nagambie Health Care to progress the delivery of enhanced services and facilities at the Nagambie Ageing Hub.	100	Council resolved to finalise and sign a Memorandum of Understanding with Nagambie Health for this project at its February 2022 meeting.
2.1.4 Lobby State and Federal governments to fund improved digital and telecommunications infrastructure.	100	Council released its Advocacy Ask - Invest. Live. Visit. Play - in late 2021. The document outlines our top five advocacy priorities of which, equitable digital and telecommunications infrastructure, is included. Our advocacy on this topic has included: <ul style="list-style-type: none"> • Letters to Ministers • Ongoing meetings and dialogue with NBN Co
2.1.5 Develop and implement promotional material for existing community bus services	100	Promotional material has been completed and released through the Shire's new website.
2.1.6 Support the work being undertaken by the Euroa Mountain Bike Club for the development of a mountain bike track at Balmattum Hill through advocacy with Parks Victoria and relevant government departments.	100	A grant application was submitted through the State Government's Enabling Tourism Fund, following a Council resolution at its February 2022 meeting.

Performance indicators

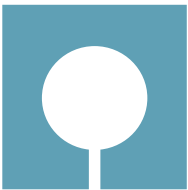
Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Satisfaction rating - local streets and footpaths	Annual Community Satisfaction Survey	Increase on 2021 result of 52	47	This result is a decline on the performance in 2021, which we believe is largely due to the impact of two wet Spring and Summer seasons, which have had a marked adverse impact on our sealed and unsealed roads. We have seen a substantial increase in reports of potholes and road defects. Shortages of materials and labour, caused primarily by the COVID-19 pandemic, has constrained our ability to respond to defects as quickly as we would like.
Satisfaction rating - lobbying	Annual Community Satisfaction Survey	Increase on 2021 result of 51	54	This result is an increase on our 2021 performance and reflects our focus on advocacy efforts with State and Federal governments, particularly in the lead up to the 2022 election.
Percentage completion - projects delivered in capital expenditure budget	Council data	Increase on 2021 result of 85%	77%	Project delivery has been a significant challenge for Council over the past 12 months. The COVID-19 pandemic resulted in materials shortages and price rises (leading to the need for contract variations to be considered by Council), shortages in contractors and staff and lack of tenderers for projects. While the vast majority of planned projects are underway, these factors have meant that completion of works has been significantly delayed.
Infrastructure spend per head of municipal population	Local Government Performance Reporting Framework (Know Your Council)	Increased spend from figure of \$25,715.25	\$26,428	Infrastructure spend is at a constant level when compared to the previous year. It is noted that several projects have been delayed this year given COVID-19 pandemic impacts on the availability of materials, labour and contractors.
Asset renewal and asset upgrade as a percentage of depreciation	Local Government Performance Reporting Framework (Know Your Council)	Increased spend from figure of 128.09%	75.62%	This result is the product of a reduction in renewals from the previous year (\$3 million) and delays in the completion of capital works due to significant challenges with the availability of construction contractors and materials due to the COVID-19 pandemic.

Protect. Enhance. Adapt.



Key initiatives 2021/25	Percentage complete	Comments
3.2 Prepare a planning scheme amendment to include an environmentally sustainable development policy that responds to climate change and minimises adverse environmental impacts created by new development.	100	Council is participating in a partnership with a number of other Victorian councils to develop a planning policy and other planning tools to improve design outcomes for new developments. This work will continue in 2022/23.
3.4 Creation of a Significant Tree Register.	20	Work has commenced on reviewing other models used by Victorian Councils. Work will continue on this initiative in 2022/23.
3.5 Investigate, in partnership with Goulburn Valley Water, opportunities to green open spaces in towns with recycled water from the town's wastewater treatment plant.	100	The design for the Greening Euroa project has been completed in partnership with Goulburn Valley Water and the Greening Euroa Committee. Attention now turns to advocacy for funding at the State and Federal government levels to fund this ground-breaking project.
3.6 Complete community engagement around the State Government's new 4-waste bin system to determine the structure of the service for tender purposes.	100	An extensive community engagement process was completed in the early part of 2022 around support for options for the new 4 bin system. More than 800 residents responded to our online survey to identify a preferred option out of three service models with different costs, collection frequencies for the various bins and different outcomes for waste diversion objectives. The voting for the three options was closely contested, however the option with most votes (294) was Scenario 1 - waste and recycling bins collected fortnightly, food/green waste weekly and glass monthly.

Actions 2021/22	Percentage complete	Comments
3.1.1 Develop and implement the Climate Change Action Plan.	80	Public consultation on the development of the action plan was delayed due to COVID-19 pandemic restrictions, however significant progress was made on the drafting of the Plan. It is expected the draft plan will be put to Council for consideration in the first quarter of the 2022/23 financial year.
3.1.2 Be the lead Council for the Naturally Cooler Towns initiative in partnership with the Goulburn Murray Climate Alliance.	100	The report has been finalised in partnership with the Alliance and our attention now turns to action implementation.
3.1.3 Finalise the detailed design for the Greening Euroa project in partnership with Goulburn Valley Water	100	The design is complete and efforts now turn to advocacy for funding the project.
3.1.4 Implement actions from the Southern Goulburn Waste and Resource Recovery Strategy.	100	All actions for the 2021/22 year have been completed.
3.1.5 Complete the Violet Town landfill rehabilitation project.	50	The tender process has almost been completed to appoint a suitably qualified contractor to undertake the works. The Environment Protection Agency have approved the design of the rehabilitation works and an independent environmental assessor appointed to confirm that environmental standards are being met through the life of the project.
3.1.6 Involve the community in tree planting projects across the Shire.	20	Community tree planting initiatives are starting to occur following COVID-19 restrictions. A tree planting morning was held at the Rockie Bridge and there is a community tree planting session planned for July 2022 at Strathbogie Spring Creek Reserve.
3.1.7 Implement actions from the Domestic Wastewater Management Plan to support growth within existing townships and mitigate health risks from wastewater.	0	Our Domestic Wastewater Management Plan is due for renewal.
3.1.8 Advocate to Federal and State governments for investment in reliable power supply infrastructure with a focus on renewable energy.	100	Several advocacy initiatives have focussed on this issue throughout the year at Federal and State government levels. This issue is one of the focus areas outlined in our Advocacy Strategy, which is being distributed to local Parliamentarians, government departments and authorities to continue our advocacy efforts.
3.1.9 Complete a feasibility study for reuse shops at our resource recovery centres.	100	The feasibility study has been completed and the next phase of this project is seeking funding for the construction of a reuse shop at the Nagambie Resource Recovery Centre.



Performance indicators

Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Satisfaction rating - waste management services	Annual Community Satisfaction Survey	Increase on 2021 result of 67	67	This result represents a consolidation of our 2021 result.
% contamination of recycling stream	Monthly data supplied by Cleanaway	Decrease on 2021 result of 1%	14%	Contamination has increased on 2021 levels and peaked during the Summer and Easter holiday period.
Number of education sessions delivered to schools or community groups	Council data	Target to be set based on 2021/22 result	3 Schools 3 Community groups 12 tri-council activities	Despite the challenges of the COVID-19 pandemic lockdowns and restrictions, several education sessions with schools and community groups were delivered.
Average waste diversion rate	Monthly data supplied by Cleanaway	Increase on 2021 result of 71%	70%	This result is a consolidation on the previous year's result.
Contamination rate in our waste stream	Monthly data supplied by Cleanaway	Decrease on 2021 result of 1.7%	1.51%	This result pleasingly shows a modest decrease in the contamination rate, which should be noted is very low compared to other councils in the region.
Satisfaction rating – environmental sustainability	Annual Community Satisfaction Survey	Increase on 2021 result of 59	59	This result represents a consolidation of our 2021 result.
Delivery of progress report – Climate Change Action Plan Implementation (once adopted by Council)	Council data	N/A	N/A	The Climate Change Action Plan is yet to be adopted by Council.



Inclusive. Productive. Balanced.



Key initiatives 2021/25	Percentage complete	Comments
4.1 Continue to explore free camping possibilities and RV friendly town accreditation.	100	Work has continued throughout the year with the Violet Town community to identify an appropriate free camping site and the supporting infrastructure required to create a short term camping site.
4.3 Upgrade online and automated processes for approvals and permits wherever possible to support the construction sector.	100	An online automated 'Dial Before You Dig' process was rolled out in early 2022 which has resulted in reduced processing times to support our construction sector. Council's new website also ensures that the business sector can more readily find information around permits and approvals, along with accessing online forms.
Actions for 2021/22	Percentage Complete	Comments
4.1.1 Adopt an Economic Development Strategy.	30	The community engagement process has commenced to inform the development of the Economic Development Strategy. Two business engagement sessions were held throughout the month of June.
4.1.2 Complete a review of the Strathbogie Planning Scheme to ensure it reflects changing economic, environmental and social trends and identifies the further strategic work required to deliver a fit for purpose framework to guide sustainable growth and development while protecting our built and natural heritage.	30	A public tender process was completed for this project and a consultant appointed in 2021. Work has commenced on identifying the strengths and weaknesses of our Planning Scheme. Community engagement commenced in mid-June to identify key issues across the community to be addressed through the Planning Scheme Review. Council Planning Staff have also been visiting townships through the 'Talk to a Planner' initiative to raise the profile of this important project.
4.1.3 Implement the Business Concierge Program to support businesses in responding to the impacts of the COVID-19 pandemic.	100	The Business Concierge program ran for most of 2021/22 and provided meaningful support to local businesses on their road to recovery post lockdowns. This program supported businesses in identifying and applying for various grants offered by State and Federal governments.
4.1.4 Continue to seek funding to support local businesses in adapting and responding to the COVID-19 pandemic.	100	Council was successful in reporting on the impacts of the COVID-19 pandemic to State and Federal governments, as well as succeeding in several grants to support local businesses, which saw initiatives around COVID-19 safe outdoor dining opportunities, pop up parks in our local shopping strips and the Winter Wonderland ice skating experience in Nagambie and Euroa. All of these initiatives were well received by local businesses and the community, helping to boost local expenditure.

4.1.5 Continue to advocate for the development of the Mangalore Airport as a freight intermodal and transport/ industrial hub.	100	The benefits of the development of an intermodal transport hub were presented to State and Federal government departments, elected representatives and candidates in the 2022 Federal election through our Advocacy Strategy. Efforts will continue on raising the importance of this issue at all levels of government.
4.1.6 Continue to seek funding options for the upgrade of the Euroa Railway Precinct as part of the Euroa Structure Plan's implementation.	100	Funding submissions were identified and applications submitted, resulting in a successful funding bid at State government level for this project.
4.1.7 Continue to advocate to the Australian Rail Track Corporation (ARTC) for a community led outcome for the redesign of railway infrastructure in Euroa.	100	Significant advocacy efforts, along with driving the need for community consultation with the ARTC continued throughout the year. This was a particular advocacy focus in discussions with all candidates for the 2022 Federal election. Discussions continue with our Federal member for Indi, Helen Haines, on this matter.



Performance indicators

Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Planning permit applications decided within 60 statutory days	Planning Permit Activity Report (PPAR)	80%	78.5	This result is nearly on target and it is noted that the Planning and Investment team's performance on this indicator is well above that achieved by other small rural and larger regional Councils.
Satisfaction rating - building and planning permits	Annual Community Satisfaction Survey	Increase on 2021 result of 51	44	
Satisfaction rating – business development and tourism	Annual Community Satisfaction Survey	Increase on 2021 result of 59	60	
Satisfaction rating – tourism development	Annual Community Satisfaction Survey	Increase on 2021 result of 61	62	
Average monthly visitation to the Nagambie Lakes Visitor Information and Euroa Visitor Information Centres	Data provided to the Victorian Tourism Industry Council	Increase on 2021 result of 300 visitations per month	357 visitations per month	Service was impacted due to COVID-19 restrictions
Median number of days to decide on a planning permit application	Local Government Performance Reporting Framework data (Know Your Council)	Decrease on 2021 result of 44 days	71 days	
Asset renewal and asset upgrade as a percentage of depreciation	Local Government Performance Reporting Framework data (Know Your Council)	Increase on 2021 result of 128.19	75.62%	This result is the product of a reduction in renewals from the previous year (\$3 million) and delays in the completion of capital works due to significant challenges with the availability of construction contractors and materials due to the COVID-19 pandemic.



Strong. Healthy. Safe.



