



**BAW BAW SHIRE COUNCIL**  
**Annual Report**  
**of Operations.**

**For the year ended 30 June 2024.**



## Baw Baw Shire Council's Statement of Commitment to Child Safety

Baw Baw Shire Council is committed to providing and actively promoting a safe environment for children. Council has zero tolerance towards child abuse, and is committed to protecting the physical, emotional, cultural, and social wellbeing of all children. Council has policies and systems to protect children, and all allegations and safety concerns will be treated seriously. Council acknowledges that children's safety is a whole of community responsibility and is everyone's business.

## Preventing Violence Against Women

Council promotes the prevention of violence against women, through leading gender equity and building respectful and safe relationships and breaking down gender stereotypes.

## Customer Service Centres

### DROUIN

33 Young Street  
Drouin Vic 3818

### WARRAGUL

West Gippsland Arts Centre  
Corner of Smith & Albert Streets  
Warragul Vic 3820

**P:** 03 5624 2411

**E:** [bawbaw@bawbawshire.vic.gov.au](mailto:bawbaw@bawbawshire.vic.gov.au)

**W:** [bawbawshire.vic.gov.au](http://bawbawshire.vic.gov.au)

**F:** [facebook.com/bawbawshirecouncil](https://facebook.com/bawbawshirecouncil)

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# Acknowledgement of **Traditional Custodians.**

**Council acknowledges the Traditional Custodians  
and their ongoing connection to the land and  
waters that make up Baw Baw Shire.**

**We pay our respects to their Elders: past, present,  
and emerging. We thank the Traditional Custodians  
for caring for Country and continuing the customs that  
maintain the longest practised culture in the world.**



# Welcome to the **Annual Report** of Operations. **2023/24**

**Council is committed to transparent reporting  
and accountability to our community.**

The Annual Report of Operations 2023/24 is the primary means of advising the Baw Baw Shire community about Council's operations and performance during the past financial year.



# Our Community and Region.

Baw Baw Shire is one of Victoria's fastest growing municipalities.

Located 100 kilometres to the east of the Melbourne CBD, the Shire offers a mix of rural and urban living with affordable housing, scenic views and relaxed lifestyle making it an attractive option for new residents and leading to unprecedented growth.

Baw Baw Shire covers approximately 4,027 square kilometres of high-quality farmland, national parks and residential areas. The northern half of the Shire is heavily forested and lies in the Great Dividing Range, while the south is bound by the Strzelecki Ranges.

The Shire's population is estimated to be approximately 60,000 (forecast.id.com.au), most of whom live in the towns along the rail and road corridor of Warragul, Drouin, Longwarry, Yarragon and Trafalgar which provide direct and easy access into the suburbs of Melbourne.

There is a high commuter workforce, and our community relies heavily on regional rail and road networks to travel to and from work, and for day-to-day community activities and access to services outside of the municipality. Major industries in the Shire are manufacturing, construction and agriculture, with the largest employers being healthcare, agriculture and education.

Baw Baw Shire is bordered by South Gippsland, Cardinia, Yarra Ranges, Mansfield and Wellington Shires and the City of Latrobe.

Population Growth

**43.9%**  
by 2041.

Baw Baw Shire covers  
**4,027 square kilometres.**

**60,644**  
forecast population  
for 2024.



With a forecast population of 60,644 for 2024, the municipality is experiencing rapid residential growth.

Modelling predicts that the population for Baw Baw Shire will grow to 87,281 by 2041, growth of 43.9%.

Population forecast prepared by .id population experts.



forecast.id.com.au/  
baw-baw

# Our Vision.

## COUNCIL'S VISION, MISSION AND CULTURAL COMMITMENTS

### A SUSTAINABLE SHIRE.

Sustainable towns and villages that continue to benefit from our beautiful rural and natural environment.

### A HEALTHY COMMUNITY.

Healthy people, living in connected communities and healthy environments.

### A THRIVING COMMUNITY.

Thriving, diverse and resilient communities.

## Our Mission

Baw Baw Shire Council's mission is to be leaders in delivering quality, innovative and community focused services today that make a difference for tomorrow.

To learn more about Baw Baw Shire Council's strategic direction, visit [www.bawbawshire.vic.gov.au/CouncilPlan](http://www.bawbawshire.vic.gov.au/CouncilPlan).



## Our Cultural Commitments

In delivering our vision and mission, Baw Baw Shire Council is:

- **Optimistic** about our organisation's ability to deliver quality services and projects to benefit the community.
- **Pragmatic** by resolving issues and making the best possible use of our time, effort, and resources.
- **Respectful** of our organisation and of the diverse views and perspectives of our community.
- **Supportive** by valuing our team members, empowering them to be successful in their roles and investing in their growth and development.
- **Authentic** by undertaking our work in an open, honest, and transparent manner.
- **Resilient** in adapting with courage and agility to challenges and change within the Organisation, and our community.

# Baw Baw Shire Council Plan 2021–2025

## Council mission:

Leaders in delivering quality, innovative and community focused services today that make a difference for tomorrow.

## Strategic direction:

Readying the Shire for the future, and supporting community quality of life as we continue to grow.

## Strategic objectives:

A Sustainable Shire.

A Healthy Community.

A Thriving Community.

## Community vision and goals:

Sustainable towns and villages that continue to benefit from our beautiful rural and natural environment.

Healthy and well people, living in safe, connected communities and healthy environments.

Thriving, diverse and resilient communities.

Sustainable built environments that protect nature and meet the needs of a growing community.

Protected, sustainable and productive natural environments.

Healthy and well people and communities.  
Connected and inclusive communities, creating a strong sense of safety and belonging.

Healthy environments, resilient communities.

A strong economy, creating and sustaining local jobs.  
Education, tourism, and cultural offerings that help our region to flourish.

Future ready infrastructure and transport options that help our community better access services, work and education throughout Baw Baw Shire.

## Council focus areas for the next four years:

1.

Planning for growth.

2.

Protecting natural environment and agricultural land.

3.

Environments for health.

4.

Community arts and events.



5.

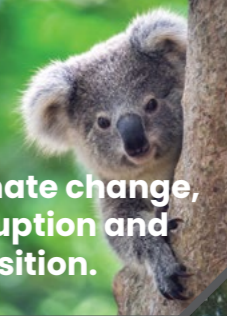
Community infrastructure and services.

6.

Community health, safety and wellbeing.

7.

Climate change, disruption and transition.



8.

Connectivity and local transport networks.



9.

Advocacy.

10.

Diversity, inclusion and reconciliation.

11.

A strong local economy.



# The Year in Review.



**1,146km**  
Sealed local roads.

**1,110** Sealed local road requests received.



**395**  
Planning applications received.

**29,425**  
Rateable properties.

**60,644**

Estimated Residential population [2024]

The median age is **41.**



38% of households have children.

- 25% are youth [0-19]
- 15% are seniors [70+]

**3,140**

Animal management requests.



**12,224**

Registered cats and dogs in the Shire.



**383,593**

Visits to indoor aquatic facilities.

**7,808** visits to seasonal outdoor aquatic facilities.

**27,001**

Kerbside garbage bins collection.

**26,348**

Kerbside recyclable bins collection.

**16,223**

Hours worked by Municipal Child Health (MCH) nurses.



**733**

First MCH home visits.

**1,999,235**

Number of scheduled garbage and recyclable collection bin lifts.



**77,696**

Hours of family day care provided.

**5,659**

MCH key ages and stages consultations.

**17**

Family day care educators employed.

**1,238**

Children enrolled in kindergarten.



**230**

Supported Playgroups.

**342**

Families supported by playgroups.

**1,170**

Total food premises registered.

**306**

Class 1 and 2 food premises inspected.

**198,375**

Physical library loans.



**18,810**

Registered library members.



# Mayor's Message.

Hello everyone and welcome to the 2023/24 Annual Report.

**Baw Baw Shire is a rapidly growing and evolving community and as the needs of its residents expand, so too does the need to deliver and create a Shire that everyone is proud of, and that serves us for today, tomorrow and the years to come.**



One achievement to be proud of from the past 12 months is Council's increase in its community engagement and inclusion of its residents in key decisions made by Council. This is evident through the launch of Baw Baw Connect, Council's online community engagement platform, which became live in October 2023. The launch of this digital and interactive platform has allowed Council to have more meaningful interaction with the community in a more transparent way. In September last year, Council also reopened the Customer Service Counter at the West Gippsland Arts Centre, a decision made to ensure that Council was still accessible to all members of the community, and demonstrating an awareness that face-to-face interaction is still the preference for some residents.

The Arts Centre also celebrated the first birthday of its new social enterprise café, Coffee Vibes, which experienced a hugely successful first year in business. This wonderful café offers supported employment opportunities for people of all abilities, and now serves approximately 2,000 customers per month. A huge

achievement and partnership between Baw Baw Shire Council and disability service provider, Knoxbrooke.

Council has continued to strengthen its partnerships with other levels of government, which has resulted in huge outcomes for the Shire. In December last year, the State Government announced Drouin as the location for a new, state government-owned and operated Early Learning and Childcare Centre, which is planned to open in 2027/28. Early Years services continue to remain a top priority for Council, which is why earlier in 2024, Council adopted the *Municipal Early Years Plan (2024-2027)*, which articulates Council's role in early years, and objectives over the next four years. Additionally, Council endorsed the *2024-2028 Youth Strategy*, another document which details how Council plans to work with and deliver for its young people now, and in years to come. The establishment of a hugely successful Pop-Up Playgroup program has also provided extra support for local parents and carers and sees up to 90 people in attendance per session.

The Community Grants program has also experienced the same success and popularity as previous years and continues to be a wonderful funding stream that supports and bolsters the work of the tireless volunteers and organisations that Baw Baw boasts.

Baw Baw Shire is unique and diverse, and the more than 80 services that Council delivers needs to cater to people of all different ages, genders, ethnicities and abilities.

Thank you for taking the time to reflect on the last 12 months.



**Cr Annemarie McCabe**  
Mayor of Baw Baw Shire

# Chief Executive Officer's Message.

As the Chief Executive Officer of Baw Baw Shire Council, I am thrilled to introduce to you the 2023/24 Annual Report and take a moment to reflect on the incredible accomplishments of the last 12 months.

As we continue in our pursuit of achieving a sustainable, healthy and thriving community, I reflect with pride on what this Council has delivered for its people over the last year.



Headlining these achievements is the completion of the Warragul Leisure Centre Stadium expansion, a project valued at nearly \$13 million and one of the largest recreational investments undertaken by Baw Baw Shire Council. We also celebrated the fruition of the Baxter Park (Warragul) Pavilion upgrades, as well as the new Pavilion and female-friendly facilities at Bellbird Park in Drouin.

Our commitment to creating an equitable Shire has never been more intensified, as demonstrated through the construction of more female-friendly facilities, and through the adoption of two policies in June this year, being the *Sports Pavilion Design and Development Policy and Fair Access Policy* – both geared at fostering community participation in local sports, by increasing access to facilities.

We maintain a dedicated Advocacy team, who are on the constant lookout for funding opportunities and support from higher levels of government, a form of

support that Local Government consistently relies upon to ensure the continued provision of our services and community facilities. Council put forward pre-budget submissions in both the State and Federal Budgets in 2024 and in the last year, secured \$18.65 million in grants. This hard work was also realised earlier in the year with the announcement by the Federal Government for \$14.5 million towards the construction of the Baw Baw Culture and Connection Precinct. Council is hard at work to plan for this incredible new facility, and we're excited to get this project underway in 2025 with the commence of Stage 1.

The announcement by the State Government for an additional \$510,000 towards the Noojee Forestry Transition Project was also much welcomed news, as Council continues to support our regions to transition away from native timber harvesting in state forests.

Supporting our region in any way we can is always of the utmost priority for Council, and our 2024/25 Annual

Budget reinforced this commitment, with more than \$41 million towards community projects, infrastructure and facilities.

The management of waste and recycling, like all local Councils, will also remain a key focus at Baw Baw and the introduction of the new purple glass recycling bin, thanks to a Victorian Government initiative, will hopefully be another step in the right direction. We understand this is another change for our community and we're here to support our residents much as we can.

As Baw Baw Shire continues to grow at a rapid rate, we will continue to plan and advocate in a way that futureproofs our area and ensures that Baw Baw is a Shire that our future generations will be proud of. With your help and involvement in Council decisions this is something I truly believe we can achieve.

I look forward to continuing to work with you, and I hope you enjoy reflecting on the last 12 months and the remarkable milestones accomplished by Baw Baw Shire Council.

Yours Sincerely,



**Mark Dupe**  
Chief Executive Officer



# Description of Operations.

## 2023/24

**Baw Baw Shire Council is responsible for more than 80 services, from family and children's services, community safety, open space, waste management, environmental sustainability, roads, and community infrastructure; to matters concerning business development, planning for appropriate development, and ensuring accountability for Council's budget.**

This broad range of community services and infrastructure supports the sustainability, health and thriving prosperity of our region, in line with the Community Vision and the strategic objectives included in the Council Plan 2021-2025. Those strategic initiatives, and their associated service costs, are reported upon in this document. Please refer to the section **Our Performance** for more information about council services.

The delivery of services, facilities, support and advocacy to achieve strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislations.



# Major Change.

In 2023/24, Luke Connell was appointed to the role of Director Planning and Development.



# Major Achievements.

Featured are a selection of major achievements for the 2023/24 financial year, listed by their relevant Strategic Initiative in the Council Plan 2021–2025.

An additional section, 'Council supporting a Sustainable, Healthy, and Thriving Community and Shire', highlights significant internal organisational achievements which serve Council's delivery of the Council Plan.

## A Sustainable Shire

Throughout 2023/24, Baw Baw Shire Council achieved a number of important milestones on our mission to promote the sustainability of our towns and villages, and ensuring our community continues to benefit from our beautiful rural and natural environment for years to come.

### Largest ever funding grant received for Baw Baw Culture and Connection Precinct

This year, Council was awarded its largest ever funding grant for a capital works project. Our application for \$14.5 million from the Federal Government's Growing Regions Program towards the construction of the Baw Baw Culture and Connection Precinct (BBCCP) was announced in May 2024, with the library and learning centre to be the first stage of the project to be built. Advocacy efforts to receive this funding included rallying the community to support the project and lobbying State and Federal governments for funding.

The Library and Learning Centre has been designed by Melbourne-based architects Croxon Ramsay, and Council is targeting Green Star 5 Certification for the project. This means that it will be at least 30 per cent more energy efficient than similar buildings, running on 100 per cent renewable energy and taking advantage of natural lighting, shade, and ventilation.

### Launch of the Baw Baw Waste App

The Baw Baw Waste App was launched in March this year, available to residents for both iPhone and Android devices. This app was well received when launched, providing residents with useful information on which bins to put out and when and what household items can be recycled.

The launch of the app has helped Council to reduce its environmental footprint by moving away from bulk mail-out waste booklets and the annual bin collection calendar. As of 30 June 2024, more than 2,000 residents had downloaded the app.

### All Council sites and street lighting powered by 100 percent renewable energy

As of January 2024, Baw Baw Shire Council is sourcing 100 percent renewable energy for all of its major electricity contracts. All of Council's contracts for small sites, large sites and public street lighting have been moved to the Victorian Energy Collaboration (VECO), which provides members with renewable energy generated from wind farms in Victoria. Council's small sites electricity contract consists of 116 sites and includes buildings, public toilets, security lights, fountain pumps and public barbecues.

### Road maintenance continues to be a focus

Council has significantly increased its investment into its roads contract. This has seen huge outcomes for the state of roads across Baw Baw Shire. There has been a 25 percent decrease in the number of customer requests being reported, and the customer requests that Council does receive are inspected and responded to within 3.4 days. In the last financial year, 1,002km of road grading and 749km of unsealed shoulder grading were also completed.

### 3,300 trees and shrubs planted in reserves around Baw Baw Shire

During the 2023/24 financial year, 3,300 trees and shrubs have been planted in reserves around Baw Baw Shire as part of targeted revegetation efforts by the Natural Environment team and with community participation through events like National Tree Day. A community planting event was held in July for National Tree Day, with around 30 community members joining Council staff to help revegetate the Robin Hood Reserve in Drouin by planting just over 800 trees.

