



Surf Coast Shire Council

Annual Report 2023-24

Acknowledgment of Country

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

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

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





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Report overview



About our annual report

The 2023-24 Surf Coast Shire Council annual report tells the story of our achievements and performance over the past financial year.

The annual report highlights Council's performance against year three of the four-year Council Plan 2021 to 2025 and the annual budget. It details the breadth of our services and operations, our financial performance, our governance and management processes, and the responsibilities fulfilled by our councillors and employees.

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

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

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

In presenting this year's annual report, we aim to provide our residents, ratepayers, the state and federal governments, and other key stakeholders with an open and accurate account of our performance during 2023-24.

How to read this report

Our annual report is divided into six sections:

1. Report overview

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

2. Our performance in summary

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

3. Our organisation

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

4. Our performance

This section is grouped in accordance with the seven Council Plan themes. It outlines our performance in a range of activities and includes a review of our budget-funded services and prescribed performance measures. Our highlights and challenges are also contained in this section.

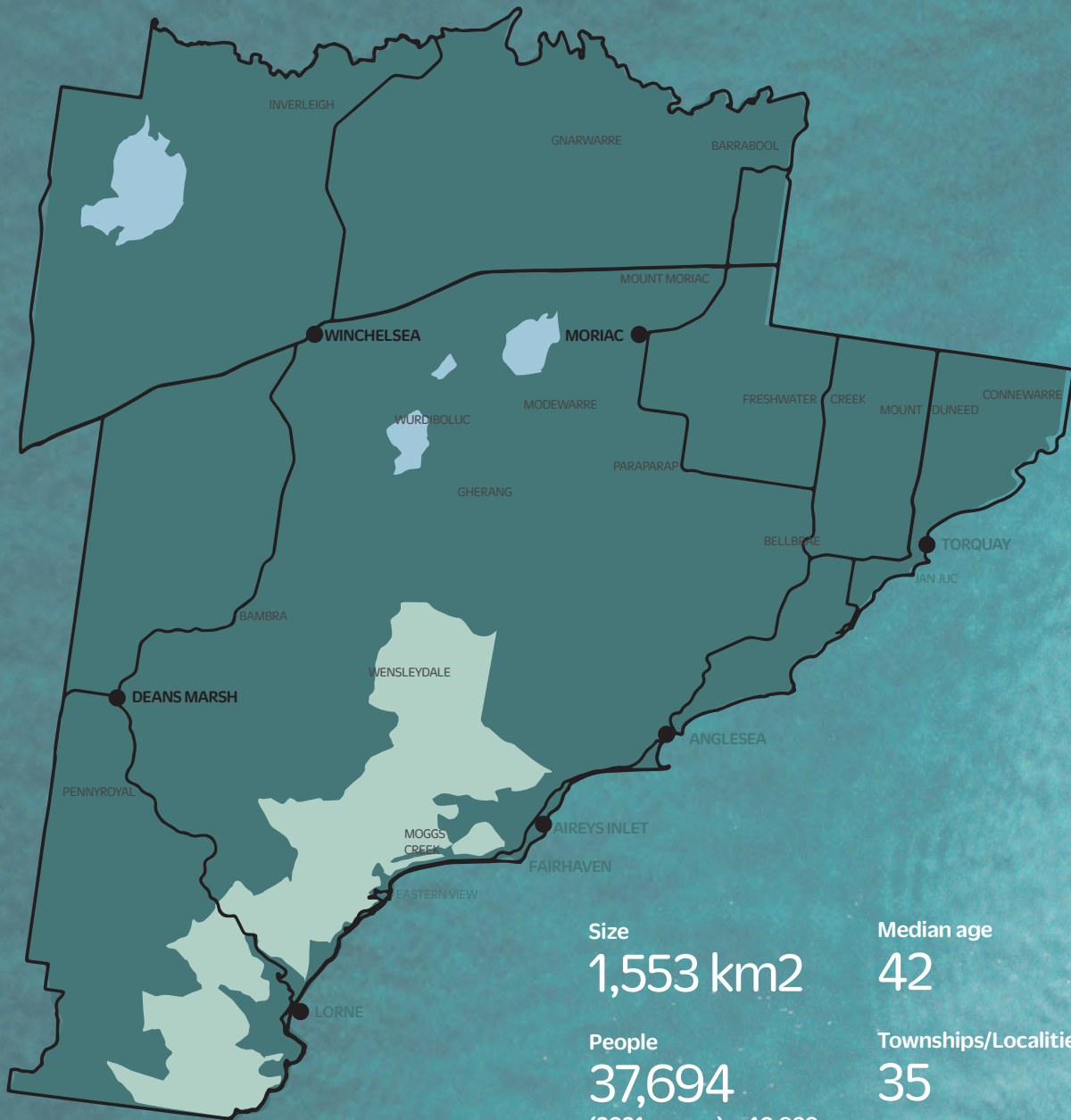
5. Our governance

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

6. Financial statements and performance statement

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

Snapshot



Size
1,553 km²

People
37,694
(2021 census) – 40,989
(estimate for 2024 via
REMplan)

Projected population
2033
49,774
(via REMplan)

Growth rate p/a
5.1%
(2016–2021)

Median age
42

Townships/Localities
35

Number of dwellings
(2021 census)
20,634
(forecast for 2024 via
REMplan)

Businesses
15,720
(via REMplan registered as
at 1 April 2024)

Fast facts



11,076

hours worked by
Maternal and Child
Health (MCH) nurses

362

birth notifications
received



198

animals collected



294

food safety
assessments
conducted



181

resolutions
made at Council
meetings



1,129,896

kerbside garbage and
recycling collection
bin lifts



1,083

km length of local
roads (sealed and
unsealed)

11,228

registered library
members



581

planning application
decisions made



35,860

phone enquiries
received by customer
service



About Surf Coast Shire

The Community Vision was developed by a representative sample of community members on behalf of the broader community. Surf Coast Shire Council will work with the community and partner organisations to help support this vision.

Community vision

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

Our Purpose and Our Direction are the external statements about why we exist and the type of organisation we aspire to be.

Our Approach is an internal statement about the way in which we will work – it encompasses our values and speaks to our employees and prospective employees about what it means to work for Council.

Our purpose

We exist to help our community and environment to thrive.

Our direction

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

Our approach

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

Surf Coast Shire spans the traditional lands of the Wadawurrung People and the Gulidjan and Gadubanud Peoples of the Eastern Maar. It is located in south-western Victoria, 120 kilometres from Melbourne and 21 kilometres south of Geelong.

The landscape is a mix of coast, natural forest, urban settled areas and rural environments including land used for agriculture. The region's natural beauty and easy access make it a popular destination for visitors. The Great Ocean Road is one of the nation's top destinations for international and domestic visitors. Other attractions include the Great Otway National Park and Bells Beach, which is best known globally for outstanding surf.

Surf Coast Shire includes the localities of Aireys Inlet, Anglesea, Bamba, Barrabool, Bellbrae, Bells Beach, Benwerrin, Big Hill, Birregurra (part), Boonah, Breamlea, Buckley, Connewarre, Deans Marsh, Eastern View, Fairhaven, Freshwater Creek, Gherang, Gnarwarre, Inverleigh (part), Jan Juc, Lorne, Modewarre, Moggs Creek, Moriac, Mount Duneed (part), Mount Moriac, Ombersley (part), Paraparap, Pennyroyal, Torquay, Wensleydale, Winchelsea, Winchelsea South and Wurdiboluc. Each is a unique community with a sense of its own identity and a strong desire to protect what they cherish, including township character and the natural environment.

Our planning and accountability framework

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

Council recognises the strategic value of investing in an evidence-based and inclusive planning process. Accordingly, we designed and implemented the People Place Future community engagement program to develop the Council Plan. The engagement program included three phases of community engagement to ensure that the insights of our communities informed the design of an integrated program of work that contributes strongly to the delivery of our community's long-term vision.

Council Plan

Council adopted its Council Plan, incorporating the Health and Wellbeing Plan 2021-25 on 28 September 2021. The Council Plan sets out Council's strategic direction until a new Council Plan is adopted in 2025. It describes the goals we have for the term of Council and provides a roadmap for how we will achieve these goals.

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

The seven themes are:

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

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

The Council Plan 2021-25 is available on our website:

surfcoast.vic.gov.au/Council-Plan

Annual budget

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

The Budget Report 2023-24 is available on our website:

surfcoast.vic.gov.au/Budget

Annual report

The annual report includes a range of information about each of the Council Plan themes. It reports on the implementation of strategies and actions outlined in the plan, along with financial information that relates to initiatives and services necessary to deliver the plan. This information sits alongside prescribed performance measures and other commentary to present an open and accurate account of our performance during 2023-24.

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



CEO and Mayor's message



The end of a Council term is an ideal time to reflect.

Looking back on 2023-24, it's heartening to see how Council has fulfilled the community vision: "From the hinterland to the coast, from the first peoples to the children of the future, we are an active, diverse community that lives creatively to value, protect and enhance the natural environment and our unique neighbourhoods. We will leave the Surf Coast better than we found it."

We have made huge strides towards fostering an active community, headlined by the progression of two major projects: the Winchelsea Pool re-development and the Surf Coast Aquatic and Health Centre. The Winchelsea Pool is on track to re-open during the upcoming summer, while works on the Surf Coast Aquatic and Health Centre in north Torquay will begin later this year.

In Anglesea, netballers, officials and supporters have enjoyed utilising the new Anglesea Netball Pavilion which officially opened in April.

Enhancing our unique neighbourhoods was front-of-mind when reviewing the Surf Coast Planning Scheme and subsequently drafting the Urban Futures Strategy (UFS). The UFS aims to guide where urban growth can occur, more sustainably.

We also committed to a review of planning controls in coastal towns from Anglesea to Lorne, in the face of increasing bushfire risk and growth pressures.

The growing Torquay community has welcomed pedestrian and cycling improvements on Fischer Street, Beach Road and the Grossmans Road education precinct.

Making it easier and safer for people to move around their communities remained a priority, highlighted by installing 'share the road' signage on priority routes and identifying 10 high-risk pedestrian crossings to receive safety improvements across the shire.

Numerous avenues have been taken to address the affordable accommodation crisis. A community advisory group co-designed a concept for the Aireys Inlet Affordable Housing Project, enabling a 50-year lease with Housing Choices Australia.

A community co-design also helped develop a long-term vision, design principles and concept plan for the Anglesea Community and Health Hub, which includes affordable housing for key workers.

Empowering community to drive and deliver projects has been a highlight the past year.

A diverse range of community-led projects has been completed, including the Quay Reserve Community Orchard Irrigation Upgrade in Torquay, Mount Moriac Electronic Scoreboard, and the vibrant mural on a 42m wall facing Winchelsea's railway reserve.

These projects are a shining example of how a small contribution from Council can have a big impact, and how there is nothing quite like locals' knowledge and desire to make something happen.

The Buckley offset planting project is another way we're teaming up with the community to make a difference.



More than 4,500 biodiverse locally indigenous seedlings have been planted by the likes of school students and community groups, to revegetate the 11-hectare site.

The development of the Circular Economy Action Plan and the implementation of the Climate Emergency Action Plan underpin our efforts to value and protect the natural environment. Our non-landfill emissions continue to trend down, with a 4.1% reduction from the previous year.

We've moved forward on our Reconciliation journey, commencing our Reconciliation Action Plan and strengthening relationships with Traditional Owners across the shire.

This resulted in another successful Wadawurrung-led Pilk Purriyn truth-telling event, as well as this year's Journey On Wadawurrung Country. The latter, an immersive exhibition, was an opportunity for almost 2,000 visitors to deeply listen to the lived experience, knowledge, and history of Wadawurrung people, as part of National Reconciliation Week.

Finally, financial sustainability is fundamental to Council being able to effectively support the aspirations articulated in the community vision.

To this end, Council generated an accumulated unallocated cash surplus of \$1.9m at year-end and is holding cash and investments allocated to deliver future projects and commitments, to help meet the needs of the community.

Thank you to officers who carry out their roles to a high standard. The delivery of core services and programs provides Council with an ability to focus on its strategic goals, which were shaped by community input.

With the curtains closing on the four-year Council term, a big thank you to councillors for their passion and commitment in representing the community.

And finally to community members, thanks for all of the ways you contribute to your community to make the Surf Coast a special place to call home.

Cr Liz Pattison
Mayor

Robyn Seymour
Chief Executive Officer

Our performance - an overview



“Big thanks and gratitude to the team who are installing the cocky locks across the bins in Lorne!! Go team.”

– Lorne resident

Financial overview

Summary

Surf Coast Shire Council maintained a financially sustainable position in 2023-24. This is evidenced by:

- Cash and investments of \$95.2 million clearly allocated for specific purposes (down from \$101.3 million last year)
- \$12.5 million in borrowings (\$14.7 million last year)
- \$114.5 million in revenue (\$101.8 million last year)
- Income statement deficit of \$18.5 million (\$1.2 million surplus last year), noting during the 2023-24 financial year Surf Coast Shire transferred assets totalling \$24.5 million to the Great Ocean Road Coast and Parks Authority under the Great Ocean Road and Environs Protection Act 2020
- Accumulated unallocated cash reserve balance of \$9.1 million (\$7.2 million last year).

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

Our Financial Story includes information regarding Council's financial challenges and the principles that underpin the development of annual budgets and financial plans.

Economic or other factors impacting on Council's finances

In 2023-24 Council experienced extended economic pressure, with the primary factor being the impact of high inflation on service and project delivery costs.

Rising costs were also evident in civil maintenance, which has faced increased pressure due to recent weather events, and in building services, where the workload has grown due to more building compliance requests and changes in legislation over recent years.

On the plus side, strong visitor numbers have led to high retail sales at the Visitor Information Centres and the Australian National Surfing Museum. An increase in parking infringements and higher kindergarten enrolments have also helped to increase revenue.

Council also met the financial savings target set in the Long-Term Financial Plan which has contributed to an overall healthy financial position.

During 2023-24 \$330,000 in permanent savings were realised through business case investment and business

improvements. Additionally, Council realised favourable returns on investments compared to budget with the cash rate higher than budgeted for.

Council will continue to monitor the Reserve Bank of Australia's monetary policy decisions and how the consequent economic conditions will impact on Council's recurrent operations and projects.

Council declared a rate increase of 3.5% for the 2023-24 year in line with the Victorian Government's Fair Go Rates legislation. Rate revenue is a vital component in Council being able to meet the community's needs, both now and into the future. Rates are the largest revenue stream for Council (making up more than 50% of total income) and therefore the rate cap represents a significant financial constraint. Government grants are the second largest revenue stream excluding non-monetary contributions (i.e. infrastructure assets) from development.

Council is mindful that many residents are experiencing financial pressures in the current economic environment. We have communicated that people can reach out to us if they are in this position and offer rates payment plans to support ratepayers.

Surf Coast Shire is experiencing rapid growth, which creates a challenge for Council through having to maintain and renew an ever-increasing asset base. During 2023-24, \$18.2 million of contributed assets were handed to Council from developers in addition \$4.2 million worth of new assets from Council's capital works program.

Cost shifting continues to be a drain on Council's resources. Cost shifting occurs when local government provides a service to the community on behalf of the state or federal government, and over time, the funding provided to Council by the other levels of government do not increase in line with actual cost increases.

An example of this, is maternal and child health, which has shifted from a 50-50 funding split between Council and the state government, to a model, where Council contributes 59% of the cost. Libraries and building services compliance are two other areas that have experienced cost shifting to local government over recent decades. In a similar vein, there are multi-year service funding programs that are not indexed for annual increases, for example, the Municipal Emergency Resource Program and youth programs such as Engage! and FReeZA.

Operating performance

Council has delivered the planned community services in our 2023-24 budget. Council's net deficit result is \$18.5 million which is unfavourable to budget by \$0.2 million. There are some offsetting variances that resulted in a minimal variance to budget. Explanation of material variances can be found in Note 2.1.1 in the Financial Report included at the end of this report.

Excluding the Great Ocean Road Coast and Parks Authority transfer of assets totalling \$24.5 million would result in a net surplus of \$6 million. This surplus is used to fund non-operating activities, such as providing new infrastructure. The net surplus also includes funds tied to specific purposes, such as our waste and recycling programs, operating projects and non-cash items such as depreciation and assets handed over to Council by developers.

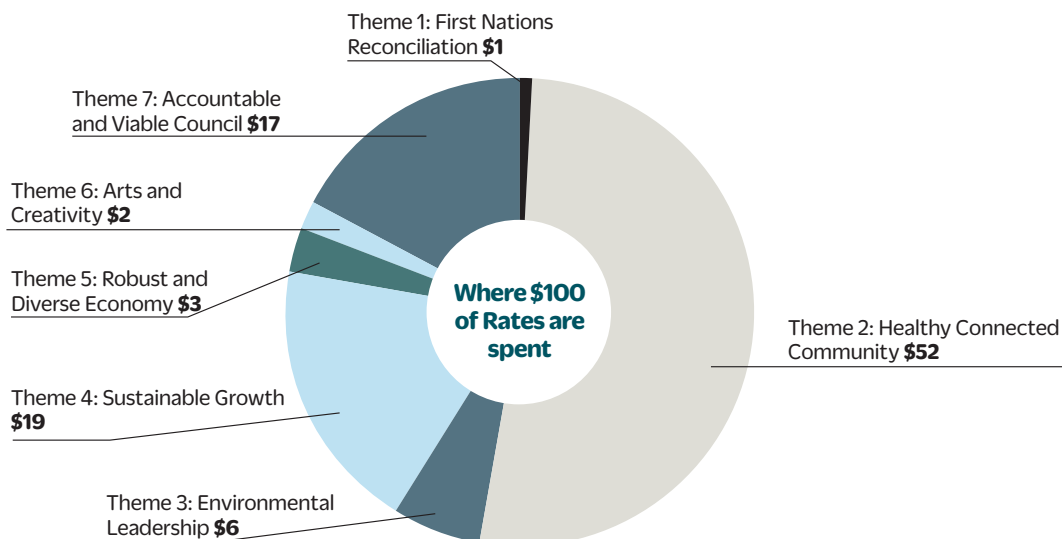
Council's higher cash and investments held at 30 June compared to budget will be held to fund the capital works program not completed in 2023-24. The significantly higher than budget net assets figure is mainly due to the increases in asset valuations in 2022-23.

Table 1: Key results for 2023-24

	Budget \$'000	Actual \$'000	Variance Fav/(unfav) \$'000	% Variance
Revenue*	95,569	114,458	(18,889)	(20%)
Expenditure*	113,845	132,911	(19,066)	(17%)
Net deficit*	18,276	18,453	(177)	(1%)
Cash and investments	80,759	95,221	14,462	18%
Borrowings	12,539	12,539	-	-
Net assets	1,060,950	1,270,872	209,922	20%
Rates and charges revenue	63,865	64,426	561	1%
Capital expenditure	33,527	20,600	(12,927)	(39%)
Accumulated unallocated cash	7,595	9,087	1,492	20%

*Please refer to Note 2.1.1 in the Financial Report for an explanation of material variances

Figure 1: How we spent \$100 of rates revenue in 2023-24



Capital expenditure summary

Capitalised expenditure on significant projects in 2023-24 include:

- Winchelsea Swimming Pool - \$2.3 million
- Surf Coast Aquatic and Health Centre project - \$1.4 million
- Anglesea Landfill Stage 3E Liner - \$1.4 million
- Local Road and Community Infrastructure Program (LRCIP) – Horseshoe Bend Road Renewal - \$1.3 million
- Surf Coast Highway and Coombes Roads Intersection (RDO3) - \$0.8 million
- Heavy Plant Renewal Program - \$0.8 million
- LRCIP – Merrijig Drive Renewal - \$0.7 million
- LRCIP – Fischer Street Renewal - \$0.6 million
- LRCIP – Lorne School Traffic Management Improvement Stage 2 - \$0.6 million
- Anglesea Netball Pavilion Redevelopment - \$0.5 million
- Horseshoe Bend Road Storm Event Reinstatement - \$0.5 million
- Light Fleet Renewal Program - \$0.7 million
- Lorne Transfer Station Upgrade - \$0.2 million
- Eastern and Stribling Reserve Netball Courts - \$0.2 million

Table 2: Capital spend by expenditure type 2023-24

Capital Spend Type	Budget (\$'000)	Actual (\$'000)
New assets	5,250	4,229
Renewal of existing assets	22,973	11,092
Expansion of existing assets	77	34
Upgrade of existing assets	5,227	5,245
Total	33,527	20,600

The actual capital expenditure is \$12.9 million under budget. Factors effecting the delivery of capital works include rescheduling of delivery to align timing with compatible future works, scope review due to cost escalations and some tender/procurement processes failing to attract suitable contractors. See Note 2.1.2 in the Financial Report for further

commentary on the budget variances on capital works.

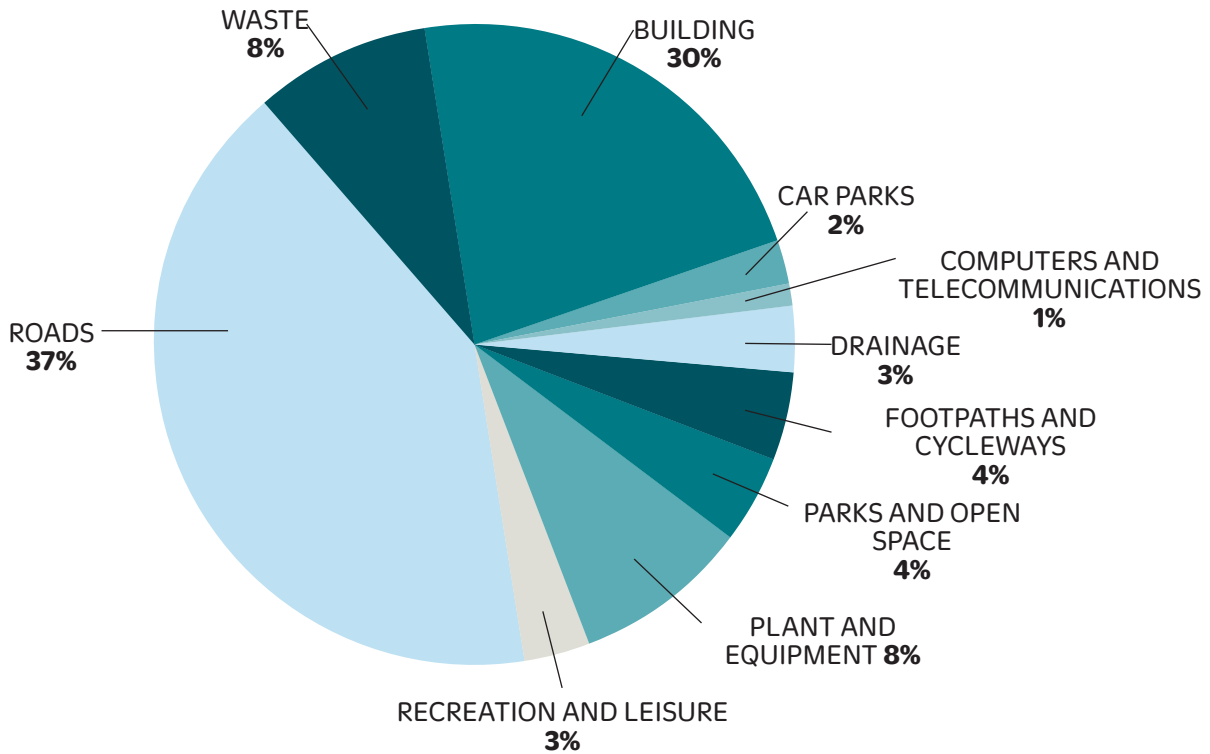


Figure 2: Capital spend by expenditure type 2023-24

Projects to be completed

Significant ongoing capital projects (as at 30 June 2024) continuing into 2024-25 are listed in Table 3. Ongoing projects, unspent expenditure and/or income yet to be received, is carried forward into the 2024-25 financial year.

Table 3: Significant ongoing projects with expenditure budgets carried forward into 2024-25

Project (Expenditure Budget Carried Forward)
• Surf Coast Aquatic and Health Centre project - \$44.0 million
• Winchelsea Swimming Pool Renewal - \$6.3 million
• Pollocksford Road Bridge - \$3.2 million
• Anglesea Landfill Stage 4 Rehabilitation - \$3.0 million
• Surf Coast Hwy / Bristol Rd Intersection Upgrade (RD05) - \$2.8 million
• Lorne Transfer Station Upgrade - \$1.8 million
• LRCIP Phase 4A - Multi Arts Centre Redevelopment – 1.3 million
• Eastern Reserve and Stribling Reserve Netball Courts – \$0.7 million
• Barwon River Loop Walk Stage 2 - \$0.6 million
• Integrated Water Management Project Winchelsea – \$0.5 million

Working capital

Working capital ratio (current assets/current liabilities) is an indicator of an organisation's ability to meet its financial commitments over the coming 12 months. The working capital ratio at the end of the financial year, whilst lower than the budgeted position of 222%, was a healthy 207%.