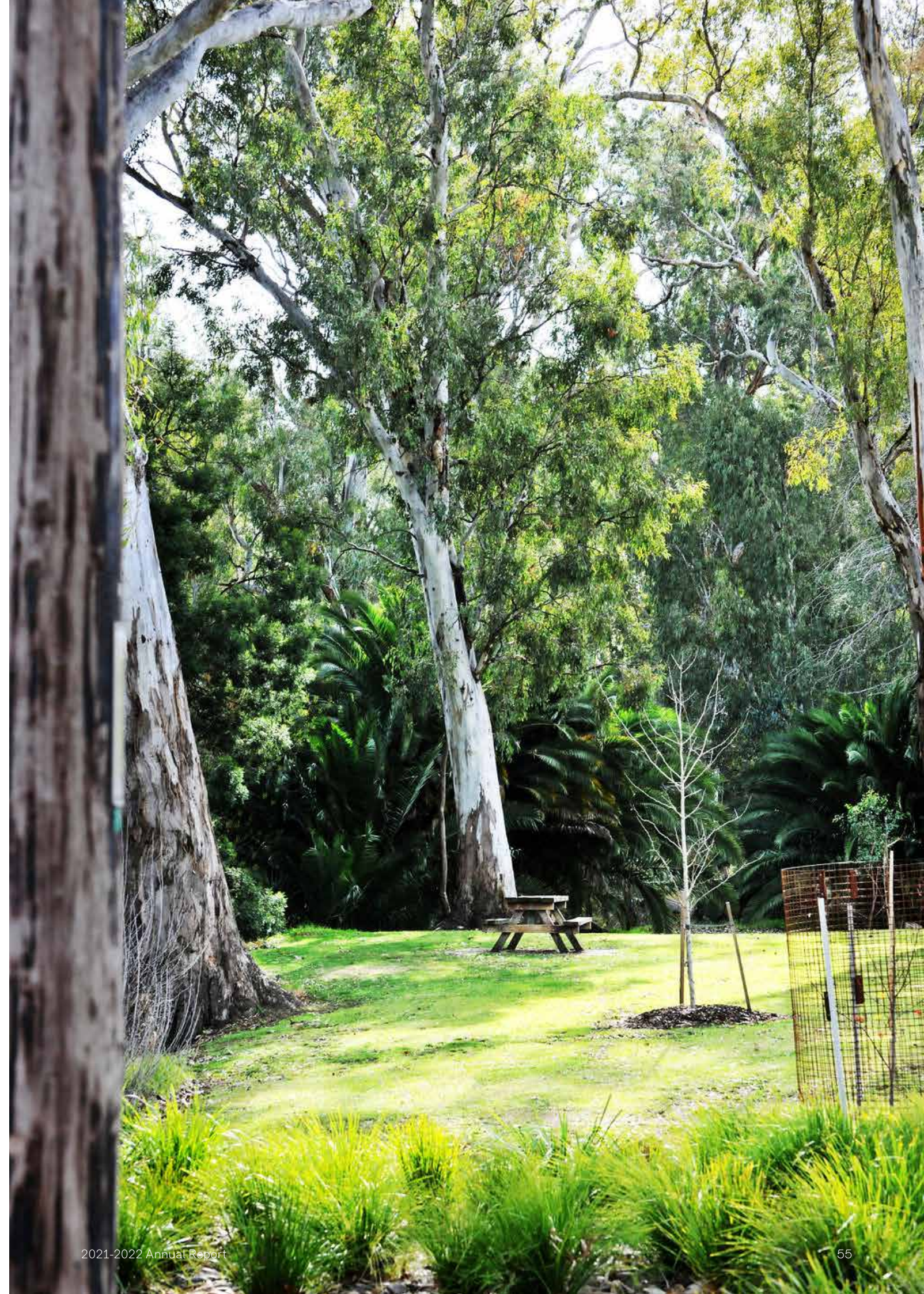
Key initiatives 2021/25	Percentage complete	Comments
5.1 Create 'cool places' across the municipality that welcome people during heatwave events.	100	Funding was secured to purchase and install generators for each of our relief centres to ensure there is a cool refuge for our community in the event of a power failure during Summer months.
Actions for 2021/22	Percentage complete	Comments
5.1.1 Seek external funding for the preparation and implementation of an Open Space Strategy which looks at active and passive spaces and is informed by analysing population trends, climate change impacts and a gender impact statement, to cater for a growing population while maximising participation across all sexes, ages and abilities.	100	Despite significant efforts to identify and apply for funding from other levels of government, there have been no appropriate funding streams to support the preparation of an open space strategy. \$100,000 has been allocated in the 2022/23 budget to develop this strategy.
5.1.2 Deliver a series of events and initiatives to support healthy eating practices, reduced obesity and increased physical activity, such as Active Healthy Kids.	100	Council joined the VicHealth Local Government Partnership, which is in the process of designing a series of events and initiatives. Council has supported the Euroa Secondary College Canteen green, yellow, red food and drink program in partnership with Goulburn Valley Health.
5.1.3 Implement the outcomes of the Lake Nagambie and Goulburn River waterway zoning review to maximise opportunities for safe water-based activities.	100	The review of waterway zoning was completed in May 2022, guided by the Waterways Committee. The recommendations of the review have been sent to Marine Safety Victoria for review and subsequent approval.
5.1.4 Complete the annual audit of tobacco sales inspections, prosecuting those businesses who sell tobacco to people under the age of 18 years.	0	This program was suspended due to the COVID-19 pandemic.
5.1.5 Partner with the vocational training and education sector to enhance training for young people to maximise engagement in ongoing education and training.	100	Council's Youth Development Officer is working with local and regional service providers following challenges in education and training during the COVID-19 pandemic. A breakfast education and training expo was delivered during the Easter holidays and was well attended.
5.1.6 Review and implement the Public Open Space Contributions Policy.	0	This initiative has not been undertaken due to the focus on other strategic planning initiatives and COVID-19 pandemic impacts. Work on this project will commence 2022/23.

5.1.7 Promote participation in MCH programs for 0-4 year-olds.	100	A significant effort has been made to ensure continued engagement with our MCH program, which has continued throughout the COVID-19 pandemic. A number of communication methods have been utilised to promote the service including postcard reminders of the next key stage visit, promotion across a range of facilities, offering multiple modes of visit opportunities.
5.1.8 Review Heatwave, Emergency Animal Welfare and Mass Gathering Sub-Plan components of the Emergency Management Plan.	100	Both the Heatwave Plan and the Emergency Animal Welfare Plan have been reviewed and adopted by the Municipal Emergency Planning Committee (MEMPC). Upon a review of the Council's extensive events management process and the need for a separate mass gathering plan was considered unnecessary by the MEMPC.
5.1.9 Develop and implement an annual action plan for health and wellbeing priorities identifying partnerships that will support the delivery of the plan.	80	The development of the plan is underway and will be completed in August 2022.
5.1.10 Participate in 16 Days of Activism Against Gender Based Violence – deliver local initiatives throughout the municipality.	100	Strathbogie Shire participated in a number of events and initiatives during 16 Days of Activism including displaying orange cut-outs of children throughout the Shire featuring QR codes which could be scanned to view an informative video created by Our Watch for its 'Change the Story' campaign.
5.1.11 Educate and raise awareness on ageism and elder abuse through an educational campaign that challenges ideologies.	100	Awareness campaign undertaken to promote World Elder Abuse Day.
5.1.12 Link with established partnerships and networks to ensure residents have awareness of and access to critical supports available.	100	
5.1.13 Support the positive mental health of our community through education, awareness campaigns, distribution of resources and use of referral pathways through Council's Rural Outreach Worker and Access and Support Worker.	100	Visitation to a number of community groups, community settings and individual residents throughout the reporting period.
5.1.14 Participation in the Integrated Health Promotion Project (partnership with Primary Care Partnership 2021- 2025) annual plans developed to address 3 key themes of Health Eating, Active Living and Reducing Tobacco Use.	100	Council Officers continue to be a part of the Regional Integrated Health Promotion Network.



Performance indicators

Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Satisfaction rating – appearance of public areas	Annual Community Satisfaction Survey	Increase on 2021 result of 74	73	This result represents a consolidation on the 2021 result and reflects the challenge of maintaining public areas during COVID-19 lockdowns and challenges with staff resources experienced throughout the year in our outdoor crew.
Satisfaction rating – recreational facilities	Annual Community Satisfaction Survey	Increase on 2021 result of 65	68	This result represents a significant increase in community satisfaction with our recreation facilities, which have been augmented by the opening of a skate park in Nagambie and several new recreational infrastructure projects that are underway.
Annual total attendance figures for all aquatic facilities	Council data	Increase on 2021 result of 11,851	18,361	Attendance figures were up markedly from the 2021 result.
Number of completed tobacco sale audits to under 18's	Council data	No benchmark from 2021	0	The audit program was unable to be undertaken this year due to COVID-19 restrictions.
% of children enrolled who participate in Maternal and Child Health services	Local Government Performance Reporting Framework data (Know Your Council)	Increase on 2021 result of 74%	98%	Despite significant challenges in providing MCH programs during the COVID-19 pandemic, participation increased markedly on the 2021 figure.
% of Aboriginal children enrolled who participate in Maternal and Child Health Services	Local Government Performance Reporting Framework data (Know Your Council)	Increase on 2021 result of 87%	68.75%	Eleven out of the sixteen First Nations children attended our MCH service this year. This result is down on the 2021 figure and we believe is a result of the COVID-19 pandemic isolation impacts and illness.
% of infants enrolled in Maternal Child Health services who participate in 4-week key stage visit.	Local Government Performance Reporting Framework data (Know Your Council)	Increase on 2021 result of 90%	93%	MCH visits continued during the COVID-19 pandemic under strict protocols, resulting in a pleasing increase in participation this year.



Accountable. Transparent. Responsible.



Key initiatives 2021/25	Percentage complete	Comments
6.3 Develop and implement strategic and operational risk registers, working in partnership with the Audit and Risk Committee and Internal/External Auditors.	50	The Strategic Risk Register was developed and finalised in partnership with the Audit and Risk Committee in June 2022.
6.5 Development and implementation of a comprehensive gender equity framework through policies, training and proactively acting on feedback from staff, Councillors and the community.	100	A Gender Equity Audit was completed in 2021 and our Gender Equity Action Plan created in partnership with our staff in December 2021. Both documents have been submitted to the Gender Equity Commission, with certification that the requirements of the <i>Gender Equity Act 2020</i> have been met by Council.
Actions for 2021/22	Percentage complete	Comments
6.1.1 Review the allocation of human and financial resources across the organisation to deliver the Community Vision and Council Plan, informed by service reviews and benchmarking against like organisations	100	A realignment of the organisational structure, along with the allocation of resources in the 2021/22 budget to support the implementation of the Council Plan, was completed in late 2021.
6.1.2 Develop and implement a performance reporting system to track the delivery of this Council Plan and its performance indicators	100	This project has been delayed due to the submission of a digital transformation funding application to the State Government to work with three other councils in the Lower Hume Region to revolutionise how we track our performance. Performance reporting is identified for Year 3 of this project at present. Monthly performance reports are, however, provided to Council and the community through the Council Agenda on a range of performance indicators.
6.1.3 Adopt a revised Procurement Policy and complete whole of organisation training to maximise compliance.	100	A revised Procurement Policy was adopted by Council at its 14 December 2021 meeting and provided for a greater focus on support for local businesses and supporting tender participation by the indigenous community, which is an objective of the Taungurung Memorandum of Understanding.
6.1.4 Finalise the Strategic Risk Register through Council's Audit and Risk Committee after being reviewed in light of the priorities of this Council Plan.	100	An intensive workshop was held with the Audit and Risk Committee in March 2022 to develop the Strategic Risk Register, which was finalised in June 2022.

6.1.5 Develop a gender impact assessment tool to allow Council to assess the gendered impacts of policies, programs and services.	100	A gender impact assessment tool has been developed and now needs to be embedded across the organisation. A policy impact assessment tool has also been developed for Officers to complete as a way of considering gender equity impacts of new Council and operational policies.
6.1.6 Support the Audit and Risk Committee in completing its work plan for 2021/22	100	A significant amount of work has progressed through the Audit and Risk Committee across its extensive work plan for 2021/22. Several internal audits have been completed by our appointed Auditors, AFS and Associates, with many actions completed in response to findings for process and policy improvement.
6.1.7 Complete an audit of Council's property portfolio to identify options to maximise community benefit.	0	COVID-19 impacts and other priorities have meant that this work has not commenced. This action will be carried over to 2022/23.
6.1.8 Develop and implement the response to the People Matters Survey completed in 2021.	100	A number of initiatives were completed by the organisation to respond to the issues raised through the survey in 2021, with a focus in particular on cultural change and improved training.
6.1.9 Develop a business case for an integrated enterprise resource management system	100	An application for Round 2 of the Victorian government's Regional Digital Transformation Project funding was developed with our partners Mansfield Shire, Murrindindi Shire and the Rural City of Benalla. Pleasingly our funding application was successful and we have received \$1 million of State funding to revolutionise our software system and business processes over the next three years.
6.1.10 Develop a four-year Workforce Plan	100	Our 2021/25 Workforce Plan was completed in December 2021 and focuses on initiatives around staff training, gender equity, succession planning and ensuring the health and wellbeing of our workforce.
6.1.11 Develop a CEO Remuneration Policy	100	Council adopted a Chief Executive Officer Employment and Remuneration Policy at its 19 October 2021 meeting to guide the process of recruiting a CEO and the annual review process. The Policy established a CEO Employment and Remuneration Committee, consisting of the Mayor, two Councillors and an independent expert in the form of the Municipal Monitor.
6.1.12 Develop a Complaints Policy.	100	Council adopted a comprehensive Complaints Policy at its 14 December 2021 meeting. The policy outlines the process for dealing with complaints in a comprehensive and timely way.

Performance indicators



Performance indicators

Indicator	Data source	Goal for 2021/22	Actual result for 2021/22	Comment
Satisfaction rating Customer Service	Annual Community Satisfaction Survey	Increase on 2021 result of 69	73	This marked increase in satisfaction is a very pleasing result that well exceeds the ratings of the Small Rural Council average and the state wide average rating. Improving our responsiveness to customer requests and enquiries across the organisation has been a key focus in 2021.
% of staff with procurement responsibilities that have completed procurement and probity training	Council Data		93%	Twenty-seven staff attended a Procurement Probity Training course in July 2021.
Satisfaction rating – Overall performance	Annual Community Satisfaction Survey	Increase on 2021 result of 57	56	This result represents a consolidation of the 2021 rating in a year where COVID-19 created significant operational challenges.
Satisfaction rating – Overall direction	Annual Community Satisfaction Survey	Increase on 2021 result of 55	50	Council will undertake further research to understand the drop in this rating, however there were a number of significant strategic decisions that were made by Council this year which created significant discussion within the community. Our community vision asks Council to be bold and this has been our approach during the year.
Satisfaction rating – Value for Money	Annual Community Satisfaction Survey	Increase on 2021 result of 41	42	It is considered this is a consolidation of our performance on the 2021 result and will be an area of focus for 2022/23.
Satisfaction rating -Council decisions	Annual Community Satisfaction Survey	Increase on 2021 result of 52	51	This is a consolidation of the 2021 result.
Expenses per head of municipal population	Local Government Performance Reporting Framework (Know Your Council)	Maintenance of 2021 result \$2,816.59	\$2,628.01	There has been a reduction in this indicator when compared to the previous year, which indicates increased efficiency across the organisation and delays in capital works projects resulting from the COVID-19 pandemic materials and labour shortages.

Recurrent grants per head of municipal population	Local Government Performance Reporting Framework (Know Your Council)	Increase on 2021 result of \$780.29	\$826.99	There has been an increase in this indicator, which is a reflection of the concerted effort by Council to advocate for additional funding and the allocation of additional resources to focus on grant applications throughout the year.
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2021 Strathbogie Shire Councillors



Governance

In Victoria, Councils are constituted under the *Act* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

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

The community has many opportunities to provide input into Council's decision-making processes including deliberative engagement, less formal community consultation processes, and participation in public forums such the ability to make submissions to Council and ask questions at Council meetings.

Council's formal decision-making processes are conducted through council meetings, which are run in accordance with our Governance Rules.

Due to the sheer volume of decisions that need to be made on a daily basis under legislation, Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies and instruments of delegations are reviewed periodically to ensure they are up to date.

Local Government Victoria Culture Project Submission

Local Government Victoria (LGV) engaged Price Waterhouse Coopers Consulting to address some of the challenges Victorian councils have faced in recent years in relation to the role and behaviour of Councillors.

At the end of December 2021 LGV released the Local Government Culture Project Discussion Paper (the Discussion Paper), which focussed on three themes and asked an array of stakeholders across the State to make submissions in response to a set of questions outlined in the Discussion Paper.

Council made a detailed submission to outline our constructive ideas as to how to improve good governance for councils. Council's aim, in developing its submission, was to reflect on our own experience and the proactive step we took to request the Minister for Local Government to appoint a Municipal Monitor.

Council sought to offer practical and meaningful suggestions to address some systematic and fundamental flaws in the way that legislation introduced by the State has established current electoral models, roles of councils, mayors and how this can create challenges in relationships between the elected council, council administration and the community.