### More than \$40 million in capital works projects delivered

In the 2023/24 financial year, Council completed more than \$40 million worth of capital works projects. Community sporting facilities in Baw Baw have received several highly anticipated upgrades and improvements over the last year. The new multi-use pavilion and soccer pitch upgrades at Drouin's Bellbird Park were completed, with the pavilion including a female-friendly multi-use community facility. The newly redeveloped pavilion at Baxter Park in Warragul was finished, which includes female-friendly player and official changerooms, an improved carpark, and pitch lighting upgrade. The Warragul Leisure Centre was completed and included new basketball courts, a new café and kitchen, new changerooms, and improved pedestrian and parking access.

## A Healthy Community

Council is committed to providing a healthy community for all Baw Baw Shire residents. Throughout 2023/24, Council recorded a number of major achievements in support of our goal to support healthy people in connected, inclusive and resilient communities.

### Adoption of the Youth Strategy 2024 – 2028

Following months of community engagement with some of Baw Baw's youngest generations, Council adopted the Youth Strategy 2024 – 2028 in March 2024. The strategy outlines Council's commitment to support the health and wellbeing of young people, aged 12 to 25, in Baw Baw Shire and incorporates five key priority areas: Voice and Leadership, Support and Services, Safety, Learning and Growing, and Health and Wellbeing. Set to be implemented over the next four years, it is expected that the strategy will increase the health and wellbeing of younger people by creating inclusive practices at Council and foster opportunities in the community for young people to become better connected with services, feel safer, learn and grow.

### Development of the Municipal Early Years Plan 2024 – 2027

In February 2024, Council formally endorsed the Municipal Early Years Plan 2024 – 2027. Council undertook a Provide, Partner, Promote (PPP) approach to the development of the plan, which included a substantial consultation and engagement process to capture a wide range of voices and perspectives. A specialised, targeted program of consultation in which all primary schools and kindergartens in Baw Baw Shire were invited to participate, resulted in 185 children, eight schools, five kindergartens, one long day care service and 761 individual responses recorded.

### Adoption of a Place and Feature Naming Policy

In March 2024, Council adopted the Place and Feature Naming Policy, a policy that provides a coordinated and equitable approach when assessing and recommending naming proposals and ensures naming is consistent with community expectations and Council strategies and policies. Baw Baw Shire Council is among the first Councils to adopt a policy of this nature.

### \$300,000 awarded to 69 community projects in the Shire

Each year Baw Baw Shire Council's Community Grants program supports not-for-profit community groups and organisations with hundreds of thousands of dollars in funding towards projects that help to build a thriving, healthy and sustainable Baw Baw.

In 2023/24, Council awarded more than \$300,000 to 69 community projects across the two program categories, Minor Capital Works and Community Projects.

### Playground renewal projects and upgrades to dog parks

Each year, Council's Playground Renewal Program sees a series of playgrounds across Baw Baw refreshed with new equipment, safety improvements and minor landscaping to improve the experiences of residents and visitors of all ages.

In 2024, Council upgraded playground equipment at six playgrounds across Baw Baw Shire including Bellbird Park in Drouin, Toy Park in Longwarry, Noojee Riverside Playground in Noojee, Downton Park in Yarragon, Apex Park in Trafalgar and Briona Court Playground in Trafalgar.

Following community consultation, Council also undertook upgrade works at three off-leash dog parks, being at Brooker Park in Warragul, Bellbird Park in Drouin and Hollydell Park in Trafalgar to enhance the existing facilities to create a more enjoyable and safer environment for dogs and their owners.



### Council supports Live4Life

Throughout the financial year, Council continued to support and enhance the lives of Baw Baw Shire's young people through the support of the Live4Life program – a dedicated program nurturing the mental wellbeing of young people, specifically in rural and regional communities.

Celebrating its third year after launching in 2020, the Live4Life program has seen many achievements this past financial year, including:

- Scheduling of weekly lunches for students to help enhance and foster positive conversations,
- Facilitating Teen Mental Health First Aid Training sessions, attended by more than 800 local Year 8 and Year 10 students,
- Socialising and connection building sessions

The 2023 end-of-program gathering was attended by 40 members from seven local secondary schools.

Council is proud to support Live4Life, and sees the program as an important community resource for Baw Baw Shire's young people.

## A Thriving Community

Council is committed to supporting thriving, diverse and resilient communities. Throughout the 2023/24 financial year, Council recorded significant achievements to support a strong economy, deliver education, tourism and cultural offerings to help our region flourish, and build and maintain future ready infrastructure.

### Advocacy efforts increase with \$18.65 million in grants received

Baw Baw Shire Council continues to increase its advocacy efforts across the board with roads and local community infrastructure remaining top of the list. Council put forward pre-budget submissions in both the State and Federal Budgets in 2024 and in the last year, has secured \$18.65 million in grants from both the State and Federal governments. These grants have covered a range of different facilities and improvements across the Shire, from new buildings to sport and recreational upgrades, road improvements and grants for future kindergartens as well as funding to help parts of Baw Baw Shire transition away from native timber harvesting in state forests.

### Coffee Vibes celebrates first birthday at West Gippsland Arts Centre

The social enterprise café Coffee Vibes, which supports and employs eight local all abilities young people, celebrated its first birthday in May at West Gippsland Arts Centre. The café boasted an impressive first 12 months in operation. In August 2023, the team welcomed six new supported employees, bringing the total to eight staff. The café has also gone from serving approximately 1,300 customers per month, to almost 2,000, demonstrating the growing popularity of the local café.

### West Gippsland Arts Centre supports local creatives

The West Gippsland Arts Centre performed a landmark year and supported 49 performances for local theatre companies and schools. Council supported the first 'Art in the Street' event in December which showcased 33 local artists as they created works live along the main streets of Warragul. A number of free live music concerts called 'Forecourt Fridays' were held for the community over the summer period.

### Baw Baw Shire's first Early Years Careers Expo

The free Early Childhood Careers Expo ran for the first time in May at West Gippsland Arts Centre. This expo brought sector partners together to promote early years careers, with guest speakers and stall holders present. The event was attended by school students as well as adults seeking a career change.

## Council Supporting a Sustainable, Healthy, and Thriving Community and Shire

Throughout the 2023/24 financial year, Council recorded major internal organisational achievements which support and enhance Council's capacity to deliver on the Council Plan's strategic initiatives.

### Creation of the Strategic Service Plan

Council is committed to delivering the best possible service for our growing population, and a growing population creates a need for smart service delivery.

The Strategic Service Plan is a 10-year plan for our services, and has been developed to inform all long-term service design, planning and delivery decisions, as well as priorities for service reviews and service innovation.

This important program will enable Council to identify the possible range of future service demands to cater for the expanding population, whilst meeting the changing communities' needs.

## Encouraging community engagement

This year saw big steps for Baw Baw Shire in the form of community consultation, as a new online engagement tool was launched to foster community participation in Council projects.

Baw Baw Connect is Council's dedicated online engagement tool for community consultation and feedback activities, and offers residents the opportunity to share ideas, discuss important topics, provide feedback and participate in projects straight from their devices.

During the 2023/24 financial year, 27 community consultation opportunities were undertaken on Baw Baw Connect, and the platform was visited more than 18,000 times by the community.

Engagement is a valuable tool for ensuring transparent and inclusive communication with the Baw Baw community, and Council will continue to encourage the community to have their say.

To learn more, visit [www.bawbawconnect.com.au](http://www.bawbawconnect.com.au)

## Face-to-face customer service returned to Warragul

This financial year marked a significant post-COVID-19 milestone for Council, as the in-person Customer Service Centre returned to Warragul after ceasing face-to-face operations in late 2021 in response to COVID-19 health advice and Victorian Government restrictions.

In September 2023, residents were able to resume direct access to staff at Council's Customer Service Centre within the West Gippsland Arts Centre in Warragul for enquiries and payments.

Providing good customer service is important to Council, which is why it was important to return the option of in-person assistance to the community.

In addition to face-to-face contact with the Customer Service team in the Warragul and Drouin Council offices, customers are also able to contact Council online, by phone, and by post.

## Venue bookings made simple with 'Bookable'

Council oversees and maintains a large number of venues across the Shire, and 17 of those venues are now available to be booked for community use on Council's new booking platform – 'Bookable'.

'Bookable' is a purpose-built platform that allows customers to search for venues, make and manage their own bookings, and make payments, all on the one platform.

Launching this new platform has enabled Council to bring more choices to the community to consider when looking to book a space, whilst promoting the existing Recreation and Community Venues.

Venues available for community hire include meeting rooms, community centres, sports facilities, multi-use spaces, public halls and kiosks.

This process improvement has also allowed for futureproofing of Council's venue hire, and has opened the possibility of expanding the service in the future.

For more information, visit <https://bawbaw.bookable.net.au>

## Optimising Council Meetings

In a move to make Council meetings more inclusive, from February 2024 Council optimised the Council meetings schedule and began trialling monthly day-time meetings.

This change from fortnightly to monthly Council meetings meant that Council agendas are published seven days in advance of the meeting, giving the community more opportunity to stay informed, and more time to make written submissions. This trial was successful, and saw an average increase in attendance of 40 percent compared to the fortnightly meetings at the monthly Council Meetings.

Accessibility to Council Meetings is important, and in addition to attending in person, the community can watch meetings through a livestream on Council's website and can make verbal submissions remotely.



<https://bawbaw.bookable.net.au>

# Financial Summary.

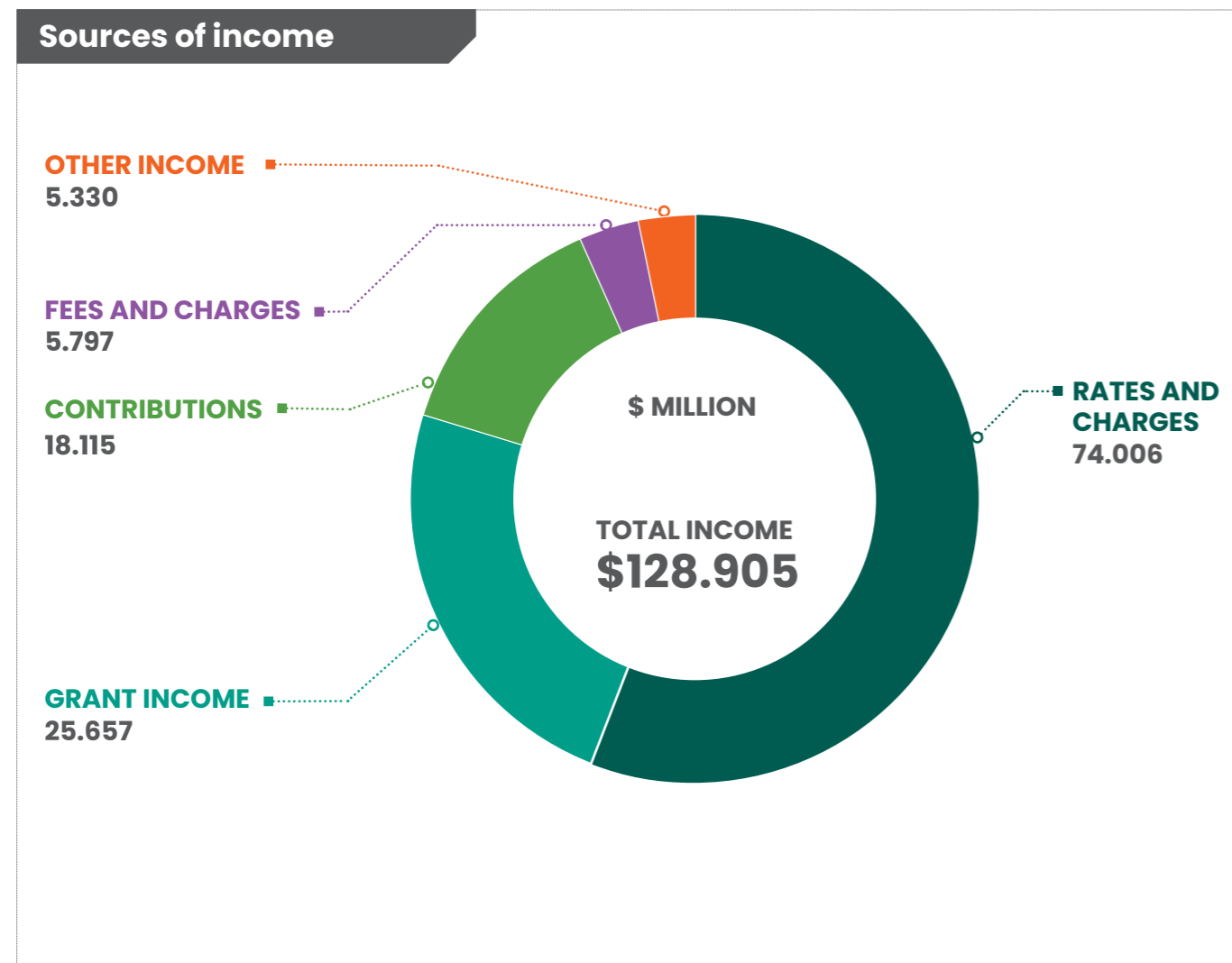
The financial results achieved in 2023/24 are a key component of ensuring the long-term financial sustainability of Council. This financial performance also provides Council with the ability to continue its commitment to service provision for the community. Ongoing investment in renewal of infrastructure assets, such as roads, bridges and footpaths, and the redevelopment of Council buildings and facilities are a key component of Council operations.

A summary of Council's financial performance is outlined below. Detailed information relating to Council's financial performance is included in the section titled 'Financial Statements'.

## Income

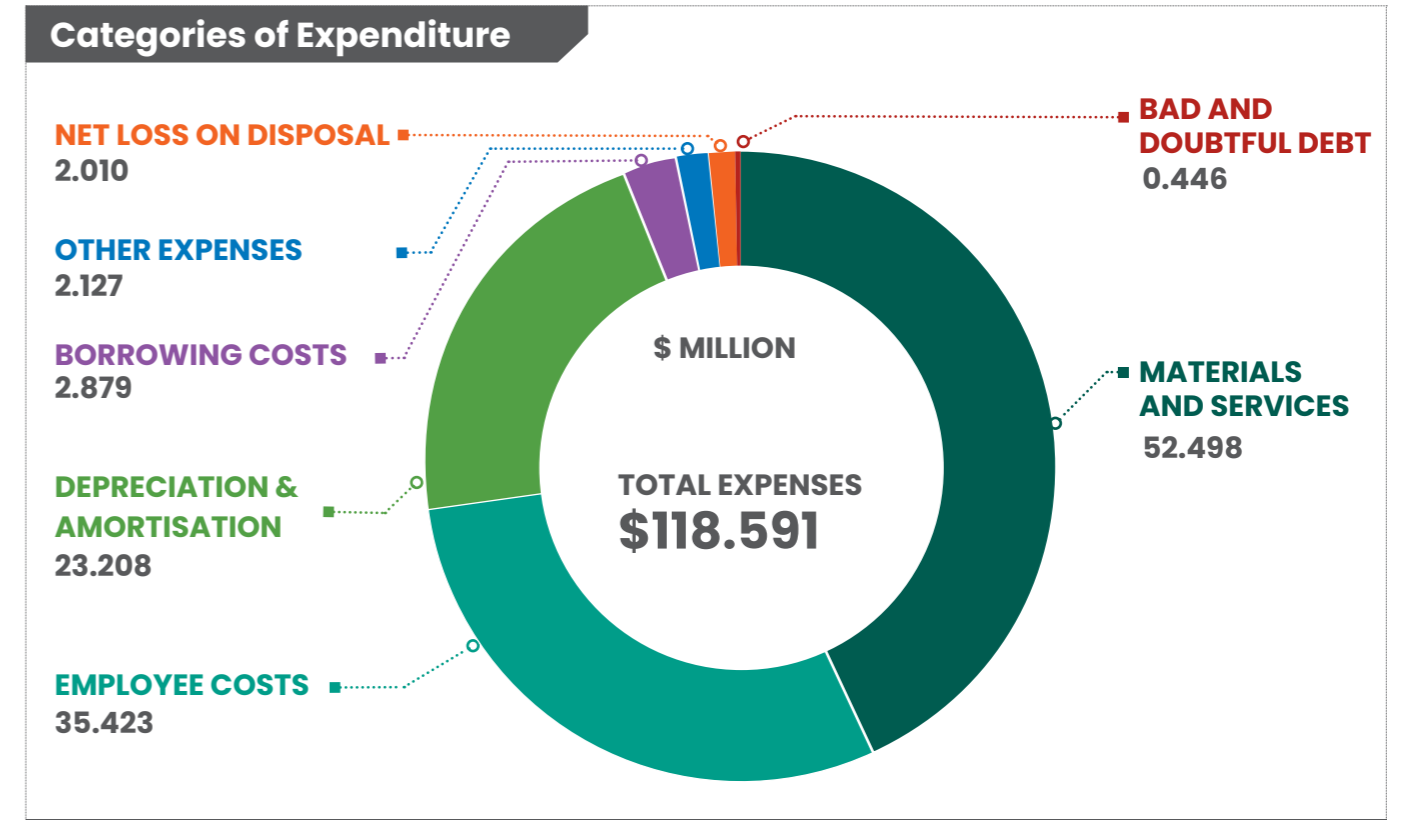
Council's income for 2023/24 was \$128.905 million (\$124.529 million in 2022/23) including rates and charges income of \$74.006 million, capital and operating grant income of \$25.657 million, fees and charges income of \$5.797 million, contributions of monetary assets of \$3.812 million, contributions of non-monetary assets of \$14.303 million and other income of \$5.330 million.