Borrowings

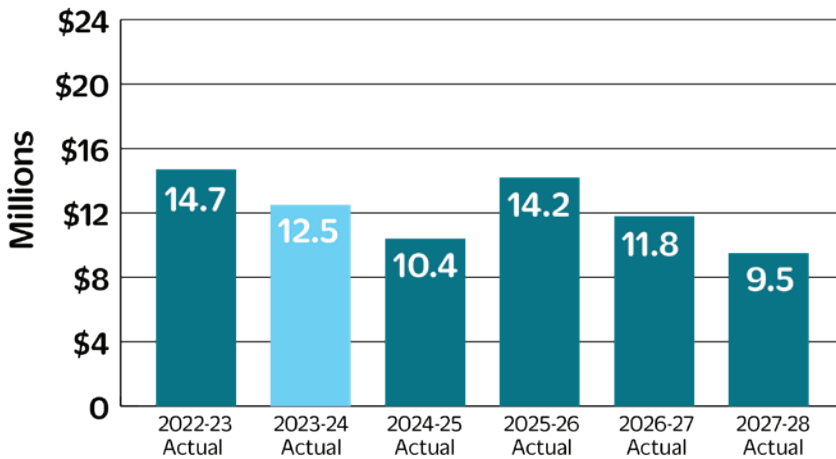
No new borrowings occurred in 2023-24. Council continues to maintain a responsible debt level relative to its rate revenue base. Council's four-year debt strategy is outlined in the 2024-25 Revised Budget Report. Council continues to maintain a manageable level of debt with borrowing levels well within the local government prudential guidelines.

New borrowings of up to \$6 million have been budgeted in the 2025-26 financial year for the Surf Coast Aquatic and Health Centre project.

Table 4: Debt ratios

2023-24 Loans and Borrowings Performance Indicator	Budget	Actual
Interest bearing loans and borrowings / rate revenue	19.6%	19.5%
Interest and principal repayments on interest bearing loans and borrowings / rate revenue	3.8%	3.8%

Figure 3: Debt level 2022-23 to 2027-28



The 2025-26 year includes new borrowings of \$6 million for the Surf Coast Aquatic and Health Centre Project. This is the maximum amount of borrowings that will be taken out. Any new revenue derived from alternative funding sources will reduce this amount.

Cash position

Council's cash and investment balance of \$95.2 million is presented in Table 5. Council holds cash reserves which contain funds that have been resolved by Council to be used for a specific purpose or an obligation by either legislation or contractual agreement. Council's cash and investment balance is allocated to cash reserves to meet specific purposes. The most significant cash reserve balances of \$68.6 million relates to carried forward project works. Other reserves include developer/infrastructure contributions plans, asset renewal and waste reserve.

Table 5: Cash position compared to budget

	Budget (\$'000)	Actual (\$'000)
Cash flows from operating activities	20,247	17,136
Cash flows from investing activities	(18,935)	(15,425)
Cash flows from financing activities	(2,914)	(2,832)
Net increase (decrease) in cash and cash equivalents	(1,602)	(1,121)
Cash and investments at end of year	80,759	95,221

The cash and investments increase of \$14.5 million compared to budget is mainly driven by an underspend of capital works.

Performance against the Council Plan

Strategic indicators

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

At the time of this reporting period, the organisation continues to work towards determining meaningful strategic indicators and baselines that will prove helpful in analysing our progress towards achieving the strategic outcomes in the council plan. Whilst some indicators have been identified, officers will continue to explore data sets and measures that help to describe change and achievement over time, that are meaningful, affordable and practical. Strategic indicators will be included in the mid-year four and final (end year four) reports.

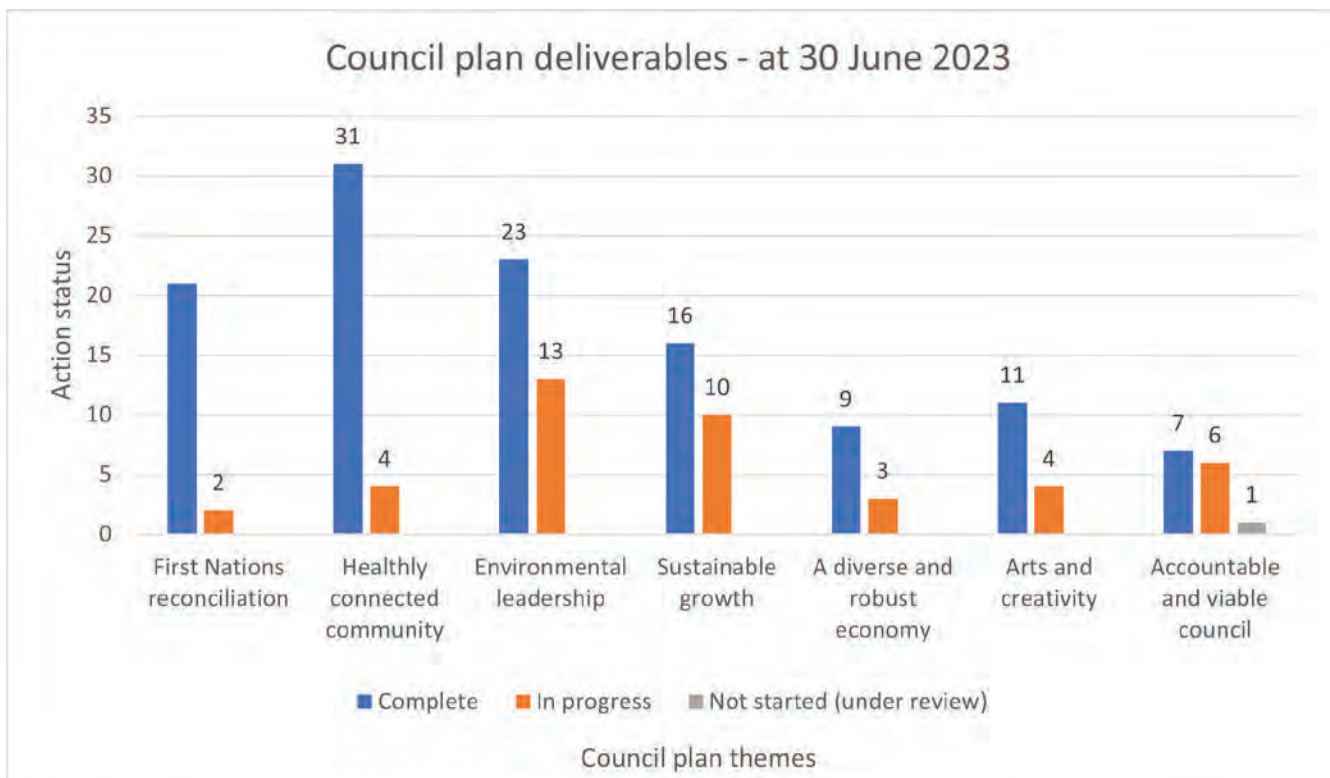
During preparation of the council plan, Liveability Report baselines were developed including collection of Neighbourhood Care Factor surveys and Place Experience Assessments in towns across the Surf Coast Shire. This data identified Neighbourhood Strengths and Liveability Priorities to guide action. It will be collected again towards the end of the current council plan to demonstrate change and impact over time and to inform the next council plan.

Headline Courses of Action

These describe a strategic course of action which is likely to be carried out at increasing levels of maturity across the four years of the council plan to support outcomes described under the headings 'In four years we'll see'. Deliverables are determined through action planning completed, in conjunction with annual and mid-year progress reporting. Deliverables are specific projects or initiatives that are intended to be progressed or completed during the financial year to contribute to delivering the courses of action.

In 2021-22 there were 60 council plan deliverables identified. A further 43 were identified in 2022-23 and another 58 in 2023-24, each contributing to increasing levels of maturity and progress across the three years to date. Of this total of 161 deliverables, 118 are complete, 42 have been initiated with implementation ongoing and one is under review.

Progress of end of year 2023-24 is outlined below.



Looking ahead...

Looking ahead for 2024-25, Council is dedicated to delivering on the final year of the current Council Plan and look forward to preparing, with our community's feedback and ideas, our new Council Plan for 2025-2029.

The Council election taking place in October 2024 will incorporate new ward boundaries and a change to three wards of nine councillors, three representing each ward.

Our 2024-25 revised Budget has a strong focus on delivering core services and investing in key facilities such as:

Redevelopment and opening of Winchelsea Pool



Surf Coast Aquatic & Health Centre Year 1 Construction



Reconstruction of Anglesea Netball courts



Supporting the 2025 Gran Fondo World Championships in Lorne



Aireys Inlet Top Shops Beautification Project



Newling Reserve Playground renewal



Bob Pettitt Playground and Tennis court renewal



Construction of regional bike route along section of the Great Ocean Road



Our organisation



Our councillors

Councillors are elected in Victoria every four years to represent their communities. In 2020, the Surf Coast Shire community elected this council for a four-year term. The municipality is divided into four wards, however, the nine councillors are the elected representatives of all residents and ratepayers across the shire. They are responsible for; deciding the municipality's long-term goals, creating policies, setting service standards and monitoring how the organisation is performing.

Angelsea Ward



Cr Mike Bodsworth

Deputy Mayor: November 2022
– 2024 (2 terms)



Cr Libby Stapleton

Lorne Ward



Cr Gary Allen

Torquay Ward



Cr Paul Barker



Cr Kate Gazzard



Cr Adrian Schonfelder



Cr Heather Wellington

Winchelsea Ward



Cr Rose Hodge



Cr Liz Pattison

Mayor: November 2022 -
2024 (2 terms)

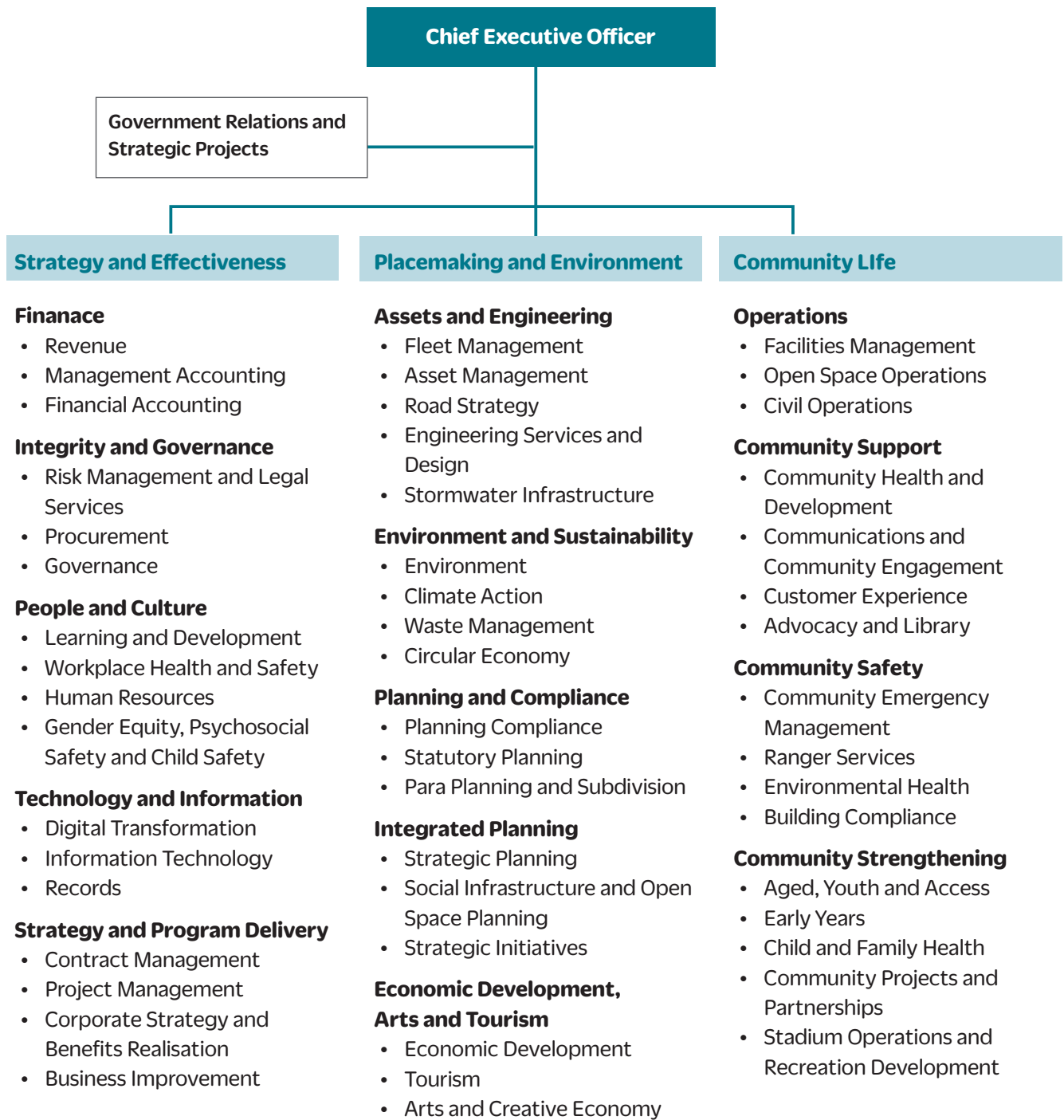
Organisational structure

The organisation has three divisions as listed below:

Division name	Main focus
Strategy and Effectiveness	Drives the organisation in areas of culture, business improvement, finance, project management and delivery, and, governance and technology.
Placemaking and Environment	Leads the work in establishing strategic decisions about what our shire will look and feel like and, create great places for our community to live and play, while protecting the environment.
Community Life	Support/foster customer experience and enabling active and involved communities.

As part of the Office of the CEO, **Government Relations and Strategic Projects** progresses key strategic projects and initiatives.

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan.



Our Executive

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



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

Robyn joined Surf Coast Shire Council as Chief Executive Officer in July 2021, moving into local government from a distinguished career in road safety strategy and delivery.

Robyn was previously Deputy Secretary, Network Planning, head of Road Safety Victoria with Victoria's Department of Transport. Her role included strong focus on determining future transport needs and delivery of Victorian Government strategies, including the Road Safety Strategy, which aims to halve Victorian road deaths and progressively reduce serious injuries by 2030. She was previously Chief Executive and Deputy Chief Executive of VicRoads after having started her career in the sector as a counsellor, working for eight years with individuals and families impacted by road trauma. Robyn is motivated and has a strong desire to work closely with councillors and the Surf Coast Shire community.

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

Gail joined Surf Coast Shire Council in July 2022 and has a diverse range of experience from both local and state government. Her previous local government roles have been with Wellington Shire Council and Latrobe City Council. Positions have included General Manager Community Health and Wellbeing, General Manager Regional City Growth and Investment and General Manager City Development, as well as various manager roles. In these roles, she has assumed responsibility for a range of Council functions including land use planning, economic development, investment attraction, advocacy, municipal services, arts, events, tourism, recreation and leisure facilities, community development, family services, aged care services and emergency management and recovery. While at Surf Coast Council, Gail has held responsibility for the role of General Manager Community Life and most recently General Manager Strategy and Effectiveness. Gail has been a Board member of Local Government Professionals since 2020.

Chris Pike
General Manager
Placemaking and
Environment



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

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

Darryn Chiller
Manager Government
Relations and Strategic
Projects



Bachelor of Arts, Majors in Journalism and Social Science

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

Damian Waight
General Manager
Communiyt Life



Bachelor Applied Science, Diploma of Leadership and Management

Damian joined Surf Coast Shire Council in 2014 and has held a variety of leadership roles across community relations, COVID recovery, governance and risk. Damian previously led Golden Plains Shire's community development program and was the General Manager of the Geelong Supercats basketball club. Before he was appointed as General Manager Community Life in April 2024, Damian held the role of Acting General Manager Strategy and Effectiveness from October 2022 and the Executive Manager Strategic Projects and Partnerships prior to that.

Our people

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

Our workforce

At 30 June 2024, our workforce comprised of 349.16 full time equivalent (FTE) positions. The tables below break down these positions based on organisational structure, employment type and gender.

FTE by employment type and gender - Division

Gender	Office of the CEO	Strategy and Effectiveness	Community Life	Placemaking and Environment	Total
Permanent full-time male	1.00	23.00	74.00	32.00	130.00
Permanent full-time female	3.00	31.00	35.00	28.00	97.00
Permanent part-time male	0.00	0.84	4.95	6.64	12.43
Permanent part-time female	0.84	13.78	60.35	25.55	100.53
Casual male	0.00	0.05	1.56	0.86	2.47
Casual female	0.28	0.25	4.74	1.46	6.74
Total	5.13	68.92	180.60	94.52	349.16

Including casual staff

Headcount by employment type and gender - Division

Gender	Office of the CEO	Strategy and Effectiveness	Community Life	Placemaking and Environment	Total
Permanent full-time male	1	23	74	32	130
Permanent full-time female	3	31	35	28	97
Permanent part-time male	0	1	10	9	20
Permanent part-time female	1	20	104	40	165
Casual male	0	1	5	4	10
Casual female	2	2	52	12	68
Total	7	78	280	125	490

Including casual staff

Recruitment trends

We appointed people to 132 job vacancies in 2023-24. This is a result of a more active and mobile employment market with more people making alternative career choices. 30 of the positions filled were direct reappointments for temporary roles.

Recruitment trends

We appointed people to 132 job vacancies in 2023-24. This is a result of an active and mobile employment market with people making alternative career choices. Thirty of the positions filled were direct reappointments for temporary roles. The turnover rate, excluding all temporary roles, was 12.3%.

We received 1,873 applications for advertised vacancies, which is on average, 18 applications per role. This is an increase on previous years and reflects a more active labour market and demonstrates Surf Coast Shire is an employer of choice. The average time from advertising to making an offer was 26 days, which is considerably lower than the industry average of 39 days and reflects Council's commitment to efficient recruitment processes.

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

	2019-20	2020-21	2021- 22	2022-23	2023-24
Recruitment processes	62	67	145	153	132
Applications received	1,119	1,301	1,272	1,724	1,873
Turnover rate	10.23%	14.53%	17.73%	9.1%	12.3%

Flexible working arrangements

Council continues to focus on the wellbeing and performance of employees. This focus continues to see Council embrace flexible working arrangements with many employees enjoying the freedom to request to tailor their work schedules to best suit their role and allow for a balanced work-life.

Whilst we encourage that staff attend the office a minimum of 50% of their hours worked, we support flexibility which has seen hybrid working arrangements become the most prevalent choice among our non frontline workforce. This supported flexibility emphasises our commitment to fostering a balanced and inclusive work environment where every individual can thrive.

Recognising our people

In 2023-24, Council recognised and acknowledged the continuous service of 61 staff from across the organisation with an event that was open to councillors, employees, and the families of those employees that received milestone awards. An incredible mix of staff were recognised for their contribution to the organisation and community.

Years of service milestones	Number of employees
5	24
10	20
15	9
20	3
25	5

Strategic Workforce Plan 2022-2025

The *Local Government Act 2020* requires Victorian councils to develop and maintain a workforce plan that describes the organisational structure, specifies projected staffing requirements for at least four years. It sets out measures to ensure gender equality, diversity and inclusivity.

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

Gender equality and diversity in workplace

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

- Improving our ability to attract and retain a workforce that reflects the diversity of our community through gender equal recruitment processes and people practices.
- Increasing innovation and creativity from a diverse workforce where unique experiences and strengths are welcomed and encouraged.
- Enhancing employee wellbeing and performance through a safe and inclusive culture that supports equity, diversity and respectful behaviour.
- Eliminating gender-based pay gaps with equal remuneration for work of equal value.

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

In delivering on the plan we have:

- invested in a Gender Equity/Child Safety role
- established a Gender Champions Working Group
- provided training sessions
- completed 19 Gender Equity Impact Assessments

Learning and development

Our 2023-24 learning and development program had a primary focus on compliance and skills development training to upskill and reskill our employees to deliver the Council Plan and respond to new challenges.

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

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

Workplace wellbeing, health and safety

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

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

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

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

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

Incident and injury reporting

During 2023-2024 there were 68 occupational health and safety (OHS) incidents recorded compared to 52 last financial year.

- Nine (9) of these incidents resulted in lost-time injuries compared to three (3) in the previous financial year.
- 171 hazards, near miss and incidents were recorded.
- There were zero reportable notifications to WorkSafe.
- An external audit of OHS processes and practices were undertaken and resulted in 3 minor non-conformances, ISO45001 certification was retained.

Case study

WorkCover

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

KPI	2022-23	2023-24
Lost Time Injuries (LTI)	3	9
Lost Time Injury Frequency Rate (LTIFR)*	5.13	14.49
Manual Handling Injuries	1	4
Manual Handling injury >10 Days Lost	1	3
Total Reports (incident, near miss and hazard)	123	171*
OVA Incidents	8	10
Vehicle and Plant Incidents	10	8

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

The increase in total reports is due to an increased focus and proactive cultural shift towards an improvement in identifying hazards and reporting them.

Onsite Occupational Physiotherapy Treatment for high-risk work groups - IPAR

We have engaged an occupational physiotherapy company called IPAR to conduct onsite assessment and treatment to our high-risk workers during the 2023-24 period. The program was piloted and has received glowing results from the staff that have attended the sessions. It was reported that on average, the workers presented with “moderate to severe disability” on the Oswestry Lower Back Pain Disability Questionnaire at the beginning of their sessions. The average worker attended 3 - 4 sessions and completed the questionnaire again, with the results showing “mild to no disability”.

For shoulder injuries, workers initially presented with a total pain score of an average of 60%, representing moderate difficulty and pain associated with day-to-day tasks involving the shoulder. By the end of their care, workers who followed the physiotherapist’s exercise plan and received the necessary treatments showed an average improvement of 23% in their results. This represented improvements in workers day-to-day shoulder pain and function, almost twice that of the minimal detectable change for this outcome measure.

From reviewing the objective outcome measures recorded for each worker, it was evident that the workers were making functional improvements in both their ability to engage in their required work duties, as well as improvements in their day-to-day pain levels and function.

Many workers provided subjective feedback regarding the Occupational Physiotherapy service highlighting the benefit they found from engaging in it, with resolution of pain and symptoms within just a few appointments - which in some circumstances had been present for more than two years.



Our performance





Council Plan Theme: First Nations Reconciliation



Our goal:

Reconciliation with Traditional Owners and other Aboriginal and Torres Strait Islander people in our community through respectful engagement, acknowledgement and collaboration. As a result, Council is committed to the following strategies:

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

Core activities

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

Achievements

- Council's Reflect, Reconciliation Action Plan (RAP) is on track to be delivered by the end of 2024. There are 59 actions under the strategic headings of: Relationships, Respect, Opportunities. Of the 59, 33 are complete, 10 are almost complete, 7 are underway and 9 are likely to carry over into the next RAP – innovate. This is due to either, the need to pursue them at a deeper level or to fine tune them to meet local needs.
- RAP working group is meeting regularly and includes First Nations staff and representatives from Reconciliation Victoria.
- Acknowledgment of Traditional Owners plaques were installed in kindergartens on Wadawurrung Country.
- 'Journey on Wadawurrung Country' - an immersive truth telling experience: Council supported the Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) to share the exhibition with the Surf Coast community. It ran for 3 weeks, including Reconciliation Week. Community volunteers were supported to work alongside Traditional Owners for the exhibition, significantly deepening their understanding of Wadawurrung culture. Over 1,700 people attended the exhibition sharing reflections such as: 'humbling', 'beautiful', 'serene', 'important' and 'powerful'. The exhibition had a profound impact on many visitors. Since then, there has been an increased interest from community members in becoming volunteers to support Council's reconciliation efforts, or to drive reconciliation efforts through the creation of new groups.
- Cultural experiences are included in education programs at kindergartens and early years services.
- Cultural awareness training program, including Walking on Country, Unconscious Bias and Cultural Heritage training program continues for staff and Councillors.
- Cultural awareness and Cultural Heritage training program continues with Eastern Maar Aboriginal Corporation on Gadubanud Country at Lorne.
- Cultural Safety is a focus project for officers participating in the Developing Leaders Program.
- A standard process for engaging with Registered Aboriginal Parties (RAPs) is now widely understood

and embedded into project development. This has led to early engagement with RAPs in project delivery.

- Appointment of two identified Aboriginal staff in the First Nations engagement advisor roles, a Worimi Man and Kuku Yalangi Woman is deepening Councils understanding of how to create true cultural safety.
- Council now has First Nations representation on multiple internal working groups including social equity, RAP and gender champions. This is deepening and helping staff to understand the ways in which different aspects of a person's identity can expose them to forms of discrimination and marginalisation. It is giving staff a deep understanding of how different people experience Council's services. Understanding of Native Title continues to evolve.
- Council is ensuring staff are across the current local context and implications, as well as possible future implications. Native Title training by Special Counsel for Native Title and Public Interest Law (in the Victorian context) was provided to councillors and senior leaders.



Challenges

- Working with other Councils on relevant traditional Countries will remain a priority in order to streamline processes and relieve pressure on Registered Aboriginal Parties.
- Ensuring that Council is reaching out to, and serving, all First Nations people in our community – outside of Registered Aboriginal Parties will become more of a priority as we seek to pursue genuine Reconciliation and work through the Reconciliation Action Plan framework.
- Community-led reconciliation continues to emerge as a priority for many groups in Surf Coast. Ensuring that we can adequately resource Council's reconciliation work whilst providing helpful support to these groups is an emerging challenge.
- Council and community are now in a operating transition phase where the Great Ocean Road and Parks Authority manage land and assets that Council previously managed. This will require support to help the transition to be successful.

“Just a quick email to say thank you for supporting the Wadawurrung to hold their Pilk Purriyn event again this morning. It was another memorable and moving event and a real privilege to hear the stories, experience the dancing, watch the sunrise and reflect.

I think you and the Council are showing great leadership in your continued support of this amazing event. The volunteers and organisers did an incredible job” – Torquay resident





Journey on Wadawurrung Country: Reconciliation Week Exhibition

Words like humbling, beautiful, serene, important, powerful, evocative, informative and 'magic and tragic' filled the visitor book following the closing of the Journey on Wadawurrung Country exhibition at Grant Pavilion in Torquay. There can be little doubt that the immersive exhibition had a profound impact on the many people who visited across three weeks to absorb its imagery, sounds, testimonies and truth-telling.

We estimate close to 1,700 people attended over the three weeks. Council supported staging of the exhibition in acknowledgement of National Reconciliation Week.