To further strengthen its advocacy efforts around improved governance, Council endorsed putting two motions to the Municipal Association of Victoria State Council Meeting on 24 June 2022 that focussed on working in partnership with the State Government to:

- replace the candidate certification program used for the 2020 General Election with a mandatory comprehensive candidate training program for the 2024 general election cycle to ensure all prospective candidates have a deep and clear understanding of the role of a councillor and council to drive sector capability and good governance.
- develop and deliver a statewide councillor induction program for the 2024 general election cycle that is driven by Local Government Victoria, delivered on a regional basis and funded by the State to ensure all councillors receive the same induction training in a way that is efficient and helps build relationships and support networks across the state.

Our focus on good governance

The introduction of a new *Local Government Act* in 2020 saw the development of a suite of strategic documents and policies during the year, in accordance with timelines and requirements prescribed by the *Act* including:

- Gender Equity Action Plan and Audit
- Workforce Plan
- Procurement Policy
- Chief Executive Officer Employment and Remuneration Policy
- Complaints Policy
- Events Policy
- Investment and Cash Management Policy
- Special Rate and Charge Scheme Policy.

Councillor Code of Conduct

In accordance with section 139 of the *Act* a Councillor Code of Conduct was adopted by Council on 16 February 2021.

The Code forms the foundation for Council's firm commitment to good governance as it discharges the duty of a Council prescribed by section 8 of the *Act*, which is to govern for the benefit and wellbeing of the whole Strathbogie Shire community: that is those who live here, our ratepayers, visitors, traditional owners of the land and those who conduct businesses or activities across our diverse Shire.

The Code sets out the values and behaviours to be adhered to at all times as a means of abiding by the following prescribed codes of conduct under the *Act*:

- Prescribed Standard of Conduct 1 - Treatment of others
- Prescribed Standard of Conduct 2 - Performing the role of Councillor
- Prescribed Standard of Conduct 3 - Compliance with good governance measures
- Prescribed Standard of Conduct 4 - Councillor must not discredit or mislead Council or public
- Prescribed Standard of Conduct 5 - Standards do not limit robust political debate.

The Code has an emphasis on addressing any issues or tensions that may arise from time to time quickly, in a respectful manner and with the objective of developing a mutual understanding of the impact the alleged behaviour has had on others.

A more formal internal arbitration process is also outlined if a party seeks a finding of misconduct through the appointment of an internal arbiter by the Principal Councillor Conduct Officer, which is one of the mandatory requirements prescribed by the *Act*.

Conflict of Interest

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Sections 127 and 128 of the *Act* provide clarity around what constitutes a general and material conflict of interest.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest by both Councillors and delegated officers. Declaration of a conflict of interest is a standard agenda item for all council and meetings.

Smart forms are provided to all Councillors and delegated officers to use to make the declaration process as easy and transparent as possible. These forms are then reviewed by the Director People and Governance and the Chief Executive Officer. These forms are then recorded on conflict of interest register.

While the procedures vary depending on the particular circumstances, once a conflict has been declared the Councillor excludes themselves from any discussion or debate on the matter and leaves the meeting (whether it be a formal Council meeting or an informal briefing). Instances where Councillors have left a meeting due to a conflict of interest are recorded in the minutes for that meeting.

During 2021/22 15 conflicts of interest were declared at council meetings by Councillors and six declarations were made by Council Officers.

Council Meetings

The table below provides Councillor attendances at Council meetings 1 July 2021 to 30 June 2022.

Councillor	Council Meetings	Extraordinary Meetings	Total
Cr Laura Binks	10	7	17
Cr Reg Dickinson	11	7	18
Cr Sally Hayes-Burke	11	7	18
Cr Kristy Hourigan	9	7	16
Cr Melanie Likos (resigned effective 17/08/21)	0	0	0
Cr Paul Murray	10	7	17
Cr Chris Raeburn	10	7	17
Cr David Andrews (sworn in September 2021 Council meeting)	9	5	14
Number Of Meetings	11	7	18

Councillor Allowances

In accordance with Section 39 of the Act and the Council Expenses Policy 2021, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor and Deputy Mayor are also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Strathbogie Shire Council is recognised as a category one Council – Small Rural Shire. The allowance is comprised of two parts: an allowance and a 10% superannuation equivalent payment.

In December 2021, the Minister for Local Government invoked the provisions of the new

Local Government Act 2020

by requesting the Victorian Independent Remuneration Tribunal to review allowances, which had not been increased since 2019.

The Tribunal recommended an uplift in allowances, along with the creation of a higher allowance for the position of Deputy Mayor in recognition of the specific roles and responsibilities the new legislation identifies for the incumbent of this position.

The Minister instructed all Victorian councils to review their allowances following the Tribunal's findings, including back payment of increased allowances to 18 December 2021.

Council responded to the request by the Minister to review allowances at its meeting of 19 April 2022, which set the base allowances for the period between 18 December 2021 and 17 December 2022 as follows:

(a) Mayor - \$74,706

(b) Deputy Mayor - \$37,353

(c) Councillors - \$24,080

and noted that:

- base allowances will be indexed annually by the Victorian Independent Remuneration Tribunal.
- a Council member that normally resides more than 50 kilometres from the location of Council meetings and other meetings they are required to attend by Council resolution is entitled to be paid a Remote Area Travel Allowance of \$44 for each day on which such meetings are held, up to a maximum allowance of \$5,500 per annum.
- Councillors can elect to receive:
 - (a) all of the allowance to which they are entitled
 - (b) a nominated portion of the allowance
 - (c) receive no allowance.

The following table contains details of the allowances paid to the Mayor and Councillors during 2021/22 (including the backpay requested by the Minister for Local Government).

Councillor	Allowance (including 10% payment equivalent to superannuation)
Cr David Andrews (sworn in on 21 September 2021 following a countback process after the resignation of Deputy Mayor Melanie Likos)	\$19,794.43
Mayor Laura Binks (elected as Mayor November 2021. Note that this allowance total has had the Mayor's vehicle contribution payment of \$1,259.49 deducted).	\$57,477.21
Cr Sally Hayes Burke	\$24,948.32
Cr Reg Dickinson	\$24,948.32
Cr Kristy Hourigan	\$24,948.32
Deputy Mayor Melanie Likos (resigned in August 2021)	\$3,007.75
Deputy Mayor Paul Murray (elected as Deputy November 2021)	\$32,808.47
Cr Chris Raeburn (Mayor between July and November 2021)	\$41,572.71

Councillor Support, Resources, Reimbursements and Reporting of Expenses Policy 2021

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor.

Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. Council’s Gifts,

Benefits and Hospitality Policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor paid by the Council.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council for the 2021/22 year are set out in the following table.

Councillor expenses

Year 2020-21	Child-family care	Travel	Car Mileage*	IT and Comms**	Conferences & Training***	Total expenses
Cr/Mayor Raeburn (Mayor from 1 July – 16 November)	\$0.00	\$0.00	\$210.99	\$125.05	\$667.62	\$1,003.66
Cr/Mayor Binks (Mayor from 16 November)	\$0.00	\$0.00	\$2,705.26	\$1,150.86	\$4,850.99	\$8,707.11
Cr Dickinson	\$0.00	\$0.00	\$1,773.49	\$451.64	\$550.00	\$2,775.13
Cr Hayes Burke	\$1,266.91	\$0.00	\$168.48	\$472.14	\$790.91	\$2,698.44
Cr Hourigan	\$0.00	\$9.55	\$0.00	\$381.76	\$1,825.46	\$2,216.77
Deputy Mayor Likos (resigned 17 August)	\$0.00	\$0.00	\$0.00	\$77.57	\$0.00	\$77.57
Cr/Deputy Mayor Murray (Deputy Mayor from 16 November)	\$0.00	\$9.55	\$385.20	\$251.34	\$470.91	\$1,117.00
Cr David Andrews (term commenced 21 September)	\$0.00	\$0.00	\$1,570.26	\$1,045.12	\$450.00	\$3,065.38

Car Mileage*	excludes depreciation for Mayoral vehicle
	excludes \$200 monthly payment from Mayor as vehicle contribution
	includes vehicle registration costs
	excludes capital purchases/trade ins
IT and Comms**	includes hardware costs
Conferences & Training***	excludes Councillor group training provided as part of our annual good governance program

Governance and Management Overview

Council continues to strengthen its statutory and better practice framework in response to extensive policy and reporting requirements introduced in the past year by the *Local Government Act 2020*.

The *Local Government Act 2020* requires council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

Council’s Governance and Management Checklist results are set out in the section below.

Governance and Management Checklist

Governance and Management Requirement	Comment
Community Engagement Policy	The policy requires the preparation of an engagement plan for projects, policies and other matters where Council is seeking community input. Constructive deliberative engagement will be used to inform key strategic initiatives.
Community Engagement Guidelines	Guidelines are outlined in our Community Engagement Policy - engagement plans are developed for projects and strategies to identify optimal engagement approach.
Long Term Financial Plan (10 Years)	Our first Long Term Financial Plan, prepared under the new requirements of the <i>Local Government Act 2020</i> , was adopted in October 2021.
Asset Plan	The Asset Plan, prepared in accordance with the <i>Local Government Act 2020</i> , provides strategic direction for the management and renewal of our asset base.
Revenue and Rating Plan	The Revenue and Rating Plan is reviewed and updated as part of the annual budget preparation process.
Annual Budget	Annual budget adopted 29 June 2021 following extensive community engagement processes.
Risk Policy	An Enterprise Risk Management Framework was adopted 18 June 2019.
Fraud Policy	Fraud and Corruption Prevention Procedures adopted December 2017.
Municipal Emergency Management Plan	The MEMP was reviewed and adopted by Council and endorsed by the Municipal Emergency Management Planning Committee.
Procurement Policy	The annual review of our procurement policy was finalised in December 2021 and provided for a greater focus on local suppliers, improved access to tendering for First Nations people in accordance with the Taungurung Memorandum of Understanding and a greater focus on environmental sustainability.
Business Continuity Plan	Plan updated in 2021 and due for review in 2022/23.
Disaster Recovery Plan	Plan updated in 2021 and due for review in 2022/23.

Risk Management Framework	An Enterprise Risk Management Framework to support the Risk Policy was adopted 18 June 2019.
Audit and Risk Committee	The Audit and Risk Committee Charter was adopted 18 August 2020. The Committee was appointed at same meeting.
Internal Audit Program	Council advised AFS & Associates that the final one year option for their internal audit services was to be exercised, with the contract ending on 30 June 2023.
Performance Reporting Framework	Indicators established through the adoption of the 2021/25 Council Plan at the Extraordinary Council meeting 26 October 2021.
Council Plan Reporting	Completion of Year 1 2021/25 Council Plan actions provided as part of the updating of the Council Plan at the 19 April 2022 meeting. An indicator update was not provided given lack of data relating to community satisfaction and financial indicators.
Quarterly Budget Reports	September quarter budget report noted by Council 16/11/2021, mid-year review budget report noted by Council 15/02/2022, March quarter budget report noted by Council 17/05/2022.
Risk Reporting	Strategic Risk Register workshop with the Audit and Risk Committee, leading to the finalisation of the register in June 2022, noted at the 1 July 2022 Audit and Risk Committee meeting.
Performance Reporting	Fourth quarter report on 2017/21 Council Plan noted by Council on 20 July 2021. Monthly reports on other indicators provided through Council Agenda (Monthly Performance Report item). Quarterly financial indicator reports submitted to Council for noting on 16 November 2021, 15 February 2022 and 17 May 2022.
Annual Report	Annual Report noted by Council 14 December 2021 and forwarded to the Minister for Local Government 30 November 2021.
Councillor Code of Conduct	Code of Conduct adopted and signed 15 February 2021.
Delegations	Instrument S11 was updated 15 March 2022 and 21 June 2022, which appoints officers to particular positions such as Municipal Building Surveyor, Environmental Health Officer and various emergency management positions. Instrument S15 was updated 30 June 2022 and appoints Council's Freedom of Information Officers. Financial and procurement delegations updated 23 November 2021.

Audit and Risk Committee

The Audit and Risk Committee's role has been appointed by Council in accordance with section 53 of the *Local Government Act 2020*.

Its role is to provide independent oversight to monitor the effectiveness of Council in carrying out the responsibilities for accountable financial management,

abiding by the governance principles outlined in the *Act*, maintenance of an effective system of internal control, maintenance of an effective risk management framework and fostering a transparent environment within which Council operates.

The Committee meets at least every quarter and is established under

a Charter, adopted by Council on 18 August 2020. It is comprised of four external members and two Councillors. Independent members are appointed for a three year term and the Chair is elected from the independent members. The Executive and other experts from across the organisation attend meetings and support the work of the Committee throughout the year.

Our Audit and Risk Committee was comprised of the following people during 2021/22:

The table below provides Audit and Risk Committee Members

Member Name	Position Held
Mark Freudenstein (Chair July 2021 – March 2022)	Chair and Independent community member
Paul Ayton (Chair March 2022 – present)	Chair and Independent community member
Alister Purbrick	Independent community member
Alistair Thomson	Independent community member
Cr Paul Murray	Councillor representative
Cr David Andrews (Dec 2021 – present)	Councillor representative
Cr Sally Hayes-Burke (July 2021 – Sept 2021)	Councillor representative
Sanchu Chummar (VAGO) (July – December 2021) Jung Yau (VAGO) (July – December 2021) Danielle McKenzie (Crowe Audit) (December 2021 – present)	External Auditor representative (Victorian Auditor General Office)
Bradley Eade	Internal Auditor (AFS and Associates)

The following table outlines Committee member's attendance for the meetings scheduled for this year:

The table below provides the Audit and Risk Committee Attendance Summary

Audit and Risk Committee Member	Meetings Attended	Meetings Missed
Mark Freudenstein	5	1
Paul Ayton	6	0
Alister Purbrick	5	1
Alistair Thomson	5	1
Cr Sally Hayes-Burke	1	1
Cr David Andrews	4	2
Cr Paul Murray	2	2
VAGO or VAGO Agent representative	4	1
Bradley Eade	6	0

The Committee has prepared and adopted a Workplan in accordance with the requirements of section 54 of the *Act*. This detailed plan assists the Committee with ensuring it discharges all its responsibilities under the *Act* and that a broad range of Council operations and policy frameworks are scrutinised over the three year life of the workplan. The key pillars of the work plan are actions to:

- Monitor the compliance of Council policies and procedures with the overarching governance principles and the *Local Government Act 2020* and the regulations and any ministerial directions
- Monitor Council financial and performance reporting
- Monitor and provide advice on risk management and fraud prevention systems and controls
- Oversee internal audit function
- Oversee external audit function
- Monitor internal controls
- Monitor compliance with relevant laws and regulations.

The Audit and Risk Committee met six times during the last financial year. Key achievements of the Committee include:

- Finalisation of the Strategic Risk Register
- Overview of the 2020/21 Financial Statement, Performance Statement and Annual Report preparations
- Review of draft Asset Plan
- Input into the preparation and review of the 2021/22 and 2022/23 Council Budgets and a new ten (10) year Long Term Financial Plan
- Overview and monitoring of internal and external audit programs
- Review of eight (8) internal audit reports on various Council functions and services.