The breakdown of operating income by major category is provided below:



## Expenditure

Council's total expenditure for 2023/24 including depreciation was \$118.59 million (\$106.275 million in 2022/23).



Commentary on the major categories of expenditure are as follows:

**Employee costs** (\$35.423 million) include salaries expenditure and oncosts, such as WorkCover premiums, annual leave, long service leave and superannuation contributions.

**Materials and services** (\$52.498 million) comprise the major costs associated with major areas of expenditure including:

- Waste (\$10.610 million)
- Roads and infrastructure (\$8.864 million)
- Other contract payments (\$2.585 million)
- General maintenance (\$4.451 million)
- Repairs and maintenance (\$4.129 million)
- Natural Disaster damage rectification (\$5.650 million)
- Contribution
  - West Gippsland Regional Library Corporation (\$2.066 million)
- Recreation Services (\$1.836 million)
- Information technology (\$1.644 million)
- Fleet vehicles and plant costs (\$1.055 million)

**Depreciation and amortisation** (\$23.208 million) represent the reducing value of an asset due to wear and tear and obsolescence. The major contributor to depreciation expenses within Council are infrastructure assets, which includes roads, bridges, footpaths, drainage and car parking. (\$0.755 million) relates to the accounting standard AASB 16 Leases - Amortisation - Right of use assets.

**Other expenses** (\$2.127 million) include Council allocations to the community (\$0.662 million).

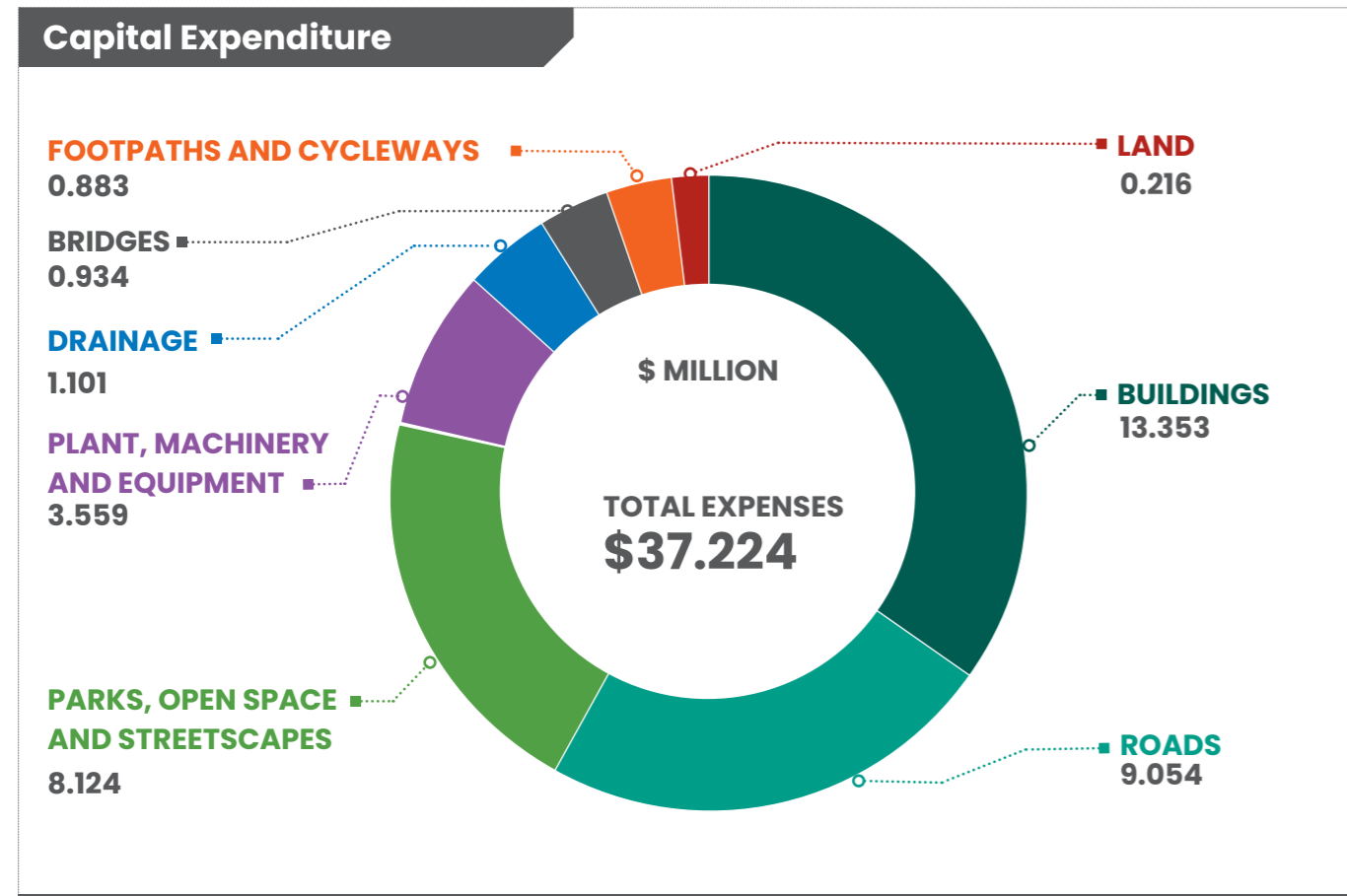
**Net loss on disposal of property, infrastructure, plant and equipment** (\$2.010 million) represents sale proceeds of \$0.132 million compared with a written down value of \$2.142 million.



## Capital Expenditure

Council spent \$37.224 million on Capital Works, the most significant areas were roads, recreation facilities, open space and streetscapes.

The graph below highlights all the categories of capital expenditure, and the proportionate expenditure on each.



## Cash Flow

Council's cash position at 30 June 2024 was \$3.008 million with a further \$48.629 million in term deposits, for a total of \$51.637 million. This represents an overall decrease in cash holdings of \$21.460 million during the 2023/24 financial year (in 2022/23 Council's total was \$73.097 million, comprising \$16.973 million cash plus \$56.124 million in term deposits).

One of the major areas of cash spending for Council during the year was payments for property, infrastructure, plant and equipment of \$37.542 million. This large cash outflow has been offset by the net cash flow from operations of \$10.736 million.

**Note:** The above financial report does not form part of Council's statutory reporting and has been written to assist the community in better understanding the financial statements.

## Community Satisfaction Survey.

The Community Satisfaction Survey is carried out annually, coordinated by Local Government Victoria on behalf of Victorian Councils.

The survey is carried out via telephone to a random survey of 400 residents, aged 18 years and older.

Minimum quotas are applied to gender and age groups, and post-survey weighting is applied to ensure accurate age and gender representation.

The results in the table below represent the perception of Council's performance, sampled four times between June 2023 and March 2024:

Performance Measure	2021	2022	2023	2024
<b>Core performance measures</b>				
Community consultation and engagement	53	51	48	47
Condition of sealed local roads in your area	45	43	38	35
Contact with customer service (rating)	67	70	63	65
Decisions made in the interest of the community	52	51	47	44
Contact in the last 12 months	64	60	62	62
Overall Council direction	50	45	42	39
Overall performance	54	56	53	51
Value for money	45	47	45	43
Waste management	69	71	68	70

Results in the table below show new measures included for the current Council Plan.

Performance Measure	2022	2023	2024
Arts centres & libraries	73	71	73
Appearance public areas	71	68	69
Recreational facilities	69	66	65
Emergency & disaster management	65	64	62
Environmental sustainability	58	59	52
Business and community development and tourism	56	54	52
Lobbying	51	49	46

# Community Development Grants.

The annual Community Grants program was undertaken during 2023/24, with \$300,050 granted in total to 69 different community projects and works.

Successful grant recipients were recognised at a presentation event on 23 May 2024 and these projects are either currently being delivered or have been delivered to benefit the Baw Baw Shire community.

Amounts below have been rounded to the nearest dollar.

## Community Projects

Organisation	Project	Grant
Aberfeldy & District Association Inc.	Defibrillator and Welcome/Information sign for the Aberfeldy Community Hub	\$3,300
Apex Club of Drouin Inc.	Traffic management, signage, advertising for the Geoff Watt Memorial Fun Run & Festival	\$5,000
Baw Baw Arts Alliance	Graphic design for flyers posters and t-shirts, and purchase chalk and canvases for 'Art in the Street' event	\$1,779
Baw Baw Combined Churches Food Relief T/A Baw Baw Food Relief	Additional shelving and clothing racks, and a new cash register and display counter for Op Shop	\$4,254
Baw Baw Sustainability Network	Social media, copywriting, photography, website management and printing for the Creative Harvest Festival	\$4,896
Baw Baw Radio Modellers Association Gippsland Inc.	Purchase a toilet for people with a disability that complies with Australian Standard 1428.1	\$5,000
The Committee For Drouin	Traffic management for the 'Oak Street Arts Happening' event that introduces, and highlights the potential and advantages of the new Drouin Community Hub buildings in Oak Street Drouin	\$1,359
Drouin Uniting Church for Drouin Combined Churches Committee	Printing and delivery of a flyer promoting the 2023 Drouin Carols by Candlelight	\$1,123
Drouin Dragons Soccer Club	Replace broken PVC junior goals with aluminium goals	\$4,995
Drouin Ficifolia Festival Committee Inc.	First aid/St John's Ambulance, and children's entertainment including art, messy play, and face painting for '2024 Ficifolia Festival'	\$5,000
Drouin Hawks Netball Club	Purchase of two tip and roll portable grandstands to provide courtside seating	\$5,000
Ellinbank Badminton Club Inc.	Purchase a portable air dehumidifier, a portable boiling water unit with filter, and two portable heaters to upgrade club room	\$4,800
Erica and District Historical Society Inc.	Purchase storage cabinets and bookcases for archives, record, and library storage	\$4,334
Gladiators Basketball Club	Purchase 45 match grade basketballs	\$4,060
Hill End Community Inc.	Purchase commercial size refrigerator	\$3,444
Landcare Victoria Inc. for Tanjil Valley Landcare	Welcome to Country ceremony, and entertainment including Aussie Wildlife, Bugblitz and Birdlife Australia for 'Tanjil Valley Community Festival'	\$4,190
Mawarra by Knoxbrooke	Purchase 33 assorted eco bins/buckets and liners, 6 backyard chickens and a moveable chicken house/ run for the garden at the Mawarra Centre	\$4,850
Strzelecki Bushwalking Club	Delivery of remote and isolated first aid training	\$3,705

Organisation	Project	Grant
Tetoora Road Community Centre	Purchase of a portable speaker, a tennis net and outdoor land maintenance tools including bypass pruner, hedge shears, lopper, and brush cutter	\$2,015
The Crossing Drop-In Inc.	Purchase computer equipment and professionally developed webpage	\$2,928
Trafalgar Tennis Club	Replacement of six tennis nets and winders	\$2,339
Warragul and District Netball Association Inc.	Purchase 10 iPads and protective cases for live scoring	\$5,000
Warragul and West Gippsland Agricultural Society	Traffic management for the 'Warragul Show'	\$5,000
Warragul Camera Club	Produce and print catalogue, and advertising for the 51st Warragul National Photographic Competition and Exhibition	\$4,000
Warragul Cemetery Trust	Supply of a dishwasher, large refrigerator, and an under-bench fridge to improve kitchen	\$3,577
Warragul Cycling Club	Traffic management for the 'Baw Baw Classic 2024'	\$3,856
Warragul Municipal Band Inc.	Delivery of a music education program - Standard of Excellence, including music books, and instrument maintenance and cleaning	\$1,034
Warragul Playgroup Inc.	Purchase of soft play equipment (soft gym - 12 piece set) for playgroup	\$4,785
Warragul Senior Citizens Club Inc. for Warragul Acoustic Unplugged	Purchase stage lighting and PA system for acoustic unplugged music events	\$3,414
Warragul Theatre Company	Hire of 30+ microphones and full audio production for 'Legally Blonde' theatre production	\$5,000
West Gippsland Genealogical Society Inc.	Purchase of scanner, two computers, keyboards and monitors to improve digital collection and printing of historical information	\$5,000
Western Park Cricket Club	Purchase equipment to support the club's ability to deliver safe, effective, and accessible programs for cricketers of all ages and abilities including Proflex Stop That Ball (50ft system - with weights), Bowdry Machine, FORTRESS Flexi Stump full set, and match Crown cricket balls	\$4,841
Community Church Warragul	Play equipment - 3x tuff tray stand, mat & equipment, drawing board, water play trays, paint brushes, textas, crayons, water pots, easel & drying rack, tarps for floor mats	\$4,485
Downton Park Recreation Reserve Committee	Purchase and installation of a glass washer for the club rooms	\$2,888
Drouin Badminton Club Inc.	Fixed wall padding for badminton stadium	\$4,488
Eastern Park Community Garden	Re-laying of new gravel and compaction, construction of new garden beds, repair of existing garden beds, top up all garden beds with new compost	\$5,000
Ghostlight Theatre Inc.	Venue hire cost	\$5,000
Hill End Mechanics Reserve Committee of Management	Defibrillator and associated items	\$2,000
Mind Australia Ltd.	Purchase of pool table, cues, table tennis table, and bats and balls	\$2,209
Neerim South Public Hall	Install moving stage lighting	\$4,996
Riding for the Disabled Association of Victoria	Purchase of safety and riding equipment	\$4,271
The Committee for Drouin	Production of book highlighting where visitors can engage with nature close to town	\$5,000
The Country Women's Association Inc. Drouin Branch	Laptop and associated items	\$1,750
The Hallora Marathon Inc.	Traffic Management	\$5,000
Trafalgar Bowls Club Inc.	20x 1.8m bifold tables	\$1,300

Organisation	Project	Grant
Trafalgar Football Netball Club Inc.	10x footballs, 33x netballs, 50-inch TV & bracket, PowerPoint for new external tv setup	\$4,573
Trafalgar Holden Museum	Traffic management, TV promotion, flyers and ad media	\$3,600
Trafalgar Junior Football Club	4x footballs, 6x bump pads, 4x ball bags, 2x ruck bags, 50x training bibs, portable goal set, 4x bag gloves and punch mitts & 30x classic headgear pieces, 2x rebound nets	\$5,000
Trafalgar Park Bowls Club	20 slouch hats, router, 5 storage tubs, mulch catcher, earmuffs, saw and battery, 2 pairs of gloves, garden fork, 2.25kg Mattock, handheld vacuum, fertilizer, turf filler/repair kit, compost/sand mix	\$3,478
Walhalla Heritage & Development League Inc.	Desktop PC, warranty, laptop, wireless keyboard, mouse, laser printer and quality portable disc storage	\$3,475
Warragul Community House Inc.	Landscape design, 2 outdoor benches, garden edging, 120kg drainage gravel, 96kg landscape stones, 2 garden rakes, 2 shovels, 24 garden gloves, 1400 litres mulch, 51 native plants	\$4,136
Warragul Girl Guides	10x tents, 3x tables, 5x lanterns, 4x 2 burner stove, 3x stove & pot set, 3x jaffle iron, cast iron cooking set, 2x billies, shelter cover, 5x ice boxes, 3x snake bite kits, 4x tarps, 3x torches & 10x compasses	\$4,569
Warragul Heritage Preservation Association Inc.	LED lighting equipment	\$4,400
Warragul Industrials Football Netball Club	30x footballs	\$3,900
Warragul Little Athletics Club	30x hurdles	\$3,750
Warragul Municipal Band Inc.	Musical instruments, film favourites music booklets	\$3,310
Warragul Youth Theatre	Venue hire cost	\$5,000
West Gippsland Chorale	Program printing	\$400
Wild Dog Triathlon Club	6x stop watches, measuring wheel, laptop, printer	\$2,325
Yarragon Football Netball Club	Purchase 10 iPads and 1 x 6m 4 tier grandstand seating	\$5,000

## Minor Capital Works

Organisation	Project	Grant
Downton Park Recreation Reserve Committee of Management	Purchase and installation of aluminium bench and park seating	\$5,000
Drouin Croquet Club	Renewal of floor covering in club room with stick vinyl	\$4,731
Ellinbank Public Hall Community Assets Committee	Purchase and installation of childproof fence on north side of the hall to create a safe area for children to play outside	\$10,000
Jindivick Mechanics Institute Inc.	Upgrade the electrical wiring and energy efficiency of the hall.	\$10,000
Neerim-Neerim South Football and Netball Club	Replace the existing Netball and Tennis court fence on the north, south and east sides of the courts at the Neerim South Recreation Reserve	\$10,000
Warragul Bowling Club	Extension of existing covered BBQ area to provide greater weather protection to members, guests, and spectators	\$5,000
Rokeby Reserves and Hall Committee Inc.	Strip, prepare and repaint the external walls of Rokeby hall	\$10,000
Willow Grove Recreation Reserve Committee of Management	Re-fit Timekeeper room with new cupboards and shelving to safely store documents, record books and electrical equipment required for the day to day running of the groups	\$6,940

## Educational Sponsorship.

Baw Baw Shire Council's Education Sponsorship aims to encourage students in Year 9 and over (or aged between 15 - 21 years) in their preferred education pathway. This is done by supporting local education providers with an opportunity to recognise and acknowledge students' attributes and effort which aligns with Baw Baw Shire Council's cultural values of being Authentic, Respectful, Resilient, Optimistic, Supportive, and Pragmatic.