It featured stunning photographic portraits of Wadawurrung Elders, accompanied by soundscapes of Elders sharing personal stories of Country, culture, life, family and connection, along with sounds from Country including the Barri Warri Yaluk, Barwon River, and dawn chorus over Wurdi Youang, the You Yangs.

The exhibition was a collaborative effort between Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC), artistic director and photographer Ferne Millen and musician, sound artist and field recordist Vicki Hallett, with the exhibition spaces within Grant Pavilion, Torquay being 'landscaped' with plants, rocks and other elements enhancing sense of Country.

Visitors ranged from captivated kindergarten and school children to a group from a local hospice.

There were carloads of people from Werribee and Melbourne, many corporate groups, and some people stayed in the exhibition space for hours.

Traditional Owners, who volunteered spending time talking to people each day told of people being moved to tears, and of the pride and satisfaction of hearing young children recounting some of their cultural learning to their parents.

The big-hearted support effort by volunteers was one of many keys to the success of the exhibition.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
Traditional Owner Engagement and Cultural Values Assessment/ Urban Futures Strategy	\$88,000	Nil	<p>The Urban Futures Strategy project team is working closely with the Eastern Maar Aboriginal Corporation and the Wadawurrung Traditional Owners Aboriginal Corporation in the process of designing a framework to guide the delivery of Cultural Values Assessments for Winchelsea. Cultural Values Assessments will in turn guide the development of a future Winchelsea Place Plan to be commenced in 2025.</p> <p>The boundaries of the investigation area for future Cultural Values Assessment have not been finalised and therefore no budget has been expended on the project to date.</p>
Delivery of Organisation Wide Cultural Heritage Training	\$50,980	\$29,735	<ul style="list-style-type: none"> The following cultural awareness training has been completed: Native Title training for councillors, executives and key staff Training for kindergarten teachers Working in 2 Worlds Wadawurrung Cultural Education - Walk On Country Eastern Maar Aboriginal Corporation Cultural Education Session with managers and coordinators Community Education Session: Springtime Birthing Mothers and Babies in partnership with Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC).

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Traditional Owners Engagement				
<p>Surf Coast Shire sits within three Traditional Owner groups – the Wadawurrung People, and the Guiljdan and Gadubanud Peoples. These groups are represented by two Registered Aboriginal Parties – Wadawurrung Traditional Owners Aboriginal Corporation and Eastern Maar Aboriginal Corporation. Our aim is to build strong relationships with Traditional Owners that are respectful of their culture and support their respective strategic goals. Our ultimate goal is to achieve reconciliation. Council is seeking to broaden its understanding of Traditional Owners' perspectives and to use this knowledge to make better decisions. This will apply widely across Council policy making and operations. Whilst this service leads this initiative, implementation of Traditional Owner Engagement is not limited to just this service, rather it is embedded in the other services, initiatives and projects across Council.</p> <p>Recurrent operations are favourable due to reduced contractor expenditure and unbudgeted Pilk Purriyn event sponsorship from Wadawurrung Traditional Owners Aboriginal Corporation.</p> <p>A First Nations training strategy is being developed which will clearly guide consultation requirements in the future.</p>	Recurrent Operations			
	Expenditure	157	144	13
	Overheads	20	20	—
	Revenue	—	(13)	13
		177	151	26
	Operating Projects			
	Expenditure	—	—	—
	Revenue	—	—	—
		—	—	—

Service performance indicators

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

Council Plan Theme: Healthy Connected Community



Our goal:

Foster a thriving, connected, healthy community. As a result, Council is committed to the following strategies:

- **Facilitate the provision of social infrastructure and open space to enable healthy lifestyles.**
- **Improve access to local services and programs that support people to be healthy and well.**
- **Reduce car use and make it easier for people to move around the towns and in nature by cycling or walking.**
- **Enable communities to strengthen their social connections and participate in community life.**

Core activities

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

“Feedback on the wonderful job the people who keep facilities clean and tidy and in working order, they do an amazing job!” – Torquay resident

Achievements

- Anglesea Community and Health Hub Precinct concept plan adopted by Council July 2024. Further detailed planning to be undertaken in 2024-25.
- Banyul-Warri Fields Hockey Pitch project underway and progressing to tender.
- Torquay Scouts Facility Upgrade complete.
- Anglesea Netball Pavilion complete.
- Globe Theatre flooring replacement.
- Winchelsea Pool Redevelopment, construction in progress, tracking to reopen in the 2024 summer season.
- Deans Marsh Community Hub Facility Development Plan adopted by Council in March 2024.
- Surf Coast Aquatic and Health Centre project progressing.
- Multi-Arts Centre concept progressing.
- Federally-funded Stadium Seating Upgrade (Wurdi Baierr) and Spring Creek Reserve Pavilion Upgrade projects progressing.
- Jan Juc to Bellbrae shared pathway project planning progressing.
- Gender Impact Assessments on key programs or projects are being completed.
- Contemporary lease and license agreements developed and being rolled out.
- Responsible Service of Alcohol sessions delivered across community houses and other community organisations.
- Several successful health promotion campaigns including: Choose Water, Good Sports Program, Food Security program in partnership with HESSE Rural Health, Vaping Education programs, impactful International Women's Day event.
- Community Houses – community lunch project and caring for the carers project. Council made a \$31,200 financial contribution to Community Houses across the shire.
- Volunteer Statement of Commitment ensures that volunteering remains responsive to the community – new volunteer role created: "First Nations events."
- Gender Champions group created to continue to embed understanding of Gender Equality and the requirements of the Gender Equality Act across teams at Council.
- Finalised implementation of the Community Development Action plan – focusing on removing barriers to enable community participation, delivering councils grants program, continuing to expand community planning.
- Undertaken local engagement to determine community led approach to support of LGBTQIA+ community.
- Torquay Wayfinding Signage Strategy consultation complete and final strategy endorsed.
- A range of pathway, Road Safety Strategy and Safer Cycling Strategy projects completed including Anderson Street pathway Moriac, assessment of 10 high risk pedestrian crossing locations, and implementation of 'Share the Road' signage on priority routes.
- Completed fit for purpose, general accessibility and travel accessibility audit on Council facilities and car parks to inform the Integrated Social Infrastructure Framework (in progress).
- Barwon River Loop Walk stage two design is nearing completion.
- Key planning and land use decisions have considered improving opportunities for people to move around without cars.
- Pathway network mapping and baseline data has been completed to input to the Integrated Social Infrastructure Framework.
- Delivered pedestrian and cycling improvements on Fischer Street, Beach Road and around Grossmans school precinct.
- \$168,947 worth of community projects funded through grants program.
- Implemented new grant finder tool to improve referral pathways for community groups to other grant streams.
- Revised grants policy and program guidelines adopted to improve consistency and equity of grant allocations.

“Wanted to relay how much the gardens and parks look very well maintained and very welcoming and inviting atmosphere and well done to the crews who look after them on a regular basis.” – Torquay resident

- 98 community project proposals were provided support and advice for community ideas through the community projects portal and community initiatives assessment panel.
- Support provided for community-led projects including: Winchelsea Mud Hut Redesign, Quay Reserve Community Orchard Irrigation Upgrade, Modewarre FNC Electronic LED scoreboard which attracted multiple funding partners contributing to the value of \$73,000.
- Unsealed Road Review technical work and community engagement completed. Report to be finalised in 2024 to guide future initiatives.
- Stribling Reserve Pavilions upgrade minor works in progress.
- Stribling Basketball Stadium flooring replacement underway.

“Congratulations on the 24hr curfew for cats I applaud your council for forward thinking hopefully other councils will follow suit.” – Surf Coast resident

Challenges

- Providing ongoing support for community plans remains a challenge. Ensuring that the community has the capacity to take charge of the plans is pivotal and will inform community planning moving forward.
- Surf Coast Shire has one of the highest rates of volunteering in the state. Ensuring that Council is supporting and recognising these efforts, through meaningful training opportunities and support for groups to connect with willing volunteers.
- Surf Coast Shire has one of the fastest growing ageing populations in the state. Ensuring that Council is planning for, and has the services required to support this ageing population is critical. This is particularly needed in areas relating to social support, access to healthcare and public transport. Navigating the transition from exiting the Regional Assessment Service whilst still finding ways to assist community in locating and accessing support services remains a challenge. The Positive Ageing Advisory Committee remains an integral asset to advising Council on how to create an age-friendly Surf Coast Shire community.
- Securing funding for future community infrastructure projects in light of a challenging financial position of state and federal governments



Community Lunches program

Over the past 12 months, Council has supported Torquay Community House's Community Lunches program through providing funding for the purchase of ingredients and volunteering time to assist with preparing and serving the meals and cleaning up post lunch.

The Community Lunches are free and open to all community members to attend and have been hugely successful with between 35-50 community members attending each monthly lunch. The feedback from attendees has been hugely positive. The lunches provide a wonderful opportunity for community to come together, socialise and build connections with one another, and also connects attendees in with the Community House and the programs they offer.

The Community Lunches program provides a safe space for long term and new residents to build connections with others and supports positive mental wellbeing outcomes. The program also has an intergenerational element, with Surf Coast Secondary College students involved in the preparation, cooking and serving of meals to the community.

The program serves as a wonderful opportunity for the students to build their own skills and build relationships and connections with individuals who they might not otherwise come across.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
Management of Unsealed Road Network - Independent Review	\$43,000	\$56,515	The Management of Unsealed Road Network Review is nearing completion
Surf Coast Aquatic and Health Centre Project Tender	\$1,051,060	\$1,437,028	The construction contract for the Surf Coast Aquatic and Health Centre was tendered in early 2024. Contract to be awarded in the 2024-25 financial year.
Winchelsea Swimming Pool Renewal.	\$4,000,000	\$2,295,618	Design and construction contract has been awarded following public tender and the engineering and architectural designs commenced immediately after contract award. Construction is progressing well and on target to be delivered in 2024-25

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
Child and Family Health				
<p>This program area supports the health and wellbeing of families with children from birth to preschool age. The unit delivers maternal, child and family health (MCH) services, including the Universal and Enhanced MCH programs, and sleep/settling support program. These services are funded through a Memorandum of Understanding between Surf Coast Shire Council, Municipal Association of Victoria and the Victorian State Government. Other services include parent education, playgroups, and community strengthening activities.</p> <p>Operating projects relate to ongoing projects carried forward from 2022-23, along with additional grant funding received from the Department of Health under the More Support for Mums Dads and Babies initiative.</p>	Recurrent Operations			
	Expenditure	974	969	5
	Overheads	179	179	-
	Revenue	(478)	(476)	(2)
		675	672	3
	Operating Projects			
	Expenditure	-	43	(43)
	Revenue	-	(99)	99
		-	(56)	56
	Community Emergency Management			
<p>This service assists community and Council to plan for, respond to and recover from potential emergencies and their consequences. This includes coordinating arrangements for the utilisation of Council resources in response to emergencies and arrangements for the provision of assistance to the community during recovery from emergencies. With the increasing impacts of climate change, severe weather events are becoming more prevalent and there is an increased need for a climate resilience program. The unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs with high-risk communities.</p>	Recurrent Operations			
	Expenditure	688	620	68
	Overheads	170	158	12
	Revenue	(2)	(3)	1
		856	775	81
	Operating Projects			
	Expenditure	253	306	(53)
	Revenue	(240)	(263)	23
		13	43	(30)

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
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Recurrent operations benefited from a temporary reduction in hours for regular employees and savings from water monitoring devices. Operating projects reflect additional expenditure and external contributions towards the Community Flood Recovery Hub project, partly funded by Colac Otway and Corangamite Shire Councils.

Community Health and Development

<p>This program area aims to support communities to be resilient and empowered through creating inclusive communities where everyone can participate and contribute. They are responsible for implementing many Council Plan strategies under the pillar of Community Wellbeing, addressing issues such as: preventing violence against women, gender equity, community safety, community development, healthy eating and physical activity, communities of place and interest, volunteering and alcohol, tobacco and other drugs. The unit also focuses on community capacity building via community development activities and grants.</p> <p>The movement in recurrent operations reflects a staff vacancy during the year and the deferral of the Community Skill Development Program, with community planning now due to commence in Anglesea in early 2025.</p> <p>Operating projects include an allocation towards a Gender Equity Officer and the Health and Wellbeing Plan Implementation.</p>	Recurrent Operations			
	Expenditure	774	720	54
	Overheads	102	102	-
	Revenue	-	(2)	2
		876	820	56
	Operating Projects			
	Expenditure	77	70	7
	Revenue	-	-	-
		77	70	7

Early Years

<p>This service aims to support families and children to achieve their full potential. This is achieved through the provision of family-oriented support services including kindergartens and occasional care programs. The unit also supports toy libraries and the provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.</p>	Recurrent Operations			
	Expenditure	4,237	4,073	164
	Overheads	1,028	1,028	-
	Revenue	(4,261)	(4,324)	63
		1,004	777	227
	Operating Projects			
	Expenditure	-	160	160
	Revenue	-	(55)	(55)
		-	(105)	(105)

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
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Recurrent operations were favourable due to Council's decision to exit from family day care services, along with higher kindergarten enrolments, resulting in additional funding under the State Government Best Start, Best Life program.

The operating project reflects ongoing projects carried forward into 2023-24 such as the Kindergarten Infrastructure and Services Plan, Kindergarten Workforce Planning and Early Years School Readiness projects.

Community Facilities, Projects and Partnerships

This service is responsible for community project development and delivery, land use enquiries and liaison with Community Asset Committees.	Recurrent Operations			
	Expenditure	631	666	(35)
	Overheads	109	109	-
	Revenue	(56)	(184)	128
The increase in recurrent revenue is mainly due to the redistribution of community recreation reserve utilities reimbursements from buildings and facilities hire from stadium operations.		684	591	93
Operating projects include the community funded Winchelsea Childcare mural added during 2023-24 and the Torquay/Jan Juc Social Infrastructure Study - Stage 2.	Operating Projects			
	Expenditure	5	30	(25)
	Revenue	-	(21)	21
		5	9	(4)

Stadium Operations and Recreational Development

This service is responsible for managing and programming several recreation activities, including multi-purpose stadium, aquatic facilities and health and fitness club facilities. These services support the wellbeing of the community and provide a source of income through user fees.	Recurrent Operations			
	Expenditure	780	767	13
	Overheads	201	201	-
	Revenue	(557)	(597)	40
		424	371	53
The movement in recurrent revenue reflects higher number of memberships at the Winchelsea Health Club and increased sales at the Wurdi Baierr Stadium facility hire and kiosk.	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
Facilities Management				
This service maintains a wide range of Council facilities and associated infrastructure (e.g. indoor sports facilities, kindergartens, recreation, early years, public toilets, community halls).	Recurrent Operations			
	Expenditure	3,587	3,680	(93)
	Overheads	(990)	(990)	-
	Revenue	(84)	(49)	(35)
		2,513	2,641	(128)
Recurrent operations expenditure is unfavourable due to higher reactive maintenance demands for Council managed facilities. The movement in recurrent operations revenue reflects the redistribution of community recreation reserve utilities reimbursements to community facilities, projects and partnerships.	Operating Projects	-	-	-
	Expenditure	-	-	-
	Revenue	-	-	-
Open Space Operations				
This service maintains and develops Council's parks and open space assets (e.g. recreation reserves, playgrounds, skate parks, trees, nature reserves).	Recurrent Operations			
	Expenditure	4,036	4,086	(50)
	Overheads	660	660	-
	Revenue	(16)	(16)	-
Recurrent operations are not favourable due to staff back fill due to extended leave.		4,680	4,730	(50)
Operating projects include the Operations Service Review, Sustainable Water Use Feasibility Study and Certificate 2 Electricity Supply Industry Powerline Vegetation Control training.	Operating Projects			
	Expenditure	61	51	10
	Revenue	-	-	-
		61	51	10
Library				
This function is responsible for the provision of library services and manages a service agreement with the Geelong Regional Library Corporation. Library services are provided at the Torquay branch and across the municipality with a mobile service.	Recurrent Operations			
	Expenditure	775	765	10
	Overheads	-	-	-
	Revenue	-	-	-
		775	765	10
Recurrent operations expenditure is favourable due to Council's contribution to Geelong Regional Libraries being lower than budgeted.	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
Age, Youth and Access				
This service aims to support young people achieving their full potential via youth development programs. The Aged and Access team support strategic initiatives and will support a part time Positive Ageing navigator position to assist clients re-direct to new service providers as Council exits this service.	Recurrent Operations			
	Expenditure	1,080	1,024	56
	Overheads	182	182	-
	Revenue	(217)	(196)	(21)
		1,046	1,010	35
Recurrent operations expenditure is favourable due to staff vacancies across the services and favourable contractor costs. The unfavourable movement in recurrent revenue reflects State Government funding allocation discontinued for the vulnerable persons register.	Operating Projects			
	Expenditure	95	88	7
	Revenue	(86)	(100)	14
		9	(12)	21
The operating projects allocation includes grant funding and expenditure towards the FReeZA and Engage Youth programs.				
Social Infrastructure and Open Space Planning				
This service supports, plans and advocates for the future development of key strategic recreation, open space and multi-purpose facility projects.	Recurrent Operations			
	Expenditure	686	726	(40)
	Overheads	105	105	-
	Revenue	-	-	-
		791	831	(40)
The unfavourable movement in recurrent operations expenditure reflects additional casual wages during the year to support service delivery.	Operating Projects			
	Expenditure	384	357	27
The operating projects include the Great Ocean Road Coast and Parks Authority Asset Transition Support and the Anglesea Community and Health Hub Precinct Plan. Operating projects revenue is attributable to State Government funding towards the Moriac Pre-School Expansion.	Revenue	-	(31)	31
		384	326	58

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
Civil Works				
<p>This service is responsible for the construction, maintenance, and day-to-day operation of Council's sealed and unsealed road network, ensuring that it can support day-to-day activities including businesses moving customers, supplies and products across the Shire. The Civil Works team also maintains drains and footpaths and other civil infrastructure. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.</p> <p>Recurrent operations maintenance expenditure is unfavourable due to increased road grading, road shoulders and road patching; driven by weather conditions, service level agreement and Road Management Plan compliance. Favourable recurrent revenue is due to the completion of additional private works.</p> <p>Operating projects include the Management of Unsealed Road Network Review and Civil Operations Service Level Review.</p>	Recurrent Operations			
	Expenditure	5,453	6,026	(573)
	Overheads	861	861	-
	Revenue	(8)	(24)	16
		6,306	6,863	(557)
	Operating Projects			
	Expenditure	81	57	24
	Revenue	-	-	-
		81	57	24

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/ (Unfav)
Building and Ranger Services				
<p>These diverse services support the economy through overseeing compliance with building development controls and enforcement, permits for footpath trading, local law enforcement and Victorian Government agencies enforcement activities. This service provides staff at school crossings to improve pedestrian safety. It also provides animal management services including a cat trapping program, dog and cat collection service, lost and found notification service, animal pound service, registration and administration service, after-hours service and an emergency service. Revenue in this area is generated mainly from the issuing of infringement notices.</p> <p>The recurrent operations expenditure is unfavourable due to additional contract building surveying support for service delivery. Recurrent operations revenue from parking infringements and penalties was favourable, returning to pre-pandemic levels.</p> <p>Operating project expenditure includes the Domestic Animal Management Plan 2022-25 and the Women Building Surveyor Program.</p>	Recurrent Operations			
	Expenditure	2,502	2,844	(342)
	Overheads	669	669	-
	Revenue	(1,882)	(2,014)	132
		1,289	1,499	(210)
	Operating Projects			
	Expenditure	1	67	(66)
	Revenue	-	-	-
		1	67	(66)

Service performance indicators

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

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
AQUATIC FACILITIES						
Service standard						
AF2	<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	1.00	0.00	Council aquatic facility (Winchelsea Pool) closed for renovations.
Utilisation						
AF6	<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.14	0.21	0.17	0.00	Council aquatic facility (Winchelsea Pool) closed for renovations.
Service cost						
AF7	<i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$11.55	\$21.25	\$23.09	\$0.00	Council aquatic facility (Winchelsea Pool) closed for renovations.
ANIMAL MANAGEMENT						
Timeliness						
AM1	<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.35	1.30	1.24	1.20	

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Service standard						
AM2	<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	74.58%	76.12%	73.13%	72.22%	
AM5	<i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected] x100	0.00%	0.00%	0.00%	0.00%	Council does not rehome animals. Unclaimed animals are taken to Geelong Animal Welfare Society (GAWS).
Service cost						
AM6	<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	\$14.35	\$13.29	\$12.44	\$12.59	Cost of service remains steady.
Health and safety						
AM7	<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	0.00%	No prosecutions at the Magistrates Court for the period.
LIBRARIES						
Resource currency						
LB2	<i>Recently purchased library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	84.31%	81.66%	79.43%	75.67%	Regular collection purchasing took place in 2024. As the Geelong Regional Library Corporation (GRLC) collection is largely a 'floating' collection, the slight decrease from 2023 can be attributed to the change in the proportion of the GRLC collection, which is under 5 years old, due to the initial opening day collection purchased for Leopold Library in 2018.

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Service cost						
LB5	Cost of library service per population	\$20.74	\$20.20	\$19.39	\$19.79	
	[Direct cost of the library service / Population]					
Utilisation						
LB6	Loans per head of population	-	-	-	7.50	New indicator for 2024, results cannot be compared with indicators from previous years.
	[Number of library collection item loans / Population]					
Participation						
LB7	Library membership	-	-	-	29.05%	New indicator for 2024, results cannot be compared with indicators from previous years.
	[Number of registered library members / Population] x100					
Participation						
LB8	Library visits per head of population	-	-	-	2.41	New indicator for 2024, results cannot be compared with indicators from previous years.
	[Number of library visits / Population]					
MATERNAL AND CHILD HEALTH (MCH)						
Service standard						
MC2	Infant enrolments in the MCH service	99.33%	100.00%	100.00%	98.07%	Engagement with the MCH service continues to be high.
	[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost						
MC3	Cost of the MCH service	\$73.43	\$67.50	\$77.21	\$87.78	Indicator calculation updated in 2023 and impacted by extended staff long service leave and leave without pay. Current figure is more indicative of actual cost.
	[Cost of the MCH service / Hours worked by MCH nurses]					

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Participation						
MC4	<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.86%	76.13%	75.31%	72.78%	Whilst overall participation in the MCH service remains above 70%, we have seen a slight decline in engagement of children over 3yrs of age. This is typical across the state, and Council continues to review ways to optimise participation - for example, through outreach at kindergartens across the Surf Coast Shire.
Participation						
MC5	<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.19%	82.93%	77.08%	84.09%	All Aboriginal and Torres Strait Islander families are offered to engage with the Surf Coast Shire MCH service, the local Aboriginal Community Controlled Health Organisation, or both.
Satisfaction						
MC6	<i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x100	95.99%	93.29%	94.74%	99.72%	Participation with the MCH service continues to be high, with over 99% of families choosing to engage in early visits with their infants.

Council Plan Theme: Environmental Leadership



Our goal:

Protect our environment and help our community to thrive through environmental leadership. As a result, Council is committed to the following strategies:

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

Core activities

- **Environment.**
- **Waste management.**

Achievements

- Supported Wadawurrung Gobata Dja (Taking Care of Country) team to heal Country, partnering with them to manage nature reserves within the shire.
- Think Environment campaign launched to internally promote the protection of threatened communities and landscapes across the Shire. It delivered education and awareness for staff and contractors on their responsibilities under the Environment Protection Act, General Environmental Duty.
- Native vegetation offset site plan for Moonah Woodlands, Torquay finalised and approved by Department of Energy, Environment and Climate Action.
- Delivered Council's annual pest plant and animal management program on Council owned and managed land, including habitat for listed threatened flora and fauna species and communities.
- Supported local community conservation efforts including, planting 2,200 plants, weed works and grant funding application support.
- Karaaf stormwater management - comprehensive program of assessment and planning work completed. Baseline environmental monitoring assessment complete and ongoing monitoring plan underway. Preferred diversion option chosen with implementation project to commence in 2024-25.
- Implementation of the Climate Emergency 2023-2025 Action Plan is underway to continue delivering on the commitments in the Climate Emergency Response Plan 2021-2031.
- Climate Active Carbon Neutral Standard certification achieved for 2022-23 FY. Corporate emissions rose by 43% due to a more comprehensive assessment required by the Climate Active certification. Non-landfill emissions under Council's direct control continue trending down with a 4.1% reduction from the previous year.
- Partnered with Geelong Sustainability to deliver the Electric Homes campaign. Statistics for the Surf Coast region include: over 200 people attended the Surf Coast events; 164 EOIs were submitted and 42 participants followed through with installation of either solar, batteries, hot water heat pumps and/ or split system air conditioning, saving an estimated \$31,893 per year in energy costs and 119 tonnes of CO₂ per year.
- Delivered the 2024 Climate Emergency Pitchfest Grants. The two successful projects this year were: Common Ground Project and Lorne P-12 College for 'School for Climate: Regeneration and Climate Action in the Garden and Farm', and The Brainers and Geelong Regional Library Corporation for 'Arckit Sustainability Studio'.
- Council received Victorian Government funding in 2021 through the Destination Charging Across Victoria program to install four EV chargers across the shire. Following significant delays, DEECA have increased their grant funding from \$70,000 originally awarded, to \$343,022, enabling 50kW chargers to be installed at all four locations (Lorne, Aireys Inlet, Anglesea, Winchelsea) to better meet EV driver demand in our region. The units will be installed by the end of 2024.
- Adopted the Circular Economy Action Plan 2024-2027, which includes five key priority areas, 25 key actions and a range of targets to drive the transition to a circular economy.
- Established new contracts for Council's kerbside recycling and Food Organics Garden Organics (FOGO) services.
- Commenced community education and waste enforcement program targeted at reducing contamination and including resources for short-stay rental properties.
- Commenced key strategic waste projects: Anglesea Landfill Post-Closure Transition Plan and the Torquay Transfer Station Feasibility Study.
- Completed new cell liner at Anglesea Landfill to increase the protection of the site.
- Delivered community workshop to promote the use of reusable nappies.
- Increased the service life of staff and contractor laptops, spreading the number of laptops required across four years to reduce cost and waste.
- Climate risk is determined by understanding what our current and future climate hazards are locally, and the exposure and vulnerability of Council's assets and services to the hazards. Detailed planning and scoping occurred to undertake Phase 1 of our climate risk assessments, ensuring our methodology is robust, evidence-based and aligned with best practice.