Internal Audit

The Shire's internal audit function provides independent and objective assurance that ensure appropriate processes and controls are in place. The function is resourced by an external provider – AFS and Associates.

A risk based three year Internal Audit Plan is revised annually to ensure that the audit resources remain focussed on the appropriate areas.

The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

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

Council conducted the following reviews in 2021/22:

- Local Laws
- Payroll Key Controls
- ICT Strategy
- Past issues follow up review (3)
- Procurement and Accounts Payable
- Business Continuity and Disaster Recovery Planning.

External Auditors

Strathbogie Shire is externally audited by the Victorian Auditor General.

For the 2021/22 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor General's Office.

The external auditors attend Audit Committee meetings during

the year to present the annual Audit Plan and Independent Audit Report. The external audit management letter and responses are provided to the Audit Committee.

Documents available for public inspection

Council is committed to achieving the public interest principles set out in section 58 of the *Local Government Act 2020*, which are:

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this *Act* or any other *Act*
- (b) Council information must be publicly available unless
 - (i) the information is confidential by virtue of this *Act* or any other *Act*; or
 - (ii) public availability of the information would be contrary to the public interest
- (c) Council information must be understandable and accessible to members of the municipal community
- (d) public awareness of the availability of Council information must be facilitated.

Council's Public Transparency Policy 2022 outlines our aim to provide ease of access to as much Council held information as possible, while not breaching privacy legislation.

Council is committed to transparent decision making and involving our community in making those decisions.

We understand that our community needs access to a wide range of information to enable people to

participate in the wide range of decision making and community engagement processes we undertake.

We also know that promoting awareness across the community as to the availability of Council information is an important part of this engagement process. The objectives of this policy are to promote:

- accountability around how Council is allocating and spending public money
- increased confidence and trust in the community through greater understanding and awareness
- enhanced involvement in Council's decision-making process by the community in line with our Community Engagement Strategy and Policy
- greater clarity in Council's decision-making processes
- improved Council's performance and service delivery to our community
- access to information that is current, reliable, easily accessible and disseminated in a timely manner
- the protection of information that is identified as being sensitive or confidential under the *Act* and other legislation.

A range of information is available for public inspection upon request at the Euroa Customer Service Centre at 109A Binney Street Euroa in accordance with Council's Public Transparency Policy including:

- copies of our local laws under section 75 of the *Local Government Act 2020*
- a register of conflicts of interest declared by Councillors and Executive Officers at Council meetings

- summary of personal interests for Councillor and Officers under section 135 of the *Local Government Act 2020*

- register of Election campaign donations
- details of current allowances fixed for the Mayor and Councillors
- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillor or any member of Council staff in the previous 12 months
- details of total annual remuneration for all senior officers in respect of the current and previous financial year, including ranges set out as specified and the number of senior officers within those ranges
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the *Act*, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the *Act* and are confidential information within the meaning of section 77(2) of the *Act*
- a register of delegations kept under sections 87(1) and 98(4) of the *Act*
- details of all property, finance and operating leases involving land, buildings, plant or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease, the terms and the value of the lease
- a register of Authorised Officers maintained under section 224(1A) of the *Act*
- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant

- a list of contracts for services and goods valued at \$150,000 or more and contracts for works valued at \$200,000 or more, which Council has entered into without first engaging in a formal competitive process and which are not contracts which are referred to in section 186(5) of the *Act*.

Members of the public can request to view these registers at our Binney Street head office during business hours (where the information is not available on Council's website) by contacting the Governance Officer on 1800 065 993 (toll free) or by emailing info@strathbogie.vic.gov.au.

Maximising Value for Money

Council must adopt a procurement policy that outlines the principles, processes and procedures around the purchase of goods, services and commissioning of works by Council. Council adopted its current Procurement Policy at its 14 December 2021 meeting.

Our policy is consistent with the requirements of section 108 of the *Local Government Act 2020* and is based on the following objectives, which are to:

- Seek to promote open and fair competition and provide Value for Money
- Provide clear guidelines to the Council to allow consistency and control over procurement activities
- Demonstrate accountability to ratepayers and residents
- Provide guidance on ethical behaviour in public sector procurement
- Demonstrate the application of best practice in procurement activities

- Demonstrate the consideration of sustainability in procurement with respect to social, economic and environmental factors

- Increase the probability of obtaining the best outcome for the municipal community when procuring goods and services

- Seek to undertake collaborative procurement with other councils.

Our updated policy is based on the principles of:

Integration with Council strategy – supporting the aims and objectives of Council’s current Council Plan and demonstrating responsible financial management must be applied to all procurement activities.

Value for Money – is centred on obtaining the best quality and value for the price and ensuring that the quality of the goods and services meets Council’s criteria with regards to policy, performance, risk, and cost constraints. Therefore value for money does not necessarily mean the cheapest price.

Benefit to the Community – Council will consider opportunities to sustain local employment, so when different products are of comparable price and quality, products having more local content will be given precedence.

Environmental Sustainability – Council will give preference to goods, services and works that will advance the use of resources having higher recycled or reused content and which are responsibly sourced. A whole life cycle cost consideration will also be given to these products in terms of the impact on the environment throughout the entire life cycle.

Fair and honest dealing –

All prospective contractors, consultants and suppliers will be afforded an equal opportunity to submit a tender or quote. Impartiality must be maintained throughout the procurement process.

Probity, Accountability and Transparency – means being able to justify and provide evidence of the process followed so an independent third party must be able to see clearly that a process has been followed and that the process was fair and reasonable.

The following value for money initiatives were undertaken during 2021/22:

- development of guidelines and processes for fees and charges to inform the budget development process
- improved reporting on cumulative spend and orders raised without purchase orders
- reporting to Council each month on the contracts and tenders approved by Officers under delegation each month
- commencement of the preparation of a new project management framework to overhaul how capital works projects are delivered by planning/designing/scoping in Year 1 and delivery in Year 2 (avoiding project scope creep and the need for variations given specification requirements)
- development and implementation of integrated approach to business planning
- inclusion of customer service focussed key performance indicators identified by the Customer Service Charter in all staff annual performance plans to improve timelines and accountability for resolving customer enquiries

- monthly reporting to the Executive Leadership Team and Council relating to response timelines to customer requests and correspondence.

Contracts

Council takes its obligations under the *Local Government Act 2020* in relation to maximising value for money through competitive processes seriously. However, there have been significant challenges in receiving responses to public tender processes this year due to the shortage of contractors and labour during and after the COVID-19 pandemic restrictions. The construction market is extremely competitive and this is having an impact on companies being interested in some of our smaller contracts for works and services.

No contracts for \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the *Act* were entered into without initial attempts to engage suitable suppliers via a public a competitive process.

Strathbogie Shire entered into a contract valued at \$50,000 or more but less than \$100,000 (including GST) by engaging Canlong Pty Ltd for concrete footpath widening works on Hyacinth Street to Tulip Street Violet Town without conducting a competitive formal public quotation process, with a value of \$91,872.

Disability Action

In accordance with section 38 of the *Disability Act 2006*, Council has to prepare a Disability Action Plan. Council must report on the implementation of this plan in its Annual Report. Council has incorporated the Disability Action

Plan into the Municipal Public Health and Wellbeing ‘Liveability Plan’ 2017-2021.

Work is underway on the development of a Social Inclusion Strategy which adopts an intersectionality approach to identify the guiding principles to promote equal rights and opportunities for everyone, redressing social and economic inequalities. Examples of two projects completed in the 2021/22 financial year that improved inclusivity were the upgrade to the Euroa Cinema and accessible toilet at Graytown.

Domestic Animal Management Plan

The *Domestic Animals Act 1994* (the *Act*) requires Council to prepare a Domestic Animal Management Plan (DAMP) every four years. The plan must set out a method for evaluating whether the animal management services provided by council are adequate to give effect to requirements of the *Act* and the Domestic Animal Regulations 2015.

The plan must also outline programs for the training of authorised officers along with programs, services, and strategies to address the key issues in relation to responsible pet ownership within the municipality.

The community engagement process to develop the new Domestic Animal Management Plan 2021/2025 was undertaken using a four staged approach. The final engagement process concluded on 5 November 2021. The Domestic Animal Management Plan was adopted by Council at the December 2021 Council Meeting. Domestic animals were identified as the biggest risk to the community

of the Strathbogie Shire. The plan considered these findings and proposed methods to address these issues within the community. Proactive community engagement has commenced with Rangers undertaking foot patrols in various townships. A pet-friendly event is being prepared for early-mid 2023.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report. No such Ministerial Directions were received by Council during the 2021–2022 financial year.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its Annual Report. No such Ministerial Directions were received by Council during the 2021/22 financial year.

Freedom of Information

In accordance with section 7(4AA) (a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in its annual report and on its website, about information made available to the public.

In accordance with our Public Transparency Policy, we will try and release as much information as possible without the need to lodge a Freedom of Information request. However, where information is requested contains personal information or

information from third parties, a freedom of information request will need to be lodged. This is because the *Freedom of Information Act 1982* requires us to consult with people about the release of their information.

Access to documents may be obtained through written request to the Freedom of Information Officer by making an application in writing and by email. To make it easy for our community to lodge a request, an online form can be accessed on our website at Freedom of Information Request - Strathbogie Shire.

All applications must be addressed to the Freedom of Information Officer and be accompanied by the application fee (which may be waived by Council in certain circumstances) and needs to be clear about what information is being requested.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges). Further information regarding FOI can be found at Strathbogie Shire Council website through the following link Freedom Of Information | Strathbogie Shire.

During 2021/22, five (5) Freedom of Information requests were received; access to information was granted in part for four (4) applications, and access was denied in full in one instance as the information was exempt from release under the *Act*.

Public Interest Disclosures

In accordance with section 69 of the *Protected Disclosure Act 2012* a council must include in their annual report information about how to access the procedures established by the

Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

Council is a Nominated Agency under the *Public Interest Disclosures Act 2012* with the power to receive disclosures relating to its employees, contractors, Council registered volunteers, Council appointed committee members or Councillors.

The Act requires Council to appoint a Public Interest Disclosure Coordinator and to set out clear policies and procedures for the receipt and referral of public interest disclosures to the relevant authority for further investigation. Council adopted its Public Interest Disclosures Policy in August 2020.

Council takes its obligations as a Nominated Agency very seriously. While we are unable to determine the outcome of a public interest disclosure, we play a vital role in the receipt of complaints and provision of information for consideration by other bodies such as the Independent Broad-based Anti-Corruption Commission, the Victorian Inspectorate and the Integrity and Oversight Committee.

Council also wishes to assure anyone lodging, or thinking of lodging, a public interest disclosure that they will be dealt with in a confidential and supportive manner in accordance with the requirements of the Act.

We will also protect the confidentiality and welfare of others involved in any investigation as the welfare of all those involved in the matter is of paramount importance to us.

We will deal with any disclosure expeditiously and as a matter of operational priority.

Our policy and procedures apply to all Strathbogie Shire Council employees, Councillors and members of Council appointed committees are designed to ensure:

- Council meets its legislated obligations under the *Public Interest Disclosures Act 2012* in relation to the receipt, initial assessment and any subsequent referral of a public interest disclosure to IBAC or another investigative entity.
- that Council employees and the community are provided with clear and consistent advice as to how a disclosure can be made, how it will be assessed and referred to an investigative entity if need be
- that a culture is created across the organisation that encourages and values the reporting of suspected improper conduct, detrimental action or corruption
- that operational priority is given to the receipt, assessment and referral of any public interest disclosure
- that a consistent and effective system is in place for the receipt and initial assessment of all disclosures made to Council
- that robust and consistent procedures are in place to protect the confidentiality and safety of the person making the public interest disclosure
- that the person making the public interest disclosure is kept informed of the progress of their complaint, is supported throughout the process and that no reprisals will result from them making the disclosure

- that processes are in place to protect the confidentiality and wellbeing of the person(s) whom are the subject of the disclosure and those cooperating with any investigation into the matter.

There were no public interest disclosures received by officers appointed to receive disclosures, or by the Independent Broad-based Anti-Corruption Commission (IBAC) during 2021/22.

Further information about how to make a public interest disclosure can be obtained confidentially by contacting Council's Public Interest Disclosure Coordinator Dawn Bray, Director People & Governance.

Alternatively, disclosures can be made directly to IBAC through the following links <https://www.ibac.vic.gov.au/reporting-corruption/public-interest-disclosures> or through the Office of the Victorian Ombudsman through this link [Make a complaint | Victorian Ombudsman](#).

Infrastructure and Development Contributions

Council does not have a Developer Contributions Plan in place. An amount of \$16,100 was received as Open Space Contribution as were Contributed Assets of \$1,721,874.

Strathbogie Shire Council

Performance Statement

For the year ended
30 June 2022

Strathbogie
SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2022

Description of municipality

Strathbogie Shire is a rural municipality located approximately two hours from the Melbourne CBD and covers 330,326 hectares. We have diverse and picturesque communities served by townships such as Euroa, Nagambie, Violet Town, Avenel, Longwood, Ruffy and Strathbogie with a population of over 10,000 and growing. The Shire has an ageing population with 38% of residents aged 60 years and over. Approximately eight out of ten residents were born in Australia and about 5% of people came from countries where English was not their first language.

The Strathbogie Shire has a rural economic base of wool, grain, sheep and cattle production, extensive vineyards, world class wineries and a wide range of intensive cool climate horticultural enterprises. The region is also known as the Horse Capital of Victoria due to its ever expanding horse industry. Thoroughbred breeding studs are the cornerstone of this important industry, with many prestigious Melbourne Cup winners bred and trained in the shire. Nagambie is also the birthplace of Black Caviar, the world champion horse, and now has a life-size bronze statue sitting pride of place at Jacobson's Outlook.

Overview of 2022 and Our Covid Response

The 2021-22 financial year saw continued challenges with the response to, and aftermath of, the Covid 19 Pandemic.

Pleasingly, Council services were able to continue to be provided throughout the course of the year, despite periods of lockdown. This was aided by the use of improved information technology systems, along with the resilience and flexibility of our staff and Councillors to ensure continuity of business and decision making.

We also would like to recognise the community's adaptability to using more online services and for interacting with Council online and through virtual meetings when mandatory lockdowns were in place and when action needed to be taken to work remotely to minimise face to face contact.

There were, however, significant implications of the pandemic on the labour market, the construction industry and constraints in materials, with resultant price increases. This has led to delays in project delivery for major capital works and continues to be an ongoing challenge in terms of scoping and budgeting for major works.