This application gives the educational provider the option to nominate one or two students. If they complete nominations for two students, one of those must be for a student of Aboriginal and/or Torres Strait Islander descendants.

Nine of the 11 educational providers nominated 17 students to received funds totalling \$4,250.

## Educational Provider

Educational Provider	Student total	Grant
Chairo Christian College (Drouin campus)	0	\$0
Community College Gippsland	0	\$0
Drouin Secondary College	2	\$500
Lowanna Secondary College	2	\$500
Marist-Sion College	2	\$500
Neerim District Secondary College	2	\$500
St Pauls Anglican Grammar School	1	\$250
TAFE Gippsland	2	\$500
Trafalgar High School	2	\$500
Warragul and District Specialist School	2	\$500
Warragul Regional College	2	\$500

# Major Capital Works.

The 2023/24 financial year saw Council undertake \$37.22 million of works on 173 projects and renewal programs, which included \$13.36 million in external income.

These projects aim to address the diverse needs of the communities within the municipality.

The following is a summary highlighting some of the major projects and renewal programs undertaken during the 2023/24 financial year.

## Drainage

- Roadside drains and flanking works to improve road pavements and roadside drainage on local sealed roads network (\$275,625)
- Reconstruction and rehabilitation of stormwater pits and pipes at various locations across the municipality (\$259,961)

## Footpaths

- Ongoing construction of new priority concrete footpaths through Council's Accelerated Footpath Program (\$274,564)
- The completion of the project to construct 4,700 linear metres of the Erica to Rawson Trail (\$113,955)
- Renewal works on over 4,483 linear metres of gravel paths across the municipality (\$159,944)
- Footpath bay replacement and trip hazard rectification works across the municipality (\$193,622)

## Culverts

- Renewal and/or strengthening of two major culverts at Telbit Road, Caringal and Wiltshire Road, Longwarry (\$377,878)
- Replacement of minor cross road and drainage culverts at various locations (\$22,072)

## Buildings

- Refurbishment and general works at various Council owned buildings and facilities across the municipality (\$677,322)
- Upgrade of the community space at McGregor Park Hall, Trafalgar (\$84,861)
- Construction and refurbishment of public toilets at various locations including Rokeby, Yarragon, Noojee Reserve, Bellbird Park, Drouin, and Stringers Creek, Walhalla (\$161,071)

## Recreation Facilities and Open Space

- Completion of the upgrade and improvements to dog parks at Bellbird Park, Drouin, Brooker Park, Warragul and Holydell Park, Trafalgar. Works included new shelters, dog agility equipment, paths, landscaping, seating, and water fountains (\$85,152)
- The renewal of playground equipment at six playgrounds including Bellbird Park Drouin, Toy Park Longwarry, Noojee Riverside Playground Noojee, Downton Park Yarragon, Apex Park Trafalgar, Briona Court Playground Trafalgar (\$303,010)
- Renewal of the senior soccer pitch at Bellbird Park East, Drouin (\$1,577,850)
- Completion of the renovation works at Western Park Oval 2 (\$182,011)
- Completion of the renewal of four hard surface tennis and netball courts, including compliant run offs and sports lighting at Willow Grove, jointly funded by the Federal Government's Local Roads and Community Infrastructure Program (\$1,200,298)
- Completion of the renewal of cricket practice nets and synthetic game day pitch at Buln Buln Recreation Reserve, and the renewal of the centre synthetic game day pitch at Athlone Reserve, Athlone. The Buln Buln project was supplemented by funding through the Victorian Government's Community Cricket Program, Community Facilities Stream (\$12,019)

## Roads

- Localised pavement and surface repairs on 33 roads across the municipality, assisted by funding through the Federal Government's Roads to Recovery Program (\$3.7 million)
- Localised road pavement repairs at 12 locations in Warragul and road resurfacing and pavement repairs at Contingent Street and McCrory Street, Trafalgar, assisted by funding from the Federal Government's Local Roads and Community Infrastructure Program (\$1.07 million)
- Extensive gravel re-sheeting works, including spot re-sheeting and proactive re-sheeting with additional crushed rock, on roads across the municipality (\$1.56 million)
- Over 200,000 square metres of reseal works to address surface condition on over 15 roads across the municipality, plus preparation for the 2024/25 financial year reseal program including flanking, regulating, patching and kerb repairs (\$1 million)

## Bridges

- Completion of the reconstruction of the Roberts Road Bridge, Yarragon, assisted by funding through the Federal Government's Bridges Renewal Program (\$208,400)
- Completion of planning and design for various bridge renewals and replacements in coming years across the Shire (\$272,766)

## Major Projects

The following major projects are multi-year projects delivered across several financial years. The updates below provide a summary of the activity and expenditure for each project during the 2023/24 financial year:

- Completion of the construction of a multi-use indoor stadium in Warragul, assisted by funding through the Victorian Government's Community Sports Infrastructure Program and Changing Places Program (\$9.57 million)
- Ongoing planning, concept design work, community consultation, and advocacy work to attract funding for the Baw Baw Culture & Connection Precinct - Stage 1 Library & Learning Centre, assisted by funding through the Federal Government's Building Better Regions Fund, Victorian Government's Living Libraries Program and Growing Suburbs Fund (\$510,807)
- Completion of the development of a new female-friendly multi use pavilion for users of the eastern section of Bellbird Park, Drouin, including hockey, soccer, and cricket clubs, schools, and the general community, assisted by funding through the Victorian Government's Growing Suburbs Fund (\$3.37 million)
- Commencement of planning and design for the Downton Park Pavilion Upgrade, assisted by funding through the Federal Government's Local Roads and Community Infrastructure Program (\$167,344)
- Planning and design for the delivery of the Rollo Street Masterplan, Yarragon, assisted by funding through the Victorian Government's Growing Suburbs Fund.
- Completion of the Baxter Park Pavilion Upgrade, Warragul, including female-friendly player and official amenities, upgraded sports field lighting, car park improvements works and a spectator shelter, assisted by funding through the Federal Government's Local Roads and Community Infrastructure Program (\$1.98 million)
- Ongoing planning and design work for Stage 1 of the intertown trail between Rokeby and Noojee as per the Baw Baw Cycling Feasibility Study, assisted by funding through the Victorian Government's Regional Tourism Infrastructure Fund (\$127,691)



## Baw Baw's Advocacy Priorities

Baw Baw Shire Council's advocacy priorities provide a framework for Council to plan and deliver targeted representations to the State and Federal Governments seeking investment in projects that enhance our Shire's liveability and secure our future as a thriving, innovative region.

Baw Baw Shire Council advocates on the community's behalf on a range of issues. We advocate for action and investment directly related to Council's operations and facilities, and sometimes the focus of our advocacy is on matters that are beyond Council's responsibility but that are significant to the needs of the community.

Over the next 20 years, Baw Baw Shire's population is expected to grow by nearly 50 percent. Our flourishing population presents many opportunities to shape a sustainable, healthy and thriving region now and into the future, but rapid growth also places complex planning and financial demands on Council.

To secure our Shire's vision for the future, Baw Baw Shire Council must be ambitious, coordinated, and clear in communicating the investment we need to provide the infrastructure and services our community deserves.

Major community infrastructure, road planning, economic development and healthcare access are among Baw Baw Shire Council's key advocacy priorities for the 2023/24 financial year.

Baw Baw Shire Council undertook sustained advertising efforts, seeking state and federal government investment and support to deliver key social infrastructure, transport planning and business attraction including but not limited to:

- The Baw Baw Culture and Connection Precinct Stage 1 - Library and Learning Centre
- Warragul and Drouin arterial road network upgrades
- Longwarry Logistics and Employment Hub, and;
- Early Years Infrastructure.

Following is a summary of some of the advocacy activities Baw Baw Shire Council undertook throughout 2023/24 on behalf our community:

- Council has successfully advocated for \$19m funding for the Baw Baw Culture and Connection Precinct:

- Victorian Government's Growing Suburbs Fund - \$3.5m
- Victorian Government's Living Libraries Fund - \$1m
- Federal Government's Growing Regions Fund - \$14.5m
- Council has successfully received \$18.65m in competitive grant funding throughout the 2023/24 financial year.
- Council advocated and celebrated the ongoing delivery of early years services in Erica.
- Council presented to the Victorian Grants Commission who are responsible for the delivery of Financial Assistance Grants. This meeting has led to additional funding to deliver a pilot program to improve the understanding and investment in regional and rural roads through the program.
- Council made a number of key submissions including:
  - 2024/25 State Budget
  - 2024/25 Federal Budget
  - Victorian Freight Plan
  - Plan Victoria, and;
  - Federal Inquiry into the Financial Sustainability of Local Government.
- The Mayor and CEO represented the Baw Baw Shire community in meetings with key State and Federal members of parliament throughout the year.
- Council made more than 100 representations to key members of state and federal parliament, and other key stakeholders raising awareness of Baw Baw's advocacy priorities.



For more information about Baw Baw Shire Council's Advocacy Priorities, please [www.bawbawshire.vic.gov.au/Advocacy](http://www.bawbawshire.vic.gov.au/Advocacy)



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# Our Councillors.

Baw Baw Shire has nine Councillors elected to govern the municipality, with three Councillors elected from each of the three wards. Councillors have the responsibility for setting Council's strategic direction, policy development, identifying service standards and monitoring performance across the organisation.

The Mayor is elected by Council in November each year and serves for a 12-month period. Council elections are held every four years, with the most recent being October 2020. The next Council elections will be held on 26 October 2024.



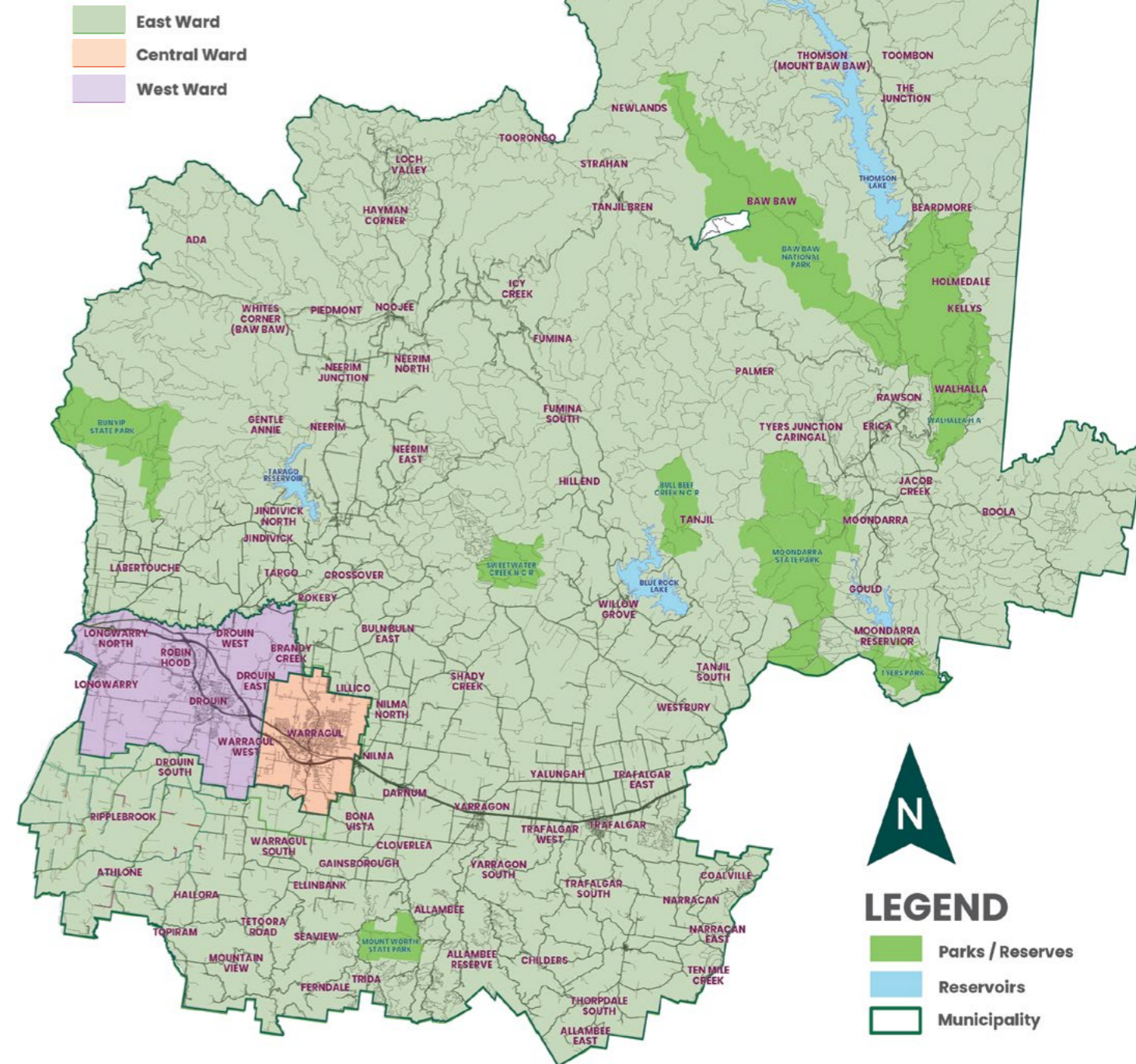
**Back row:** Cr Darren Wallace, Cr Peter Kostos, Cr Jazmin Tauru, Cr Michael Leaney, Cr Keith Cook

**Front row:** Cr Farhat Firdous, Mayor Annemarie McCabe, Deputy Mayor Tricia Jones

**Not pictured:** Cr Danny Goss

## Electoral Structure of Baw Baw Shire Council.

3 Councillors in each Ward.



Baw Baw Shire Council's Ward Boundaries have been adjusted following a Victorian Electoral Commission (VEC) review conducted in accordance with section 15(2) of the *Local Government Act 2020* and this comes into effect for and from the 2024 Election.

The review was requested as the number of voters per Councillor in one or more Wards forecast to vary from the average number of voters per Councillor for all of the wards by more than 10 percent.

The purpose of the VEC review was to correct this forecast imbalance for the October 2024 Local Council Election.

The VEC's recommended Ward boundary model was approved by the Minister for Local Government and published in the Government Gazette on 28 May 2024.