- Began collecting data on the financial impact of weather events to build understanding of anticipated financial implications of climate impacts into the future.
- BSW Climate Alliance was successful in receiving \$243,000 in grant funding to undertake climate risk assessments across the region, which will support Council's own risk assessment process, particularly for assets.
- The Winchelsea Greening and Stormwater Upgrade, and Jan Juc Creek Daylighting stage 2 Integrated Water Management projects are progressing with designs complete.
- Painkalac Creek Flood study is progressing with the technical specification complete, and collaboration continues to link this work with other projects in the region.
- Unsealed Road Review nearing completion which considers actions to manage the network into the future as the climate changes.
- Council secured locking mechanisms to 5000 kerbside bins across Lorne to stop cockatoos from opening bin lids and pulling out rubbish. Locks were installed on resident's FOGO, recycling and landfill bins from November through to April.

Challenges

- Having largely delivered the installations of solar and batteries on Council's largest energy using sites, we are moving into a more detailed phase of analysis to determine the next suite of emissions reduction activity, including electrification, fleet transition, uptake of recycled materials (reducing upfront carbon), and energy efficiency measures. These initiatives can require a more complex analysis process and can be more challenging to establish the business case.
- The changing climate is driving more unpredictable and volatile weather patterns, which has operational and financial impacts on the way Council delivers its services. Climate change risk assessments will build Council's capacity to manage the risks now and into the future.
- Closure and rehabilitation of Anglesea Landfill will be a major technical and financial undertaking in coming years.

"I wish to applaud Council's move regarding the soft plastics collection trial. It is a sorely needed initiative and I congratulate Council for making this move. Congratulations!" – Torquay resident



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
Cockatoo Kerbside Bin Mechanism Roll Out - Lorne	\$55,000	\$215,306	<p>This roll out has been completed.</p> <p>Whilst the mechanisms installed have not been 100% successful in keeping cockatoos out of bins, they have been a deterrent and significantly reduced the amount of litter observed in Lorne's streets.</p>
Council Carbon Neutrality Program	\$310,000	\$220,353	<p>The Council Carbon Neutrality Program is completed for 2023-24.</p> <p>28,988 tCO₂-e were reported and offset with certified carbon offset units and Climate Active Carbon Neutral Standard achieved.</p> <p>Total emissions rose 43% from the previous year, due to a more comprehensive assessment required by the Climate Active certification process. Non-landfill emissions under Council's direct control continue trending down.</p>

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Climate Action and Environment				
<p>These services are responsible for protecting and enhancing the local environment and leading Council's climate action. The services ensure that Council complies with Victorian and Australian Government legislative requirements regarding climate action and the environment, including native vegetation; listed species and ecological communities; pest plants and animals; and statutory planning referrals. A wide range of Council Plan strategies related to sustainability, environmental leadership and climate change are delivered. The units provide expertise in the management of Council's many nature reserves, rural roadsides, some waterways as well as coordinate climate mitigation and adaptation initiatives. The units provide specialist environmental and climate advice internally to Council and externally to community groups, local businesses, agencies, and members of the public.</p> <p>Operating projects include Council's Carbon Neutrality Program, Roadside Pest and Weeds program, along with additional State Government funding for collaborative corella management to trial a long-term strategy of habitat reduction, modification and replacement in Winchelsea.</p>	Recurrent Operations			
	Expenditure	1,443	1,441	2
	Overheads	293	293	-
	Revenue	(1)	-	(1)
		1,735	1,734	1
	Operating Projects			
	Expenditure	588	332	256
	Revenue	(89)	(183)	94
		499	149	350

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Waste Management				
<p>The Waste Management function involves management of Council's landfill and transfer stations, waste collection (including kerbside waste collection and street cleaning), maintenance of street litter bins and community education and engagement. The Waste Management unit has a strong focus on community education and waste services planning. Revenue in this area is generated mainly from waste disposal fees and the municipal kerbside waste charge. In February 2021, Council expanded its kerbside waste collection service to include the Food Organics and Green Organics (FOGO) and glass bins. These new bins help to reduce the amount of waste sent to landfill and maximise resource recovery.</p> <p>The recurrent operations waste disposal expenditure reflects favourable Environment Protection Authority waste levies due to lower waste volumes to landfill, and lower Anglesea Landfill operations expenditure due to new contract rates and reduced transport costs for Food Organics Garden Organics (FOGO) waste processing. Waste collection was also favourable due to reduced recycling tonnages compared to budget. The decrease in recurrent revenue reflects reduced commercial waste disposal at the Anglesea Landfill.</p> <p>Operating projects include the Cockatoo Kerbside Bin Mechanism roll out – Lorne, Kerbside Reform Project Operations and Litter Enforcement Program.</p>	Recurrent Operations			
	Expenditure	13,070	11,606	1,464
	Overheads	371	371	-
	Revenue	(13,229)	(13,203)	(26)
		212	(1,226)	1,438
	Operating Projects			
	Expenditure	714	365	349
	Revenue	-	(41)	41
		714	324	390

Service performance indicators

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

Service	Results				Comments	
	2021	2022	2023	2024		
WASTE COLLECTION						
Service standard						
WC2	<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	7.56	8.43	4.41	4.26	
Service cost						
WC3	<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$90.77	\$93.73	\$90.77	\$93.33	
Service cost						
WC4	<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$78.41	\$49.54	\$63.43	\$60.92	
Waste diversion						
WC5	<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	64.25%	71.12%	73.57%	71.22%	A drier climate has resulted in a reduction in FOGO collected, similarly the introduction of the Victorian Container Deposit Scheme has reduced the amount of recyclables in the kerbside system.

A woman with blonde hair, wearing a bright yellow and grey high-visibility jacket and dark pants, is smiling and pushing a blue wheelbarrow filled with green plants. The wheelbarrow has the word 'SHERLOCK' written on its side. She is in a grassy field with other people in the background, some of whom are also working with plants. The sky is overcast.

Council's Biodiverse Carbon Offset at Lake Modewarre

Council has committed to revegetating an 11-hectare site next to Lake Modewarre in Buckley for a Council-led and community-powered carbon offset and biodiversity project. The Council-owned land at 185 Walton Road is in an area that had been 98% cleared of native vegetation, with only remnants remaining along local roadsides. The project is in its third year in 2024, with more than 4500 biodiverse, long-lived, locally indigenous plant species planted and showing good survival rates. The project enables Council to partner with community organisations, including Torquay Landcare Group and local schools, in setting an example of direct action to tackle climate change.

The site will be retained and protected for a minimum of 50 years, improving biodiversity and habitat for local wildlife, providing seed collection for future planting and sequestering carbon locally. It also potentially inspires local landholders to undertake offset planting, and community members to think about offsetting their own emissions. Council is not planning on using any of the carbon sequestered in its corporate emissions offsetting calculations, but independent calculations estimate that by year 25 the site will be storing 875 tonnes of CO₂ annually.

Council Plan Theme: Sustainable Growth



Our goal:

Growth that is not at the expense of environmental values or the unique heritage and character of our townships. As a result, Council is committed to the following strategic objectives:

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

Core activities

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

Achievements

- Delivery of Coombes Road and Surf Coast Highway intersection upgrade.
- Successful in obtaining in excess of \$3 million in grant funding primarily for Road Safety and Active.
- Transport improvement works.
- Increased delivery of Council's asset renewal program.
- A total of 552 planning permit applications received for the year.
- A further 883 additional 'other' planning requests requiring a decision or response, such as written advice, permit requirements.
- A total of \$332 million worth of development proposed.
- 77.4% of Planning permit applications (excluding 'other') determined within 60 statutory days with a median processing timeframe of 62 days.
- Planning compliance received a total of 151 investigations and closed 215 investigations. Progressed the Urban Futures Strategy project – undertaking multiple phases of Shire wide community engagement to inform the development of a draft Strategy.
- Completed and adopted the Planning Scheme Review – identifying key priorities tasks to inform future land use planning policy.
- Commenced implementation of the State Government's Distinctive Areas and Landscapes Statement of Planning Policy.
- Completed a shire wide bushfire landscape assessment to inform the development of the Urban Futures Strategy.
- Completed Stage 3 Heritage Study – identifying 22 properties for new heritage protection controls.
- Completed and adopted the Moriac Structure Plan 2023.
- Aireys Inlet Affordable Housing Project progressing to facilitate social and affordable housing at Fraser Drive. Council has endorsed a community co-design concept and approved a long- term lease with Housing Choices Australia.
- Facilitated a community co-design process to develop a long-term vision, design principles and concept plan for the Anglesea Community and Health Hub. Tested the vision, principles and concept plan including affordable housing for key workers in the broader Anglesea community.
- Responded to community enquiries and issued four conditional permits as part of the Tiny Houses on Wheels (THOW) pilot.
- Continued engagement with business and community led initiatives to facilitate access to affordable housing for key workers.
- Advocated to Federal and State Governments, including on the roll out of the State Government of Victoria's Housing Statement, ie Small Second Dwellings and Housing Targets.
- Continued to implement internal processes and work with homelessness outreach programs to support people sleeping rough.
- Established a Housing Concierge service to assist applicants to contribute to delivering affordable and more diverse forms of housing.
- Affordable Accommodation Action Plan 2024 was revised and adopted by Council in May 2024.
- Commenced Eco Destination Accreditation Program with Ecotourism Australia. The full program involves reviewing existing practices in 91 areas that will bring us closer to the economy we need.
- Planning for the 2024-25 Event Grant Program in progress.
- Retail sales across Torquay and Lorne Visitor Information Centres (VIC) YTD (May): \$406,905.
- Visitor enquires at Visitor Information Centres for Lorne: 85,516, Torquay: 50,135 and Anglesea: 5,291.
- Secured a federal grant of \$37,500 to deliver a new women's surfing event in Lorne - aiming to increase participation and awareness in women's surfing.
- On track to help facilitate approximately 300 major and community events for 2024, with SC Events providing complimentary marketing and event delivery support.
- Welcome Wave (part of Cadel Evans Great Ocean Road Race) and Rising Stars (part of the Rip Curl Pro) successfully delivered.

- Hosted the Bells Beach Longboard Classic - an international longboard event forming part of the newly established World Surf League (WSL) Longboard Championship Tour.
- Australian Surf Rowing League National Championships event held in Lorne in February 2024.

Challenges

- Length of stay for visitors continues to decrease. The growth of Geelong and western Melbourne area will increase the potential for day trips. Strategies are in place to encourage longer stays, even for residents within close proximity.
- Planning for urban growth is complex and with a housing crisis declared, the pressure to fast-track planning for land supply and housing is increasing.
- Getting affordable housing where our communities need it due to factors including little land suitable and/or expensive to develop for housing.

Eco Destination Certification

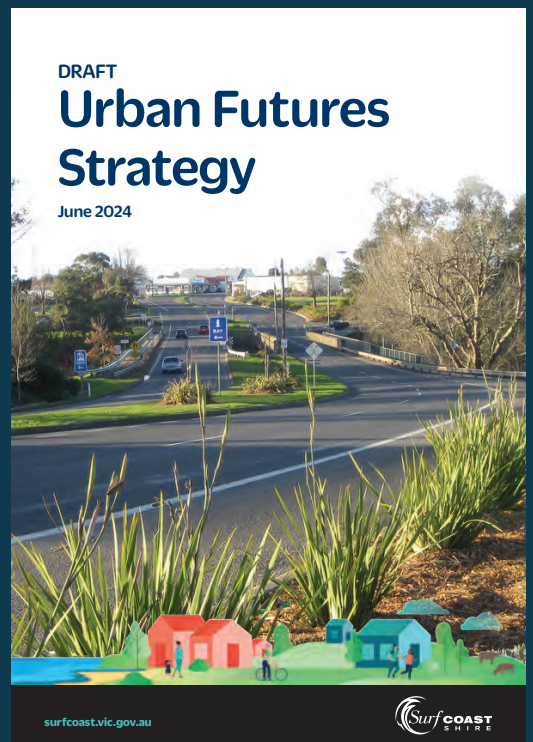
Council committed to the process of becoming Eco Destination Certified through Ecotourism Australia. The preliminary assessment phase has been completed.

Certification will provide our region with new marketing opportunities to attract different visitor markets that align with our community's values. The full program involves reviewing existing practices in 91 areas and will bring us closer to the economy we need. Key stakeholders include Great Ocean Road Coast and Parks Authority, Parks Victoria, Barwon Water, and Great Ocean Road Regional Tourism.



Planning Scheme Review and draft Urban Futures Strategy

Council undertook a review of the Surf Coast Planning Scheme (PSR) and developed a new Growth Framework, the draft Urban Futures Strategy (UFS). In adopting the PSR, Council committed to (among other things) undertaking further strategic work to plan for sustainable growth in Winchelsea and Torquay having regard to their local context, and to review planning controls in the coastal towns from Anglesea to Lorne to achieve more sustainable outcomes in the face of increasing bushfire risk and growth pressures. The draft UFS, a key recommendation of the PSR, sets out a framework, including principles and directions to guide where urban growth will occur and how it might occur more sustainably.



Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
Winchelsea South-East Growth Area Stormwater Strategy	\$33,000	Nil	<p>The draft Urban Futures Strategy confirms the need to deliver short term land supply in the Winchelsea south-east growth corridor.</p> <p>The commencement of planning investigations to determine future stormwater infrastructure needs is likely to commence in the 2024/25 financial year.</p>

Budget funded services

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

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Assets and Engineering				
<p>This service is responsible for integrated and prioritised capital works planning, particularly in the renewal of Council assets, fleet and roads and drains. This includes development and implementation of asset management plans for Council's asset portfolio, as well as planning the renewal management of Council's existing infrastructure. The function manages and maintains Council's fleet of vehicles and plant as well as subdivision design approval and works inspections. This service is also responsible for the design of capital and renewal infrastructure projects relating to road, pathway and drainage assets, along with providing specialist engineering advice internally to Council and externally to community groups, local businesses, agencies and members of the public. This unit is also involved in development and implementation of road safety strategies and traffic and drainage policies. The service oversees traffic management and street lighting upgrades. Revenue in this area is generated mainly from government grants and user service fees.</p> <p>The unfavourable movement in recurrent operations expenditure is due to increased fleet repairs, reduced heavy plant recovery on capital projects and higher operating vehicle leasing costs. Recurrent revenue is favourable due to the timing of developer contribution fees.</p> <p>Operating project revenue relates to the Options Analysis - Safe Cycling Facility to connect Torquay and Geelong project.</p>	Recurrent Operations			
	Expenditure	2,396	2,600	(204)
	Overheads	(102)	(102)	-
	Revenue	(470)	(707)	237
		1,824	1,791	33
	Operating Projects			
	Expenditure	25	21	4
	Revenue	-	(15)	15
		25	6	19

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Events and Tourism				
This service includes prioritising tourism that delivers increased length of stay and authentic experience over mass visitation and destination marketing to niche audiences.	Recurrent Operations			
	Expenditure	1,494	1,504	(10)
	Overheads	265	265	-
The tourism service provides three visitor centres and works closely with Great Ocean Road Regional Tourism on campaigns and visitor servicing. It also supports events that help create a sense of place, inspiration, fun, pride, vibrancy and community connectedness in our townships. The curation and promotion of a calendar of events that balances the needs of community, showcases the Surf Coast and maximises the benefits to the broader region is a key focus. The service is guided by the Surf Coast Shire Economic Development Strategy 2021 – 2031.	Revenue	(389)	(465)	76
		1,370	1,304	66
	Operating Projects			
Recurrent operations revenue is favourable due to strong retail sales at Council Visitor Information Centres.	Expenditure	27	3	24
	Revenue	-	(34)	34
		27	(31)	58
Operating projects relates to the ongoing carried forward Digital Visitor Information project. Revenue received in 2023-24 included new grant funding towards the Great Ocean Road Women's Surf Festival in Lorne which will be held in December 2024.				

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Planning and Compliance				
<p>This service is responsible for statutory planning and planning compliance. It includes processing planning applications that require a planning permit, providing advice, and assessing development proposals, and where necessary, representing Council at the Victorian Civil and Administrative Tribunal (VCAT). Planning Compliance services actively encourage compliance with the planning scheme and planning permits, including being responsible for planning enforcement action through the Magistrates Court or VCAT enforcement orders when necessary. Revenue in this area is generated mainly from user service fees, some government grants and fines.</p> <p>Recurrent operations expenditure is favourable due to staff vacancies and the centralisation of legal fees expenditure to the Legal and Risk service area. The unfavourable movement in recurrent operations revenue reflects reduced planning application and assessment fees.</p>	Recurrent Operations			
	Expenditure	3,308	2,836	472
	Overheads	705	705	-
	Revenue	(936)	(800)	(136)
		3,077	2,741	336
	Operating Projects			
	Expenditure	9	5	4
	Revenue	-	-	-
		9	5	4
	Strategic Planning			
<p>This service is responsible for land use planning (studies, strategies and planning scheme amendments). Strategic land use planning prepares council-led strategies and policies, monitors the performance of the planning scheme and prepares planning scheme amendments. The private requests for planning scheme amendments attract statutory fees for processing.</p> <p>Recurrent operations expenditure is favourable due to staff vacancies and secondments, and the centralisation of legal expenditure to the Legal and Risk service area.</p> <p>Operating project expenditure relates to carried forward projects including the Environmental Management Plan for The Sands, Shire Wide Settlement Strategy and Planning Scheme Review.</p>	Recurrent Operations			
	Expenditure	975	679	296
	Overheads	145	145	-
	Revenue	-	(1)	1
		1,120	823	297
	Operating Projects			
	Expenditure	940	291	649
	Revenue	-	-	-
		940	291	649

Service performance indicators

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

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Satisfaction of use						
R1	Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	47.93	70.33	84.32	53.08	The reduction in requests may be due to the proactive inspections and works program in place.
Condition						
R2	Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	97.02%	96.39%	97.59%	97.79%	
Service cost						
R3	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$80.22	\$125.38	\$137.53	\$116.36	This indicator is very dependent on the roads being rehabilitated. Council had a large rehab program of major local roads in the financial year, producing economies of scale when tendering for the jobs.
Service Cost						
R4	Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$9.04	\$14.94	\$29.46	\$38.69	In 2024 Council resealed heavy traffic collector roads with a thicker asphalt seal than is used on other local roads. No cheaper treatment spray sealing was conducted during the year.
Satisfaction						
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	63.00	60.00	56.00	57.00	This figure is obtained from the 2024 Community Satisfaction Survey.

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
STATUTORY PLANNING						
Timeliness						
SP1	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	77.00	84.00	88.00	80.00	This indicator has shown modest improvement, primarily attributed to Council's dedicated effort to resolve long-standing planning permit applications. The focused approach to addressing these legacy cases has contributed to enhanced efficiency.
Service standard						
SP2	Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	86.92%	78.21%	69.09%	68.73%	For the current financial year, we're maintaining a similar operational timeline to the previous. Council remains committed to fostering collaborative relationships with both applicants and stakeholders, while this approach requires additional time it results in good land use outcomes and built form environment. The 2021 figure was calculated differently, using the current method the figures is calculated as 73%.
Service cost						
SP3	Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,978.88	\$2,790.07	\$3,303.49	\$3350.38	A decrease in planning permit applications compared to the previous period has attributed to a higher cost per application. There has also been a reduction in overall service costs, attributed to the elimination of one planning position and the centralisation of legal budget services.

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Decision making						
SP4	Council planning decisions upheld at VCAT	68.75%	86.96%	83.33%	95%	During 2024 Council maintained its strong performance record at the Victorian Civil and Administrative Tribunal (VCAT). Of the 20 cases presented before VCAT, only one decision was overturned. This 95% success rate underscores Council's continued effectiveness in upholding planning decisions and policies at the Tribunal level.
	[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					

Council Plan Theme: Robust and diverse economy



Our goal:

A local economy that is sustainable and supports a diversity of local enterprises and people. As a result, Council is committed to the following strategies:

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

Core activities

- Economic development.
- Environmental health.

Achievements

- Established Commercial Activity Centre Committee to promote internal collaboration on commercial place plans and adopted strategies.
- Finalised Parklet Pilot Program at Beach Hotel Jan Juc. Undertook community consultation (97% support) and developed new guidelines & processes connected to the Local Law to implement Parklets around the shire.
- 36 businesses supported through the full Business Concierge. A further 130 businesses supported beyond the Concierge.
- Doubled our business contact database in the last 12 months to enable us to share business support programs to over 8,300 businesses by location or sector.
- Developed a framework to measure success of the Economic Development Strategy. 15 metrics have been identified and will be reported on annually.
- Supported new business networking groups to establish including Surf Coast Women in Business and the Ripple Surf Coast B-Corp Chapter.
- Increased online business presence to 908 followers and a reach of 23,000 – a growth of 593%.
- 449 food safety inspections of food businesses completed.
- 133 infectious disease control inspections of beauty, tattoo, accommodation and swimming pool businesses completed.
- 1,716 vaccinations provided via our childhood immunisation program.
- 2,179 mosquitos trapped (0 diseases detected) as part of our mosquito management program.
- 63 onsite wastewater management (septic tank) system permits issued.

Challenges

- Businesses are experiencing a challenging operating environment. There is still some lingering debt from COVID. The cost of living via interest rate rises and inflation is resulting in a decrease in discretionary spend causing some businesses to fail. This looks set to continue into 2024 -25.



CASE STUDY

Bells Beach Longboard Classic

Surf Coast Shire secured the Bells Beach Longboard Classic - an international surfing event part of the newly established World Surf League (WSL) Longboard Championship Tour.

This action-packed event showcases the top 24 male and female longboard surfers in the world at a location that has been hosting professional surfing events for over 60 years and is the only event on the tour to be held in Australia.

Engaging our business community

Business owners that either live in the Surf Coast or create jobs and opportunity here are an important part of the community to engage. We have doubled our business contact database in the last 12 months to enable us to share business support programs to over 8,300 businesses by location or sector.

We supported new business networking groups to establish including Surf Coast Women in Business and the Ripple Surf Coast B-Corp Chapter.

Our online business presence with 908 followers and a reach of 23,000 has grown by 593%.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
New Measures of Success for the Surf Coast Economy	\$23,400	\$23,400	The framework for the new Measures of Economic Success was adopted at Council's June 2024 meeting. The framework has a focus on prosperity, beyond using Gross Domestic Product (GDP) as the typical measurement of growth. The framework consists of 15 metrics that have been grouped into three strategic areas: People, Place and Business. These three strategic areas align with the strategic areas of the Economic Development Strategy and Creative Places Strategy. The framework standardises data collected for each metric to produce a score out of 10. If the score falls below a target band (eg. 7 – 8 out of 10), it is an indicator that more work is required in this area to improve prosperity

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Economic Development				
<p>The Economic Development service provides support and delivers projects for businesses to start up, adapt and thrive. This includes the provision of economic data, a business concierge, targeted projects to create or support jobs and investment attraction activities. The service also seeks to connect businesses and provide up to date information to assist in business sustainability via publications. Like tourism and events, the service is guided by the Surf Coast Shire Economic Development Strategy 2021 – 2031.</p> <p>The recurrent operations expenditure is favourable due to lower requirements for specialised advice, document design and printing expenditure savings.</p> <p>The adopted budget operating projects included carried forward projects from 2022-23 which were completed in 2023-24, including the COVID-19 Recovery Program and the Prosperous Places Strategy.</p>	Recurrent Operations			
	Expenditure	813	766	47
	Overheads	142	142	-
	Revenue	-	(2)	2
		955	906	49
	Operating Projects			
	Expenditure	140	1	139
	Revenue	-	-	-
		140	1	139

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Environmental Health				
<p>This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: food safety – registration and monitoring compliance of food, accommodation, caravan parks and health businesses (hairdressers, tattooist, beauty etc.); inspection and issuing permits for wastewater treatment systems and septic tanks; investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; customer services/expert advice on public and environmental health matters (including agricultural infectious diseases); public health emergency response; and childhood and school immunisation services. Revenue is generated mainly from health registration fees.</p> <p>The movement in recurrent operations reflects favourable expenditure due to lower food sampling, printing and postage expenditure, partly offset by unfavourable septic tank application fees.</p> <p>The operating projects relate to carried forward projects from 2022-23, including the Council Rapid Antigen Test Program and Domestic Wastewater Management Plan.</p>	Recurrent Operations			
	Expenditure	769	735	34
	Overheads	183	183	-
	Revenue	(354)	(338)	(16)
		598	580	18
		38	119	(81)
		-	(18)	18
	Operating Projects	38	101	(63)
	Expenditure			
	Revenue			

Service performance indicators

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

		Results				
Service / indicator / measure		2021	2022	2023	2024	Comments
Food Safety						
<i>Timeliness</i>						
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.04	1.67	1.48	1.30	Reduction in response time is a better result. Council has performed in a more timely manner than last year by following up complaints faster.
<i>Service standards</i>						
FS2	Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	65.42%	94.03%	98.68%	98.33%	
<i>Service cost</i>						
FS3	Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$457.85	\$506.86	\$526.08	\$658.60	42% decrease in temporary and mobile food premises numbers. This may be due to current economic challenges and challenges with the new registration software 'FoodTrader'.