Sustainable Capacity Indicators

For the year ended 30 June 2022

Results					
<i>Indicator / measure</i> [formula]	2019	2020	2021	2022	Comment
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,691.78	\$2,647.81	\$2,816.59	\$2,628.01	Expenditure reduced due to one off landfill provision reversal in this year. Therefore total expenses is lower compared to last year.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$24,376.51	\$23,056.21	\$25,715.25	\$26,428.49	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.49	4.89	4.98	5.29	This increase reflects the 2% growth in our population in recent years.
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,991.64	\$1,991.84	\$2,015.06	\$2,039.13	

Results					
Indicator / measure [formula]	2019	2020	2021	2022	Comment
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$671.58	\$766.72	\$780.29	\$826.99	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	17.4%	20.6%	10.9%	29.0%	The increase in staff turnover is partially due to the mandatory vaccination requirements from the State Government for local government workers, along with a highly competitive labour market where a small rural shire cannot compete with the terms and condition of larger councils and private enterprise.

Definitions:

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2022

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.90	1.82	1.08	1.64	Aquatic facilities remained open throughout the summer, reduced impact of Covid 19, a number of promotions also took place at aquatic facilities and free season pass provided to all rate payers.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0%	0%	0%	

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	86.67%	100.00%	100.00%	
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	55	49	52	51	It is considered this result is a consolidation of the 2021 result and reflects some challenging decisions being made on key strategic issues that are impacting on our community.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	23.32%	24.17%	24.99%	18.87%	The drop in active members is largely due to the Covid 19 pandemic and the periods of lockdown where only click and collect services were available. This type of service did not meet the needs of part of our community given its reliance on access to reliable internet services and transport.

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.96%	73.94%	77.63%	69.47%	Potentially impacted by covid 19, sickness experienced by families and isolation protocols through 21/22.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	87.50%	87.18%	73.68%	66.67%	Within expected range, dependent on number of ATSI children in municipality.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51	51	51	47	Challenging climatic condition and weather extremes have caused significant damage to our sealed and unsealed roads this year. We have seen a substantial increase in pothole/pavement failure reports as a result. Shortages in materials, contractors and staff due to Covid 19 pandemic impacts has exacerbated road defects. This will be a focus area for 2022.

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	66.67%	Two out of the three VCAT decisions were in favour of Council's decision.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	69.41%	70.27%	71.01%	70.72%	Council has one of the highest diversion rates of waste from landfill due to our best practice waste management system.

Definitions:

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

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

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

"annual report" means an annual report prepared by a council under section 98 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984* , that have been declared as class 2 food premises under section 19C of that Act

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984* , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

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

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

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

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

"population" means the resident population estimated by council.

Financial Performance Indicators

For the year ended 30 June 2022

Results					Forecasts				Material Variations and Comments
Dimension/ <i>indicator/measure</i>	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,581.75	\$3,568.25	\$3,991.75	\$3,597.77	\$4,192.60	\$4,136.62	\$4,214.55	\$4,302.99	Expenditure reduced due to one off landfill provision reversal in this year.
Revenue level <i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	\$2,141.75	\$2,226.26	\$2,156.43	\$2,345.71	\$2,381.92	\$2,430.76	\$2,480.58	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	215.08%	264.74%	216.46%	232.08%	122.06%	119.44%	124.25%	129.49%	Ratio was affected by reduced liability for unearned income (\$0.55 million), creditors (\$1.140 million) and increased provisions (\$.1.085 million).

Results					Forecasts				
Dimension/ <i>indicator/measure</i>	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations and Comments
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	91.96%	-14.86%	14.68%	-85.07%	-33.41%	62.05%	67.45%	73.42%	Variation is affected by the classification of investments at 30 June whether as Cash and Cash equivalents or Other financial assets, based on maturity. Cash and cash equivalents used in this ratio.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	2.65%	1.86%	1.41%	0.92%	16.58%	15.09%	13.96%	12.85%	Council proposed to borrow \$2.7 million in 2022/23 to fund rehabilitation cost of Violet Town landfill. Actual borrowing will occur in 2022/23 due to the timing of the project. This will increase borrowings, which are then expected to reduce over future years.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.17%	0.82%	0.53%	0.51%	1.25%	1.64%	1.18%	1.17%	

Results					Forecasts				Material Variations and Comments
Dimension/ <i>indicator/measure</i>	2019	2020	2021	2022	2023	2024	2025	2026	
<i>Indebtedness</i> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	24.74%	26.79%	25.06%	10.15%	25.15%	22.73%	21.44%	20.18%	This variation is due to a reduction in non-current provisions (\$3.2 million) due to the landfill rehabilitation and maintenance provision recalculation.
<i>Asset renewal and upgrade</i> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	107.16%	128.19%	75.62%	335.27%	148.96%	105.15%	117.90%	This result is the product of a reduction in renewals from the previous year (\$3 million) and delays in the completion of capital works due to significant challenges with the availability of construction contractors and materials due to the Covid 19 pandemic.
Operating position <i>Adjusted underlying result</i> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	1.03%	9.07%	3.32%	11.07%	-2.68%	-1.23%	-0.94%	-0.84%	This indicator is affected by increased in recurrent grants (\$1.6 million) due to early payment of 75% of Finance Assistance Grant. Overall, own source fees and other income increased in comparison to previous years.

Results					Forecasts				
Dimension/ <i>indicator</i> /measure	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations and Comments
Stability <i>Rates concentration</i> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	65.73%	63.15%	62.72%	62.81%	67.38%	68.36%	68.28%	68.18%	
<i>Rates effort</i> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.58%	0.56%	0.49%	0.39%	0.37%	0.34%	0.31%	0.29%	Overall the property values (Capital Improved Value) has increased by more than 10%, leading to a reduction in this indicator.

Retired indicators				
<i>Service / indicator / measure</i>	2018	2019	2020	Comment
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	This measure was retired in 2020.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,198.00	\$2,035.00	\$2,093.80	This measure was retired in 2020.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	147.87%	147.17%	177.59%	This measure was retired in 2020.

Definitions

"adjusted underlying revenue" means total income other than:

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

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

Other Information

For the year ended 30 June 2022

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 21 June 2022 and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

Certification of the Performance Statement

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



Upul Sathurusinghe

Principal Accounting Officer

Dated: : 20 September 2022

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

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

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

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

Cr Laura Binks

Mayor



Dated: : 20 September 2022

Cr Paul Murray

Deputy Mayor



Dated: 20 September 2022

Julie Salomon

Chief Executive Officer

Dated: 20 September 2022



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Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

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

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

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

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

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

MELBOURNE
10 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Strathbogie Shire Council

Annual Financial Report

For the year ended
30 June 2022

Strathbogie
SHIRE COUNCIL

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Strathbogie Shire Council

Financial Report

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Certification of the Financial Statements

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



Upul Sathurusinghe CPA
Principal Accounting Officer
Date : 20 September 2022
Euroa

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

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

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

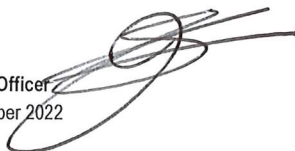
Laura Binks
Councillor
Date : 20 September 2022
Euroa



Paul Murray
Councillor
Date : 20 September 2022
Euroa



Julie Salomon
Chief Executive Officer
Date : 20 September 2022
Euroa



Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

Opinion	<p>I have audited the financial report of Strathbogie Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
10 October 2022

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Rates and charges	3.1	20,515,058	20,085,572
Statutory fees and fines	3.2	680,450	661,449
User fees	3.3	840,775	747,079
Grants - operating	3.4	9,028,490	7,714,366
Grants - capital	3.4	2,604,333	5,785,233
Contributions - monetary	3.5	238,761	311,706
Contributions - non monetary	3.5	1,721,874	1,363,611
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	28,389	143,869
Share of net profits (or loss) of associates and joint ventures	6.3	5,487	28,141
Other income	3.7	700,362	483,808
Total income		36,363,979	37,324,834
Expenses			
Employee costs	4.1	12,067,320	12,078,311
Materials and services	4.2	9,979,633	11,812,354
Depreciation	4.3	6,558,729	6,253,090
Amortisation - intangible assets	4.4	57,243	64,669
Amortisation - right of use assets	4.5	207,533	236,078
Bad and doubtful debts	4.6	21,801	13,430
Borrowing costs	4.7	14,266	20,556
Finance costs - leases	4.8	22,734	21,744
Other expenses	4.9	417,787	459,546
Total expenses		29,347,046	30,959,778
Surplus/(deficit) for the year		7,016,933	6,365,056
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	39,162,519	(3,226,510)
Total other comprehensive income		39,162,519	(3,226,510)
Total comprehensive result		46,179,452	3,138,546

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

Balance Sheet As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	1,403,913	5,550,069
Trade and other receivables	5.1	3,443,585	2,588,020
Other financial assets	5.1	21,800,000	17,350,000
Non-current assets classified as held for sale	6.1	417,384	417,384
Other assets	5.2	415,759	590,030
Total current assets		27,480,641	26,495,503
Non-current assets			
Trade and other receivables	5.1	21,903	43,096
Other financial assets	5.1	2,032	2,032
Investments in associates, joint arrangements and subsidiaries	6.3	260,774	255,287
Property, infrastructure, plant and equipment	6.2	324,219,741	282,911,031
Right-of-use assets	5.8	790,874	636,453
Intangible assets	5.2	187,184	79,167
Total non-current assets		325,482,508	283,927,066
Total assets		352,963,149	310,422,569
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,039,999	3,179,808
Trust funds and deposits	5.3	634,913	500,056
Unearned income/revenue	5.3	3,156,646	3,706,727
Provisions	5.5	5,669,256	4,584,145
Interest-bearing liabilities	5.4	96,557	91,000
Lease liabilities	5.8	243,936	178,337
Total current liabilities		11,841,307	12,240,073
Non-current liabilities			
Trust funds and deposits	5.3	52,731	55,166
Provisions	5.5	1,595,617	4,830,380
Interest-bearing liabilities	5.4	94,868	191,425
Lease liabilities	5.8	567,733	474,083
Total non-current liabilities		2,310,949	5,551,054
Total liabilities		14,152,256	17,791,127
Net assets		338,810,894	292,631,442
Equity			
Accumulated surplus		112,292,357	105,291,524
Reserves	9.1	226,518,537	187,339,918
Total Equity		338,810,894	292,631,442

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

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

	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2022					
Balance at beginning of the financial year		292,631,442	105,291,524	187,154,740	185,178
Surplus/(deficit) for the year		7,016,933	7,016,933	-	-
Net asset revaluation increment/(decrement)	6.2	39,162,519	-	39,162,519	-
Transfers to other reserves	9.1	-	(16,100)	-	16,100
		<u>338,810,894</u>	<u>112,292,357</u>	<u>226,317,259</u>	<u>201,278</u>
Balance at end of the financial year		338,810,894	112,292,357	226,317,259	201,278

		Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2021					
Balance at beginning of the financial year		289,492,892	98,252,684	190,381,250	858,958
Adjusted opening balance		<u>289,492,892</u>	<u>98,252,684</u>	<u>190,381,250</u>	<u>858,958</u>
Surplus/(deficit) for the year		6,365,056	6,365,056	-	-
Net asset revaluation increment/(decrement)	6.2	(3,226,510)	-	(3,226,510)	-
Transfers to other reserves	9.1	-	(76,220)	-	76,220
Transfers from other reserves	9.1	-	750,000	-	(750,000)
		<u>3,138,546</u>	<u>7,038,836</u>	<u>(3,226,510)</u>	<u>(673,780)</u>
Balance at end of the financial year		292,631,442	105,291,524	187,154,740	185,178

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

Statement of Cash Flows For the Year Ended 30 June 2022

		2022 Inflows/ (Outflows) \$	2021 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Rates and charges		20,287,686	20,077,132
Statutory fees and fines		680,450	661,449
User fees		856,004	775,129
Grants - operating		8,875,683	7,112,385
Grants - capital		1,826,818	9,396,850
Contributions - monetary		238,761	308,524
Interest received		54,264	107,922
Trust funds and deposits taken		2,312,754	2,030,176
Other receipts		527,024	405,025
Net GST refund		1,446,527	1,779,939
Employee costs		(12,083,132)	(11,112,240)
Materials and services		(14,623,574)	(12,601,893)
Trust funds and deposits repaid		(2,180,333)	(1,920,631)
Other payments		(417,787)	(446,896)
Net cash provided by/(used in) operating activities		7,801,145	16,572,871
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(7,054,859)	(10,398,956)
Payments for intangible assets		(165,260)	(37,132)
Proceeds from sale of property, infrastructure, plant and equipment		53,523	543,296
Payments for investments		(4,450,000)	(3,645,236)
Net cash provided by/(used in) investing activities		(11,616,596)	(13,538,028)
Cash flows from financing activities			
Finance costs		(14,266)	(20,556)
Repayment of borrowings		(91,000)	(86,116)
Repayment of lease liabilities		(225,439)	(251,774)
Net cash provided by/(used in) financing activities		(330,705)	(358,446)
Net increase (decrease) in cash and cash equivalents		(4,146,156)	2,676,397
Cash and cash equivalents at the beginning of the financial year		5,550,069	2,873,672
Cash and cash equivalents at the end of the financial year		1,403,913	5,550,069
 Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Property			
Buildings		428,802	564,676
Total property		428,802	564,676
 Plant and equipment			
Plant, machinery and equipment		309,470	905,373
Fixtures, fittings and furniture		323,048	242,289
Intangible assets		165,260	37,132
Total plant and equipment		797,778	1,184,794
 Infrastructure			
Roads		2,567,886	5,163,945
Bridges and culverts		318,917	299,308
Footpaths and cycleways		667,080	246,431
Drainage		499,601	1,221,609
Recreational, leisure and community facilities		1,569,769	1,155,029
Parks, open space and streetscapes		370,287	600,296
Total infrastructure		5,993,541	8,686,618
 Total capital works expenditure		7,220,120	10,436,089
 Represented by:			
New asset expenditure		981,936	1,500,807
Asset renewal expenditure		3,763,811	4,395,768
Asset expansion expenditure		1,278,645	918,884
Asset upgrade expenditure		1,195,728	3,620,630
Total capital works expenditure		7,220,120	10,436,089

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

Note 1 OVERVIEW

Introduction

The Strathbogie Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at the corner of Binney and Bury Streets, Euroa, Victoria 3666.

Statement of compliance

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

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

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

(b) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

Council received additional \$678K capital grant from Federal Government under RLCIP for roads constructions. Council also received Commonwealth funded grants \$16k and state funded grants of \$300k during the financial year.

\$55k was spent on Active Air Purification System to facilitate Covid safe environment for the staff and customers at Council offices. \$11k was spent on other pandemic related expenses. Impact on other revenue, debt collection and operational costs were immaterial.

Construction industry has experienced a significant increase in cost and skill shortage due to pandemic related macro-economic factors. As a result, capital project delivery and assets valuation were impacted during the year.

There were periods of mandatory lockdown during the year where the two customer service centres had to be closed. There was no interruption to service provision as operations continued online and over the phone. Staff were able to efficiently work from home and manual processes were replaced by electronic workflows through Council's records management system.