# Our Councillors.

## Central Ward **Includes:** Warragul.



### Cr Farhat Firdous

**Date elected:** 17 May 2023 - Current

- Environmental Voice Advisory Committee
- Healthy in Baw Baw Advisory Committee



### Cr Danny Goss

**Date elected:** 2016 - Current

- CEO Performance Review Committee (resigned May 2024)
- Early Years Advisory Committee
- Baw Baw Culture and Connection Precinct Project Reference Group (Chair)



### Cr Jazmin Tauru

**Date elected:** 2020 - Current

- Access and Inclusion Advisory Committee
- Healthy in Baw Baw Advisory Committee
- Place Names Advisory Committee

## West Ward **Includes:** Drouin, Drouin West and Longwarry.



### Cr Annemarie McCabe (Mayor)

**Date elected:** 2020 - Current

- Audit and Risk Committee
- Arts and Culture Advisory Committee
- Healthy in Baw Baw Advisory Committee
- Myli Limited Board
- Baw Baw Culture and Connection Precinct Project Reference Group
- One Gippsland
- CEO Performance Review Committee



### Cr Keith Cook

**Date elected:** 2021 - Current

**Prior terms:** 2016-2020

- Place Names Advisory Committee
- Environmental Voice Advisory Committee
- Municipal Emergency Management Planning Committee (MEMPC)



### Cr Tricia Jones (Deputy Mayor)

**Date elected:** 2008 - Current

- Audit and Risk Committee
- Municipal Association of Victoria
- Access and Inclusion Advisory Committee
- Environmental Voice Advisory Committee
- Early Years Advisory Committee
- Road Safe Gippsland Community Road Safety Council
- Baw Baw Latrobe Local Learning Employment Network
- Recycling Victoria Local Government Advisory Committee
- CEO Performance Review Committee

## East Ward **Includes:** Noojee, Tanjil Bren, Rawson, Walhalla, Erica, Neerim South, Willow Grove, Yarragon, Thorpdale, Trafalgar, Darnum, Drouin South and Jindivick.



### Cr Michael Leaney

**Date elected:** 2016 - Current

- Audit and Risk Committee
- Arts and Culture Advisory Committee
- Timber Towns Victoria
- Peri-Urban Councils Victoria



### Cr Peter Kostos

**Date elected:** 2013 - Current

**Prior terms:** 2011-2012, 2005-2008

- Environmental Voice Advisory Committee



### Cr Darren Wallace

**Date elected:** 2016 - Current

- South East Australian Transport Strategy Inc. (SEATS)
- Road Safe Gippsland Road Safety Council
- CEO Performance Review Committee



# Our Organisation.

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. Senior Officers report directly to the CEO and form the Executive team.

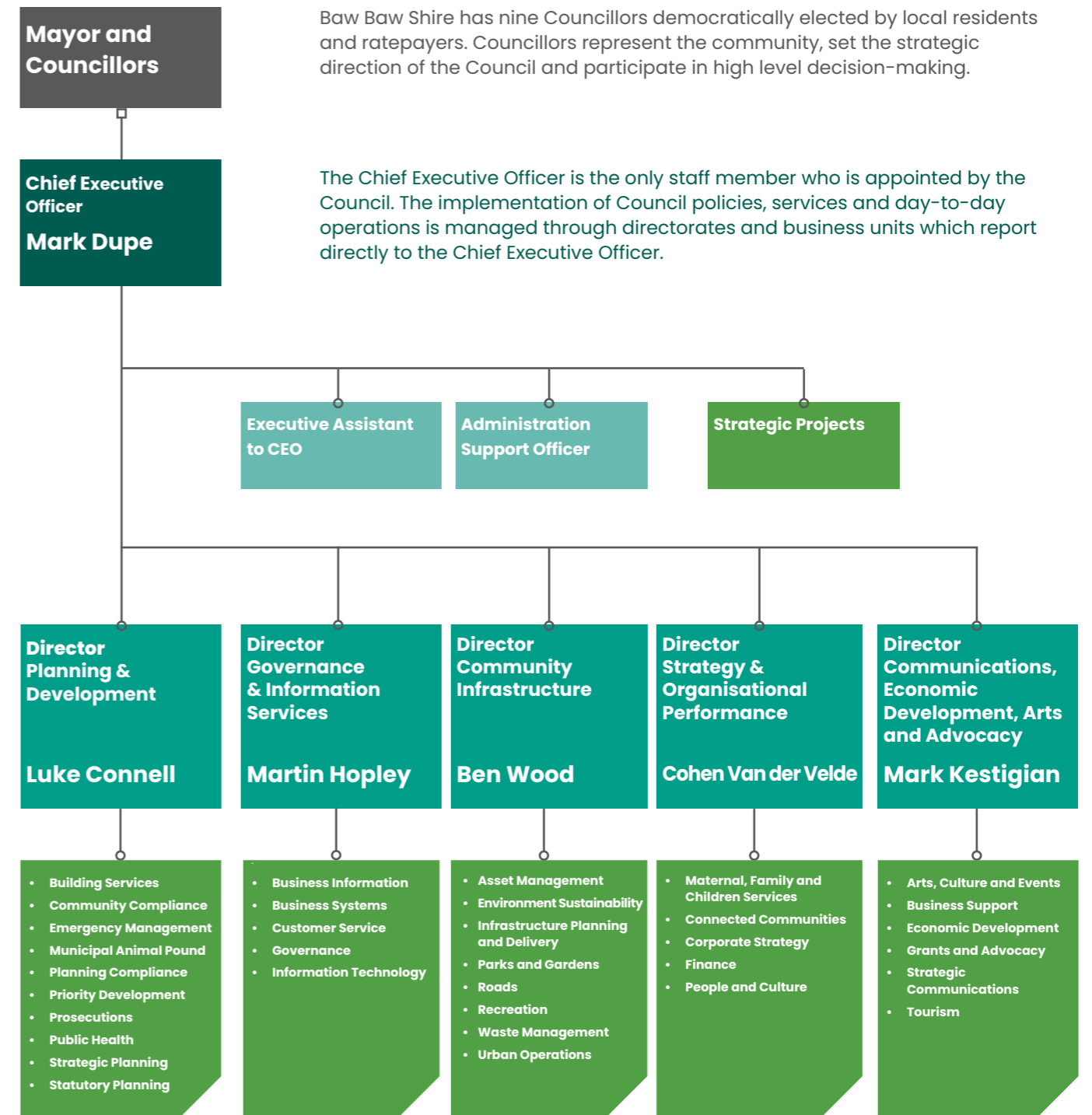
The Executive team provides high level strategic direction and is responsible for the operational delivery of decisions made by Council as outlined in the Council Plan.

Members of the Executive team work closely with Council, attend all Council meetings, and present reports and recommendations to Council.

Council's aim is to attract, retain and develop talented and committed employees through the continuous improvement of its people and culture, organisational development and occupational health and safety programs and initiatives.

Council is committed to providing a safe and harmonious work environment free from discrimination, bullying and harassment.

## Organisation Structure.





# Council Staff.

## Employee Positions (by Gender and Directorate)

A summary of the number of full time equivalent (FTE) staff by organisation structure, employment type and gender.

Employee type / Gender	Chief Executive Office	Community Infrastructure	Economic Development, Arts & Advocacy	Governance & Information Services	Planning and Development	Strategy and Organisational Performance	Grand Total
Full Time Female	3.00	19.00	14.00	18.00	38.22	26.42	118.64
Full Time Intersex or Indeterminate	0.00	0.00	0.00	0.00	1.00	0.00	1.00
Full Time Male	3.00	84.00	9.00	10.00	27.42	12.00	145.42
Part Time Female	0.59	4.93	4.59	7.28	8.67	17.68	43.73
Part Time Male	0.00	0.99	0.60	1.40	5.05	0.69	8.73
<b>Grand Total</b>	<b>6.59</b>	<b>108.91</b>	<b>28.19</b>	<b>36.68</b>	<b>80.36</b>	<b>56.79</b>	<b>317.52</b>

Full time equivalent (FTE) by gender and band (excluding casual employees).

Bands	Full Time Female	Full Time Male	Full Time Intersex or Indeterminate	Part Time Female	Part Time Male	Grand Total
Band 1	0.00	0.00	0.00	4.90	4.44	9.34
Band 2	0.00	0.00	0.00	0.00	0.00	0.00
Band 3	1.00	35.00	0.00	0.42	1.59	38.01
Band 4	19.00	18.00	0.00	9.50	1.02	47.52
Band 5	30.00	20.00	1.00	13.43	0.00	64.43
Band 6	28.00	19.00	0.00	8.75	0.69	56.44
Band 7	20.00	26.00	0.00	4.46	0.60	51.06
Band 8	15.00	27.00	0.00	0.00	0.80	42.80
Band (not applicable)	4.00	0.00	0.00	3.92	0.00	7.92
<b>Grand Total</b>	<b>117.00</b>	<b>145.00</b>	<b>1.00</b>	<b>45.38</b>	<b>9.14</b>	<b>317.52</b>

## Workforce Plan

Council's Workforce Plan describes Council's vision for our employee experience through three key pillars:

- A Workplace of Equal Opportunity.
- A Future Ready Workforce.
- A Mature and Capable Organisation.

Each pillar creates understanding of the contribution we each make to achieving our vision and mission through identified strategies and performance indicators. The Workforce Plan ensures Council has the workforce needs at the forefront of decision making to create a healthy, sustainable and thriving organisation and community.

Over the past 12 months, we have taken significant steps to ensure our workforce remains future-ready. This includes identifying and delivering a robust Employee Value Proposition to enhancing staff attraction and retention, developing a comprehensive capability framework to align our skills with organisational needs, and maturing our data story to leverage trends for evidence-based decision-making.

By focusing on these key areas, we have continued to progress our workforce plan objectives, with a strong focus on attracting and enhancing the employee experience, equally building a resilient workforce equipped to provide quality services to the community.

## Gender Equality Action Plan

Council's Gender Equality Action Plan (GEAP) identifies opportunities and initiatives that ensure our people practices are inclusive and equitable.

It is important to note that whilst the Gender Equality Act is geared to improving equality for women and gender diverse people, there is also a requirement to consider intersectionality - the ways in which different aspects of a person's identity can expose them to overlapping forms of discrimination and marginalisation. Council is approaching all of our work with this strongly in mind, committed to equality measures not just for women and gender diverse people but for all people, no matter their unique identity.

In alignment with Council's GEAP, the past 12 months have been focused on facilitating training to bring awareness to intersectionality and how Council can continue to ensure processes and practices are inclusive.

Equally, Council has undertaken several Gender Impact Assessments and respective training to ensure community projects are reviewed with an intersectionality lens. This practice is important to ensuring the services we deliver are inclusive.

## Preventing Violence Against Women

Council continues to promote the Prevention of Violence against Women, primarily through leading gender equity and building respectful and safe relationships and breaking down stereotypes of women. This is a prevention strategy consistent with Council's health and wellbeing planning approach.

## Enterprise Bargaining Agreement

Council undertook negotiations to implement an improved Enterprise Bargaining Agreement.

Council's objective for the process was to create an Agreement that supports flexibility and enhances employee entitlements in alignment with our Gender Equality and Workforce Plan commitments.

The voting process received an 80 percent participation rate and a successful 'yes' vote. The enhanced Agreement came into operation on 10 May 2023.

## Occupational Health and Safety

Baw Baw Shire Council's health and safety vision is to provide the safest and most rewarding place to work for the benefit of all our team and the community in which we live and work.

We believe a team that is supported leads to an effective, safe and skilled workplace. This is a core value to underpin the Council Plan objectives.

We are committed to improving our safety performance by focusing on safe leaders and planning, safe behaviours and environments, and safe people.

Key improvements and projects undertaken during 2023/24 include:

- Review of Council's emergency planning procedures, including evacuation plans for Council office locations.
- Development of a framework for managing occupational violence and aggression, and;
- Continued development and streamlining of Council's safety management platform.

## WorkCover Insurance Premium and Benchmark

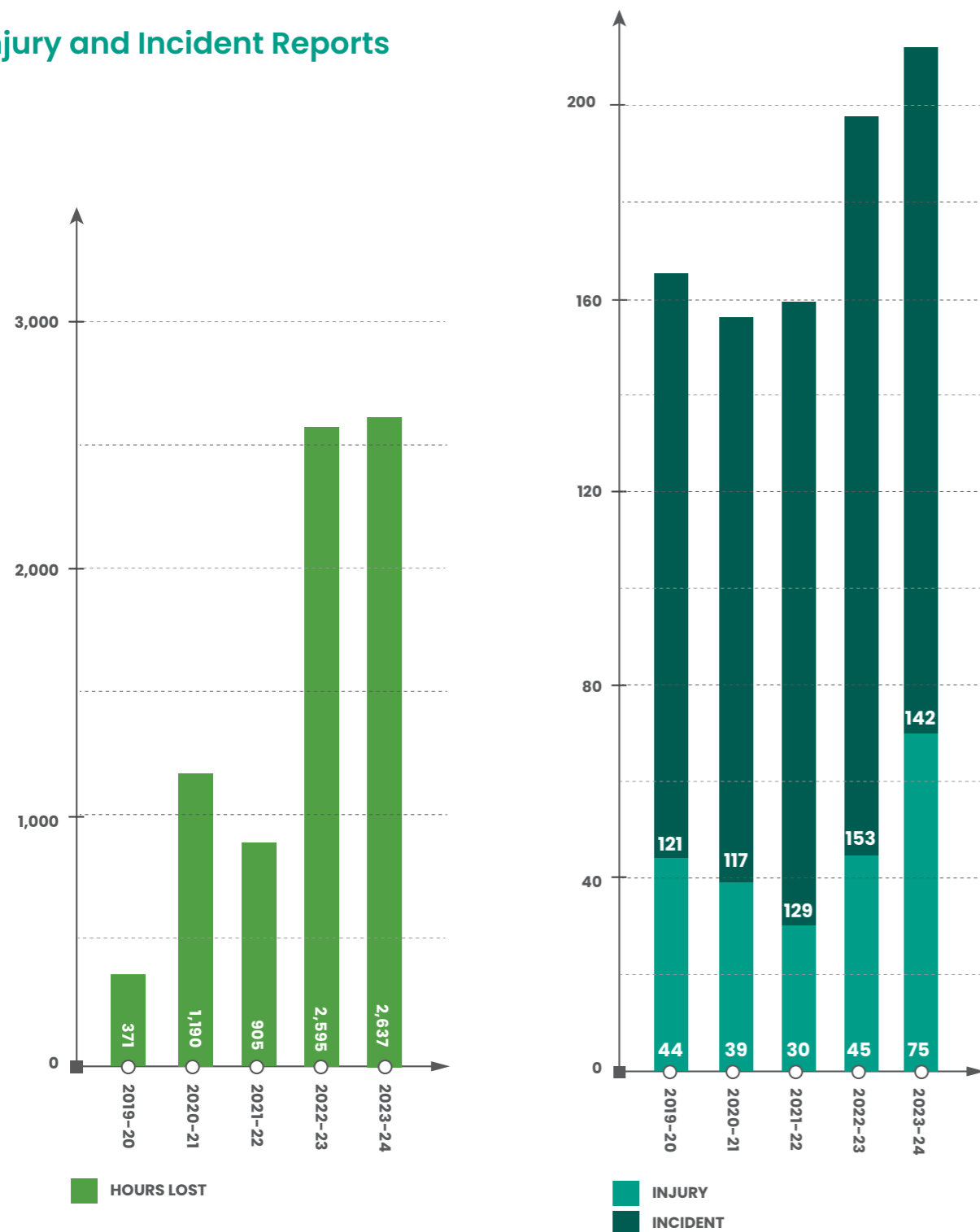
Baw Baw Shire Council's premium costs for 2023/24 were \$726,479.49.

The Employer Performance Rating (EPR) compares premiums across an industry sector. An EPR of 1 is the benchmark. An EPR greater than 1 is below par performance and an EPR less than 1 is above par performance.

Council's EPR for 2023/24 was 0.76, indicating a positive 24% in comparison to industry average.

Council has seen a positive improvement to the performance rating which is attributed to a decline in workplace injuries and an increase in proactive support for personal injuries that may impact a person's ability to work safely.

## Injury and Incident Reports



Whilst Council experienced a 50% decrease in WorkCover claims during the financial year, the severity of some claims resulted in a significant time lost.

## Other staff matters

### Equal Opportunity

Baw Baw Shire Council is an equal opportunity employer, committed to ensuring our workplace is free of discrimination and harassment, where all employees can work in a positive, supportive environment. All employees, volunteers and contractors have the right to be treated with dignity and respect while working for Council.

Council embraces workforce diversity and endeavours to ensure the application of Council policies, practices, and procedures that no discrimination takes place, diversity is encouraged, and all employees are afforded equal access to opportunities.

Council's ongoing equal opportunity initiatives focus on prevention and include:

- Equal opportunity induction for new employees.
- Cyclic training for all staff on aspects of equal opportunity.
- Applying merit and equity principles in recruitment and succession practices.
- Provision for flexible working arrangements.
- Supporting an organisation culture that does not condone or tolerate acts of discrimination, harassment, bullying or violence.