		Results				
Service / indicator / measure		2021	2022	2023	2024	Comments
Health and Safety						
FS4	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	
Food Safety Standards						
FS5	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	-	-	-	101.39%	New indicator for 2024, results cannot be compared with indicators from previous years.

Council Plan Theme: Arts and Creativity



Our goal:

Acknowledge the value of arts and creativity and seek to nurture their growth. As a result, Council is committed to the following strategies:

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

Core activities

- **Arts and culture.**

Achievements

- In 2023 the Multi Arts Centre staged over 380 events with 9,460 attending, over 810 unique artists were profiled. In the January to March 2024 period, the facility staged 91 events, profiled 123 unique artists and received 2579 in attendance.
- 2023 Surf Coast Arts Trail delivered with over 200 participating artists across 70+ venues with over \$230,000 in weekend sales and workshop bookings.
- Successfully delivered a sustainability of surfing seminar for Melbourne Design Week in 2024 with 42 people attending the panel discussion.
- Delivered the Surf Coast Community Calendar October 2023 with 55 artists participating and 316 people attending the 2-week exhibition. 5,000 calendars printed and distributed across the shire.
- Shed Talk Series attended by 187 people in five sessions held between March 2023 and June 2024.
- Delivered NAIDOC week panel event at the Australian National Surfing Museum.
- Delivered the Creative Halls Project enabling small scale cultural infrastructure upgrades to facilities in Anglesea, Lorne, and Winchelsea.
- Conducted a Public Arts Audit identifying the needs of 297 arts assets throughout the shire.
- \$1.4 million MAC refurbishment project progressed now at point of confirming final cost plan and preparing tender documents.
- 17,539 attendees to the Australian National Surfing Museum from 1 July to 31 May.
- Awarded eight DEVELOP grants in a diversity of fields including Literature, Music, Aerial Performance, Playwriting and Visual Arts.
- Stronger focus on increasing support for professional artists.

Challenges

- The cost of living via interest rate rises and inflation is resulting in a decrease in discretionary spend with impact on the creative economy via lower discretionary spend. This looks set to continue into 2024 -25.
- Council's capacity to support the organic development of creative neighborhoods in the shire is impacted by the requirements of state planning legislation

A woman with blonde hair in a bun, wearing a plaid shirt and dark pants, is kneeling and smiling as she works on a piece of art. She is using a long-handled tool to shape a dark, textured object. The background shows other people and a red and white striped caution tape, suggesting an outdoor art festival or workshop.

CASE STUDY

"Congratulations to the team on a fabulous job done with both suggestions from last year's arts trail." -Surf Coast resident

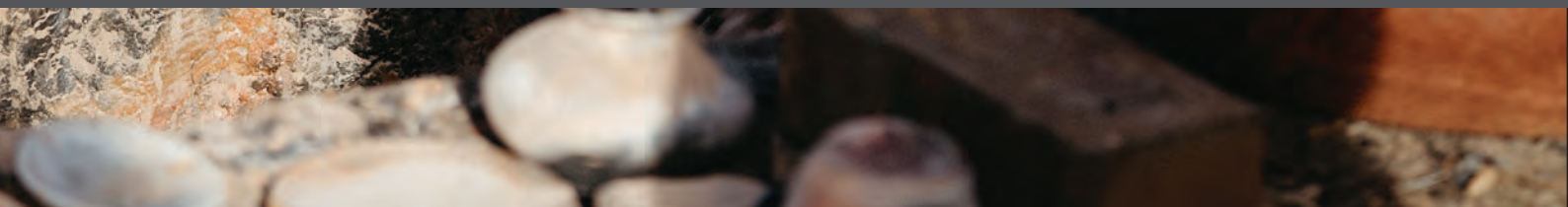
Surf Coast Arts Trail

The Surf Coast Arts Trail, held on August 5-6, has become a significant regional cultural event.

It put the diverse talents and creative spaces of many local artists on show and connected directly with the community, building engagement and appreciation for the arts. Fifty-eight venues across the Surf Coast Shire opened their doors to the public.

The trail featured over 200 artists showcasing their work across a diverse range of mediums including painting, sculpture, jewellery, weaving, photography, printmaking, ceramics, mosaics and so much more.

The successful weekend resulted in total sales and commissions of \$223,122 and workshop bookings valued at \$10,650. Total attendance over the two days, with 45% of visitors residing outside of the Surf Coast Shire, was 16,775.



Major initiatives

Major initiative	Adopted budget	Actual spend	Progress
Delivery of Multi Arts Centre Redevelopment Project	\$1,400,000	\$71,558	The Multi Arts Centre Redevelopment project will deliver an improved venue for a variety of arts groups enabling more theatre, gallery and exhibition activities under the banner of The Multi Arts Centre Inc. The project has completed a rigorous process of ensuring the scope of the project aligns with the available budget. Architects have been appointed, structural surveys completed and a concept plan confirmed. The physical improvements will be delivered in 2024-25.

Budget funded services

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

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)	
Arts and Creative Economy					
<p>This service provides a varied program of arts and cultural activities, events, grant programs and arts facilities for the benefit of community well-being, connection, participation, professional development and pride, alongside sector development. It aims to increase recognition across the region of the contribution made by the arts and the creative industries to the prosperity of our place. As a nationally recognised regional creative hotspot with many emerging and niche creative businesses, arts provide professional development opportunities in marketing and promotions, program development, events and grant-writing to support the aims of our many creatives. The Creative Places Strategy 2023-2031 will direct service provisions.</p> <p>The recurrent operations revenue is favourable due to strong retail and admission sales at the Australian National Surfing Museum (ANSM). Unfavourable recurrent operations expenditure reflects increased ANSM stock purchases reflective of increased sales.</p> <p>The operating projects expenditure includes carried forward budget for the ongoing Anglesea Art Space Program.</p>	Recurrent Operations	687	726	(39)	
	Expenditure	141	141	-	
	Overheads	(92)	(128)	36	
	Revenue	736	739	(3)	
	Operating Projects	58	89	(31)	
	Expenditure	(4)	(16)	12	
	Revenue	54	73	(19)	

DEANS MARSH CRICKET CLUB
Est: 1880's
HOME OF THE MIGHTY 'SWAMP RATS'



Council Plan Theme: Accountable and Viable Council



Our goal:

Ensure Council has financial capacity to deliver services now and into the future and that decision-making is informed by community views. As a result, Council is committed to the following strategies:

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

Core activities

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

Achievements

- Current 10-year Long Term Financial Plan (LTFP) enables Council to continue to deliver services and facilities whilst navigating challenging years ahead.
- Council generated an unallocated cash surplus of \$1.9 million at year end and is holding cash and investments allocated to deliver future projects and commitments.
- Council's business reform programs generated \$0.33m of savings during 2023-24 and \$0.54m has been embedded in the 2024-25 budget.
- To help inform the State and Australian Government on local government's long term sustainability challenges, Council made submissions to the Australian Government's Inquiry into the Financial Sustainability and Funding of Local Government and the State Government's Inquiry into Local Government Funding and Service Delivery in Victoria.
- Round one of a community engagement staff training program has been delivered, involving 60 staff.
- Finalised the MPP-028 Community Engagement Management Procedure and the Community Engagement Policy was adopted in August 2023.
- Established a new Communications and Engagement request and workflow system for all new projects across Council and implemented coordinated communications on placed based projects to local channels.
- Developed 156 media releases, 129 media responses and 168 speech notes and columns over the 12-month period.
- Our Financial Story, a document that communicates the financial challenges faced by Council, was adopted by Council in June 2024.
- Through our two main social media channels (Facebook and Instagram) we gained over 1,200 new followers, reached people more than 350,000 times, and had over 18,000 interactions with our content.
- Implemented new social pinpoint online engagement platform.
- Commenced implementing a new digital Customer Relationship Management system to transform the way customer requests are handled and to improve response time and improve customer satisfaction.

- Held Council meetings in Lorne, Deans Marsh, Moriac and Aireys Inlet and continued to livestream Council meetings.

Challenges

- Balancing demands on Council's finances with revenue structure constraints impacts Council's capacity to support our community. Costs associated with maintaining our existing assets, responding and adapting to the changing climate, the expectations of a growing community and the costs associated with managing Council's waste and recycling including transitioning away from the Anglesea Landfill, all lead to significant demands on our finances.
- Council continues to recognise the importance of information security and the increasing complexity and sophistication of attackers requires Council to continue to adapt and apply resources to identifying threats, improving security and ensuring that Council can recover from any business interruption.
- The increasing cost of software licencing, combined with additional software required to meet statutory obligations continues to place a high demand on Council's limited new funding allocations.

“I would like to pass on a compliment to the Customer Service team. The team’s knowledge of all areas of Council always makes for a positive experience when I require help with Council matters. Everyone is always so happy to help and is always very pleasant to deal with. I want to pass on my appreciation to the team.” – Torquay resident

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2023-24 budget.

Major initiative	Adopted budget	Actual spend	Progress
Cyber Security Upgrades	\$34,851	\$34,851	No upgrades have taken place in the 2023-24 financial year, however an audit of current state was undertaken. A program of Audit and Remediation actions undertaken within the recurrent IT budgets.
Customer Relationship Management Digital Transformation	\$610,000	\$58,284	Proof of Concept completed successfully in January 2024. Procurement of supplier complete. The project continues in the 2024-25 year.



Community Engagement Policy

The policy establishes Council's principles and commitments to community engagement, as required by the Local Government Act 2020.

Council updated the Community Engagement Policy during the year after gaining input from community members. It emphasises the importance of sharing information and seeking meaningful input from our communities and stakeholders to influence decision-making.

We are committed to transparency, inclusivity, and sustainability in our engagement practices, valuing diverse perspectives and working collaboratively to achieve locally relevant outcomes. Additionally, reflecting our commitment to Reconciliation, we endeavour to ensure that First Nations voices are respected and integrated into community engagement processes.

To bring our policy to life, Council is currently training staff who manage engagement projects as well as establishing an internal community of practice to ensure we keep up to date with new tools and techniques and bring fresh ideas into our engagement projects.

Budget funded services

This section outlines the activities and initiatives for Council services and key strategic activities. Whilst these services are fully funded, only direct attributable revenue is included in these tables. The net costs are funded through Council's general revenue including rate revenue.

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Corporate Strategy, Business Improvement and Benefits Realisation				
<p>This service coordinates the development of organisational strategy and systems, and provides support in the areas of corporate planning, performance measurement and reporting. This service also leads Council's efforts to identify and implement business improvement opportunities to deliver financial, service and other benefits. The realising of financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by the growing community.</p> <p>The favourable recurrent operations expenditure movement is due to a staff secondment not backfilled.</p>	Recurrent Operations			
	Expenditure	258	210	48
	Overheads	62	62	-
	Revenue	-	-	-
		320	272	48
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
Communications and Community Engagement				
<p>This service is responsible for coordinating Council communications, including strategic communications, media liaison, formulating media releases, preparing publications, and delivering digital communication. The unit also provides support to the Mayor and Councillors including speech writing and media liaison. Council's community engagement is led and supported by the unit.</p> <p>Unfavourable recurrent operations expenditure reflects increased community engagement resourcing.</p>	Recurrent Operations			
	Expenditure	1,162	1,198	(36)
	Overheads	232	232	-
	Revenue	-	-	-
		1,394	1,430	(36)
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Customer Experience				
This service includes the customer experience function that focuses on supporting and enhancing customer service across the organisation. This service is responsible for coordinating Council's front of house customer services activities, including attending to customer phone, digital and face-to-face enquiries.	Recurrent Operations			
	Expenditure	1,223	1,166	57
	Overheads	310	310	-
	Revenue	-	-	-
		1,533	1,476	57
The movement in recurrent operations expenditure is due to temporary periods of staff vacancies and secondments, and reduced customer experience consultant expenditure.	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
Executive Services and Council Support				
This area provides support for the nine elected representatives of Council as well as the four members of the Executive Management Team and includes costs of \$1.68 million that relate to Council administration and meeting support, a portion of governance, legal support, risk management and other corporate overheads. This area also leads Council's advocacy and Government Relations function.	Recurrent Operations			
	Expenditure	2,656	2,798	(142)
	Overheads	1,678	1,678	-
	Revenue	-	-	-
		4,334	4,476	(142)
Recurrent operations expenditure is unfavourable due to additional resourcing to support Council's advocacy priorities and strategic projects, and payment of Peri Urban Membership fees not invoiced in prior years.	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Digital Transformation				
The Digital Transformation service is tasked with implementing Council's Digital Transformation Strategy. This strategy aims to implement modern technology to improve the customer experience, build capability in the business, and achieve financial outcomes. Council has made a specific capital allocation to the implementation of the strategy.	Recurrent Operations			
	Expenditure	-	-	-
	Overheads	129	129	-
	Revenue	-	-	-
The Digital Transformation Program will continue into 2025, with projects including the Customer Relationship Management program.	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
Finance				
This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations regarding financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management unit plays an integral part in Council's long term financial planning processes, the formulation of Council's annual budget, and the regular reporting of Council's financial performance. Finance also includes management of raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from debt collection recoupments. As a Council support service, \$1.51 million is distributed as a corporate overhead to primary services within Council.	Recurrent Operations			
	Expenditure	2,666	2,748	(82)
	Overheads	(1,513)	(1,513)	-
	Revenue	(637)	(909)	272
		516	326	190
	Operating Projects			
	Expenditure	-	-	-
Revenue	-	-	-	
Recurrent operations expenditure is unfavourable due to staff leave backfilling, and higher printing and property valuations expenditure. The movement in recurrent operations revenue reflects higher than budgeted rates penalty interest.				

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Integrity and Governance				
<p>This service provides statutory and corporate support to the organisation in the development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests, management of procurement and contracts, Council property administration, maintenance of public registers, Council election services and management of delegations and authorisations. As a Council support service, \$1.02 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The recurrent operations expenditure is unfavourable due to additional procurement services support, and offsite council meeting expenditure. Unbudgeted revenue reflects additional election fine income from prior Council elections.</p> <p>Operating projects include the Victorian Electoral Commission Electoral Structure Review Contribution and the 2024 Council Elections project.</p>	Recurrent Operations			
	Expenditure	1,023	1,054	(31)
	Overheads	(1,023)	(1,023)	-
	Revenue	-	(14)	14
		-	17	(17)
	Operating Projects			
	Expenditure	87	92	(5)
	Revenue	-	-	-
		87	92	(5)
	Gherang Gravel Pits			
<p>Revenue in this service area relates to gravel pit royalties. Expenditure relating to this service relates to Crown royalty and leasing costs, maintenance, management and associated fees. The net revenue generated supports the delivery of Council's operational services and projects.</p> <p>The movement in recurrent operations reflects reduced revenue due to lower than budgeted extraction levels, offset partly by reduced levy royalty payments.</p>	Recurrent Operations			
	Expenditure	260	180	80
	Overheads	8	8	-
	Revenue	(1,017)	(755)	(262)
		(749)	(567)	(182)
	Operating Projects			
	Expenditure	-	-	-
Revenue	-	-	-	
	-	-	-	

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Technology and Information				
<p>This service includes two main sections, Information Technology and Records Management. The Information Technology area supports the organisations requirements for computer services technology, communications and geospatial mapping facilities for Council and external uses. The Information Technology team has the responsibility to support the organisation with a cost effective and efficient technology service that seeks to improve the performance of the organisation. The Records Management team manages document compliance, and processing of incoming and outgoing correspondence.</p> <p>As a Council support service, \$3.83 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The recurrent operations expenditure is favourable due to reduced technology support expenditure, favourable repairs and maintenance expenditure and reduced laptop lease costs.</p> <p>The operating project variance reflects carry forward of the Cloud Based Systems review into 2024-25.</p>	Recurrent Operations			
	Expenditure	4,048	3,634	414
	Overheads	(3,827)	(3,827)	-
	Revenue	-	(34)	34
		221	(227)	448
	Operating Projects			
	Expenditure	9	-	9
	Revenue	-	-	-
		9	-	9
	People and Culture			
<p>This service is responsible for supporting the organisation with strategic and operational human resources management which includes industrial relations advice, learning and development and workplace health and safety. The activities of the unit include developing and implementing policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in recruitment, retention and the development of new skills and capabilities within Council's work force. As a Council support service, \$1.65 million is distributed as a corporate overhead to the primary services within Council.</p> <p>Operating projects include the completed Human Resources Support project and the Workplace Health and Safety Manual Handling Injury Prevention Program.</p>	Recurrent Operations			
	Expenditure	1,721	1,722	(1)
	Overheads	(1,654)	(1,654)	-
	Revenue	-	-	-
		67	68	(1)
	Operating Projects			
	Expenditure	80	95	(15)
	Revenue	-	-	-
	80	95	(15)	

Description of Services Provided	Classification	2023-24 Adopted Budget \$'000	2023-24 Actual \$'000	2023-24 Variance \$'000 Fav/(Unfav)
Program Delivery Management				
<p>This service manages the delivery of Council's program of projects. This includes a standardised and integrated approach to project management across the organisation to ensure the successful delivery of Council's annual program. It has accountability for the successful management of all program management processes, systems and functions, including the Project Delivery Framework and Program Status Reporting for all capital and operational projects. These are all key to implementing Council's strategies.</p> <p>The favourable recurrent operations expenditure reflects staff vacancies.</p>	Recurrent Operations			
	Expenditure	450	327	123
	Overheads	95	95	-
	Revenue	-	-	-
		545	422	123
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
Project Management Team				
<p>Provides project management services to Council to enable delivery of the Capital Works Program and many operational projects in accordance with defined scope, financial and quality standards. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program. All direct project costs are cost recovered.</p> <p>Recurrent expenditure is unfavourable due to reduced project management recovery to projects.</p>	Recurrent Operations			
	Expenditure	(546)	(175)	(371)
	Overheads	1,112	1,112	-
	Revenue	-	-	-
		566	937	(371)
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-
Legal and Risk				
<p>This service involves the provision of internal legal services, facilitating provision of external legal advice and developing and monitoring Council's risk management system, including provision of support to the organisation in relation to managing risk, insurance policies and business continuity. As a Council support service, \$1.05 million is distributed as a corporate overhead to the primary services within Council.</p> <p>The unfavourable movement in recurrent operations expenditure reflects the centralisation of internal legal fee budgets into this service area, along with unfavourable insurance excess payments. Favourable recurrent operations revenue is due to unbudgeted legal fee recoupment.</p>	Recurrent Operations			
	Expenditure	1,117	1,498	(381)
	Overheads	(1,050)	(1,050)	-
	Revenue	(35)	(65)	30
		32	383	(351)
	Operating Projects			
	Expenditure	-	-	-
	Revenue	-	-	-
		-	-	-

Service performance indicators

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

Service / indicator / measure	Results				Comments	
	2021	2022	2023	2024		
Governance						
Transparency						
G1	<p>Council decisions made at meetings closed to the public</p> <p>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100</p>	10.96%	6.47%	7.14%	6.63%	<p>This figure remains relatively consistent across the past 3 reporting periods. This significant reduction from 2021 is due to a change in the way contracts are awarded, as the majority of these are now awarded in meetings which are open to the public. It is also noted that a large number of confidential resolutions are made public either directly after the meeting or at a later date.</p>
Consultation and engagement						
G2	<p>Satisfaction with community consultation and engagement</p> <p>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	59.00	54.00	52.00	52.00	<p>This figure is obtained from the 2024 Community Satisfaction Survey.</p>
Attendance						
G3	<p>Councillor attendance at council meetings</p> <p>[The sum of the number of councillors who attended each Council meeting / (Number of Council meetings) × (Number of councillors elected at the last Council general election)] x100</p>	95.77%	94.95%	94.95%	89.54%	<p>This decrease from previous years is due to a higher amount of Special Council meetings, including Special Council meetings for Hearing Submissions. As these meetings are often called with much less notice than ordinary Council meetings, attendance levels are generally lower. It is noted that attendance at ordinary meetings which have been scheduled by Council resolution is much higher.</p>

		Results				
Service / indicator / measure		2021	2022	2023	2024	Comments
Service cost						
G4	Cost of elected representation [Direct cost of the governance service / Number of councillors elected at the last Council general election]	\$42,812.22	\$45,939.67	\$51,101.28	\$54,441.56	.
Satisfaction						
G5	Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	54.00	54.00	52.00	This figure is obtained from the 2024 Community Satisfaction Survey.

Reconciliation to the Income Statement

	2023-24 Actuals		
	Surplus / (Deficit) \$'000	Expenditure \$'000	Revenue \$'000
Council Plan Strategic Theme			
Theme 1 - First Nations Reconciliation	(151)	164	13
Theme 2 - Healthy Connected Community	(23,007)	31,460	8,453
Theme 3 - Environmental Leadership	(979)	14,407	13,428
Theme 4 - Sustainable Growth	(6,928)	8,950	2,022
Theme 5 - Robust and Diverse Economy	(1,587)	1,945	358
Theme 6 - Arts and Creativity	(812)	956	143
Theme 7 - Accountable and Viable Council	(9,330)	11,108	1,778
	(42,795)	68,989	26,194
Non-Attributable Items			
Asset Write Offs	(3,712)	3,712	-
Amortisation - Intangible Assets	(6,494)	6,494	-
Amortisation - Right of Use Assets	(331)	331	-
Bad and Doubtful Debts	(123)	123	-
Borrowing Costs	(283)	283	-
Depreciation	(21,932)	21,932	-
Expensed Capital Works	(5,270)	5,270	-
Granted Assets	18,162	-	18,162
Grants Commission	243	-	243
Landfill Rehabilitation Expense	1,517	-	1,517
Net Gain (Loss) on Disposal of Property, Plant and Equipment	(25,441)	25,441	
Share of Net (Profit)/Loss Geelong Regional Library Corporation	69	-	69
Volunteer Employees	-	552	552
Other Expenditure	81	(81)	-
Other Income	6,268	-	6,268
Non-Attributable Items	(37,246)	64,058	26,812
Surplus/(Deficit) before Funding Sources	(80,041)		
Funding Sources			
Rates Revenue and Municipal Charges	53,897		
Capital Works Program Grants	6,255		
Capital Works Program Contributions	(4)		
Developer Contributions - Monetary	1,282		
Special Rates and Charges	158		
Total Funding Sources	61,587		
Operating Surplus/(Deficit) for the Year	(18,453)		

Our Governance



Legislation

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

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

The councillors come together to form the Council which is the Surf Coast Shire's governing body. Council is recognised as a single entity and councillors only have authority to make decisions collectively at formally constituted Council meetings.

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

Democratic governance

Council meetings and decision-making

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

- By resolution at Council meetings and delegated committee meetings.
- By Council officers who are acting under delegation.

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

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

- In the best interests of Council and the community.
- Without conflict of interest or personal interest.
- Made without coercion or influence.
- Recorded in the records management system with supporting documents and an audit trail.
- Consistent with the policies, procedures and resolutions of Council.
- Within budgetary limits and constraints.

Attendance at Council meetings and councillor briefing sessions 2023-24

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

	Council meetings scheduled by resolution	Other Council meetings*	Meetings held under the auspices of Council**
Total meetings held	11	7	48
Cr Gary Allen	10	7	34
Cr Paul Barker	8	3	11
Cr Mike Bodsworth	9	7	36
Cr Kate Gazzard	10	5	30
Cr Rose Hodge	11	7	42
Cr Liz Pattison	11	7	39
Cr Libby Stapleton	11	6	42
Cr Adrian Schonfelder	11	7	44
Cr Heather Wellington	9	5	13

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

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

Council committees

Delegated committees

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

Advisory committees

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

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

Committee.

- Positive Ageing Advisory Committee.
- Lorne Community Impact Advisory Committee.
- Torquay Community Impact Advisory Committee.

Community asset committees

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

- Anderson Roadknight Reserve Community Asset Committee.
- Anglesea Bike Park Community Asset Committee.

- Connewarre Reserve and Hall Community Asset Committee.
- Deans Marsh Community Hall and Memorial Reserve Community Asset Committee.
- Eastern Reserve Community Asset Committee.
- Globe Theatre Community Asset Committee (dissolved 12 December 2023).
- Modewarre Hall and Reserve Community Asset Committee
- Stribling Reserve Community Asset Committee.

Council representation on committees and peak bodies

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

Councillor and officer assignments were decided in November 2023:

Committees/organisation with legislated purpose	Representatives
Audit and Risk Committee	Cr Bodsworth Cr Wellington
Municipal Association of Victoria (MAV)	Cr Schonfelder Cr Stapleton (sub)
Committees established to provide specific advice to Council	Representatives
All Abilities Advisory Committee	Cr Bodsworth Cr Hodge (sub)
Barwon South West Waste and Resource Recovery Group (LG Forum)	Cr Bodsworth
Bells Beach Committee	Cr Bodsworth Cr Gazzard
Chief Executive Officer Employment Matters Committee	All councillors
Positive Ageing Advisory Committee	Cr Allen
Corporations with local government representation (director positions)	Representatives
Geelong Regional Library Corporation (GRLC)	Cr Pattison Cr Schonfelder (sub)
Great Ocean Road Regional Tourism Inc. (GORRT)	CEO
G21 Geelong Region Alliance Ltd - Board of Directors	Cr Pattison (as Mayor) CEO
Other organisations/ committees	Representatives
Lorne Community Impact Advisory Committee (CIAC)	Cr Allen
Torquay Community Impact Advisory Committee (CIAC)	Cr Hodge Cr Barker

Australian Local Government Association (ALGA)	Cr Pattison (as Mayor)
Geelong Heritage Centre Collection Advisory Committee	Cr Allen
Peri Urban Group of Rural Councils (PUGRC)	Cr Pattison (as Mayor) CEO
G21 Pillars	Representatives
G21 Culture and Economic Development Pillar	Cr Allen
G21 Health and Wellbeing Pillar	Cr Bodsworth
G21 Sustainability Pillar	Cr Pattison Cr Gazzard (sub)
G21 Transport and Planning Pillar	Cr Stapleton

Code of conduct

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

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

In addition to setting out the councillor conduct principles, the code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest.
- Roles and relationships.
- Dispute resolution procedures.