There were no other business disruptions during the year. Overall impact to the council's operations during the last year has been mixed across services and functions, with some areas experiencing minimal interruptions while other areas such as project management and maintenance experiencing staff shortages and difficulties in recruiting given a very competitive labour market.

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

Note 2.1 Performance against budget

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

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

2.1.1 Income and expenditure

	Budget 2022 \$	Actual 2022 \$	Variance Fav./Unfav.) \$	Variance %	Ref
Income					
Rates and charges	20,578,000	20,515,058	(62,942)	0%	
Statutory fees and fines	651,000	680,450	29,450	5%	
User fees	487,000	840,775	353,775	73%	1
Grants - operating	6,619,000	9,028,490	2,409,490	36%	2
Grants - capital	7,956,000	2,604,333	(5,351,667)	-67%	3
Contributions - monetary	408,000	238,761	(169,239)	-41%	4
Contributions - non monetary	-	1,721,874	1,721,874	100%	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(591,000)	28,389	619,389	-105%	6
Share of net profits/(losses) of associates and joint ventures	-	5,487	5,487	100%	7
Other income	453,000	700,362	247,362	55%	8
Total income	36,561,000	36,363,979	(197,021)	-1%	
Expenses					
Employee costs	11,185,000	12,067,320	(882,320)	-8%	9
Materials and services	12,648,000	9,979,633	2,668,367	21%	10
Depreciation	5,802,359	6,558,729	(756,370)	-13%	11
Amortisation - intangible assets	50,641	57,243	(6,602)	-13%	12
Amortisation - right of use assets	178,000	207,533	(29,533)	-17%	13
Bad and doubtful debts	5,000	21,801	(16,801)	-336%	14
Borrowing costs	111,000	14,266	96,734	87%	15
Finance costs - leases	16,000	22,734	(6,734)	-42%	
Other expenses	301,000	417,787	(116,787)	-39%	
Total expenses	30,297,000	29,347,046	949,954	3%	
Surplus/(deficit) for the year	6,264,000	7,016,933	752,933	12%	

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

(i) Explanation of material variations

Income

1	User fees	Favourable variance is due to increased income from tip fees (\$90k), saleyard fees (\$76k) and lease income (\$57k).
2	Grants - operating	More than budgeted operating grant is due to receipt of 2022/23 Grant Commission Financial Assistance funds in 2021/22 resulting increased grant income of \$1,603k in 2021/22 compared to the budget. Council also received unbudgeted grants; Regional Tourism Project (\$204k), Local Government Outdoor Eating & Entertainment Package (\$200k), Business Concierge & Hospitality Support (\$60k), Victorian Health Promotion (\$41k) and COVID Vaccine Community Engagement (\$40k).
3	Grants - capital	Less than budgeted capital grant is due to Nagambie foreshore walk grants carried forward to 2022/23 (\$2,595k) and grants not yet received; local road & community infrastructure funding (\$1,440k), Nagambie Locksley Road bridge grant (\$600k) and Nagambie recreation reserve netball court and facilities grant (\$480k).
4	Contributions - monetary	Less than budgeted due to less than expected developer contributions received (\$185k).
5	Contributions - non monetary	Greater than budget by \$1,721k due to greater than anticipated Developer Gifted Assets received; Vickers Road estate (\$781k), River Road estate (\$597k) and Hughes estate (\$343k).
6	Gain on disposal of Assets	Less number of vehicles and plants sold due to market constraints in sourcing new replacement assets.
7	Profits from associates	This include profit allocation from Goulburn Valley Regional Library Corporation.
8	Other income	More than budgeted due to increased interest collected on overdue rates debts (\$131k), VCAT legal fee recovery (\$62k) and increased term deposit interest income (\$42k).

Expenses

9	Employee costs	Mainly due to MAV Workcover wind down payment (\$276k), unbudgeted overtime expenditure (\$321k) particularly in the maintenance area due to inability to recruit to fill vacancies and casual wage on Covid Concierges employees which is funded by grants and increase in income protection insurance (\$33k).
10	Materials and services	Materials and services less than budgeted mainly due to reversal of excess landfill provision (\$2,134k) and savings in assets maintenance expenses (\$170k), contractors/consultants fees (\$85k) and Utility expenses (\$80k).
11	Depreciation/Amortisation	Increased depreciation expenditure in buildings (\$236k) and infrastructure assets (\$527k).
12	Amortisation - right of use assets	Depreciation on new grader leased during the year (\$27k).
13	Bad and doubtful debts	Include write-off of long outstanding unrecoverable debt (\$18k).
14	Borrowing costs	Due to deferral of proposed borrowing for Violet town landfill rehabilitation work.
15	Other expenses	Unbudgeted municipal monitor expense (\$30k), increased internal auditor remuneration and audit committee (\$23k), and councillor allowances and superannuation (\$22k).

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

2.1.2 Capital works

	Budget 2022 \$	Actual 2022 \$	Variance \$	Variance %	Ref
Property					
Buildings	1,143,000	428,802	(714,198)	-62%	1
Total buildings	1,143,000	428,802	(714,198)	-62%	
Total property	1,143,000	428,802	(714,198)	-62%	
Plant and equipment					
Plant, machinery and equipment	902,000	309,470	(592,530)	-66%	2
Fixtures, fittings and furniture	350,000	488,308	138,308	40%	3
Total plant and equipment	1,252,000	797,778	(454,222)	-36%	
Infrastructure					
Roads	3,855,000	2,567,886	(1,287,114)	-33%	4
Bridges	1,400,000	318,917	(1,081,083)	-77%	5
Footpaths and cycleways	3,989,000	667,080	(3,321,920)	-83%	6
Drainage	753,000	499,601	(253,399)	-34%	7
Recreational, leisure and community facilities	3,848,000	1,569,769	(2,278,231)	-59%	8
Waste management	5,000,000	94,893	(4,905,107)	-98%	9
Parks, open space and streetscapes	331,000	275,393	(55,607)	-17%	10
Total infrastructure	19,176,000	5,993,541	(13,182,459)	-69%	
Total capital works expenditure	21,571,000	7,220,120	(14,350,880)	-67%	
Represented by:					
New asset expenditure	3,208,000	981,936	(2,226,064)	-69%	
Asset renewal expenditure	13,386,000	3,763,811	(9,622,189)	-72%	
Asset expansion expenditure	1,170,000	1,278,645	108,645	9%	
Asset upgrade expenditure	3,807,000	1,195,728	(2,611,272)	-69%	
Total capital works expenditure	21,571,000	7,220,120	(14,350,880)	-67%	

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings	Due to projects that were carried forward to 2022/23 year – Euroa Civic Centre Roof cladding (\$371k) and Strathbogie recreation reserve pavilion upgrade (\$250k).
2	Plant, machinery and equipment	Market constraints in sourcing new vehicles and plants. Budget carried forward to 2022/23.
3	Fixtures, fittings and furniture	Completion of cinema seating upgrade which was not in the original budget (\$130k).
4	Roads	Savings in Zero class upgrade program (\$282k), road resealing program (\$291k), Shoulder Pavement Program (\$261k), and Seal Weir Road/Lake Road Kirwans bridge carried forward work to 2022/23 (\$451k).
5	Bridges	Due to work in progress project that need to carried forward to 2022/23; Nagambie Locksley Rd bridge (\$1,091k).
6	Footpaths and cycleways	Work in progress project that need to carried forward to 2022/23; Rockies Pedestrian Footbridge (\$170k) and Lake Nagambie Foreshore Walk (\$2,735).
7	Drainage	Due to work in progress project that carried forward to 2022/23; Nagambie Industrial Estate Drainage (\$268k).
8	Recreational, leisure and community facilities	Projects carried forward to 2022/23; Local road community structure projects (\$1,440k), Nagambie splash park (\$368k) and Nagambie recreation reserve lighting (\$287k). Projects not proceed with Longwood netball courts project that will be completed by others.
9	Waste management	Work in progress project carried forward to 2022/23; Violet Town Landfill restoration work originally budgeted at \$5m. Actual landfill rehabilitation work forecasted at \$2.7m.
10	Parks, open space and streetscapes	Carried forward projects to 2022/23; town entry signs upgrade (\$30k) and streetscapes & open space amenities program (\$30k).

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

A structural realignment of functions was undertaken in late June 2022, however the following information reflects the organisational structure that was in place for the majority of the financial year.

2.2.1 Community & Planning

Community & Planning provides high quality community focused programs. Service areas include maternal and child health, youth, seniors, community grants, arts and culture, tourism, regulatory services, local laws, emergency management and economic development programs. It also includes strategic and statutory land use planning.

Corporate Leadership

Corporate Leadership provides effective strategic oversight, policy development and communications/engagement.

Corporate Operations

Corporate Operations provides strategic and financial management of the organisation. Service areas include regulatory services, local laws, financial management, assets management, operations and emergency management.

People & Governance

People & Governance provides primarily internally focussed services including human resources, risk management, occupational health and safety, information communication technology, records management, frontline customer service and corporate governance and council business.

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2022					
Corporate Operations	33,243,115	(21,171,755)	12,071,360	9,141,309	254,637,194
Community & Planning	2,912,033	(3,728,808)	(816,775)	2,451,514	44,847,161
People & Governance	155,561	(3,125,545)	(2,969,983)	-	37,591,587
Corporate Leadership	41,000	(966,273)	(925,273)	40,000	11,621,569
Mayor & Councillors	12,269	(354,665)	(342,396)	-	4,265,637
	36,363,979	(29,347,046)	7,016,933	11,632,823	352,963,149
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2021					
Corporate Operations	33,641,635	(22,262,811)	11,378,825	8,344,271	223,221,202
Community & Planning	3,579,189	(4,048,039)	(468,850)	1,671,150	40,588,231
People & Governance	97,553	(3,112,523)	(3,014,970)	-	31,208,149
Corporate Leadership	94	(1,123,597)	(1,123,503)	-	11,265,904
Mayor & Councillors	6,363	(412,809)	(406,445)	-	4,139,083
	37,324,834	(30,959,778)	6,365,056	10,015,421	310,422,569

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2022 2021
\$ \$

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

The valuation base used to calculate general rates for 2021/22 was \$4.105million (2020/21 \$3.689 million).

General rates	17,590,122	17,266,867
Waste management charge	2,924,936	2,818,705
Total rates and charges	20,515,058	20,085,572

The date of the latest general revaluation of land for rating purposes within the municipal district was 30th April 2022, and the valuation will be first applied in the rating year commencing 1st July 2022.

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

3.2 Statutory fees and fines

Building fees	148,825	119,489
Planning fees	336,518	395,119
Health registrations	83,774	27,463
Animal registrations	83,141	98,088
Land information certificates	25,577	20,762
Fire Prevention Notice Infringements	2,615	528
Total statutory fees and fines	680,450	661,449

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Tip fees	223,676	190,006
Nagambie Lakes events	12,540	11,910
Saleyard operations revenue	271,625	253,464
Swimming pools revenue	3,594	3,148
Rent/lease Charges	141,720	118,323
Euroa Cinema	4,894	23,687
Septic tank fees	24,959	20,234
Other user charges and contributions	157,767	126,307
Total user fees	840,775	747,079

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	840,775	747,079
Total user fees	840,775	747,079

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	9,470,645	9,640,626
State funded grants	2,162,177	3,858,973
Total grants received	11,632,822	13,499,599

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

	2022 \$	2021 \$
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	7,440,469	5,773,874
<i>Recurrent - State Government</i>		
Maternal & Child Health	240,581	221,404
Community Safety	7,848	18,673
Youth	121,404	76,658
Pests and Plants Program	65,893	60,231
Municipal Emergency Resource Programme	13,200	133,200
Supported Playgroup	60,710	60,638
Vulnerable Persons Register	21,490	18,216
Boat Ramp Maintenance	8,900	170
School Crossing Supervision	30,850	30,205
Other	23,840	25,241
Total recurrent operating grants	8,035,185	6,418,510
<i>Non-recurrent - Commonwealth Government</i>		
Tourism & Events	-	51,100
<i>Non-recurrent - State Government</i>		
Economic Development	60,000	60,000
Greening Euroa	63,180	65,350
Environment	88,046	10,000
Tourism & Events	404,000	250,000
Emergency & Disaster Management	-	121,006
Working for Victoria	-	645,899
Planning and Business Case	35,000	2,500
Water/Waterways Management	54,000	-
Health	93,479	-
Rural Roads Support Program	21,500	-
Kindergarten	81,000	-
Other - NR-OP	93,100	90,000
Total non-recurrent operating grants	993,305	1,295,856
Total operating grants	9,028,490	7,714,366
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,200,000	2,159,352
Total recurrent capital grants	1,200,000	2,159,352
<i>Non-recurrent - Commonwealth Government</i>		
Drought Funding	100,000	900,000
Infrastructure Funding Grant	678,023	756,300
Nagambie Foreshore Walk	52,153	-
<i>Non-recurrent - State Government</i>		
Roads and Bridges	-	1,503,668
Buildings	-	99,633
Recreation	41,250	325,000
Footpaths	402,323	-
Tourism & Events	130,000	-
Other Flood Recovery Grants	-	41,280
Environment - Capital	584	-
Total non-recurrent capital grants	1,404,333	3,625,881
Total capital grants	2,604,333	5,785,233

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

	2022	2021
	\$	\$
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	305,172	273,582
Received during the financial year and remained unspent at balance date	765,703	160,800
Received in prior years and spent during the financial year	(216,749)	(129,210)
Balance at year end	854,126	305,172
Capital		
Balance at start of year	3,401,555	1,164,948
Received during the financial year and remained unspent at balance date	80,000	3,401,555
Received in prior years and spent during the financial year	(806,031)	(1,164,948)
Balance at year end	2,675,524	3,401,555

(d) Recognition of grant income

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

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

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

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

Income recognised under AASB 1058 *Income of Not-for-Profit Entities*

General purpose	7,742,900	6,077,066
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	1,116,223	904,951
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	2,773,699	6,517,582
	11,632,822	13,499,599

	2022	2021
	\$	\$
3.5 Contributions		
Monetary	238,761	311,706
Non-monetary	1,721,874	1,363,611
Total contributions	1,960,635	1,675,317

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

Roads	900,062	330,009
Kerb & Channel	-	102,560
Footpath	225,504	278,450
Drainage	349,355	601,892
Land under roads	246,953	50,700
Total non-monetary contributions	1,721,874	1,363,611

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

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

Proceeds of sale	53,523	543,296
Written down value of assets disposed	(25,134)	(399,427)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	28,389	143,869

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

3.7 Other income	2022	2021
	\$	\$
Interest	100,225	105,520
Interest on rates	210,561	122,904
Diesel rebate	63,040	65,917
Insurance recoveries	139,757	95,576
Other items	186,779	93,891
Total other income	700,362	483,808

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services	2022	2021
	\$	\$
4.1 (a) Employee costs		
Wages and salaries	10,281,715	10,592,117
WorkCover	438,254	190,742
Superannuation	991,730	954,747
Fringe benefits tax	111,291	84,695
Other	244,330	256,010
Total employee costs	12,067,320	12,078,311

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	64,633	59,242
Employer contributions - other funds	-	-
	64,633	59,242
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	448,209	428,532
Employer contributions - other funds	475,025	449,024
	923,234	877,556
Employer contributions payable at reporting date.	3,863	17,949

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

4.2 Materials and services

Building maintenance	630,854	648,836
General maintenance *	4,394,690	4,205,400
Utilities	281,166	297,979
Office administration	1,629,098	1,555,734
Information technology	703,125	760,836
Insurance	464,731	374,095
Consultants	1,281,740	1,055,114
Legal fees	285,882	140,411
Emergency Expenses	12,814	21,389
Waste Management **	295,533	2,752,560
Total materials and services	9,979,633	11,812,354

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

* General maintenance includes, but is not limited to, maintenance of infrastructure (\$1,053k), maintenance of road canopy and trees (\$829k), plant expenses (\$618k), professional service fees (\$482k) and materials (\$248k).