The principles of Council's equal opportunity program are set out in the employee Code of Conduct and Equal Opportunity Policy.

### Ensuring Child Safety – Statement of Commitment

Council is committed to providing and actively promoting a safe environment for children.

Council has zero tolerance towards child abuse, and is committed to protecting the physical, emotional, cultural, and social wellbeing of all children. Council has policies and systems to protect children, and all allegations and safety concerns will be treated seriously.

Baw Baw Shire Council acknowledges that children's safety is a whole of community responsibility and is everyone's business.

Over the past 12 months, Council has provided face to face Child Safety training to 155 staff members including the executive team covering the 11 Victorian Child Safe Standards. Council also continues to review and update all child safe information, and has used the Victorian Department of Health's Self-Assessment Tool to assist with identifying continuous improvement opportunities.

# Our Performance.

## Council's Planning and Reporting Framework

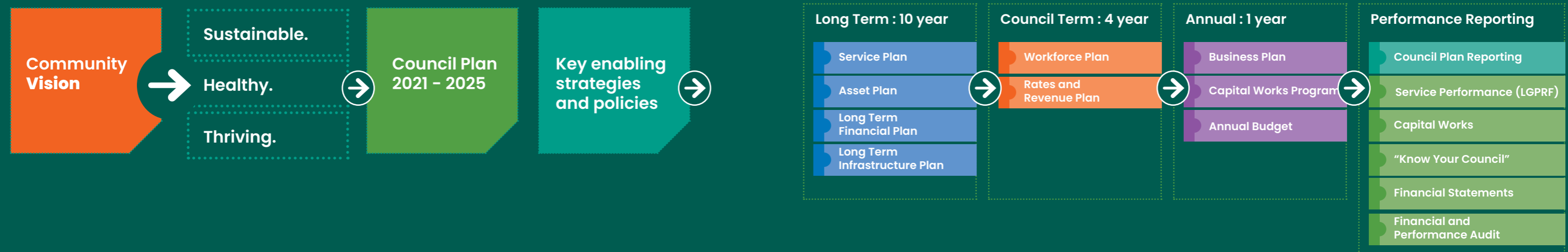
Council's planning framework seeks to align Council's daily activities and projects with the longer-term planning for the Shire.

Drawing on the longer-term vision for the community, the Council Plan responds by establishing objectives and outcomes the Council wishes to achieve during

its four-year term. This is resourced by the Budget and reported in this Annual Report of Operations and the audited statements.

The following diagram shows the relationship between the key planning and reporting documents that make up Council's planning framework.

## Planning and Reporting Framework Baw Baw Shire.



Part 4 of the *Local Government Act 2020* requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years)
- A Financial Plan (for at least the next 10 financial years)
- An Asset Plan (for at least the next 10 financial years)

A Council Plan (for at least the next 4 financial years)

A Revenue and Rating Plan (for at least the next 4 financial years)

An Annual Budget (for at the next 4 financial years)

An Annual Report (for each financial year)

A Quarterly Budget Report

Financial Policies

The Act also requires councils to prepare:

A Workforce Plan (including projected staffing requirements for at least 4 years)

# Community Vision.

**Developing a vision for our future helps us to prioritise our actions for today and for tomorrow.**

Baw Baw's first Community Vision "Baw Baw 2050" was developed in 2011. A new Community Vision was developed in 2021, informed by more than 360 members of our community and developed through a deliberative process with a panel of more than 40 community representatives.

Together, they established community aspirations for the future of Baw Baw Shire for the next 20 years and beyond. This is our new shared aspiration for the long-term future of the Shire: to be Sustainable, Healthy and Thriving:

- Sustainable towns and villages that continue to benefit from our beautiful rural and natural environment.
- Healthy people, living in connected communities and healthy environments, and
- Thriving, diverse and resilient communities.



# Council Plan 2021 – 2025.

The Council Plan 2021–2025 represents a four-year road map for the Council and describes the key services and priorities upon which Council will direct its focus.

To read the  
Council Plan in  
full, visit



[bawbawshire.vic.gov.au/CouncilPlan](http://bawbawshire.vic.gov.au/CouncilPlan)

In developing the Council Plan, Council has considered:

- The aspirations of the community as set out in the new Community Vision.
- The key goals Council aims to achieve over the four years 2021 to 2025.
- The critical challenges we face.
- How we need to respond to succeed.

The Community Vision informs and guides the planning and priorities of Baw Baw Shire Council. The Council Plan 2021–2025 defines how Council will respond to the Community Vision over the next four years.

The Plan identifies those priorities for action and investment, both in the community and in the organisation, that we believe will make the biggest difference for us all in achieving our longer-term aspirations.

## The strategic direction

One of the biggest challenges immediately facing our community is the rapid growth in population and how we will continue to deliver services and infrastructure for existing and new residents, while also facing other critical challenges identified on page 11 of the Council Plan.

Our strategic direction for the duration of the Council Plan 2021–2025 is: Readyng the Shire for the future, and supporting community quality of life as we continue to grow.



## Objectives and strategies

Our Strategic Objectives are aligned with the Community Vision, and will help guide Council in its planning, action, investment, and advocacy as we support and work towards a sustainable, healthy and thriving Shire and community.

These objectives align to the Community Vision and ensures that Council’s activities over the term of this Council Plan respond to the Vision:

- A Sustainable Shire responds to the Community Vision and goals related to sustainable built and protected natural environments.
- A Healthy Community responds to the Community Vision and goals for healthy people and environments and connected and inclusive communities.
- A Thriving Community responds to the Community Vision and goals for strong economy: education, tourism and culture, and future ready infrastructure and transport.

## Key focus areas

The Council Plan identifies several key focus areas and new initiatives that Council has identified to implement aspects of the Community Vision from 2021 through 2025.

The strategies have been developed as a coherent set, in response to the strategic direction of the Council and the Community Vision for the four years 2021 – 2025. The strategies recognise the integrated and related nature of the challenges we face and what we are trying to achieve.

Seeing them together also helps us understand the interrelated nature of the strategies in achieving our goals, with the opportunity to operate as much as possible at the intersection of the objectives.

Over the period 2021–2025, we will focus on 11 key areas in the delivery of Council services, infrastructure, and advocacy:

1. Planning for a sustainable, healthy and thriving Baw Baw Shire.
2. Providing community infrastructure, services and facilities which support sustainable communities and are responsive to changing needs.
3. Advocating for strategic priorities and those services and facilities needed by the community.
4. Sustainably protecting and managing the natural environment and agricultural land.
5. Supporting community health, safety and wellbeing, including mental health.
6. Supporting community connectivity, diversity, inclusion and reconciliation.
7. Creating environments that support a diversity of sports and recreation opportunities and walkable communities across the Shire.
8. Responding to and readying for climate change, emergency events, disruption and transition.
9. Enabling a strong local economy, through support for business and innovation and local access to skills development and jobs.
10. Supporting community arts and events to create vibrancy and attract people to live work and play in Baw Baw.
11. Improving local transport networks and advocating for improvements for roads and public transport for residents across the Shire.

## Performance

Council's performance for the 2023/24 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan.

Performance against each of the Council Plan objectives is reported on the following pages and includes:

- Results achieved in relation to the strategic indicators in the Council Plan.
- Progress in relation to the major initiatives identified in the budget.
- Services funded in the budget and the persons or sections of the community who are providing those services.
- Results against the prescribed service performance indicators and measures.

## Indicators

Council's performance is regularly monitored using the indicators contained in the Council Plan and Budget. This includes those developed by the State Government for all Victorian Councils as a consistent measure of service performance (the Local Government Performance Reporting Framework).

These indicators are used by Council to measure progress toward its strategic objectives and effectiveness of its services.



# A Sustainable Shire.

**A Sustainable Shire responds to the Community Vision and goals related to sustainable built and protected natural environments.**



## Strategic Indicators

The following statement reviews the performance of Council, including results achieved against the strategic indicators outlined in the Council Plan.

Performance Measure	Result	Comment
Council CO2 emissions.	2,051 Tonnes	Council's overall carbon emissions increased in the 2023/24 year, due mainly to an increase in use of natural gas by the West Gippsland Arts Centre, resulting from the increased usage of the space associated with the opening of the cafe and dining area. Council's use of fuel for its vehicle and machinery fleet also increased slightly in 2023/24, contributing to the increase in carbon emissions. In 2024, Council transitioned its small sites electricity contract over to the Victorian Energy Collaboration (VECO). This collaboration means that Council now sources 100% renewable energy for all electricity contracts (street lighting, large sites, and small sites), resulting in zero carbon emissions.
Council potable water consumption.	59,142 Megalitres	Water consumption has decreased 20.4% in the 2023/24 year. This reduction is in part caused by higher than usual rainfall during the summer period.
Number of trees planted.	59	Council planted 59 trees as part of its annual street tree planting capital works program. Planting sites were identified through customer requests, vacant nature strip sites and replanting trees in sites where existing trees had been removed.
Number of new residential lots created.	581	There were 581 new residential lots created in 2023/24, compared with 485 in 2022/23.
Percentage of Precinct Structure Plan (PSP) land supply released for residential development (Ha).	10.11%	As of 30 June 2024, 10.11% of the land identified in the Precinct Structure Plans for Warragul and Drouin was released for residential lot development. The land supply satisfies the State Government requirement of 15+ years of land supply.
Total number of building permits issued by building surveyors in Baw Baw Shire.	1,102	The number of building permits issued in 2023/24 dropped a further 21% compared to 2022/23. This was likely due to property market instability caused by interest rate rises, increased inflation rates, and consumer confidence.

## Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023/24 Annual Budget for the year.

Initiative	Progress
Implement the Environmental Sustainability Strategy and corresponding two-year Action Plan	Ongoing. Adopted 14 September 2022. Council's Environmental Sustainability Strategy two-year Action Plan (2022/23 and 2023/24) has commenced delivery. Highlights include a draft Carbon Emissions Reduction Plan for Council consideration; Council's Revolving Sustainability Fund has captured realised cost savings from recently completed projects and re-invested those savings into installations at Warragul Leisure Centre and various other locations; completion of a revised Asset Register structure to enable the registration of green assets; and multiple sites across the Shire for the Container Deposit Scheme.
Identification and assessment of significant trees for the development of a Significant Tree Register. The Register will be considered for future protection amendments in the Baw Baw Planning Scheme.	Ongoing. Consultant led engagement with the community and key stakeholders resulted in over 1,300 nominations for significant trees. Onsite assessments are underway, and the project will continue with the aim of protecting significant trees with a planning scheme amendment.
Develop and implement a Carbon Emissions Reduction Plan	Ongoing. Council established its baseline emissions profile following the collation of emissions data across Council's operations and services. A draft Carbon Emissions Reduction Plan has now been prepared for Council consideration, outlining future actions to reduce operational emissions to net zero by 2050.
Develop a Circular Economy Plan for Council consideration and implementation	Ongoing. Council has commenced the development of a draft Circular Economy Policy for Council operations. Capacity building workshops and internal discussions with staff and teams on the concept of Circular Economy (CE) and how this might be introduced into Council's operations and services were conducted throughout the year. A draft CE policy is being developed and will be available for further stakeholder feedback.

## Services

The following table provides information in relation to the services funded in the 2023/24 budget.

Service	Description	Net Cost (\$'000)	Actual Budget (\$'000)	Variance (\$'000)
Property Management	Managing the legal and financial aspects of Council's portfolio of property for the most efficient and effective use of properties including the rationalisation of non-essential property and maximising the use of Council property.	956	1,694	738
Statutory Planning	Statutory Planning undertakes Council's statutory functions and obligations under the <i>Planning and Environment Act 1987</i> , the <i>Subdivision Act 1988</i> and associated legislation.	1,753	1,644	(110)
Priority Development	Priority Development undertakes Council's statutory functions and obligations under the <i>Planning and Environment Act 1987</i> , the <i>Subdivision Act 1988</i> and associated legislation. It is tasked with supervising construction, ensuring that all requirements within subdivision planning permits have been satisfied, including engineering works and Development Contribution requirements.	2,079	1,838	(241)
Building Services	Building Services is responsible for the provision of statutory services pursuant to the <i>Building Act 1993</i> .	983	1,180	197
Environment	Environment carries out functions in relation to management of the built and natural environment, including implementation of Council's Environmental Sustainability Strategy and Action Plan, environmental community education programs, waste education and advocacy, Council energy efficiency and sustainability, operation of Council's Native Vegetation Offset Scheme and provision of environmental planning and compliance advice.	1,401	1,547	146
Emergency Management	The Emergency Management service provides the support to Council to comply with statutory provisions under the <i>Country Fire Authority Act 1958</i> and <i>Emergency Management Act 1986</i> . The objective of the service is to improve Council's preparation and planning in the three functional areas of emergency management, prevention, response and recovery.	6,462	832	(5,630)
Arboriculture Service	Arboriculture Service is responsible for the maintenance of Council's street and park trees within the urban area, through proactive and reactive inspections and follow up works if required, to enhance public safety. This includes compliance with Council's Electrical Line Clearance Management Plan.	1,459	1,331	(121)



## Service Performance Indicators

Certain service performance indicators are prescribed under the *Local Government (Planning and Reporting) Regulations 2020*. The following statement provides the results of the prescribed service performance indicators and measures relating to this Council Plan objective.

Service Indicator : measure : [calculation]	Results				Comments
	2021	2022	2023	2024	
<b>STATUTORY PLANNING</b>					
<b>Timelines</b>					
SP1 Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	105.00	114.00	132.00	117.00	The time taken to decide planning applications decreased this year. This is a positive result stemming from Council's sustained focus on reducing the backlog of historical applications with long processing times.
<b>Service standard</b>					
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] x 100	39.64%	47.92%	41.75%	58.97%	The percentage of planning applications decided within the required timeframes continues to improve and is attributed to process improvements and workforce stability.
<b>Service cost</b>					
SP3 Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,484.90	\$2,679.75	\$4,049.40	\$4,438.20	The total cost of the planning service decreased by approximately \$162,000 compared to last year, however the lower number of applications received by Council (395 for the year) has caused the cost per application to increase.
<b>Decision making</b>					
SP4 Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	57.14%	64.71%	64.00%	41.67%	The result for this measure decreased compared to last financial year due to more VCAT cases being settled prior to formal hearing.  The impact of this is that more applications were settled or withdrawn before more extensive legal costs were incurred.  The decrease is also due to a change in State reporting guidelines, where withdrawn/struck out cases are no longer included in the overall VCAT outcomes. As a result, 10 of the 24 decisions appealed at VCAT were not set aside.
<b>WASTE COLLECTION</b>					
<b>Service standard</b>					
WC2 Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	1.97	1.95	1.36	0.91	There was a total of 182, or 0.9 bins missed for every 10,000 scheduled kerbside garbage and recycling bin lifts.  Despite an increase in the total number of bins collected for the year, 33% less bins were missed.
<b>Service cost</b>					
WC3 Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$117.65	\$146.73	\$156.99	\$154.18	The cost of kerbside garbage collection remains consistent with last year at \$154 per bin. Service cost has increased over the previous two years due to the landfill levy, labour, fuel, population growth, and transportation costs.
<b>Service cost</b>					
WC4 Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$62.79	\$67.40	\$64.03	\$66.34	Both the cost of the recycling bin service and the number of bins increased marginally over the year, however, Council was able to maintain a consistent cost compared to previous years.
<b>Waste diversion</b>					
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] x 100	54.31%	53.58%	53.52%	53.83%	The landfill diversion rate for this year remained consistent with previous years. More than half of the waste collected was recycled or processed for green organics.



# A Healthy Community.

**A Healthy Community responds to the  
Community Vision and goals for healthy  
people and environments and connected  
and inclusive communities.**

## Strategic Indicators

The following statement reviews the performance of Council, including results achieved against the strategic indicators outlined in the Council Plan.