Conflict of interest

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

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

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

Councillor allowances

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

Councils are required to review allowance levels by 30 June in the year following a general election and the allowance level determined remains in effect for the full term of the

council. At its meeting on 25 May 2021, Council resolved to retain allowances at the current level, which is the highest level in category two.

Councillor expenses

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

The details of the allowances and expenses, including reimbursement of expenses for each councillor paid by the Council for the 2023-24 year, are set out in Table 1.

Table 1.

Surf Coast Shire Council					
Councillor Expenses Summary - 1 July 2023 to 30 June 2024					
Councillor	Allowances (\$)	Travel (\$)	Professional Development (\$)	Expenses to Support the Performance of the Role (\$)	Total (\$)
Cr Adrian Schonfelder	32,463	923	640	4,919	38,945
Cr Gary Allen	32,463	581	–	6,758	39,802
Cr Heather Wellington	32,463	–	134	614	33,211
Cr Kate Gazzard	32,463	231	571	4,972	38,237
Cr Libby Stapleton	32,463	1,371	1,126	8,065	43,024
Cr Liz Pattison	104,144	1,804	2,727	15,627	124,303
Cr Mike Bodsworth	52,072	9	1,228	6,672	59,981
Cr Paul Barker	26,000	–	–	614	26,614
Cr Rose Hodge	32,463	380	579	1,008	34,430
Total	376,993	5,299	7,005	49,249	438,547

* Cr Liz Pattison (Mayor period: 11/2022 - 09/2024).

^ Cr Mike Bodsworth (Deputy Mayor period: 11/2022 - 09/2024).

^^ Under the Local Government Act 2020, a Mayor, Deputy Mayor or Councillor may elect to receive a specified part of their allowance to which they are entitled. (Cr Paul Barker has specified to receive part of the allowance).

Allowance figures include superannuation.

Information presented is preliminary as the figures presented are subject to Council's annual external independent audit.

Corporate governance

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

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

Audit and Risk Committee

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

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

The committee met five times in the 2023-24 financial year. Key areas discussed by the committee include legislative compliance and controls, risk management, external and internal audits and financial management including performance reporting.

Internal audit

Council has a three-year Strategic Internal Audit Plan (SIAP) that is revised annually and implemented by Council's appointed auditors. The internal audit function provides independent and objective assurance that appropriate processes and controls are in place across Council. Audits provide insights to areas of focus that can improve performance across the organisation.

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

The following reviews took place this year:

- Climate Change Adaption and Response
- Financial controls (AP, AR, GL and Investments)

- Planning, Alignment and Reporting
- Cybersecurity
- Strategic Workforce Planning inc. Recruitment
- Project Management
- Follow up audit for the previous financial year.

External audit

Council is externally audited by the Victorian Auditor-General's Office. For the 2023-24 year, the Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors provide advice and information to the Audit and Risk Committee relating to the annual audit plan, audit reports and other matters of note. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk management

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

2023-24 was another productive year in the implementation of Council's risk management framework. Council adopted its Risk Appetite statements and incorporated these into all Council reports. The Risk Appetite Statements are aligned to the seven themes in the Council Plan and embeds a practice of considering and managing risk in decision making. Other activities that were undertaken included:

- Review of the Strategic Risk Register
- Review of the Enterprise Risk Register
- Risk workshops with the Leadership Group
- Business Continuity Plan updated

Governance and Management Checklist

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

Below is the Governance and Management Checklist, as at 30 June 2024.

Governance and Management Items	Assessment	
1 Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act Date of adoption: 22 August 2023	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Management Procedure adopted by Executive Management Team Date of commencement of current guidelines: 1 December 2020	✓
3 Financial Plan (plan under section 91 of the Act outlining the financial and nonfinancial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 28 September 2021	✓
4 Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: 28 September 2021	✓
5 Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of adoption: 24 June 2021	✓
6 Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 25 June 2024	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 26 July 2022	✓
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 26 September 2023	✓
9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 1 April 2023	✓
10 Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 23 November 2021	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of commencement of current plan: 1 December 2023	✓

Governance and Management Items	Assessment	
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of commencement of current plan: 1 June 2021	✓
13 Complaint Policy (policy under section 107 of the Act outlining Council's commitment and approach to managing complaints).	Developed in accordance with section 107 of the Act Date of adoption: 28 November 2023	✓
14 Workforce Plan (plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation).	Developed in accordance with section 46 of the Act Date of commencement of current plan: 1 December 2021	✓
15 Payment of rates and charges hardship policy (policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates).	Policy Date of adoption: 23 November 2021	✓
16 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 20 May 2022	✓
17 Audit and Risk Committee (see sections 53 September 2022 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 25 August 2020	✓
18 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 July 2023	✓
19 Performance reporting framework (a set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act)	Framework Date of adoption of current framework: 8 April 2024	✓
20 Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	Report Date report presented: 26 March 2024	✓
21 Quarterly budget reports (quarterly reports to the Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 97(1) of the Act Dates reports presented: 26 September 2023 28 November 2023 27 February 2024 28 May 2024	✓

Governance and Management Items	Assessment	
22 Risk reports (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Dates reports presented: 21 July 2023 13 September 2023 22 November 2023 22 March 2024 15 May 2024	✓
23 Performance reports (6monthly reports of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act)	Reports Dates of reports: 24 Oct 2023 (for the period 1/07/2022 – 30/06/2023) 23 April 2024 (for the period 1/07/2023 – 31/12/2023)	✓
24 Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act Date of presentation: 24 October 2023	✓
25 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed and adopted: 16 February 2021	✓
26 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review under section 11(7): 27 July 2021	✓
27 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules reviewed and adopted: 23 August 2022	✓

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



Robyn Seymour

Chief Executive Officer

Date: 9 August 2024



Cr Liz Pattison

Mayor

Date: 9 August 2024

Statutory information



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

Contracts

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

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

There were nil instances where Council entered into a contract valued at \$150,000 (ex-GST) or more for goods, services or works that did not comply with clause nine of Surf Coast Shire-019 Procurement Policy, which includes the requirement for a competitive tender process.

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

Documents available for public inspection

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

The following is a summary of information that is available to the public:

Council records

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

Local laws

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

Policies, strategies and reports

- Council Plan
- Annual report
- Strategies
- Council policies
- Budget

Organisational chart

Councillors

- Councillor expenses summaries
- Councillor profiles

Council elections

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

Grant programs

Planning

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

Property

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

Businesses

- Council's terms and conditions
- Awarded tenders

Council operations

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

Registers

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

Other

- Application processes for approvals, permits, grants,

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

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

Disability Action Plan

Under the Victorian Disability Act 2006, all councils are required to develop a Disability Action Plan. Council has a 10-year Access and Inclusion Strategic Plan 2014-24 which guides our work to increase access and inclusion for all. We aim to build healthy, well-connected communities where everyone can participate.

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

- Accessible upgrades to community facilities across the shire as part of the Disability Discrimination Act compliance project, including contributing to the Anglesea Historical Society pathway project and upgrading Torquay Kindergarten yard with rubber surfacing accessible pathways.
- Audit of current hearing loop equipment in council facilities, resulting in staff training and developing instructions for use by the staff and public, and purchasing of eight portable hearing loops for use by Council and community.
- Achieved Changing Places accreditation at the Wurdi Baierr Stadium through minor facility works and applying for the accreditation process to ensure this publicly accessible venue provides people with disability access to suitable, safe, and private bathroom facilities.
- Started the Surf Coast Disability Network to help improve collaboration between services that support people with disabilities in the Surf Coast Shire
- Recruited five new members to the All Abilities Advisory Committee, who have lived experience of disability.

- Access and Inclusion newsletter sent out regularly to inform community about important updates in relation to disability inclusion.
- As part of International Day of People with Disability, held special disability-themed storytimes at all Council kindergartens and the Torquay Library, including guest speakers with lived experience of disability and Auslan interpreters.
- Created a communications campaign in partnership with Great Ocean Road Coast and Parks Authority to promote accessible beaches around the shire.
- Disability awareness training for staff at Emergency Relief Centres, and in Universal Design.
- New 'Good Access is Good Business' information, checklists and resources to assist businesses in becoming more inclusive for customers and employees.
- New dedicated webpage for Accessible Events on the Surf Coast Events website including resources, guidelines and checklist for event organisers.
- Created Guidelines and Checklist for Inclusive Events resource which includes location, wayfinding, communications, invitations, accessible resources and best practice examples.
- Created 'Accessibility' webpage on Surf Coast Events website.

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

Domestic Animal Management Plan (DAMP)

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

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

The plan contains 38 actions across:

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

- Performance management.

In 2023-24, Council continued to maintain a high standard of animal management, according to legislative requirements, and worked to deliver the objectives of the 2022-25 plan by:

- Ensuring animal management officers were appropriately trained in all aspects of responsible animal management
- Encouraging responsible dog and cat ownership and registration of domestic animals
- Reducing public and environmental nuisances caused by dogs and cats resulting in a reduction to detrimental environmental impacts and a reduction in animal management requests
- Promoting the effective management of dogs and cats through community engagement activities and the identification of dangerous or menacing dogs and restricted breeds
- Minimising the risk of attacks by dogs on people and animals through increased reporting
- Introduction of the cat curfew
- Undertaking patrols of our municipality to undertake education and compliance interactions

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

Food Act ministerial directions

In accordance with section 7E of the *Food Act 1984* Council is required to publish a summary of any ministerial directions received during the financial year in its annual report. Council did not receive any ministerial directions during 2023-24.

Freedom of Information

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

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

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

Council received 54 Freedom of Information applications in

2023-24, an 8% increase on the amount received in 2022-23.

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

Public interest disclosures

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

During 2023-24, there were nil disclosures made to Council.

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

Road Management Act ministerial directions

Council as a road authority is required under section 22 of the *Road Management Act 2004* to publish a copy or summary of any ministerial direction received from the minister in its annual report. Council did not receive any ministerial directions during 2023-24.

Infrastructure and development contributions

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

For the 2023-24 year, the following information is provided about infrastructure and developer contributions.

Total DCP levies received in 2023-2024 financial year	
DCP name and year approved	Levies received in 2023-24 financial year (\$)
Torquay/Jan Juc DCP, approved 2011	\$452,037
Briody Drive West Upgrade DCP, approved 2012	\$0.00
Total	\$452,037

DCP land, works, services or facilities accepted as works-in-kind in 2023-24 financial year

Nil

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

Nil

Land, works, services or facilities delivered in 2023-24 financial year from DCP levies collected

Project description	Project ID	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered
Torquay Central & North (OR01) - Contributions to Developer Works	OR01	\$148,109				\$148,109	38%
Upgrade Grass Tree Park (OR05)	OR05			\$4,752		\$4,752	100%
Upgrade Deep Creek Linear Reserve (OR06)	OR06	\$13,631				\$13,631	79%
Upgrade Jan Juc Linear Reserve (OR08)	OR08	\$70,000		\$63,432		\$133,432	22%
Upgrade Bells Beach Recreation Reserve (OR10)	OR10	\$8,690				\$8,690	100%
Construct pathways along Spring and Deep Creek (PC01)	PC01			\$4,334		\$4,334	14%
Torquay North Open Space Pathways (PC02) - Contributions to Developer works	PC02	\$86,947				\$86,947	64%
Construct regional bike route (4) along GOR (PC08)	PC08	\$15,581				\$15,581	2%
Surf Coast Highway / Coombes Rd Intersection Upgrade (RD03)	RD03	\$2,652,905				\$2,652,905	95%
Surf Coast Highway / Bristol Rd Intersection Upgrade Design (RD05)	RD05	\$5,276				\$5,276	4%
Widen Coombes Rd (RD11)	RD11			\$94,323		\$94,323	37%
Coombes / Messmate Road Intersection Upgrqade (RD12)	RD12	\$50,505		\$4,382		\$54,887	27%
Total		\$3,051,644	\$0	\$171,223	\$0	\$3,222,867	

Performance Statements

For the Year Ended 30 June 2024



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Certification of the Performance Statement

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


Gabrielle Spiller CPA
Principal Accounting Officer
Dated: 16 September 2024

In our opinion, the accompanying performance statement of the Surf Coast Shire Council for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

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


Cr Liz Pattison
Mayor
Dated: 16 September 2024


Cr Mike Bodsworth
Councillor
Dated: 16 September 2024


Robyn Seymour
Chief Executive Officer
Dated: 16 September 2024

Description of Municipality

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and covers 1,560 square kilometres.

Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

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

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 40,989 in 2024.

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

Opinion	<p>I have audited the accompanying performance statement of Surf Coast Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2024 • sustainable capacity indicators for the year ended 30 June 2024 • service performance indicators for the year ended 30 June 2024 • financial performance indicators for the year ended 30 June 2024 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of Surf Coast Shire Council in respect of the year ended 30 June 2024 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 Local Government (Planning and Reporting) Regulations 2020.</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 Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

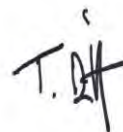
Auditor's responsibilities for the audit of the performance statement

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
18 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

For the year ended 30 June 2024

Indicator / measure [formula]	Results				Material Variation Commentary
	2021	2022	2023	2024	
	Actual	Actual	Actual	Actual	
Population					
C1 Expenses per head of municipal population [Total expenses / Municipal population]	\$2,496.25	\$2,703.76	\$2,605.96	\$3,438.66	During the 2024 financial year Surf Coast Shire transferred assets totalling \$24.25 million to Great Ocean Road Coast and Parks Authority under the Great Ocean Road and Environs Protection Act 2020. As this transfer is recognised as an expense it increased the average expense per head of population substantially.
C2 Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$17,260.82	\$17,690.86	\$21,109.76	\$21,901.04	The increase in the 2023 ratio relates to the revaluation increases of Council's infrastructure assets of \$172 million.
C3 Population density per length of road [Municipal population / Kilometres of local roads]	32.12	33.49	35.76	35.66	
Own-source revenue					
C4 Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,878.23	\$1,944.35	\$1,915.80	\$2,110.89	In 2024 Council increased its other income by \$4.5 million from prior year, this is a result of higher interest on investments, landfill rehabilitation adjustment and found assets.
Recurrent grants					
C5 Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$244.05	\$282.71	\$292.00	\$124.00	The 2022 and 2023 ratios include 1.25 years' worth of the Federal Assistance Grants due to early payments and with early payments no longer being received in the year prior in 2024, only minor adjustment payments were received significantly reducing the ratio this year.
Disadvantage					
C6 Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	
Workforce turnover					
C7 Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	14.5%	17.7%	13.3%	16.7%	The average tenure of departures in 2024 is 7.5 years.

Service Performance Indicators

For the year ended 30 June 2024

Service/indicator/measure [formula]	Results					Material Variation Commentary
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	
Aquatic Facilities AF6 Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.14	0.21	0.17	N/A	0.00	Council aquatic facility (Winchelsea Pool) is closed for renovations.
Animal Management AM7 Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	N/A	0.00%	No prosecutions at the Magistrates Court for the period.
Food Safety FS4 Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	N/A	100.00%	
Governance G2 Satisfaction <i>Satisfaction with community consultation and engagement</i> [Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)]	59	54	52	55	52	This figure is obtained from the 2024 Community Satisfaction Survey.
Libraries LB7 Participation <i>Library Membership</i> [Number of registered library members / Population] x100	N/A	N/A	N/A	N/A	29.05%	New indicator for 2024, results cannot be compared with indicators from previous years.

Service Performance Indicators

For the year ended 30 June 2024

Service/indicator/measure [formula]	Results					Material Variation Commentary
	2021	2022	2023	2024		
	Actual	Actual	Actual	Target as per budget	Actual	
Maternal and Child Health (MCH) Participation MC4 Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.86%	76.13%	75.31%	N/A	72.78%	Whilst overall participation in the MCH service remains above 70%, we have seen a slight decline in engagement of children over 3yrs of age. This is typical across the state, and council continues to review ways in which this participation can be optimised - for example, through outreach at kindergartens across the Surf Coast Shire.
Participation MC5 Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.19%	82.93%	77.08%	N/A	84.09%	All Aboriginal and Torres Strait Islander families are offered to engage with the Surf Coast Shire MCH service, the local Aboriginal Community Controlled Health Organisation, or both.
Roads Condition R2 Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	97.02%	96.39%	97.59%	95.00%	97.79%	
Statutory Planning Service Standard SP2 Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	86.92%	78.21%	69.09%	75.00%	68.73%	For the current financial year, we're maintaining a similar operational timeline to the previous. Council remains committed to fostering collaborative relationships with both applicants and stakeholders, while this approach requires additional time it results in good land use outcomes and built form environment. The 2021 figure was calculated differently, using the current method the figures is calculated as 73%.
Waste Management Waste diversion WC5 Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	64.25%	71.12%	73.57%	73.00%	71.22%	A drier climate has resulted in a reduction in FOGO collected, similarly the introduction of the Victorian Container Deposit Scheme has reduced the amount of recyclables in the kerbside system.

Financial Performance Indicators

For the year ended 30 June 2024

Dimension/indicator/measure	Results				Forecasts				Material Variation Commentary	
	2021	2022	2023	2024	2025	2026	2027	2028		
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts		Forecasts
Efficiency										
Expenditure level										
E2 <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,707.69	\$4,123.90	\$4,230.23	\$4,101.00	\$5,556.71	\$4,328.57	\$4,255.46	\$4,560.05	\$4,649.33	During the 2024 financial year Surf Coast Shire transferred assets totalling \$24.25 million to Great Ocean Road Coast and Parks Authority under the Great Ocean Road and Environs Protection Act 2020. As this transfer is recognised as an expense it increased the expenses per property assessment compared to the target budget. In 2027 the Surf Coast Aquatic and Health Centre will be operational increasing depreciation and operating expenses.
Revenue level										
E4 <i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$2,072.19	\$2,115.83	\$2,169.27	N/A	\$2,253.27	\$2,315.09	\$2,375.36	\$2,437.19	\$2,501.78	The forecast increases in the average rate per property assessment are in relation to the budgeted rate cap and supplementary rates in relation to new buildings.
Liquidity										
Working capital										
L1 <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	231.04%	227.40%	219.18%	221.80%	207.07%	219.47%	287.86%	244.06%	190.24%	The 2024 actual result is lower than the target budget because of the higher unearned revenue than budgeted. The 2026 ratio does not have the effects of the Surf Coast Aquatic and Health Centre construction project timing of the expenditure and receipt and recognition of grant funding as the prior years do. The decrease in the 2028 ratio is in relation to the transfer of provisions for the landfill rehabilitation.
Unrestricted cash										
L2 <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-55.39%	-68.86%	-170.69%	N/A	-196.05%	-169.97%	-123.72%	-87.17%	-75.15%	This ratio is increasing with the reduction in carry forward projects over the forecast period. This ratio excludes other financial assets - term deposits with maturities from 3 months to 12 months, if these were included the ratio would be mostly positive. Council manages its cash flow to ensure sufficient cash to pay liabilities when due.

Financial Performance Indicators

For the year ended 30 June 2024

Dimension/ <i>indicator</i> /measure	Results				Forecasts				Material Variation Commentary	
	2021	2022	2023	2024	2025	2026	2027	2028		
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts		Forecasts
Obligations										
Loans and borrowings										
O2 <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	33.48%	28.50%	24.09%	N/A	19.51%	15.63%	20.65%	16.65%	12.86%	The decrease in the ratio to 2025 is in relation to Council's loan repayment schedules. The increase in the 2026 ratio is in relation to the forecast borrowings of \$6 million to partially fund the construction of the Surf Coast Aquatic and Health Centre.
O3 <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.50%	4.26%	4.07%	N/A	3.82%	3.65%	3.48%	3.91%	3.72%	The increase in the 2027 ratio is in relation to the forecast repayments in relation to borrowings of \$6 million to partially fund the construction of the Surf Coast Aquatic and Health Centre.
O4 Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	43.29%	44.86%	44.15%	N/A	35.50%	37.42%	40.92%	35.57%	26.04%	The reduction in the 2024 ratio is in relation to Council's reducing loans portfolio and the adjustment decreasing the landfill provision. Councils anticipated borrowings will increase this ratio in the 2026 year.
O5 Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> Asset renewal and asset upgrade expense / Asset depreciation] x100	75.81%	67.31%	66.68%	179.60%	74.49%	121.73%	121.73%	66.95%	63.56%	The 2024 actual ratio is based on additional \$5 million depreciation compared to target budget due to revaluations; this is also impacting the future year ratios in a downward trend; the target also included Pollocksford Road Bridge which was delayed. Asset renewal is forecast to spike over the 2025 year with major renewal projects of the Winchelsea Pool, Pollocksford Road Bridge and the Karaaf stormwater management.

Financial Performance Indicators

For the year ended 30 June 2024

Dimension/ <i>indicator</i> /measure	Results				Forecasts				Material Variation Commentary	
	2021	2022	2023	2024	2025	2026	2027	2028		
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts		Forecasts
Operating position										
Adjusted underlying result										
OP1 <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-9.50%	-14.84%	-12.35%	N/A	-48.90%	-14.31%	-10.47%	-11.36%	-11.00%	During the 2024 financial year Surf Coast Shire transferred assets totalling \$24.25 million to Great Ocean Road Coast and Parks Authority under the Great Ocean Road and Environs Protection Act 2020. The underlying deficit demonstrates that Council cannot renew its assets to the level of depreciation expense.
Stability										
Rates concentration										
S1 <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	71.67%	69.31%	68.19%	88.50%	72.00%	72.61%	73.45%	71.01%	71.36%	The 2024 budget included \$15.4 million transfer of assets to the Great Ocean Road Coast and Parks Authority under revenue whereas the actual is recorded under expenses which has inflated the 2024 Target ratio.
Rates effort										
S2 <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.25%	0.19%	0.20%	N/A	0.18%	0.19%	0.19%	0.19%	0.19%	This ratio is expected to remain steady over time.

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 or the Council's satisfaction survey provider).

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

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature. The 2024-25 Revised Budget Report is available on Council's website www.surfcoast.vic.gov.au.

Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer

Key term	Definition
outcome notification	under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Annual Financial Report

For the Year Ended 30 June 2024



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Certification of the Financial Statements

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

Gabrielle Spiller CPA
Principal Accounting Officer

Dated : 16 September 2024
Torquay

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

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

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

Cr Liz Pattison

Mayor
Dated : 16 September 2024
Torquay

Cr Mike Bodsworth

Deputy Mayor
Dated : 16 September 2024
Torquay

Robyn Seymour
Chief Executive Officer

Dated : 16 September 2024
Torquay

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

Opinion I have audited the financial report of Surf Coast Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2024
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including material accounting policy information
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
18 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	64,426	61,067
Statutory fees and fines	3.2	2,382	2,110
User fees	3.3	6,492	7,099
Grants - operating	3.4	5,941	12,474
Grants - capital	3.4	6,255	5,207
Contributions - monetary	3.5	2,508	2,565
Contributions - non monetary	3.5	18,162	7,605
Share of net profits of associates	6.2	69	1
Other income	3.7	8,223	3,692
Total income / revenue		114,458	101,820
Expenses			
Employee costs	4.1	(39,960)	(38,138)
Materials and services	4.2	(33,720)	(30,331)
Depreciation	4.3	(21,932)	(18,481)
Amortisation - airspace asset		(6,494)	(3,629)
Depreciation - right of use assets		(352)	(316)
Allowance for impairment losses		(129)	(104)
Borrowing costs		(283)	(326)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(25,441)	(1,678)
Finance costs - leases		(23)	(16)
Other expenses	4.4	(4,577)	(7,597)
Total expenses		(132,911)	(100,616)
Surplus/(deficit) for the year		(18,453)	1,204
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	30,698	227,680
Total other comprehensive income		30,698	227,680
Total comprehensive result		12,245	228,884

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

Balance Sheet As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	2,721	3,842
Trade and other receivables	5.1	8,919	5,751
Other financial assets	5.1	92,500	97,500
Prepayments		442	402
Other assets		1,831	1,990
Total current assets		106,413	109,485
Non-current assets			
Trade and other receivables	5.1	151	23
Investments in associates	6.2	345	276
Property, infrastructure, plant and equipment	6.1	1,224,393	1,205,201
Right-of-use assets		668	662
Intangible assets	5.2	19,260	25,585
Total non-current assets		1,244,817	1,231,747
Total assets		1,351,230	1,341,232
Liabilities			
Current liabilities			
Trade and other payables	5.3	5,726	5,945
Trust funds and deposits	5.3	3,609	5,397
Provisions	5.5	11,063	11,177
Interest-bearing liabilities	5.4	2,183	2,171
Lease liabilities		227	318
Contract and other liabilities	5.3	28,582	24,943
Total current liabilities		51,390	49,951
Non-current liabilities			
Provisions	5.5	18,180	19,778
Interest-bearing liabilities	5.4	10,356	12,539
Lease liabilities		432	337
Total non-current liabilities		28,968	32,654
Total liabilities		80,358	82,605
Net assets		1,270,872	1,258,627
Equity			
Accumulated surplus		429,788	450,107
Asset revaluation reserves	9.1	744,185	713,487
Other reserves	9.1	96,899	95,033
Total Equity		1,270,872	1,258,627

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

Statement of Changes in Equity For the Year Ended 30 June 2024

2024	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,258,627	450,107	713,487	95,033
Deficit for the year		(18,453)	(18,453)	-	-
Net asset revaluation gain	9.1	30,698	-	30,698	-
Transfers to other reserves	9.1	-	(68,089)	-	68,089
Transfers from other reserves	9.1	-	66,223	-	(66,223)
Balance at end of the financial year		1,270,872	429,788	744,185	96,899

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

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

Statement of Cash Flows For the Year Ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		62,593	61,461
Statutory fees and fines		2,320	1,988
User fees		6,695	7,364
Grants - operating		5,070	12,412
Grants - capital		10,537	11,661
Contributions - monetary		2,053	2,421
Interest received		5,196	1,590
Trust funds and deposits taken		4,371	6,248
Net GST refund		4,087	3,702
Employee costs		(40,381)	(36,659)
Materials and services		(39,043)	(34,930)
Short-term, low value and variable lease payments		(200)	(304)
Trust funds and deposits repaid		(6,162)	(5,862)
Net cash provided by operating activities	9.2	<u>17,136</u>	<u>31,092</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(20,600)	(16,349)
Proceeds from sale of property, infrastructure, plant and equipment		174	338
Payments for investments		(116,000)	(102,500)
Proceeds from sale of investments		121,001	88,500
Net cash used in investing activities		<u>(15,425)</u>	<u>(30,011)</u>
Cash flows from financing activities			
Finance costs		(284)	(326)
Interest paid - lease liability		(23)	(17)
Repayment of borrowings		(2,171)	(2,161)
Repayment of lease liabilities		(354)	(315)
Net cash used in financing activities		<u>(2,832)</u>	<u>(2,819)</u>
Net decrease in cash and cash equivalents		(1,121)	(1,738)
Cash and cash equivalents at the beginning of the financial year		3,842	5,580
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>2,721</u>	<u>3,842</u>
Financing arrangements	5.6		

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

Statement of Capital Works For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
Property		
Buildings	6,116	3,145
Total property	6,116	3,145
Plant and equipment		
Plant, machinery and equipment	1,636	755
Computers and telecommunications	118	226
Total plant and equipment	1,754	981
Infrastructure		
Roads	7,705	8,741
Bridges	-	43
Footpaths and cycleways	841	554
Drainage and sewerage	683	966
Recreational, leisure and community facilities	551	618
Waste management	1,642	198
Parks, open space and streetscapes	882	962
Off street car parks	426	141
Total infrastructure	12,730	12,223
Total capital works expenditure	20,600	16,349
Represented by:		
New asset expenditure	4,229	2,674
Asset renewal expenditure	11,092	8,748
Asset expansion expenditure	34	1,351
Asset upgrade expenditure	5,245	3,576
Total capital works expenditure	20,600	16,349

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 1 OVERVIEW

Introduction

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

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1 Property, infrastructure, plant and equipment)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1 Property, infrastructure, plant and equipment)
- the determination of employee provisions (refer to Note 5.5 Provisions)
- the determination of landfill provisions (refer to Note 5.5 Provisions)
- 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.
- other areas requiring judgements.