** Waste Management expenses include landfill provision reversal of \$2,133,840. Refer to Note 5.5.

	2022 \$	2021 \$
4.3 Depreciation		
Property	1,106,015	1,030,464
Plant and equipment	425,188	444,487
Furniture and Equipment	194,874	187,672
Infrastructure	4,832,652	4,590,467
Total depreciation	6,558,729	6,253,090

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software	57,243	64,669
Total Amortisation - Intangible assets	57,243	64,669

4.5 Amortisation - Right of use assets

Property	9,206	9,206
Plant and equipment	198,327	226,872
Total Amortisation - Right of use assets	207,533	236,078

4.6 Bad and doubtful debts

Rates debtors	18,263	-
Other debtors	3,538	13,430
Total bad and doubtful debts	21,801	13,430

Movement in provisions for doubtful debts

Balance at the beginning of the year	9,573	35,831
New provisions recognised during the year	3,539	7,436
Amounts already provided for and written off as uncollectible	(6,877)	(31,710)
Amounts provided for but recovered during the year	-	(1,984)
Balance at end of year	6,235	9,573

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

Interest - Borrowings	14,266	20,556
Total borrowing costs	14,266	20,556

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.8 Finance Costs - Leases

Interest - Lease Liabilities	22,734	21,744
Total finance costs	22,734	21,744

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	56,400	41,600
Auditors' remuneration - Internal Audit & Audit Committee	72,927	57,743
Councillors' allowances	229,506	193,618
Other Councillor expenses	55,448	43,388
WDV of Infrastructure Assets Renewed	-	12,650
Election Expenses	3,506	110,547
Total other expenses	417,787	459,546

Note 5 Our financial position	2022	2021
5.1 Financial assets	\$	\$
(a) Cash and cash equivalents		
Cash on hand	1,893	1,293
Cash at bank	902,020	2,948,776
Term deposits	500,000	2,600,000
Total cash and cash equivalents	1,403,913	5,550,069
(b) Other financial assets		
Share in MAV Purchasing Scheme	2,032	2,032
Term deposits - current	21,800,000	17,350,000
Total other financial assets	21,802,032	17,352,032
Total financial assets	23,205,945	22,902,101

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

- Trust funds and deposits (Note 5.3)	687,644	555,222
Total restricted funds	687,644	555,222
Total unrestricted cash and cash equivalents	716,269	4,994,847

Intended allocations

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

- Cash held to fund carried forward capital works	7,686,167	3,198,000
- Open space reserve	201,278	185,178
- Caravan Park (operating and capital expense)	226,539	112,391
Total funds subject to intended allocations	8,113,984	3,495,569

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

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

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

	2022 \$	2021 \$
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	2,405,729	2,157,164
Special rate assessment	9,383	11,886
Net GST receivable	224,933	142,794
<i>Non statutory receivables</i>		
Other debtors	809,775	285,749
Provision for doubtful debts - other debtors	(6,235)	(9,573)
Total current trade and other receivables	3,443,585	2,588,020
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	21,903	43,096
Total non-current trade and other receivables	21,903	43,096
Total trade and other receivables	3,465,488	2,631,116

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

(d) Ageing of Receivables

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

Current (not yet due)	552,137	23,618
Past due by up to 30 days	31,917	72,204
Past due between 31 and 180 days	85,987	46,350
Past due between 181 and 365 days	95,616	128,910
Past due by more than 1 year	44,118	14,667
Total trade and other receivables	809,775	285,749

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

5.2 Non-financial assets	2022	2021
(a) Other assets	\$	\$
Prepayments	289,261	407,803
Accrued income	110,321	172,897
Inventories	16,177	9,330
Total other assets	415,759	590,030
(b) Intangible assets		
Software	187,184	79,167
Total intangible assets	187,184	79,167
	Software	Total
	\$	\$
Gross carrying amount		
Balance at 1 July 2021	957,180	957,180
Other additions	165,260	165,260
Balance at 30 June 2022	1,122,440	1,122,440
Accumulated amortisation and impairment		
Balance at 1 July 2021	878,013	878,013
Amortisation expense	57,243	57,243
Balance at 30 June 2022	935,256	935,256
Net book value at 30 June 2021	79,167	79,167
Net book value at 30 June 2022	187,184	187,184

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

5.3 Payables, trust funds and deposits and unearned income/revenue	2022	2021
(a) Trade and other payables	\$	\$
<i>Non-statutory payables</i>		
Trade payables	1,923,441	2,642,774
Accrued expenses	116,558	537,034
Total trade and other payables	2,039,999	3,179,808
(b) Trust funds and deposits		
Current		
Fire services levy	44,425	67,292
Retention amounts	190,683	185,683
Other refundable deposits	399,805	247,081
Total current trust funds and deposits	634,913	500,056
Non-current		
Trust funds bequested	52,731	55,166
Total non-current trust funds and deposits	52,731	55,166
Total trust funds and deposits	687,644	555,222
(c) Unearned income/revenue		
Grants received in advance - operating	481,122	305,172
Grants received in advance - capital	2,675,524	3,401,555
Total unearned income/revenue	3,156,646	3,706,727

Unearned income/revenue represents contract liabilities and reflect grants received in respect of delivery of community infrastructure and community services. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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

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

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

5.4 Interest-bearing liabilities

	2022 \$	2021 \$
Current		
Borrowings - secured	96,557	91,000
	96,557	91,000
Non-current		
Borrowings - secured	94,868	191,425
	94,868	191,425
Total	191,425	282,425

Borrowings are secured by a registered charge over the Council rates on the Personal Property Security Register.

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

Not later than one year	96,557	91,000
Later than one year and not later than five years	94,868	191,425
Later than five years	-	-
	191,425	282,425

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

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

5.5 Provisions

	Employee \$	Landfill restoration \$	Total \$
2022			
Balance at beginning of the financial year	3,279,027	6,135,497	9,414,524
Additional provisions	1,128,048	(1,780,683)	(652,635)
Amounts used	(1,117,401)	-	(1,117,401)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(26,459)	(353,157)	(379,616)
Balance at the end of the financial year	3,263,216	4,001,657	7,264,873
2021			
Balance at beginning of the financial year	2,850,990	5,597,463	8,448,453
Additional provisions	1,248,695	-	1,248,695
Amounts used	(756,028)	-	(756,028)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(64,630)	538,034	473,404
Balance at the end of the financial year	3,279,027	6,135,497	9,414,524

Total provision break-up

	2022 \$	2021 \$
Current		
Employee provisions	2,886,605	2,961,709
Landfill restoration	2,782,651	1,622,436
	5,669,256	4,584,145
Non-current		
Employee provisions	376,610	317,318
Landfill restoration	1,219,007	4,513,062
	1,595,617	4,830,380

	2022	2021
	\$	\$
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	767,000	745,568
Long service leave	210,452	203,181
Other	11,254	31,444
	988,706	980,193
Current provisions expected to be wholly settled after 12 months		
Annual leave	466,717	571,070
Long service leave	1,431,183	1,410,446
	1,897,900	1,981,516
Total current employee provisions	2,886,605	2,961,709
Non-current		
Long service leave	376,610	317,318
Total non-current employee provisions	376,610	317,318
Aggregate carrying amount of employee provisions:		
Current	2,886,605	2,961,709
Non-current	376,610	317,318
Total aggregate carrying amount of employee provisions	3,263,215	3,279,027

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	3.33%	0.88%
- index rate	1.70%	1.70%

	2022	2021
	\$	\$
(b) Landfill restoration		
Current	2,782,651	1,622,436
Non-current	1,219,007	4,513,062
	4,001,658	6,135,498

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

Key assumptions:

- discount rate	3.33%	0.88%
- index rate	5.10%	1.90%

5.6 Financing arrangements

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

Bank overdraft	1,145,000	1,145,000
Loan facilities	191,425	282,424
Credit card facilities	100,000	100,000
Total facilities	1,436,425	1,527,424
Used facilities	(199,414)	(290,214)
Unused facilities	1,237,011	1,237,210

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

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
2022					
Operating					
Open space management	373,348	373,348	71,074	-	817,771
Governance	239,645	199,673	62,664	-	501,981
Human Resources	58,592	16,476	-	-	75,068
Assets Services	59,261	-	-	-	59,261
Finance	49,153	-	-	-	49,153
Environment & Waste	125,478	73,393	26,693	-	225,565
Total	905,477	662,891	160,431	-	1,728,799
Capital					
Open Space	1,838,776	-	-	-	1,838,776
Total	1,838,776	-	-	-	1,838,776
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
2021					
Operating					
Open space management	20,381	-	-	-	20,381
Governance	393,800	250,320	74,250	-	718,370
Human Resources	15,172	-	-	-	15,172
Emergency management	53,228	-	-	-	53,228
Finance	49,142	-	-	-	49,142
Environment & Waste	47,457	47,457	47,457	-	142,371
Total	579,180	297,777	121,707	-	998,664
Capital					
Roads	1,890,621	-	-	-	1,890,621
Total	1,890,621	-	-	-	1,890,621

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

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

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

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

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

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

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-Use Assets

	Property	Plant & Equipment	Total
	\$	\$	\$
Balance at 1 July 2021	18,410	618,043	636,453
Additions	-	361,954	361,954
Amortisation charge	(9,206)	(198,327)	(207,533)
Balance at 30 June 2022	9,204	781,670	790,874

Lease Liabilities

	2022	2021
	\$	\$
Maturity analysis - contractual undiscounted cash flows		
Less than one year	269,066	194,393
One to five years	602,259	492,559
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	871,325	686,952

Lease liabilities included in the Balance Sheet at 30 June:

Current	243,936	178,337
Non-current	567,733	474,083
Total lease liabilities	811,669	652,420

Short-term and low value leases

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

	2022	2021
	\$	\$
Expenses relating to:		
Short-term leases	18,606	16,490
Leases of low value assets	-	-
Total	18,606	16,490
Variable lease payments (not included in measurement of lease liabilities)	-	-

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	2022	2021
	\$	\$
Cost of acquisition	417,384	417,384
Total non current assets classified as held for sale	417,384	417,384

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2021	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property	59,090,189	205,429	246,953	-	(1,106,015)	-	-	19,646	58,456,202
Plant and equipment	4,941,267	632,518	-	-	(620,062)	(25,135)	-	-	4,928,588
Infrastructure	214,707,824	3,422,659	1,474,921	39,162,519	(4,832,652)	-	-	1,849,908	255,785,179
Work in progress	4,171,752	2,794,255	-	-	-	-	(46,679)	(1,869,554)	5,049,772
Total	282,911,031	7,054,860	1,721,874	39,162,519	(6,558,729)	(25,135)	(46,679)	-	324,219,741

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Reclassification	Transfers	Closing WIP
	\$	\$	\$		\$	\$
Property	63,879	223,373	-	(11,316)	(19,646)	256,289
Infrastructure	4,107,873	2,570,882	(46,679)	11,316	(1,849,908)	4,793,483
Total	4,171,752	2,794,255	(46,679)	-	(1,869,554)	5,049,772

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

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Cultural and heritage assets	Work In Progress	Total Property
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2021	23,865,948	4,715,000	264,765	28,845,713	61,869,047	3,305,676	65,174,723	2,298,900	63,879	96,383,216
Accumulated depreciation at 1 July 2021	-	-	-	-	(36,136,003)	(1,093,144)	(37,229,148)	-	-	(37,229,148)
	23,865,948	4,715,000	264,765	28,845,713	25,733,044	2,212,532	27,945,576	2,298,900	63,879	59,154,068
Movements in fair value										
Additions	-	-	-	-	205,429	-	205,429	-	223,373	428,802
Contributions	-	-	246,953	246,953	-	-	-	-	-	246,953
Revaluation	-	-	-	-	-	-	-	-	-	-
Assets reclassification	-	-	-	-	-	-	-	-	(11,316)	(11,316)
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	19,646	-	19,646	-	(19,646)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	-	-	246,953	246,953	225,075	-	225,075	-	192,410	664,439
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	-	(1,106,015)	-	(1,106,015)	-	-	(1,106,015)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(1,106,015)	-	(1,106,015)	-	-	(1,106,015)
At fair value 30 June 2022	23,865,948	4,715,000	511,718	29,092,666	62,094,122	3,305,676	65,399,799	2,298,900	256,289	97,047,654
Accumulated depreciation at 30 June 2022	-	-	-	-	(37,242,018)	(1,093,144)	(38,335,163)	-	-	(38,335,163)
Carrying amount	23,865,948	4,715,000	511,718	29,092,666	24,852,104	2,212,532	27,064,636	2,298,900	256,289	58,712,492

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Cultural and heritage assets - Arts & Monuments	Total plant and equipment
	\$	\$	\$	\$
At fair value 1 July 2021	5,895,800	3,160,103	2,146,950	11,202,853
Accumulated depreciation at 1 July 2021	(3,754,593)	(2,506,993)	-	(6,261,586)
	2,141,207	653,109	2,146,950	4,941,267
Movements in fair value				
Additions	309,470	323,048	-	632,518
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(134,869)	-	-	(134,869)
Write-off	-	-	-	-
Transfers	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-
	174,601	323,048	-	497,649
Movements in accumulated depreciation				
Depreciation and amortisation	(425,188)	(194,874)	-	(620,062)
Accumulated depreciation of disposals	109,734	-	-	109,734
Impairment losses recognised in operating result	-	-	-	-
Transfers	-	-	-	-
	(315,454)	(194,874)	-	(510,328)
At fair value 30 June 2022	6,070,401	3,483,150	2,146,950	11,700,502
Accumulated depreciation at 30 June 2022	(4,070,047)	(2,701,867)	-	(6,771,914)
Carrying amount	2,000,354	781,283	2,146,950	4,928,588