Performance Measure	Result	Comment
Community mental health and wellbeing – self reported health status	77%	The Victorian Population Health Survey 2022 indicates that 38.6% of residents across Gippsland self-report their health as excellent or very good, and a further 38% report their health as good. This data was the most recent at the time of reporting.
Community activity levels – sufficiently active for health	24%	According to the National Health Survey 2022 almost one in four (23.9%) people aged 15 years and over met the physical activity guidelines.
Number of users on designated pathways and trails per head of municipal population	6.96	The total number of utilisations for Council's designated pathways for the 2023/24 financial year was 422,132. This figure represents a 2% decrease of walking track utilisation on the previous financial year.
Hectares of public open space	657 ha	There are 626 hectares (6,266,362 square metres) of Council-owned land, or land managed by Council, maintained as public open space. These areas are comprised of parks, gardens, sports fields, natural environment, bushland, and open space access reserves.
Number of sports fields within recreation reserves	29	Council maintains 22 sports fields, including ovals, pitches, and synthetic surfaces within recreation reserves across the Shire. A further seven fields are managed by Committees of Management. In the last 12 months Council added the Jindivick Recreation Reserve Oval following capital upgrade works.
Length of footpaths, paths and trails constructed (km)	4.6 km	Just over 4.5 kilometres of paths, trails, and footpaths, were constructed during the year.
Total length of paths and trails	549 km	Council's Asset Register includes 549 kilometres of paths and trails owned by Council.
Number of children unable to be placed in a suitable 4 year old kindergarten program	0	All children were able to be placed in a suitable 4 year old kindergarten program during the 2023/24 financial year.
Number of children unable to be placed in a suitable 3 year old kindergarten program	0	All children were able to be placed in a suitable 3 year old kindergarten program during the 2023/24 financial year.



## Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023/24 Annual Budget.

Initiative	Progress
Ongoing implementation of the Municipal Public Health and Wellbeing Plan and annual action plan.	Ongoing. Partner organisations and Council continue to implement actions of the plan, overseen by the Healthy in Baw Baw Strategic Steering Committee.
Development and successful transition to new waste contracts, including community education and support.	Ongoing. During the year Council transitioned to new residual waste and kerbside collection and transport contracts. Work continues to finalise our Green Organics and recycling Processing contracts through Gippswide Kerbside collaborative procurement. These contracts will ensure value for money and continuity of waste services for the Baw Baw community. A major component of these contracts allows for the successful transition to a four-stream waste service with the introduction of separate glass recycling from October 2024 and food organics garden organics in 2026. Council began implementing our Waste Services Transition Plan, which included an extensive community education and engagement campaign for new and existing waste services.
Prepare for the introduction of Food Organics and Green Organics (FOGO) collection and investigate options for separate glass collection in Council's kerbside waste services.	Ongoing. The introduction of FOGO in Baw Baw has been delayed until 2026 as there is currently no suitable processing site to accept food organics within Gippsland. Due to this, Council has planned for the early introduction of a separate glass recycling service. The roll out of new purple lidded bins is underway with the service to commence in October 2024.
Assess the existing network of paths, trails, and reserves in Precinct Structure Plans (PSPs) to identify opportunities for connections to growth areas. This project also includes the targeted assessment of street cross-sections in the PSPs and in some cases the potential impact on surrounding vegetation.	Ongoing. Field surveys were conducted, followed by development of detailed reports. Cross-sections have been completed. The project will continue over the next year.
Continued advocacy for external funding to contribute to the Baw Baw Culture and Connection Precinct (Stage One Library and Learning). Investment in strategic capital projects 2021 – 2025: Baw Baw Culture and Connection Precinct (Civic Park Masterplan) Stage 1.	Details of Council's Capital Works Program is provided in the 'Major Capital Works' section of this report.
Continued delivery of Council's Recreation and Open Space capital programs.	
Deliver strategic capital projects 2021 – 2025: <ul style="list-style-type: none"> <li>• Indoor stadium – Stage 1 Warragul</li> <li>• Bellbird Park East Multi Use Pavilion</li> <li>• Rokeby to Noojee Trail – Stage 1</li> <li>• Rollo Street, Yarragon Masterplan Project</li> <li>• Indoor stadium – Stage 2 Drouin</li> <li>• Logan Park Cycling Centre of Excellence</li> </ul>	
Undertake review of Council's Open Space Strategy and begin the development of the Open Space Landscape Guidelines.	Ongoing. Engagement for the Open Space Strategy (OSS) took place in the first half of the year. From this engagement, the draft vision, outcomes and objectives of the strategy were prepared and shared with Councillors in April. External consultants were engaged to support the review of documentation of existing and future open space across the shire to identify opportunities to standardise and any gaps in the provision of open space. This assessment was completed to understand a baseline provision against the draft levels of service as well as assisting with collecting data relating to open space quality, functionality, and condition of open spaces. The draft strategy is now being compiled and will be presented to Council in 2025.

## Services

The following table provides information in relation to the services funded in the 2023/24 Annual Budget.

Service	Description	Net Cost (\$'000)	Actual Budget (\$'000)	Variance (\$'000)
Connected Communities	Providing, partnering in, and promoting programs and services which support unity, diverse community needs, and build resilience, through the delivery of community grants, public health and wellbeing planning, youth programs, days of significance, and the strengthening of relationships with Traditional Custodians.	794	793	(1)
Community Cultural Development	Community Cultural Development supports and encourages community-based groups and individuals by providing networks, assisting with skills development initiatives and ensuring a high level of communication about arts and cultural initiatives and opportunities.	589	460	(129)
Family and Children's Services	Family and Children's Services supports families and their children (from birth to 12 years) through services including Maternal and Child Health, Family Day Care, and kindergarten enrolments.	3,648	3,176	(472)
Social & Community Planning	The Social and Community Planning unit carries out functions in relation to community and social planning including municipal public health planning.	376	375	(1)
Recreation	The Recreation team is responsible for the management of Council's leisure and pool facilities contracts, support for committees of management of public halls and recreation reserves, and the planning and delivery of recreation services and facilities to the community.	3,648	3,176	(472)
Strategic Planning	The Strategic Planning unit provides strategic direction and planning for future land use for the municipality.	1,303	1,704	400
Community Compliance	Community Compliance aims to protect the community and Council amenity. Key service areas include local laws, parking enforcement, animal management, planning enforcement, asset protection, permit administration and school crossing program.	3,924	3,201	(723)
Public Health	Public Health is responsible for the delivery of public health services that includes: <ul style="list-style-type: none"> <li>Food safety inspections and sampling.</li> <li>Investigation of infectious/ communicable illness in the community.</li> <li>Conducting tobacco education and education and enforcement inspections.</li> <li>Monitoring and registration of prescribed accommodation and caravan park.</li> <li>Investigation of nuisance complaints.</li> <li>Management of onsite waste disposal.</li> </ul>	691	672	(19)
Waste Management	The Waste management team carries out the following functions: <ul style="list-style-type: none"> <li>Overseeing the contracts for the kerbside waste collection and disposal, and transfer station operations.</li> <li>Street litter collection, illegal dumping and the responding to related customer queries on waste management.</li> <li>Managing customer queries on waste management including waste education facilitation.</li> <li>Managing all the Environment Protection Authority (EPA) compliance requirements for the Trafalgar Landfill.</li> </ul>	12,854	11,356	(1,498)
Infrastructure Maintenance	Urban Maintenance is responsible for the maintenance of Council's urban infrastructure and cleansing in town areas, including public toilets, signage, drainage, street sweeping, and street tree maintenance	2,573	2,622	49

## Service Performance Indicators

Certain service performance indicators are prescribed under the *Local Government (Planning and Reporting) Regulations 2020*. The following statement provides the results of the prescribed service performance indicators and measures relating to this Council Plan objective.

Service	Results				Comments
	indicator : measure : [calculation]	2021	2022	2023	
<b>AQUATIC FACILITIES</b>					
<b>Service standard</b>					
AF2 Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.17	1.00	1.00	1.00	Council Officers completed inspections of all Council owned aquatic facilities.
<b>Utilisation</b>					
AF6 Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.28	4.59	7.05	6.45	In total, there were 391,401 visits to Council aquatic facilities in 2023/24. This is approximately 26,000 less visits than last year. Despite this reduction, the number of visits per person remains comparable to last year's result of 7.05.
<b>Service cost</b>					
AF7 Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$11.18	\$6.78	\$3.80	\$4.39	Energy pricing was a major driver in the cost of service delivery increasing this year. Contract variations and venue operating costs were also contributing factors. This, combined with lower attendance rates, resulted in a cost of \$4.40 per visit.
<b>ANIMAL MANAGEMENT</b>					
<b>Timeliness</b>					
AM1 Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.35	4.34	1.84	1.34	Customer response times have reduced from 4.3 days in 2021/22, to 1.3 days this year. Improvement initiatives from the previous year continue to have a positive impact. The reduction in response times is a significant result, considering that the number of animal management requests received has increased by 45%, from 2,160 last year to 3,140 this year.
<b>Service standard</b>					
AM2 Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	47.05%	44.79%	60.17%	65.69%	The number of collected animals reduced by 21%, from 605 last year to 478 this year. This indicates that the responsible pet ownership program in its second year of delivery continues to have a positive impact. The total percentage of animals reclaimed continues to increase.
<b>Service standard *</b>					
AM5 Animals rehomed [Number of animals rehomed / Number of animals collected] x 100	34.50%	40.69%	34.05%	67.07%	Council continues to actively work on improving the rehoming rate of unclaimed animals. The total animals rehomed or reclaimed throughout the year was 88% (424 animals). * A mandated change in the calculation of this measure has also contributed to the significant increase. From this year on, reclaimed animals have been removed from this measure to give a more accurate reflection of animals rehomed.
<b>Service cost</b>					
AM6 Cost of animal management service per population [Direct cost of the animal management service / Population]	\$12.86	\$10.76	\$17.08	\$15.29	The total cost for the animal management service decreased by approximately \$80,000 this year, equating to a cost of \$15.30 per head of the population. The cost of this service includes activities such as compliance, management of the Municipal Animal Pound, and veterinary services.
<b>Health and safety</b>					
AM7 Cost of animal management service per population [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100.00%	100.00%	100.00%	100.00%	There were 16 animal management prosecutions this year (increasing from five last year). All were successfully pursued by Council. Prosecutions are conducted on an as needs basis or when required under the <i>Domestic Animals Act 1994</i> . Council's primary strategy remains focused on community safety, communication, education, and promotion of responsible pet ownership.
<b>FOOD SAFETY</b>					
<b>Timeliness</b>					
FS1 Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.38	1.21	1.24	1.12	Consistent with previous years, most complaints were responded to within 24 hours. Council responded to 33 complaints this year.
<b>Service standard</b>					
FS2 Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x 100	80.00%	89.12%	99.75%	94.15%	Council aims to complete all required annual food safety assessments for registered Class 1 and 2 food premises. Council completed 306 assessments this year, representing 94% of the target. Assessments not completed were largely due to some premises only opening for short periods during the year due to seasonality of their trade.
Table continued over next page					

Service	Results				Comments
	indicator : measure : [calculation]	2021	2022	2023	
<b>FOOD SAFETY CONT.</b>					
<b>Service cost</b>					
<i>FS3 Cost of food safety service</i>					
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$443.46	\$267.12	\$305.84	\$255.30	The service cost reduced to previous levels this year and equated to \$255 per premises. There was a higher number of registered premises this year (1,170) compared to last year (933) which contributed to a lower cost per premises.
<b>Health and safety</b>					
<i>FS4 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] x 100	94.12%	98.75%	100.00%	100.00%	During the year, there were a total of 29 critical and major non-compliance notifications, all of which were followed up by Council.
<i>FS5 Food Safety Samples *</i>					
[Number of food safety samples obtained / Number of required food samples] x 100	N/A*	N/A*	N/A*	101.19%	Council collected 85 samples throughout the year, one more than the required 84. *As this is a new measure from 2023/24 there are no comparative results available.
<b>MATERNAL AND CHILD HEALTH (MCH)</b>					
<b>Service standard</b>					
<i>MC2 Infant enrolments in the MCH service</i>					
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	101.50%	100.53%	100.92%	101.36%	All birth notifications received were actioned and all newborns were enrolled in Council's Maternal and Child Health Service. During the year, 744 infants were enrolled in the service. The result is more than 100% because babies born late in the previous year participated in the service this financial year.
<b>Service cost</b>					
<i>MC3 Cost of the MCH service</i>					
[Cost of the MCH service / Hours worked by MCH nurses]	\$78.72	\$77.25	\$90.87	\$86.65	Council provided over 16,000 hours of Maternal and Child Health Services for families during the year, resulting in a cost of \$86.65 per hour of service. Council provided more than 1,000 extra hours this year with only a small increase in the total cost of service. This resulted in a reduced hourly cost of service.
<b>Participation</b>					
<i>MC4 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] x 100	70.92%	70.55%	69.41%	67.30%	The overall participation rate for the Maternal and Child Health Service was 67%, which is marginally lower than the previous financial year.
<b>Participation</b>					
<i>MC5 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] x 100	73.15%	70.25%	70.67%	72.19%	Participation in the Maternal and Child Health service by Aboriginal children was 72% and is marginally higher than the two previous years.
<b>Satisfaction</b>					
<i>MC6 Participation in four-week Key Age and Stage visit</i>					
[Number of four-week key age and stage visits / Number of birth notifications received] x 100	93.58%	94.32%	97.07%	93.87%	The service received 734 birth notices during the year and conducted 689 four-week Key Age and Stage assessments.



# A Thriving Community.

**A Thriving Community responds to the Community Vision and goals for strong economy, education, tourism and culture and future ready infrastructure and transport.**

## Strategic Indicators

The following statement reviews the performance of Council, including results achieved against the strategic indicators outlined in the Council Plan.

Performance Measure	Result	Comment
Grant funding attracted by Council advocacy.	\$18.65 million	The Commonwealth Government has committed \$17.3 million for projects including \$14.5m for the Baw Baw Culture and Connection Precinct and \$2.8m via the LRCI Program. The State Government committed \$1.3m for projects including the Noojee Forestry Transition Program, the Dowton Park Pavilion Redevelopment and additional funding for the introduction of (FOGO) services.
Number of visitors to the Shire.	1.04 million	This is an annual figure (to year-end December 2023). Source: Destination Gippsland - National Visitor Survey, Tourism Research Australia
Visitor spend in Baw Baw Shire.	\$332 million	Total visitor spend for 2023/24 was \$332 million. Source: Spendmapp
Attendance at the West Gippsland Arts Centre as a percentage of seat capacity.	69%	Attendance at the West Gippsland Arts Centre continues to grow with more events and a variety of quality acts. Council continues to support community theatre-based activity.
Number of new community event enquiries received.	71	Overall, there were 71 enquiries for community events received in the financial year. The enquiries ranged from arts events to markets, and playground pop-ups.
Number of recurring or significant community events supported.	73	Events included: ANZAC Day events, SnowFest, NAIDOC Week, International Women's Day, the Australian Local Government Women's Association's (ALGWA) Victorian State Conference, the Hallora Marathon Running Festival, Drouin Ficifolia Festival, Neerim Bower Sculpture Show, Just a Farmer community film screening, the Australia Day Awards and community events.
Number of businesses in the Shire.	5,872	Average number of businesses during Q1 to Q3 of the 2023/24 year. Q4 data was unavailable due to collection issues from an external source. Source: Remplan
Gross Regional Product (GRP).	\$13.61 billion	Compared to \$11 billion reported last year. Source: Remplan
Business support enquiries received.	496	There were 496 enquiries to Council's Business Support Service.
Number of jobs.	20,670	This result is from 2023 Release 2. Source: Remplan
Asset renewal and upgrade compared to depreciation.	103.29%	Council's renewal and upgrade expenditure was in line with the budget and asset requirements. Due to delays in capital projects and expenditure not meeting the capital thresholds, capital expenditure was lower in 2022/23.
Percentage of adopted capital works projects completed by end of financial year.	81.02%	Council was able to complete 81% of the Capital Works projects this year. A number of projects, including multi-year projects and projects added after the budget was adopted, continue to be progressed and will be completed in future financial years.
Square metres of sealed local roads resealed.	238,489 m <sup>2</sup>	Details of Council's Capital Works Program is provided in the 'Major Capital Works' section of this report.
Length of unsealed local roads re-sheeted.	4.4 km	
Sealed local roads reconstructed.	64,188 m <sup>2</sup>	

## Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023/24 Annual Budget for the year.