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

Goods and Services Tax (GST)

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 2 Analysis of our results

2.1 Performance against budget

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

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

2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	63,865	64,426	561	1%	
Statutory fees and fines	1,989	2,382	393	20%	1
User fees	6,904	6,492	(412)	(6%)	
Grants - operating	10,497	5,941	(4,556)	(43%)	2
Grants - capital	5,502	6,255	753	14%	3
Contributions - monetary	2,038	2,508	470	23%	4
Contributions - non monetary	2,460	18,162	15,702	638%	5
Share of net profits/(losses) of associates	-	69	69	-	
Other income	2,314	8,223	5,909	255%	6
Total income / revenue	95,569	114,458	18,889	20%	
Expenses					
Employee costs	40,069	39,960	109	0%	
Materials and services	32,395	33,720	(1,325)	(4%)	7
Allowance for impairment losses	100	129	(29)	(29%)	
Depreciation	15,706	21,932	(6,226)	(40%)	8
Amortisation - Intangible assets	4,843	6,494	(1,651)	(34%)	9
Depreciation - right of use assets	381	352	29	8%	
Borrowing costs	281	283	(2)	(1%)	
Net loss on disposal of property, infrastructure, plant and equipment	15,146	25,441	(10,295)	(68%)	10
Finance costs - Leases	34	23	11	32%	
Other expenses	4,890	4,577	313	6%	
Total expenses	113,845	132,911	(19,066)	(17%)	
Deficit for the year	(18,276)	(18,453)	(177)	1%	

Notes to the Financial Report
For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref, item and explanation

1. Statutory Fees and Fines

Favourable variance driven by subdivision supervision fees (\$278k) with two subdivision fees paid earlier than budgeted (Stretton Estate Stage 8, Torquay and Glenmore Estate Stage 3, Winchelsea); infringements with parking infringements back to pre-pandemic levels (\$171k); and partially offset by lower than budgeted town planning fees (\$95k) reflective of recent development slow down.

2. Grants Operating

Unfavourable variance driven by estimated annual allocation of Financial Assistance Grant for 2023-24 being received in 2022-23 (\$5,161k); early years funding increase due to increased enrolments for kindergartens (\$196k) and occasional care (\$47k); and once-off funding for environment and sustainability (\$118k), child and family health (\$99k), early years school readiness (\$46k), women's surf festival (\$34k), community strengthening (\$18k) and community safety (\$18k).

3. Grants Capital

Favourable variance driven by timing of Local Roads Community Infrastructure Program grant (\$1,380k), unbudgeted National Disaster Funding (\$657k), other unbudgeted grants including Grays Road Upgrade, Integrated Water Management Project, Barwon River Loop Walk and Lorne Transfer Station Upgrade and others (\$1,211k) partially offset by Karaaf Stormwater Management grant not yet received (\$1,900k) and timing of Roads to Recovery funding (\$548k).

4. Contributions Monetary

Favourable variance driven by additional Open Space development contributions (\$245k), and timing of developer contributions (\$165k), infringement recoupments (\$82k), unbudgeted project contributions (\$76k) and sale of computers (\$34k), partially offset by contributions not received with the exiting of the family day care service (\$173k).

5. Contributions Non-Monetary

Favourable variance driven by subdivision infrastructure assets being handed over to Council early than expected including Glenmore Estate stages 2 and 3 (\$2,230k), Austin Street (\$1,830k), Bright wetland Quay 2 subdivision (\$1,480k) auxiliary items such as retaining walls, fencing and park assets that were not budgeted for (\$5,916k) and 2023 budget assets handed over in 2024 (\$4,700k).

6. Other Income

Favourable variance driven by interest on investments with higher cash balances and interest rates (\$3,316k), landfill rehabilitation adjustment with indexation rates decreasing by more than the increase in discount rates (\$1,517k), and assets found through the parks and recreation condition assessment process (\$1,078k).

7. Materials and Services

Unfavourable variance driven by capital works that don't meet the capitalisation criteria (\$1,988k) mainly due to the Surf Coast Hwy/Coombes Road Intersection signalisation project; Torquay Jan Juc Developer Contribution Plan contributions transfer to Great Ocean Road Coastal and Parks Authority unbudgeted (\$768k); additional civil maintenance driven by road management plan and service level agreements (\$400k), building services costs (partially offset in employees) (\$286k); partially offset by waste disposal and waste collection savings with overestimated waste tonnages and contract rates (\$1,478k) and timing of delivery of operating projects (\$669k).

8. Depreciation

The unfavourable variance is mainly due to revaluations conducted in 2022-23 for roads, recreation and open space assets (\$5,419k) and an incorrect calculation in buildings depreciation budget (\$756k).

Notes to the Financial Report
For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref, item and explanation

9. Amortisation - Intangible assets

The unfavourable variance is mainly due to the bringing forward of amortisation due to a decrease in available airspace at the Anglesea airspace site because of changes to cell design and rehabilitation (\$1,651k).

10. Net loss on disposal of property, infrastructure, plant and equipment

Unfavourable variance driven by the assets transitioned to the Great Ocean Road Coastal and Parks Authority due to transfer of Bells Beach assets not budgeted for and revaluation of parks assets and (\$9,115k); and the sale of 42 Harding Street to Winanglo for a nominal value (\$1,049k).

**Notes to the Financial Report
For the Year Ended 30 June 2024**

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	9,577	6,116	3,461	36%	1
Total property	9,577	6,116	3,461	36%	
Plant and equipment					
Plant, machinery and equipment	1,890	1,636	254	13%	2
Fixtures, fittings and furniture	322	-	322	100%	3
Computers and telecommunications	994	118	876	88%	4
Total plant and equipment	3,206	1,754	1,452	45%	
Infrastructure					
Roads	9,290	7,705	1,585	17%	5
Bridges	1,946	-	1,946	100%	6
Footpaths and cycleways	1,946	841	1,105	57%	7
Drainage and sewerage	3,472	683	2,789	80%	8
Recreational, leisure and community facilities	1,562	551	1,011	65%	9
Waste management	1,542	1,642	(100)	(6%)	
Parks, open space and streetscapes	986	882	104	11%	
Off street car parks	-	426	(426)	-	10
Total infrastructure	20,744	12,730	8,014	39%	
Total capital works expenditure	33,527	20,600	12,927	39%	
Represented by:					
New asset expenditure	5,250	4,229	1,021	19%	
Asset renewal expenditure	22,973	11,092	11,881	52%	11
Asset expansion expenditure	77	34	43	56%	
Asset upgrade expenditure	5,227	5,245	(18)	(0%)	
Total capital works expenditure	33,527	20,600	12,927	39%	

Notes to the Financial Report
For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref, item and explanation

1. Buildings

Lower than budgeted expenditure on initiated projects including: the ongoing Winchelsea Swimming Pool (\$1,718k) which is now expected to be completed in early 2025, Local Roads & Community Infrastructure (LRCIP) Phase 4A - Multi Arts Centre Redevelopment (\$1,328k) delayed due to extended design phase to accommodate the new building use and Surf Coast Shire Sustainable Facilities policy, and the Solar Efficiency & Transition Program projects (\$336k) delivered electric water heater upgrades at four Council facilities and remaining funds will continue into 2024/25.

2. Plant, machinery and equipment

Lower than budgeted expenditure on Plant and Fleet renewal related to the procurement of the heavy plant replacement program which continues into 2024-25 (\$167k) and Electric Vehicle Charging Infrastructure (\$87k) due to scope change following additional grant funding during 2023-24 to enable increased charger capacity from 22kW to 50kW.

3. Fixtures, fittings and furniture

Lower than budgeted expenditure on the Agile Working Project (\$322k) due to scope varied due to a review of work location requirements following the pandemic.

4. Computers and telecommunications

Lower than budgeted capitalisation expenditure due to capital works that did not meet capitalisation criteria (\$494k) and ongoing capital works renewal program (\$382k).

5. Roads

Lower than budgeted expenditure on the Briody Drive West Road Upgrade Contribution (\$621k) due to timing of developer completing works; and timing of Coombes / Messmate Road Intersection Upgrade (RD12) Design (\$458k) and Surf Coast Hwy / Bristol Rd Intersection Upgrade (RD05) Design (\$440k) due to expenditure that did not meet capitalisation criteria (part VicRoads asset) as well as timing.

6. Bridges

Lower than budgeted expenditure on the Pollocksford Road Bridge renewal project (\$1,810k) with design works still progressing.

7. Footpaths and cycleways

Lower than budgeted expenditure due to initiated projects not progressing as planned including: the Ocean Views (Barwon Water Reserve) Pathway (PC01) (\$594k) delayed due to resourcing challenges, Barwon River Loop Walk Stage 2 (\$204k) which has design completed and biodiversity/ecological assessments being finalised prior to construction commencing in 2024-25, and the Deep Creek Linear Reserve Masterplan Implementation Stage 2 Pathways (OR06) (\$74k) with delivery continuing into 2024-25. Lower than budgeted expenditure on initiated projects including Annual Pathways Construction Program (\$157k) and Safer Cycling Strategy Delivery - High Priority Low Cost Actions (\$75k) with delivery continuing into 2024-25.

Notes to the Financial Report
For the Year Ended 30 June 2024

(i) Explanation of material variations

Variance Ref, item and explanation

8. Drainage and sewerage

Lower than budget expenditure on initiated projects including: the Integrated Water Management Project - Jan Juc Daylighting Stage 2 (\$637k) which has detailed design underway, Point Roadknight Drainage Outfall (\$561k) which was rescheduled to 2025-26 in July 2023 due to site access and budget constraints, Karaaf Stormwater Management (\$449k) which is delivering multiple items across multiple years, Integrated Water Management Project - Winchelsea Greening and Stormwater Treatment Upgrades (\$453k) completed survey work and is progressing detailed design and Aireys Inlets / Anglesea Drainage Investigation Program (\$140k). Water Sensitive Urban Design - Typha Removal at Karaaf/Whites Beach Wetlands (\$192k) completed in the prior year.

9. Recreational, leisure and community facilities

Lower than budgeted expenditure due to the Stribling and Eastern Reserve Netball Courts Renewal being rescheduled to 2024-25 due to lack of tender responses (\$698k) and the Barwon River Adventure Play Space in Winchelsea (\$428k).

10. Off street car parks

Higher than budgeted expenditure of car parks from projects budgeted in various other asset classes (\$426k).

11. Asset renewal expenditure

Lower than budgeted asset renewal expenditure variance relates to ongoing standalone renewal projects, including the Pollocksford Road Bridge (\$1,810k), Winchelsea Swimming Pool (\$1,178k), the Civic Centre Heating Pump Coil and Chiller (\$734k), the Stribling and Eastern Reserve Netball Courts Renewal (\$698k), Point Roadknight Drainage Outfall (\$561k), the Karaaf Stormwater Management (\$449k), the Heavy Plant Renewal Program (\$409k), IT Renewal (\$391k) and Water Sensitive Urban Design - Typha Removal at Karaaf/Whites Beach Wetlands (\$192k). The remaining variance relates to projects closed during financial year and lower actual carry forward than budgeted (\$5,459k).

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs:

2.2.1 Council programs

Chief Executive Office

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

Community Life

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

Placemaking and Environment

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

Strategy and Effectiveness

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

Notes to the Financial Report
For the Year Ended 30 June 2024

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Office	-	3,103	(3,103)	-	-
Community Life	9,018	34,573	(25,555)	5,267	830,562
Placemaking & Environment	25,963	32,722	(6,759)	6,686	30,248
Strategy & Effectiveness	79,477	62,513	16,964	243	490,420
	114,458	132,911	(18,453)	12,196	1,351,230

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 3 Funding for the delivery of our services	2024	2023
3.1 Rates and charges	\$'000	\$'000

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

The valuation base used to calculate general rates for 2023/2024 was \$35,181 million (2022/2023 \$31,033 million).

General rates	48,134	46,243
Municipal charge	5,325	5,128
Special rates and charges	158	-
Service rates and charges	10,121	9,215
Supplementary rates and rate adjustments (General rates & municipal charge)	437	225
Interest on rates and charges	251	256
Total rates and charges	<u>64,426</u>	<u>61,067</u>

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2023 and the valuation was first applied in the rating year commencing 1 July 2023.

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

3.2 Statutory fees and fines

Infringements and costs	933	772
Building services	228	215
Town planning fees	694	766
Land information certificates	68	60
Subdivision fees	390	230
Other statutory fees and fines	69	67
Total statutory fees and fines	<u>2,382</u>	<u>2,110</u>

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

3.3 User fees

Leisure centre and recreation	1,088	1,001
Child care/children's programs	240	627
Building services	27	29
Registration and other permits	844	848
Waste management services	3,078	2,880
Royalties	599	768
Gravel pits	129	174
Lease rentals	67	150
Other fees and charges	420	622
Total user fees	<u>6,492</u>	<u>7,099</u>

User fees by timing of revenue recognition

User fees recognised over time	873	1,293
User fees recognised at a point in time	5,619	5,806
Total user fees	<u>6,492</u>	<u>7,099</u>

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

Notes to the Financial Report
For the Year Ended 30 June 2024

3.4 Funding from other levels of government	2024	2023
Grants were received in respect of the following:	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	5,453	11,490
State funded grants	6,743	6,191
Total grants received	12,196	17,681
(a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	243	6,886
Other	245	213
Recurrent - State Government		
Home and community care	156	189
School crossing supervisors	91	89
Maternal and child health	476	461
Community safety	240	240
Kindergartens	2,614	2,332
Family and children	174	211
Environmental planning	15	-
Other	36	41
Total recurrent operating grants	4,290	10,662
Non-recurrent - Commonwealth Government		
Family and children	9	-
Recreation	34	-
Non-recurrent - State Government		
Waste Management	33	210
Environmental planning	96	220
Buildings	-	21
Community safety	15	74
Recreation	-	226
Kindergartens	1,345	691
Arts and culture	-	29
Roads	-	86
Maternal and child health	99	13
Family and children	-	27
Other	20	215
Total non-recurrent operating grants	1,651	1,812
Total operating grants	5,941	12,474
(b) Capital grants		
Recurrent - Commonwealth Government		
Roads to recovery	503	612
Total recurrent capital grants	503	612
Non-recurrent - Commonwealth Government		
Recreation	460	135
Buildings	2,500	1,643
Roads	1,459	1,904
Other	-	97
Non-recurrent - State Government		
Buildings	-	90
Community safety	55	156
Kindergartens	-	36
Roads	734	191
Recreation	211	34
Waste Management	84	263
Environmental planning	249	-
Other	-	46
Total non-recurrent capital grants	5,752	4,595
Total capital grants	6,255	5,207

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(c) Recognition of grant income

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

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

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

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

	2024	2023
	\$'000	\$'000
Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>		
General purpose	243	6,886
Specific purpose grants to acquire non-financial assets	6,255	5,207
Other specific purpose grants	5,655	5,554
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	43	34
	12,196	17,681

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

Operating

Balance at start of year	3	374
Received during the financial year and remained unspent at balance date	12	3
Received in prior years and spent during the financial year	(3)	(374)
Balance at year end	12	3

Capital

Balance at start of year	24,473	18,143
Received during the financial year and remained unspent at balance date	7,236	8,269
Received in prior years and spent during the financial year	(3,151)	(1,939)
Balance at year end	28,558	24,473

Unspent grants are determined and disclosed on a cash basis.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	2024	2023
	\$'000	\$'000
3.5 Contributions		
Monetary	2,508	2,565
Non-monetary	18,162	7,605
Total contributions	20,670	10,170

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

Land	4,309	901
Roads	5,569	1,638
Other infrastructure	2,697	1,256
Drainage	5,587	3,810
Total non-monetary contributions	18,162	7,605

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

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

Proceeds of sale	174	338
Written down value of assets disposed	(25,615)	(2,016)
Total Net loss on disposal of property, infrastructure, plant and equipment	(25,441)	(1,678)

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

During the 2023-2024 financial year Surf Coast Shire transferred assets totalling \$24.539 million to Great Ocean Road Coast and Parks Authority under the *Great Ocean Road and Environs Protection Act 2020*.

3.7 Other income

Interest	5,076	3,155
Volunteer services	552	537
Found assets	1,078	-
Future landfill rehabilitation adjustment (Refer to note 5.5 Provisions)	1,517	-
Total other income	8,223	3,692

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.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	2024	2023
	\$'000	\$'000
Note 4 The cost of delivering services		
4.1 (a) Employee costs		
Wages and salaries	34,522	33,189
WorkCover	495	226
Superannuation	3,860	3,507
Fringe benefits tax	55	71
Volunteer services	552	537
Other	476	608
Total employee costs	39,960	38,138

(b) Superannuation

Council made contributions to the following funds (11.00% 2023/2024 ,10.50% 2022/2023)

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	30	32
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Defined benefit fund total	30	32
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Employer contributions payable at reporting date.	-	-
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The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$31,286.60.

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,720	1,588
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Employer contributions to Hostplus Superannuation fund	276	243
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Employer contributions to Australian Super fund	272	241
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Employer contributions to Hesta	149	139
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Employer contributions to Cbus	162	136
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Employer contributions - other (69 other funds for 2023/2024, 61 funds for 2022/2023)	1,292	1,057
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Accumulation funds total	3,871	3,404
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Employer contributions payable at reporting date.	169	214
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Contributions made exclude amounts accrued at balance date. Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments - Roads	1,511	1,583
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Contract payments - Waste	5,900	6,032
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Contract payments - Operations	953	940
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Contract payments - Facilities Management	1,648	1,495
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Contract payments - Assets & Engineering	2,495	307
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Contract payments - Other	161	237
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General maintenance	709	696
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Utilities	1,170	1,270
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Office administration	816	743
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Information technology	1,327	1,279
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Insurance	1,017	851
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Consultants	2,541	2,032
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Fuel	773	824
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Grants, contributions and sponsorship	1,325	1,441
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Materials	1,304	1,155
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Sub-contractors	4,917	5,137
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Royalties	2,119	2,256
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Contributions to developer works	1,003	347
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Other	2,031	1,706
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Total materials and services	33,720	30,331
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Expenses are recognised as they are incurred and reported in the financial year to which they relate.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	2024	2023
	\$'000	\$'000
4.3 Depreciation		
Property	3,463	3,397
Plant and equipment	1,450	1,436
Infrastructure	17,019	13,648
Total depreciation	21,932	18,481

Refer to note 6.1 Property, infrastructure, plant and equipment for a more detailed breakdown of depreciation and accounting policy.

4.4 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	61	32
Auditors' remuneration - Internal Audit	133	122
Councillors' allowances	377	361
Operating lease and rentals	376	426
Assets written-off / impaired	3,630	3,343
Future landfill rehabilitation adjustment (Refer to note 5.5 Provisions)	-	3,313
Total other expenses	4,577	7,597

The 2023-24 Asset written-off/impaired expense mainly relates to a write-off of assets replaced and the write off of WIP not proceeding.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	2024	2023
	\$'000	\$'000
Note 5 Investing in and financing our operations		
5.1 Financial assets		
(a) Cash and cash equivalents - Current		
Cash on hand	3	3
Cash at bank	2,718	3,839
Total cash and cash equivalents	<u>2,721</u>	<u>3,842</u>
(b) Other financial assets		
Current		
Term deposits	92,500	97,500
Total other financial assets	<u>92,500</u>	<u>97,500</u>
Total financial assets	<u><u>95,221</u></u>	<u><u>101,342</u></u>

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	2024 \$'000	2023 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	5,289	3,483
Special rate schemes	33	20
Infringement debtors	1,015	944
Allowance for expected credit loss - infringements	(185)	(176)
Net GST receivable	901	550
<i>Non statutory receivables</i>		
Other debtors	1,893	955
Allowance for expected credit loss - other debtors	(27)	(25)
Total current trade and other receivables	8,919	5,751
Non-current		
<i>Statutory receivables</i>		
Special rate schemes	151	23
Total non-current trade and other receivables	151	23
Total trade and other receivables	9,070	5,774

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses.

(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)	1,707	785
Past due by up to 30 days	100	57
Past due between 31 and 60 days	7	19
Past due between 61 and 90 days	5	3
Past due by more than 120 days	74	91
Total trade and other receivables	1,893	955

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$27,390 (2023: \$24,810) were impaired. The amount of the allowance raised against these debtors was \$27,390 (2023: \$24,810). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by more than 1 year	27	25
Total trade & other receivables	27	25

Notes to the Financial Report
For the Year Ended 30 June 2024

5.2 Non-financial assets	2024	2023
	\$'000	\$'000
(a) Intangible assets		
Landfill air space	19,260	25,585
Total intangible assets	19,260	25,585
Landfill air space		Total
Gross carrying amount		\$'000
Balance at 1 July 2023		113,704
Revaluation		(877)
Balance at 30 June 2024		<u>112,827</u>
Accumulated amortisation and impairment		
Balance at 1 July 2023		88,119
Amortisation expense		6,494
Revaluation		(1,046)
Balance at 30 June 2024		<u>93,567</u>
Net book value at 30 June 2023		<u>25,585</u>
Net book value at 30 June 2024		<u>19,260</u>

An intangible asset is defined as “an identifiable non-monetary asset without physical substance”. The Landfill Airspace fits this definition. The Landfill Airspace was initially measured at fair value of the asset – that is, the value of the future cash flows expected to be generated by the asset. After initial recognition, the Landfill Airspace is carried at its fair value, less any accumulated amortisation and impairment losses. Amortisation expenses the assets value on a systematic basis over the asset's useful life. Amortisation is calculated on a units of use basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate. The landfill airspace was revalued as at 30 June 2024. The remaining useful life of the Landfill airspace is 4 years at 30 June 2024. The Landfill airspace asset has been accounted for using FG02/2017 Local Government Accounting for Landfills by adopting the revaluation model.

Key assumptions:

- discount rate (weighted average)	4.35%	4.29%
- inflation rate	5.61%	6.48%

Notes to the Financial Report
For the Year Ended 30 June 2024

5.3 Payables, trust funds and deposits and contract and other liabilities	2024	2023
(a) Trade and other payables	\$'000	\$'000
Current		
<i>Non-statutory payables</i>		
Trade payables	1,698	1,886
Rates and charges received in advance	919	946
Accrued expenses	3,109	3,113
Total trade and other payables	5,726	5,945
(b) Trust funds and deposits		
Current		
Refundable deposits	3,312	5,028
Fire Service Levy	297	369
Total trust funds and deposits	3,609	5,397
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	12	3
Contributions received in advance	12	467
Total contract liabilities	24	470
Other liabilities		
Current		
Deferred capital grants	28,558	24,473
Total other liabilities	28,558	24,473
Total contract and other liabilities	28,582	24,943

Trust funds and deposits

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

Contract liabilities

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

Other liabilities

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

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.

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Notes to the Financial Report
For the Year Ended 30 June 2024

5.4 Interest-bearing liabilities	2024	2023
	\$'000	\$'000
Current		
Borrowings from Banks - secured *	2,183	2,171
Total current interest-bearing liabilities	2,183	2,171
Non-current		
Borrowings from Banks - secured *	10,356	12,539
Total non-current interest-bearing liabilities	10,356	12,539
Total interest-bearing liabilities	12,539	14,710

* Borrowings are secured by Council's general rates.