Notes to the Financial Report

For the Year Ended 30 June 2022

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb and channel	Parks open spaces and streetscapes	Cultural and heritage assets	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2021	197,621,734	63,697,382	5,427,948	17,922,240	6,764,753	20,902,153	2,288,263	4,107,873	318,732,346
Accumulated depreciation at 1 July 2021	(60,950,019)	(19,846,053)	(1,553,822)	(4,591,504)	(2,751,901)	(10,223,351)	-	-	(99,916,649)
	136,671,716	43,851,329	3,874,126	13,330,736	4,012,852	10,678,802	2,288,263	4,107,873	218,815,697
Movements in fair value									
Additions	2,284,520	-	276,782	468,296	8,740	384,321	-	2,570,882	5,993,541
Contributions	900,062	-	225,504	349,355	-	-	-	-	1,474,921
Revaluation	43,313,428	9,086,086	-	-	8,368,473	-	-	-	60,767,987
Assets reclassification	-	-	-	-	-	-	-	11,316	11,316
Disposal	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	(46,679)	(46,679)
Transfers	776,169	-	60,684	41,189	-	971,866	-	(1,849,908)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
	47,274,179	9,086,086	562,970	858,840	8,377,213	1,356,187	-	685,610	68,201,085
Movements in accumulated depreciation									
Depreciation and amortisation	(3,053,189)	(728,320)	(134,646)	(162,488)	(201,655)	(552,354)	-	-	(4,832,652)
Revaluation	(17,654,202)	(946,326)	-	-	(3,004,940)	-	-	-	(21,605,468)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(20,707,391)	(1,674,646)	(134,646)	(162,488)	(3,206,595)	(552,354)	-	-	(26,438,120)
At fair value 30 June 2022	244,895,914	72,783,468	5,990,918	18,781,080	15,141,966	22,258,340	2,288,263	4,793,483	386,933,431
Accumulated depreciation at 30 June 2022	(81,657,410)	(21,520,699)	(1,688,468)	(4,753,992)	(5,958,496)	(10,775,705)	-	-	(126,354,769)
Carrying amount	163,238,504	51,262,769	4,302,450	14,027,088	9,183,470	11,482,635	2,288,263	4,793,483	260,578,662

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

	Depreciation Period	Threshold Limit
Asset recognition thresholds and depreciation periods		\$
Property		
land	-	10,000
Buildings		
buildings	10 to 100 years	5,000
Plant and Equipment		
plant, machinery and equipment	2 to 20 years	1,000
furniture and equipment	2 to 10 years	1,000
leased plant and equipment including right of use assets	3 to 5 years	5,000
Infrastructure		
road pavements - sealed	40 to 130 years	5,000
road pavements - unsealed	25 to 40 years	5,000
road seals	18 to 40 years	5,000
formation and earthworks	100 years	5,000
bridges deck	50 to 120 years	5,000
bridges substructure	60 to 250 years	5,000
culverts	60 to 250 years	5,000
footpaths	10 to 60 years	5,000
drainage	100 years	5,000
parks open spaces and streetscapes	15 to 100 years	5,000
kerb and channel	50 to 100 years	5,000
cultural and heritage assets	-	5,000

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, there are no leasehold improvements.

Valuation of land and buildings

Valuation of land were undertaken by a qualified independent valuer APV Valuers & Assets Management (Megan Matteschek - Registered Valuer No. 3745MR) in June 2021. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Depending upon the nature of the specific assets the valuation approach has included the adoption of a singular or multiple techniques; Market approach or Cost approach. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

Land and building asset values disclosed in the financial statements are not expected to be materially impacted by COVID-19 as at 30 June 2022.

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

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	4,715,000	-	Jun-21
Specialised land	-	-	23,865,948	Jun-21
Land under roads	-	-	264,765	Jun-18
Heritage Buildings	-	-	2,298,900	Jun-20
Buildings & site improvements	-	2,212,532	25,733,044	Jun-20
Total	-	6,927,532	52,162,657	

Valuation of infrastructure

The valuation is at fair value as at 30 June 2021 plus all 2021/22 additions at cost and is based on replacement cost less accumulated depreciation as at the date of valuation. The base valuation of infrastructure assets conducted at 30 June 2020 was made by Daniel Haysom, Civil Engineer/Manager Asset.

Condition survey of Roads, Bridges and Kerb and Channels were conducted by Peter Moloney (Dip CE. CE. EWS. MIEAust) at Moloney Asset Management Systems. Replacement unit rates have been applied to the asset condition to arrive at revaluation figure as at 30th June 2022 and reviewed by Daniel Haysom, Civil Engineer/Manager Asset.

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

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	163,238,504	Jun-22
Bridges	-	-	51,262,769	Jun-22
Footpaths and cycleways	-	-	4,302,450	Jun-19
Drainage	-	-	14,027,088	Jun-19
Kerb and channel	-	-	9,183,470	Jun-22
Parks, open space and streetscapes	-	-	11,482,635	Jun-21
Total	-	-	253,496,916	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 85% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.48 and \$565 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$200 to \$700 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 18 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2022	2021
	\$	\$
Reconciliation of specialised land		
Parks and reserves	17,220,948	17,220,948
Waste management	1,514,000	1,514,000
Civic centres	2,441,000	2,441,000
Council depts	1,100,000	1,100,000
Caravan parks	950,000	950,000
Pre schools	390,000	390,000
Saleyards	250,000	250,000
Total specialised land	23,865,948	23,865,948

	2022	2021
	\$	\$

6.3 Investments in associates, joint arrangements and subsidiaries

(a) Investments in associates

- Goulburn Valley Regional Library Corporation	260,774	255,287
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Goulburn Valley Regional Library Corporation

Background

The Goulburn Valley Regional Library Corporation was formed under the provisions of section 196 of the Local Government Act 1989 on 15/09/2009 to provide library services within the local government area of Strathbogie Shire, Moira Shire and City of Greater Shepparton. Council holds 9.89% (2020/21 9.89%) of equity in the Corporation. Council has two directors on the board of nine. Council has the ability to influence rather than control its operations.

Fair value of Council's investment in Goulburn Valley Regional Library Corporation	260,774	255,287
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	255,287	227,146
Reported surplus/(deficit) for year	5,487	28,141
Council's share of accumulated surplus/(deficit) at end of year	260,774	255,287
Movement in carrying value of specific investment		
Carrying value of investment at start of year	255,287	227,146
Share of surplus/(deficit) for year	5,487	28,141
Carrying value of investment at end of year	260,774	255,287

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

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(b) Community Asset Committee

All entities controlled by Council that have material income, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. Council has not appointed any community assets committees as defined by the Local Government Act 2020.

Avenel Memorial Hall
Boho South Hall
Creighton's Creek Recreation Reserve Hall
Euroa Band Hall - William Pearson Memorial Hall
Euroa Bowling Club - Clubrooms
Euroa Croquet Club - Clubrooms
Euroa Friendlies Reserve - Clubrooms
Euroa Third Age Club
Gooram Hall & Fire Station
Longwood Community Centre
Miepoll Public Hall
Nagambie Recreation Reserve
Nagambie Senior Citizen Club
Nagambie Speedway - Clubrooms
Ruffy Public Hall
Ruffy Tableland Community Centre
Strathbogie Memorial Hall
Violet Town Recreation Reserve
Violet Town Community Centre

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

	2022 No.	2021 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Strathbogie Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in Note 6.3.		
(b) Key Management Personnel		
Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Strathbogie Shire Council. The Councillors, Chief Executive Officer, Directors and Executive Managers are deemed KMP.		
Details of KMP at any time during the year are:		
Councillors		
Cr Laura Binks		
Cr Paul Murray		
Cr Chris Raeburn		
Cr Kristy Hourigan		
Cr Reg Dickinson		
Cr Sally Hayes-Burke		
Cr David Andrews (from 21/09/2021)		
Cr Melanie Likos (until 17/08/2021)		
Chief Executive Officer		
Director - Corporate Operations		
Director - Community & Planning		
Executive Manager People & Culture *		
Director - People & Governance **		
Executive Manager Governance & Customer Service **		
Executive Manager Communications and Engagement		
Total Number of Councillors	8	13
Total of Chief Executive Officer and other Key Management Personnel	6	6
Total Number of Key Management Personnel	14	19
* Executive Manager People & Culture position abolished during the year.		
** Executive Manager Governance & Customer Service became Director - People & Governance after internal organisational realignment.		
(c) Remuneration of Key Management Personnel	2022	2021
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,259,638	1,305,834
Long-term benefits	9,078	12,459
Post employment benefits	115,502	124,606
Termination benefits	47,855	15,720
Total	1,432,073	1,458,619
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2022	2021
	No.	No.
\$1 - \$9,999	1	5
\$10,000 - \$19,999	1	6
\$20,000 - \$29,999	3	1
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$100,000 - \$109,999	1	1
\$110,000 - \$119,999	-	1
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	1	1
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	1	-
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	1	
	14	21

(d) Senior Officer Remuneration

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

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

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

	2022	2021
Income Range:	No.	No.
\$151,000 - \$159,999	3	2
\$160,000 - \$169,999	2	1
	<u>5</u>	<u>3</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	791,316	476,101
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7.2 Related party disclosure

	2022	2021
	\$	\$

(a) Transactions with related parties

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

Other Related Party Expenses **	36,180	12,852
Euroa Caravan Park - Operating and Capital Expenses *	19,469	52,134
Euroa Caravan Park - Lease Income *	133,618	68,629
Contribution expenses - Goulburn Valley Regional Library Corporation	276,875	272,780

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Euroa Caravan Park - Sundry Debtors (Lease) *	69,603	96,672
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(c) Loans to/from related parties

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

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party are as follows:

Euroa Caravan Park - Commitments to related parties - Amount allocated for specific purposes *	226,539	112,391
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* On 26 June 2013 Council entered into a lease agreement with a tenant for 21 years for Euroa Caravan park and subsequently the lease agreement was transferred to the new tenant Lilly Ann Pty Ltd on 27 February 2017. Councillor Kristy Hourigan is a director of Lilly Ann Pty Ltd and Kristy Hourigan became a Councillor from 17/11/2020. There has been no change to the terms and conditions of the lease agreement during the year.

**Related to transactions with related parties to Amanda Tingay - Director Community & Planning (\$22,030) and Councillor Chris Raeburn (\$14,150).

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. At balance date the Council is not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council does not have an operational landfill. However Council has budgeted to carry out site rehabilitation works at Violet Town old landfill in 2022/23. A contractor has been appointed to carry out rehabilitation at Violet Town landfill. Estimated total cost of the project is \$2.7 million and projected to be complete in 2022/23. Council has an obligation to maintain landfill after the rehabilitation work. Landfill provision (\$4,002k) include both rehabilitation and future maintenance cost.

Insurance claims

There are no major insurance claims that could have a material impact on future operations.

Legal matters

There are no major legal matters that could have a material impact on future operations.

Building cladding

Council is not exposed to any potential contingents that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

Liability Mutual Insurance

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

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

(c) Guarantees for loans to other entities

Council does not have any financial guarantees.

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

8.2 Change in accounting standards

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

- Council has a policy for establishing credit limits for the entities it deals with;
- Council may require collateral where appropriate; and
- Council only invests funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.75% and -0.25% in market interest rates (AUD) from year-end rates of 3.84%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

During June/July 2022, the Chief Executive Officer implemented a slight realignment of the organisation structure. Director Corporate Operations position was renamed as Director Sustainable Infrastructure and Projects, Assets Management, Works and Environment & Waste teams were brought under one directorate to better service the community.

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

Note 9 Other matters

9.1	Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$	\$	\$
(a) Asset revaluation reserves				
2022				
Property				
	Land and land improvements	23,815,626	-	23,815,626
	Buildings	26,958,316	-	26,958,316
		50,773,942	-	50,773,942
Plant and Equipment				
	Cultural and heritage assets	1,541,200	-	1,541,200
Infrastructure				
	Roads	89,369,647	31,022,759	120,392,406
	Bridges	30,085,240	8,139,760	38,225,000
	Footpaths and cycleways	1,600,498	-	1,600,498
	Drainage	4,026,118	-	4,026,118
	Parks, open space and streetscapes	6,786,361	-	6,786,361
	Aerodromes	2,954,641	-	2,954,641
	Other infrastructure	17,093	-	17,093
		134,839,598	39,162,519	174,002,117
	Total asset revaluation reserves	187,154,740	39,162,519	226,317,259
2021				
Property				
	Land and land improvements	27,268,862	(3,453,236)	23,815,626
	Buildings	27,073,316	(115,000)	26,958,316
		54,342,178	(3,568,236)	50,773,942
Plant and Equipment				
	Cultural and heritage assets	1,541,200	-	1,541,200
Infrastructure				
	Roads	89,369,647	-	89,369,647
	Bridges	30,085,240	-	30,085,240
	Footpaths and cycleways	1,600,498	-	1,600,498
	Drainage	4,026,118	-	4,026,118
	Parks, open space and streetscapes	6,444,635	341,726	6,786,361
	Aerodromes	2,954,641	-	2,954,641
	Other infrastructure	17,093	-	17,093
		134,497,872	341,726	134,839,598
	Total asset revaluation reserves	190,381,250	(3,226,510)	187,154,740

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
(b) Other reserves				
2022				
	Bridge replacement reserve	-	-	-
	Open space reserve	185,178	16,100	201,278
	Total Other reserves	185,178	16,100	201,278
2021				
	Bridge replacement reserve	750,000	(750,000)	-
	Open space reserve	108,958	-	185,178
	Total Other reserves	858,958	(750,000)	185,178

	2022 \$	2021 \$
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	7,016,933	6,365,056
Depreciation/amortisation	6,823,505	6,553,837
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(28,389)	(143,869)
Written down value of infrastructure assets replaced	-	12,650
Contributions - Non-monetary assets	(1,721,874)	(1,363,611)
Borrowing costs/Finance Cost	37,000	42,300
Share of net profits of associates	(5,487)	(28,141)
Other	46,678	51,140
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(834,372)	544,472
Trust funds and other deposits received (repaid)	132,422	109,545
(Increase)/decrease in prepayments	118,542	(151,984)
Increase/(decrease) in accrued income	62,576	328,927
Increase/(decrease) in trade and other payables	(1,139,809)	1,025,505
(Decrease)/increase in other liabilities	(550,081)	2,265,015
(Increase)/decrease in inventories	(6,847)	(4,041)
Increase/(decrease) in provisions	(2,149,652)	966,071
Net cash provided by/(used in) operating activities	7,801,145	16,572,871

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Strathbogie Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

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

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

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

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

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

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

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

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

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

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

The 2021 interim actuarial investigation surplus amounts

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

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

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

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

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

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

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

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

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$	2021 \$
Vision super	Defined benefits	10.0% (2021:9.5%)	64,633	59,242
Vision super	Accumulation	10.0% (2021:9.5%)	448,209	428,532
Other funds	Accumulation	10.0% (2021:9.5%)	475,025	452,098

Council hasn't paid any unfunded liability payments to Vision Super in 2020/21 or 2021/22. Council does not expect to pay to the Defined Benefit category of Vision Super for the year ending 30 June 2023.

10 Change in accounting policy

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

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