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

Not later than one year	2,183	2,171
Later than one year and not later than five years	8,489	8,804
Later than five years	1,867	3,735
	12,539	14,710

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

5.5 Provisions

Current		
Employee provisions	7,658	7,745
Landfill Restoration provision	3,405	3,432
Total current provisions	11,063	11,177
Non-current		
Employee provisions	780	773
Landfill Restoration provision	17,400	19,005
Total non-current provisions	18,180	19,778
Total	29,243	30,955

	Employee	Landfill	Total
	\$ '000	restoration	\$ '000
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial	8,518	22,437	30,955
Additional provisions/(reduction in provisions)	3,722	(646)	3,076
Amounts used	(3,604)	(116)	(3,720)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(198)	(870)	(1,068)
Balance at the end of the financial year	8,438	20,805	29,243

Notes to the Financial Report
For the Year Ended 30 June 2024

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

	2024 \$'000	2023 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,339	2,371
Long service leave	747	746
	3,086	3,117
Current provisions expected to be wholly settled after 12 months		
Annual leave	531	622
Long service leave	4,041	4,006
	4,572	4,628
Total current employee provisions	7,658	7,745
Non-current		
Long service leave	780	773
Total non-current employee provisions	780	773
Aggregate carrying amount of employee provisions:		
Current	7,658	7,745
Non-current	780	773
Total aggregate carrying amount of employee	8,438	8,518

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

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 (weighted average)	4.35%	4.06%
- inflation rate	3.00%	3.50%

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(b) Landfill rehabilitation provision	2024	2023
	\$'000	\$'000
Current	3,405	3,432
Non-current	17,400	19,005
Total Landfill rehabilitation provision	20,805	22,437

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

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

Key assumptions:

- discount rate (weighted average)	4.35%	4.05%
- inflation rate (Rawlinson)	5.61%	6.48%

5.6 Financing arrangements

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

Bank overdraft	2,300	2,300
Credit card facilities	100	100
Other facilities - Bank Loans	12,539	14,710
Total facilities	14,939	17,110
Used facilities	(12,560)	(14,730)
Unused facilities	2,379	2,380

Notes to the Financial Report
For the Year Ended 30 June 2024

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2024					
Operating					
Waste management	8,000	8,000	13,413	896	30,309
Consultancies	158	-	-	-	158
Open space management	291	94	-	-	385
Cleaning of Council buildings	1,064	-	-	-	1,064
Other	1,309	274	326	-	1,909
Total	10,822	8,368	13,739	896	33,825
Capital					
Construction	13,797	-	-	-	13,797
Consultancies	1,055	349	82	-	1,486
Waste management	51	-	-	-	51
Other	1,205	-	-	-	1,205
Total	16,108	349	82	-	16,539
2023					
Operating					
Waste management	5,693	5,462	13,592	4,006	28,753
Consultancies	281	-	-	-	281
Open space management	411	11	-	-	422
Cleaning of Council buildings	1,147	1,144	-	-	2,291
Other	145	107	4	-	256
Total	7,677	6,724	13,596	4,006	32,003
Capital					
Construction	4,742	10	-	-	4,752
Consultancies	1,731	365	231	-	2,327
Waste management	36	-	-	-	36
Other	1,438	-	-	-	1,438
Total	7,947	375	231	-	8,553

**Notes to the Financial Report
For the Year Ended 30 June 2024**

(b) Operating lease receivables

Operating lease receivables

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

	2024	2023
	\$'000	\$'000
Not later than one year	46	47
Later than one year and not later than five years	194	167
Later than five years	151	209
	391	423

Notes to the Financial Report
For the Year Ended 30 June 2024

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Found \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Impairment \$'000	Carrying amount 30 June 2024 \$'000
Property	486,001	1,958	4,384	17,171	-	(3,463)	(19,380)	(362)	1,613	-	487,922
Plant and equipment	5,551	1,728	-	-	-	(1,450)	(27)	(12)	-	-	5,790
Infrastructure	708,233	10,962	13,778	13,328	1,078	(17,019)	(6,208)	(2,799)	1,340	111	722,804
Work in progress	5,416	5,952	-	-	-	-	-	(538)	(2,953)	-	7,877
Total	1,205,201	20,600	18,162	30,499	1,078	(21,932)	(25,615)	(3,711)	-	111	1,224,393

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,017	4,157	-	(1,293)	4,881
Plant and equipment	436	26	(427)	-	35
Infrastructure	2,963	1,769	(111)	(1,660)	2,961
Total	5,416	5,952	(538)	(2,953)	7,877

Notes to the Financial Report
For the Year Ended 30 June 2024

(a) Property

	Land - specialised	Land - non specialised	Land Under Roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Total Property excl WIP	Work in progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	273,643	7,590	108,920	390,153	138,748	14,858	153,606	543,759	2,017	545,776
Accumulated depreciation at 1 July 2023	-	-	-	-	(50,845)	(6,913)	(57,758)	(57,758)	-	(57,758)
	273,643	7,590	108,920	390,153	87,903	7,945	95,848	486,001	2,017	488,018
Movements in fair value										
Additions	-	-	-	-	1,540	418	1,958	1,958	4,157	6,115
Contributions	3,890	-	419	4,309	75	-	75	4,384	-	4,384
Revaluation	-	-	-	-	25,435	2,789	28,224	28,224	-	28,224
Disposal	(16,925)	-	-	(16,925)	(3,902)	(261)	(4,163)	(21,088)	-	(21,088)
Write-off	-	-	(16)	(16)	(929)	(21)	(950)	(966)	-	(966)
Transfers	-	-	353	353	2,046	90	2,136	2,489	(1,293)	1,196
	(13,035)	-	756	(12,279)	24,265	3,015	27,280	15,001	2,864	17,865
Movements in accumulated depreciation										
Depreciation	-	-	-	-	(3,120)	(343)	(3,463)	(3,463)	-	(3,463)
Accumulated depreciation of disposals	-	-	-	-	1,571	137	1,708	1,708	-	1,708
Accumulated depreciation of write offs	-	-	-	-	598	6	604	604	-	604
Revaluation	-	-	-	-	(9,738)	(1,315)	(11,053)	(11,053)	-	(11,053)
Transfers	-	-	-	-	(876)	-	(876)	(876)	-	(876)
	-	-	-	-	(11,565)	(1,515)	(13,080)	(13,080)	-	(13,080)
At fair value 30 June 2024	260,608	7,590	109,676	377,874	163,013	17,873	180,886	558,760	4,881	563,641
Accumulated depreciation at 30 June 2024	-	-	-	-	(62,410)	(8,428)	(70,838)	(70,838)	-	(70,838)
	260,608	7,590	109,676	377,874	100,603	9,445	110,048	487,922	4,881	492,803

Notes to the Financial Report
For the Year Ended 30 June 2024

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecoms \$'000	Total plant and equipment excl WIP \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	9,884	1,475	4,206	15,565	436	16,001
Accumulated depreciation at 1 July 2023	(5,437)	(1,372)	(3,205)	(10,014)	-	(10,014)
	4,447	103	1,001	5,551	436	5,987
Movements in fair value						
Additions	1,614	-	114	1,728	26	1,754
Disposal	(432)	-	-	(432)	-	(432)
Write-off	(62)	-	(33)	(95)	(427)	(522)
	1,120	-	81	1,201	(401)	800
Movements in accumulated depreciation						
Depreciation	(1,043)	(21)	(386)	(1,450)	-	(1,450)
Accumulated depreciation of disposals	405	-	-	405	-	405
Accumulated depreciation of write offs	49	-	34	83	-	83
	(589)	(21)	(352)	(962)	-	(962)
At fair value 30 June 2024	11,004	1,475	4,287	16,766	35	16,801
Accumulated depreciation at 30 June 2024	(6,026)	(1,393)	(3,557)	(10,976)	-	(10,976)
	4,978	82	730	5,790	35	5,825

Notes to the Financial Report
For the Year Ended 30 June 2024

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage and sewerage	Recreational, leisure and community	Parks, open spaces and streetscapes	Off street car parks	Waste Management	Total Infrastructure excl WIP	Work in progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	723,062	12,407	55,247	164,453	39,213	22,482	17,759	10,181	1,044,804	2,963	1,047,767
Accumulated depreciation at 1 July 2023	(223,655)	(6,320)	(11,759)	(56,751)	(16,322)	(10,280)	(4,084)	(7,289)	(336,460)	-	(336,460)
Accumulated impairment at 1 July 2023	(111)	-	-	-	-	-	-	-	(111)	-	(111)
	499,296	6,087	43,488	107,702	22,891	12,202	13,675	2,892	708,233	2,963	711,196
Movements in fair value											
Additions	6,623	-	787	549	355	763	426	1,459	10,962	1,769	12,731
Contributions	5,569	-	1,376	5,587	110	1,136	-	-	13,778	-	13,778
Found Assets	-	-	83	78	354	563	-	-	1,078	-	1,078
Revaluation	-	-	147	-	7,123	11,975	-	-	19,245	-	19,245
Disposal	(28)	(88)	(583)	(553)	(3,497)	(3,695)	(2,218)	-	(10,662)	-	(10,662)
Write-off	(3,977)	-	(167)	(385)	(639)	(550)	(111)	-	(5,829)	(111)	(5,940)
Transfers	428	-	56	200	340	(609)	39	11	465	(1,660)	(1,195)
Reversal of impairment losses recognised in revaluation reserve	30	-	-	-	-	-	-	-	30	-	30
Reversal of impairment losses recognised in operating result	81	-	-	-	-	-	-	-	81	-	81
	8,726	(88)	1,699	5,476	4,146	9,583	(1,864)	1,470	29,148	(2)	29,146
Movements in accumulated depreciation											
Depreciation	(9,664)	(128)	(917)	(1,717)	(1,980)	(1,644)	(228)	(741)	(17,019)	-	(17,019)
Revaluation	-	-	(4,939)	-	1,206	(2,184)	-	-	(5,917)	-	(5,917)
Accumulated depreciation of disposals	9	60	229	46	1,541	1,942	627	-	4,454	-	4,454
Accumulated depreciation of write offs	2,115	-	99	114	340	314	48	-	3,030	-	3,030
Transfers	-	-	-	-	22	853	-	-	875	-	875
	(7,540)	(68)	(5,528)	(1,557)	1,129	(719)	447	(741)	(14,577)	-	(14,577)
At fair value 30 June 2024	731,677	12,319	56,946	169,929	43,359	32,065	15,895	11,651	1,073,841	2,961	1,076,802
Accumulated depreciation at 30 June 2024	(231,195)	(6,388)	(17,287)	(58,308)	(15,193)	(10,999)	(3,637)	(8,030)	(351,037)	-	(351,037)
	500,482	5,931	39,659	111,621	28,166	21,066	12,258	3,621	722,804	2,961	725,765

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 Fair value measurement for further disclosure regarding fair value measurement.

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

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

Asset recognition thresholds and depreciation periods

		Depreciation Period	Threshold Limit \$'000
(a) Property			
Heritage Buildings		100 - 150 years	5
Buildings - Complex	Structure	100 years	5
	Roof	60 years	5
	Fit Out	25 years	5
	Services	35 years	5
	Pools	3 - 50 years	5
Buildings - Simple		40-50 years	5
(b) Plant and Equipment			
Plant, machinery and equipment		2 - 15 years	1
Fixtures, fittings and furniture		3 - 10 years	1
Computers and telecommunications		3 - 10 years	1
(c) Infrastructure			
Formation		NA	5
Sealed Road Pavements	High Traffic	90 years	5
	Low Traffic	100 years	5
	Concrete	40 years	5
Unsealed Road Pavements	High Traffic	16 years	5
	Low Traffic	20 - 25 years	5
Seals	Spray Seal	15 - 18 years	5
	Asphalt	25 - 30 years	5
Road Shoulders		50 years	5
Road Kerb and Channel		70 years	5
Traffic Control Devices		25 - 80 years	5
Bridges and Major Culverts	Bridges	100-140 years	5
	Major Culverts	80 years	5
	Timber Bridges	40 years	5
Footpaths and Cycleways	Concrete	65 years	5
	Asphalt	30 years	5
	Brick	50 years	5
	Gravel	20 years	5
Drainage and Sewerage	Drainage	80 - 150 years	5
	Sewerage	80 years	5
	Septic Tanks	30 years	5
	Wetlands and WSUD	10 - 100 years	5
Recreation, leisure and community facilities		10 - 100 years	5
Parks, Open Spaces and streetscapes		10 - 50 years	5
Off Street car parks	Sealed Pavement	100 years	5
	Unsealed Pavement	20 years	5
	Seals	15 - 30 years	5
Waste Management		Units of Use	5
Leased Assets		2 - 45 years	5

Notes to the Financial Report
For the Year Ended 30 June 2024

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer Opteon. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Valuation of Building assets has been determined in accordance with a valuation undertaken by independent valuers, Opteon (non-specialised buildings) and Preston Rowe Paterson (heritage buildings) and componentised costs by Rawlinson's as at 31 December 2021. The fair value of building assets were indexed as at 30 June 2024 due to increasing costs.

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

	Level 1	Level 2	Level 3	Date of	Type of
	\$'000	\$'000	\$'000	Valuation	Valuation
Land	-	7,590	-	31/03/2023	Independent
Specialised land	-	-	260,608	31/03/2023	Independent
Land Under Roads			109,676	30/06/2023	Independent
Buildings	-	9,445	100,603	30/06/2024	Indexation
Total	-	17,035	470,887		

Notes to the Financial Report
For the Year Ended 30 June 2024

Valuation of infrastructure

Valuation of Road and Offstreet Car Park assets has been determined in accordance with a valuation undertaken by independent valuer, Infrastructure Management Group Pty Ltd and Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 31 December 2022. Valuations of Bridge assets has been determined in accordance with a valuation undertaken by independent valuer Pitt and Sherry and Council's Manager Assets and Engineering, Mr John Bertoldi BE (Civil) as at 31 December 2022. Valuation of footpath assets has been determined in accordance with a valuation undertaken by Infrastructure Management Group as at 31 December 2023. Valuation of Recreation and Parks and Open Space has been determined in accordance with a valuation undertaken by Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 1 July 2023. Valuation of Drainage has been determined in accordance with a valuation undertaken by Water Insites and Council's Manager Assets and Engineering, Mr John Bertoldi B E (Civil) as at 1 July 2021. Due to increasing costs for drainage items, the fair value of Drainage was indexed as at 30 June 2023.

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

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
	\$'000	\$'000	\$'000		
Roads	-	-	500,482	31/12/2022	Independent
Bridges	-	-	5,931	31/12/2022	Independent
Footpaths and cycleways	-	-	39,659	31/12/2023	Independent
Drainage and sewerage	-	-	111,621	30/06/2023	Indexation
Recreational, leisure and community facilities	-	-	28,166	1/07/2023	Independent
Parks, open space and streetscapes	-	-	21,066	1/07/2023	Independent
Off street car parks	-	-	12,258	31/12/2022	Independent
Waste management	-	-	3,621	30/06/2023	Independent
Total	-	-	722,804		

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.62 and \$2,915.25 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated square metre basis and ranges from \$128.90 to \$7,777.03 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 99 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 0 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land	2024	2023
	\$'000	\$'000
Parks and reserves	219,834	233,174
Public use	36,963	35,711
Waste	1,009	1,009
Car Parks	2,802	3,749
Total specialised land	260,608	273,643

Notes to the Financial Report
For the Year Ended 30 June 2024

6.2 Investments in associates	2024	2023
	\$'000	\$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Geelong Regional Library Corporation	345	276

Geelong Regional Library Corporation

Background

The Geelong Regional Library Corporation (GRLC) was formed under the provisions of sections 196 and 197 of the *Local Government Act 1989* on 4 March 1997 to provide library services within the local government areas of: Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire, Colac Otway Shire and Surf Coast Shire. Council holds 2.87% (2023 2.54%) of equity in the corporation. Council has one director on the Board of seven. Council has the ability to influence rather than control its operations.

Fair value of Council's investment in Geelong Regional Library Corporation	345	276
Council's share of accumulated surplus		
Council's share of accumulated surplus at the start of the year	276	275
Council's share of accumulated surplus for the year	69	1
Council's share of accumulated surplus at the end of year	345	276
Movement in carrying value of specific investment		
Carrying value of investment at start of year	276	275
Share of accumulated surplus for the year	69	1
Carrying value of investment at end of year	345	276

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

(b) Community Asset Committees

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

- Deans Marsh Community Hall and Memorial Park
- Stribling Reserve
- Anderson Roadknight Reserve
- Eastern Reserve
- Modewarre Reserve
- Connewarre Reserve
- Globe Theatre (dissolved 12 December 2023)
- Anglesea Bike Park

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

Surf Coast Shire Council is the parent entity.

Associates

Investments in associates are detailed in Note 6.2.

(b) Key management personnel

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

Councillors	Councillor Liz Pattison - Mayor Councillor Mike Bodsworth - Deputy Mayor Councillor Gary Allen Councillor Paul Barker Councillor Kate Gazzard Councillor Rose Hodge Councillor Adrian Schonfelder Councillor Libby Stapleton Councillor Heather Wellington
Key management personnel	Chief Executive Officer General Manager Community Life General Manager Placemaking & Environment General Manager Strategy & Effectiveness Executive Manager Strategic Projects and Partnerships

	2024	2023
	No.	No.
Total number of Councillors	9	9
Total of Chief Executive Officer and other key management personnel	5	5
Total number of key management personnel	14	14

(c) Remuneration of key management personnel

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

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

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

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

	2024	2023
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,545	1,506
Long-term benefits	29	28
Post-employment benefits	127	119
Total	1,701	1,653

**Notes to the Financial Report
For the Year Ended 30 June 2024**

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

	2024	2023
	No.	No.
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	6	5
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	-	1
\$110,000 - \$119,999	1	-
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	1
\$360,000 - \$369,999	-	1
\$370,000 - \$379,999	1	-
	14	14

(d) Remuneration of other senior staff

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

	2024	2023
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term benefits	2,050	1,635
Post-employment benefits	226	172
Long-term benefits	51	41
Total	2,327	1,848

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

	2024	2023
	No.	No.
Income Range:		
\$160,000 - \$169,999	-	3
\$170,000 - \$179,999	8	6
\$180,000 - \$189,999	4	-
\$190,000 - \$199,999	1	-
\$290,000 - \$299,999	-	1
	13	10

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
7.2 Related party disclosure		
(a) Transactions with related parties		
During the period Council entered into the following arms length transactions with related parties:		
Contributions are paid by the Surf Coast Shire Council to the Geelong Regional Library Corporation. Please refer to details in Note 6.2	840	826
Contributions paid to G21 - Geelong Region Alliance Ltd	76	86
Contributions paid to Great Ocean Road Regional Tourism Ltd	163	154
Contributions paid to Lorne Historical Society	56	-
Contributions paid to LGPro	22	15
Contributions paid to Torquay RSL	10	-
Fees for the use of Council facilities	4	4
Family member employed under normal employment conditions and terms	20	3

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

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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. There are no contingent assets as at 30 June 2024.

(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 in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

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

MAV Liability Mutual Insurance Scheme

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

(c) Guarantees to other entities

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

	2024 \$'000	2023 \$'000
Contract Performance:		
Department of Minerals and Energy	20	20
Department of Energy and Resources	50	50
	<u>70</u>	<u>70</u>

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

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

Notes to the Financial Report **For the Year Ended 30 June 2024**

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period.

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

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

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

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

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

(b) Market risk

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

Interest rate risk

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

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

Notes to the Financial Report
For the Year Ended 30 June 2024

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

There are no material financial assets which are individually determined to be impaired. Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(c).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.00% and - 1.00% in market interest rates (AUD) from year-end rates of 4.35%.

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.

Notes to the Financial Report
For the Year Ended 30 June 2024

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2024

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

Impairment of assets

At each reporting date, 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

At the August 2024 Council Meeting, Council awarded a contract for \$46 million to Kane Constructions Pty Ltd for the construction the Surf Coast Aquatic and Health Centre.

Notes to the Financial Report
For the Year Ended 30 June 2024

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land	228,845	-	228,845
Land under roads	54,572	-	54,572
Buildings	40,740	17,171	57,911
	324,157	17,171	341,328
Furniture and equipment			
Furniture and equipment	32	-	32
	32	-	32
Infrastructure			
Roads	266,299	30	266,329
Bridges	5,057	-	5,057
Footpaths and cycleways	25,774	(4,792)	20,982
Drainage and sewerage	52,831	-	52,831
Recreational, leisure and community facilities	18,152	8,329	26,481
Parks, open space and streetscapes	2,238	9,791	12,029
Offstreet car parks	4,999	-	4,999
Waste	594	-	594
	375,944	13,358	389,302
Intangibles			
Waste Air Space	13,354	169	13,523
	13,354	169	13,523
Total asset revaluation reserves	713,487	30,698	744,185
2023			
Property			
Land	197,401	31,444	228,845
Land under roads	30,674	23,898	54,572
Buildings	40,740	-	40,740
	268,815	55,342	324,157
Furniture and equipment			
Furniture and equipment	32	-	32
	32	-	32
Infrastructure			
Roads	114,685	151,614	266,299
Bridges	1,893	3,164	5,057
Footpaths and cycleways	25,774	-	25,774
Drainage and sewerage	39,307	13,524	52,831
Recreational, leisure and community facilities	18,152	-	18,152
Parks, open space and streetscapes	2,238	-	2,238
Offstreet car parks	1,712	3,287	4,999
Waste	-	594	594
	203,761	172,183	375,944
Intangibles			
Waste Air Space	13,199	155	13,354
	13,199	155	13,354
Total asset revaluation reserves	485,807	227,680	713,487

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

Notes to the Financial Report
For the Year Ended 30 June 2024

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2024				
Open space	3,545	495	(230)	3,810
Main drainage	114	-	-	114
Developer contributions *	785	959	(626)	1,118
Airey's Inlet aged care units	332	8	-	340
Waste	4,464	1,603	(1,038)	5,029
Gravel pits	1,431	-	-	1,431
Defined benefits superannuation	1,224	-	-	1,224
Carried forward capital works	55,150	41,311	(30,209)	66,252
Carried forward operational projects	3,165	2,368	(3,162)	2,371
Adopted strategy implementation	6,562	14	(5,542)	1,034
Asset renewal	1,440	13,141	(15,323)	(742)
Torquay Jan Juc Developer Contributions *	8,034	4,365	(8,533)	3,866
Winchelsea infrastructure plan	1,304	561	(55)	1,810
Annual Leave Cash Reserve	326	-	(170)	156
Accumulated unallocated cash	7,157	3,264	(1,335)	9,086
Total other reserves	95,033	68,089	(66,223)	96,899
2023				
Open space	3,301	363	(119)	3,545
Main drainage	210	-	(96)	114
Developer contributions *	320	110	(8)	422
Airey's Inlet aged care units	330	2	-	332
Waste	8,002	107	(3,645)	4,464
Gravel pits	1,335	96	-	1,431
Defined benefits superannuation	1,224	-	-	1,224
Carried forward capital works	25,835	55,150	(25,835)	55,150
Carried forward operational projects	2,101	3,165	(2,101)	3,165
Adopted strategy implementation	5,905	5,553	(4,896)	6,562
Asset renewal	2,180	11,073	(11,813)	1,440
Torquay Jan Juc Developer Contributions *	7,282	5,617	(4,502)	8,397
Winchelsea infrastructure plan	1,276	358	(330)	1,304
Annual Leave Cash Reserve	326	-	-	326
Accumulated unallocated cash	4,364	3,626	(833)	7,157
Total other reserves	63,991	85,220	(54,178)	95,033

* Note the opening balance for Developer Contributions and Torquay Jan Juc Developer Contributions has been adjusted by \$363,155 between reserves to better align the developer contributions and therefore will not equal the individual closing balances for 2023.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

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

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

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024	2023
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	(18,453)	1,204
<i>Non-cash adjustments:</i>		
Depreciation	21,932	18,481
Amortisation - intangibles	6,494	3,629
Amortisation - right of use	352	316
Net loss on disposal of property, infrastructure, plant and equipment	25,441	1,678
Assets written-off / impaired	3,630	3,343
Found Assets	(1,078)	-
Borrowing costs	283	326
Finance costs - leases	23	16
Contributions - Non-monetary assets	(18,162)	(7,605)
Share of net losses of Geelong Regional Library Corporation	(69)	(1)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(3,296)	148
(Increase)/decrease in prepayments	(40)	87
(Increase)/decrease in accrued income	158	(1,493)
Decrease in inventories	1	103
(Increase)/decrease in trade and other payables	(219)	516
Increase in contract and other liabilities	3,639	6,000
(Increase)/decrease in provisions	(1,712)	3,953
(Increase)/decrease in trust funds and deposits	(1,788)	391
Net cash provided by operating activities	17,136	31,092

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 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

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

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

Notes to the Financial Report **For the Year Ended 30 June 2024**

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa

Salary information 3.5% pa

Price inflation (CPI) 2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 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 2023 triennial 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 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). 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 2023 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 98% from 26 July 2024 (previously 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.

Notes to the Financial Report
For the Year Ended 30 June 2024

The 2023 triennial 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. A full investigation was conducted as at 30 June 2023.

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

	2023	2022
	(Triennial)	(Interim)
	\$m	\$m
A VBI surplus	84.7	44.6
A total service liability surplus	123.6	105.8
A discounted accrued benefits surplus	141.9	111.9

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 2023.

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 2023.

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 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

- Net investment returns 5.6% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020	2023
	Triennial	Triennial
	investigation	investigation
Net investment return	5.6% pa 2.5% pa for two years and 2.75% pa thereafter	5.7% pa 3.50% pa
Salary inflation		
Price inflation	2.0% pa	2.8% pa

Superannuation Contributions

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

Notes to the Financial Report
For the Year Ended 30 June 2024

10 Change in accounting policy

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

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