Initiative	Progress
Implement the Economic Development and Visitor Economy Strategy.	Ongoing. The Economic Development and Visitor Economy Strategy 2022-2025 is on track for delivery. Key initiatives that have been delivered to date include strengthening our regional tourism brand in partnership with Visit Gippsland, engaging with the economic south east growth corridor to develop a peri-urban growth zone to attract new businesses to the region, and continuing to advocate and secure funding for Council's advocacy priorities.
Supporting the local community economy and vibrancy with the allocation of major events funding.	Completed. Delivered events include Melbourne Food and Wine Festival, Live at the Park, Walhalla Springfest, and Spartan Races.
Implement Creative Communities Strategy for Baw Baw Shire, supporting community vibrancy and engagement.	Ongoing. The Creative Communities Strategy is developed and will be implemented from 2023-2029. 2023/24 Key initiatives and highlights include: Knoxbrooke/Coffee Vibes celebrated their first year of operations. WGAC hosted a number of high-profile performers including Jimmy Barnes, Jimmy Rees, and Shannon Noll. Supporting local theatre groups 'Off The Leash Theatre', 'Ghostlight Theatre', 'Warragul Youth Theatre', and 'Warragul Theatre Company' through subsidised theatre hire and staffing. Warragul Youth Theatre sold 2,800 tickets and Warragul Theatre Company sold 3,100 tickets (their highest to date). Successful application for \$8,000 to support First Nations Circus group Na Djinang in 2025.
Advocacy on Baw Baw road transport priorities including the Drouin Arterial Road Network Planning.	Ongoing. Council launched a community advocacy campaign titled 'Fix Our Road Network'. The campaign featured in local media and online. Over 450 people engaged with the campaign, and over 80 letters were sent to State Government. The Mayor met with the Minister for Transport and Infrastructure about the funding requirements. Meetings with key Ministers and Departments continued throughout the year. A grant application is being prepared in partnership with Department of Transport and Planning to the Federal Government and will include the Warragul and Drouin Arterial Road Network Planning.
Continued focus on Shire roads and delivery of Capital programs across Council's gravel and sealed roads, and Road Safety projects.	Details of Council's Capital Works Program is provided in the 'Major Capital Works' section of this report.
Advocate for State Government support towards the implementation of the Best Start, Best Life reforms, including increased access to funding for infrastructure and ongoing maintenance obligations for Early Year's services.	Ongoing. Council's Municipal Early Years Infrastructure Plan has been finalised and was adopted by Council on 1 May 2024. This plan will be used to support conversations and advocacy regarding supply and demand of the service. Council officers have met with Department to commence discussions on population projections to support the new Kindergarten Infrastructure and Services Plan (KISP). This plan will establish an agreed position on growth and population upon which grant applications for infrastructure can be based. Council officers also commenced discussions with the Department of Education Building Blocks team to discuss required support over the next 10 years. An advocacy document, including a detailed case study, has been developed regarding Council's increased need for infrastructure funding, particularly for aging facilities.

## Services

The following table provides information in relation to the services funded in the 2023/24 Annual Budget.

Service	Description	Net Cost (\$'000)	Actual Budget (\$'000)	Variance (\$'000)
Arts	The Arts service manages, administers and programs Baw Baw Shire's iconic West Gippsland Arts Centre as a major regional arts facility.	2,561	2,009	(553)
Libraries	The library service is delivered through a service agreement with Myli, Baw Baw, Bass Coast and South Gippsland Councils. The library service is delivered through agreement between the My Community Library (Myli), Baw Baw, Bass Coast and South Gippsland Councils.	2,241	2,172	(69)
Economic Development and Tourism, including Grants and Advocacy	The Economic Development and Tourism unit is primarily responsible for facilitating business growth, investment and visitation. The unit also promotes the key attributes of the municipality by positioning Baw Baw Shire as a great place to live, work and play. The Grants and Advocacy unit works to identify priority projects, and advocates to seek funding from other government authorities on behalf of the community. The Economic Development service facilitate business growth, investment and visitation. The unit also promotes the key attributes of the municipality by positioning Baw Baw Shire as a great place to live, work and play.	1,894	1,583	(311)
Civil Asset Planning	Coordinates Council's functions in relation to planning, delivery and prioritisation of drainage, roads, traffic, parking and footpath infrastructure works across the shire. It also manages Council's long-term capital works program.	2,025	2,089	(64)
Infrastructure Delivery	Coordinates Council's functions in relation to planning and delivery of Council's annual and long-term capital works program. Coordinates Council's functions in relation to planning and delivery of Council's annual and long-term capital works program.	389	530	142
Major Projects	The Major Projects team coordinates Council's functions in relation to major projects including buildings, roads and bridges, structures, upgrading or extending existing builds, major road works that upgraded existing roads.	203	225	22
Road Maintenance	The Road Maintenance team is responsible for roads including road maintenance, contract management and delivery of the allocated road capital works program, Road Management Plan compliance and customer enquiries for Council's road network.	11,220	10,084	1,136
Open Space Maintenance	Open Space Maintenance are responsible for the management of Council's urban parks and gardens, including planting, oval and sports field maintenance. Management of the natural environment, including community education programs, pest plant and animal programs and management of the shire's wetland and bushland reserves.	4,208	4,257	49
Facilities Maintenance	The Facilities Maintenance team is responsible for the overall management of Council's property portfolio, including building and facility management and compliance with regulations and statutory requirements.	949	847	(102)

## Service Performance Indicators

Certain service performance indicators are prescribed under the *Local Government (Planning and Reporting) Regulations 2020*. The following statement provides the results of the prescribed service performance indicators and measures relating to this Council Plan objective.

Service	Results				Comments
	Indicator : measure : [calculation]	2021	2022	2023	
<b>LIBRARIES</b>					
<b>Resource standard</b>					
<i>LB2 Recently purchased library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	67.86%	68.44%	67.06%	67.97%	There were 57,136 items in the library collection (including e-resources) with 38,836 of those items being purchased in the last five years. The proportion of the library collection that is less than five years old was consistent with previous years.
<b>Service cost</b>					
<i>LB5 Cost of library service per population</i> [Direct cost of the library service / Population]	\$31.92	\$30.79	\$28.18	\$30.57	The cost of delivering the library service is consistent with previous years.
<b>Utilisation</b>					
<i>LB6 Library loans per population</i> [Number of collection item loans / Population]	N/A*	N/A*	N/A*	3.27	There were over 198,000 loans made during the year, which equates to 3.27 loans per item. The total number of loans is consistent with last year's result. As this is a new measure from 2023/24 there are no comparative results available.
<b>Participation</b>					
<i>LB7 Library membership</i> [Number of registered library members / Population] x 100	N/A*	N/A*	N/A*	31.02%	There were 18,810 registered library members at the end of the 2023/24 year. This number equates to 31% of the municipal population. As this is a new measure from 2023/24 there are no comparative results available.
<b>Participation</b>					
<i>Library visits per population</i> [Number of library / Population]	N/A*	N/A*	N/A*	2.29	There were approximately 139,000 visits to Council libraries during the year, equating to over two visits per resident. As this is a new measure from 2023/24 there are no comparative results available.
<b>ROADS</b>					
<b>Satisfaction of use</b>					
<i>R1 Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	59.67	60.98	107.78	96.86	Council received a lower number of customer requests compared to last year. High rainfall and severe storm events continue to impact the volume of requests received by Council. Response times have improved, with requests now being inspected and addressed within an average of 3.4 days.
<b>Condition</b>					
<i>R2 Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	98.18%	97.31%	97.55%	94.56%	Council continued to maintain a high proportion of its road network to the condition standards. Road condition was modelled on historical data as condition assessments are completed every four years.
<b>Service cost</b>					
<i>R3 Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$49.71	\$92.65	\$53.58	\$76.13	Council continues to investigate and utilise materials that increase the longevity of our roads. As a result, Council increased the volume of asphalt used this year. This coupled with increasing cost of materials and the impact of inclement weather conditions have increased the result for this measure.
<b>Service cost</b>					
<i>R4 Cost of sealed local road resealing</i> [Direct cost of the animal management service / Population]	\$7.14	\$5.92	\$6.84	\$10.29	Council increased investment this year in preparatory works to improve longevity of roads in the network. This coupled with increasing cost of materials and the impact of inclement weather conditions have increased the result for this measure.
<b>Satisfaction</b>					
<i>R5 Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	45.00	43.00	38.00	35.00	Satisfaction with sealed local roads decreased by three points compared to the previous year. The average result for similar sized Councils was 38.



# Council Supporting

a Sustainable, Healthy, Thriving Community and Shire.

Council supporting a Sustainable, Healthy, Thriving community and Shire, which responds to the Community Vision and goals of the internal organisational services and initiatives, which help Council's delivery of the Council Plan.



## Strategic Indicators

The following statement reviews the performance of Council, including results achieved against the strategic indicators outlined in the Council Plan.

Performance Measure	Result	Comment
Total number of community consultation opportunities advertised via Council's website ('Have Your Say' section).	30	Council's 'Have your Say' webpage, Baw Baw Connect, is one of the many ways the community can have input into a Council decision, policy or strategy including the draft Budget, Council Plan, and Long Term Infrastructure Plan.
Customer requests received which have been resolved.	88.5%	29,937 customer requests were resolved this financial year.
Customer inquiries resolved at first point of contact.	81.8%	Over 50,000 enquiries were resolved at first point of contact.
Number of media releases.	129	Council issues a variety of media releases to keep the community and media informed. Their subjects may vary from the completion of major projects, to announcements of new initiatives and consultation opportunities, to updates on Council's ongoing advocacy efforts or any other matters of significant public interest.
Number of people reached via social media.	4.4 million	This year, Council focused on social media engagement levels. While total reach (number of content impressions) was lower than last year, engagement with Council's social media per impression has increased by 9.3%. Council had a total audience growth of 7.6%.

## Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2023/24 Annual Budget for the year.

Initiative	Progress
Development and delivery of an internal Future Ready Baw Baw program, to meet the future needs of the community. Focused on Information Technology (IT), Services, Workplaces, and People.	Ongoing. Council is implementing an internal program aimed at improving organisation service, systems, process capacity, and capability to improve outcomes for the community and respond to growth. Key initiatives include a core systems renewal project, developing a long-term plan for Council services, and workplace strategy. This is a multi-year organisation transformation program. All projects are currently in progress and proceeding according to schedule.
Develop a Depot Strategy to ensure Council can continue to conduct works and deliver services that meet the needs of the community into the future.	Ongoing. Council is actively considering possible general locations for multiple purposes including sporting infrastructure along with capacity to provide for effective service delivery in the long-term including depot operations. This higher-level review will progress through the 2024/25 financial year will be critical in determining the long term Depot Strategy.

## Services

The following table provides information in relation to the services funded in the 2023/24 Annual Budget.

Service	Description	Net Cost (\$'000)	Actual Budget (\$'000)	Variance (\$'000)
Accounting Services	The Accounting Services function is to manage Council's financial activities to ensure statutory compliance and financial sustainability. This includes development of the annual budget, long term financial plan and annual statutory financial statements.	2,029	2,668	639
Business Information	The Business Information team provides mail, courier, document management, and information management compliance services to support Council and Council customers. This includes Freedom of Information, privacy, public records and evidence protection legislation.	359	429	70
Chief Executive's Office	The Chief Executive's Office represents the management of Council, including the core governance functions of the Chief Executive Officer and expenses relating to: <ul style="list-style-type: none"> <li>Maintaining an appropriate organisational structure.</li> <li>Ensuring the decisions of the Council are implemented without undue delay.</li> <li>Day-to-day management of the operations of the organisation in accordance with the Council Plan.</li> <li>Providing timely advice to the Council.</li> <li>Proactively advocating to other levels of government and stakeholders on behalf of the Council and community.</li> </ul>	1,053	1,000	(53)
Communications	Strategic Communications is responsible for informing the community about Council issues via traditional and new media and managing media liaison services.	1,172	1,083	(89)
Customer Services	Customer Service is responsible for providing a support service for all staff across the organisation through first point of external customer contact.	1,451	1,463	13
Corporate Strategy	Corporate Strategy provides support to Council with meeting its statutory obligation to prepare and administer the Council Plan, to facilitate service and business planning, and monitoring the implementation of Council's strategy via performance monitoring and reporting.	843	814	(29)
Governance	Governance provides the support to Councillors, Executive and the organisation in meeting its statutory governance provisions and specifically includes Local Government Act compliance. This service provides risk management services, internal audit coordination and insurance management to the organisation.	1,853	1,673	(180)
Occupational Health and Safety and Risk	Occupational Health and Safety coordinates the development, review and delivery of workplace OHS frameworks, systems and initiatives.	1,241	1,341	110
Human Resources and Payroll	Supports the Council in the management of its human resources and payroll.	1,308	1,355	48
Information Technology	Information Technology provides technological systems, infrastructure, services and support for the delivery of all Council services.	2,891	3,368	477
Procurement	The Procurement function provides the framework, oversight and advice to support Council in complying with statutory procurement provisions.	409	394	(15)
Revenue Services	Revenue services are the custodian and manager of Council's property and rating system to optimise revenue and maintain data integrity. The unit is responsible for the management of Council's legislative compliance (Voters' Roll) and the biennial revaluation.	1,356	1,260	(96)
Asset Systems	Asset Management provides Council the framework for the development, implementation and review of the asset management program.	25,608	23,376	(2,233)
Fleet and Depot Support	The Fleet and Depot Support unit delivers the management and maintenance of Council's fleet of passenger vehicles, light and heavy commercial vehicles and all plant and equipment. The unit also manages on a day-to-day basis the Depot infrastructure.	3,127	3,277	150

## Service Performance Indicators

Certain service performance indicators are prescribed under the *Local Government (Planning and Reporting) Regulations 2020*. The following statement provides the results of the prescribed service performance indicators and measures relating to this Council Plan objective.

Service Indicator : measure : [calculation]	Results				Comments
	2021	2022	2023	2024	
<b>GOVERNANCE</b>					
<b>Transparency</b> <i>G1 Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	0.53%	1.89%	7.53%	1.86%	Council decisions made during meetings closed to the public returned to previous levels. The higher result last year was caused by Tender Recommendations and Acquisitions defined as confidential under the <i>Local Government Act 2020</i> .
<b>Consultation and engagement</b> <i>G2 Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	53.00	51.00	48.00	47.00	Satisfaction with consultation and engagement decreased by one point compared to the previous year. The average result for similar sized Councils was 48.
<b>Attendance</b> <i>G3 Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100	95.56%	91.67%	92.27%	87.22%	Councillor attendance at Council meetings across the financial year was slightly lower but still consistent with previous years.
<b>Service cost</b> <i>G4 Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$39,344.20	\$45,709.86	\$48,905.78	\$53,142.56	The cost of elected representation includes Councillor allowances, the cost of travel to meetings to advocate to State and Federal Governments, the cost of mandatory Councillor induction, the cost of training, professional development, catering, and IT expenses. Council's commitment to advocacy has increased the cost of travel for this financial year.
<b>Satisfaction</b> <i>G5 Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	52.00	51.00	47.00	44.00	Satisfaction with Council making decisions in the interest of the community decreased by three points compared to the previous year. The average result for similar sized Councils was 46.



A wide-angle photograph of a snowy mountain slope. The foreground is dominated by numerous parallel ski tracks that recede into the distance. The snow is bright white, and the sky is a clear, vibrant blue. In the background, there are dark, snow-covered evergreen trees. The sun is visible in the upper right corner, creating a lens flare effect.

**Governance,  
Management,  
and other information.**

Baw Baw Shire Council is constituted under the *Local Government Act 2020* to provide democratic leadership for the good governance of the Baw Baw community.

Council has a number of roles, including:

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

Council's formal decision-making processes are conducted through Council Meetings. The community has many opportunities to provide input into Council's decision-making processes, including community consultation and the ability to make submissions.

## Audit and Risk Committee

The role of the Audit and Risk Committee is to oversee and monitor the effectiveness of Council in carrying out its responsibilities in financial and performance reporting, corporate governance, risk management and fraud controls.

The Audit and Risk Committee is governed by a charter that outlines its functions and responsibilities.

The Audit Committee consists of three independent members: Ms Carmen Ridley (Chair), Mr David Ashmore, and Mr Jonathan Kyvelidis, and two Councillors.

The chair is elected annually by the independent members. Council's Executive Leadership Team and administrative staff also attend each meeting, with other management representatives attending as required to present reports.

The Audit and Risk Committee Chair reports to Council twice-yearly to describe the activities of the Audit and Risk Committee and include the committee's findings, recommendations and actions. These reports were tabled at the Open Council Meetings on 23 August 2023 and 13 December 2023.

In alignment with the Governance Rules, Public Transparency Policy and Governance principles in the Act, summary minutes from each Committee meeting are presented at the next practicable Council Meeting.

## Councillor Code of Conduct and Conflict of Interest

Council adopted its Councillor Code of Conduct on 24 February 2021 in accordance with section 139(4) of the *Local Government Act 2020*.

The Councillor Code of Conduct provides guidance on the conduct of Mayors and Councillors of Council in a plain-language format that aims to simplify and not repeat what is already agreed in other adopted policies, such as the Gift, Expense, Interaction and Media policies.

The code is signed by Councillors when taking the Oath or Affirmation of Office. Additionally, in accordance with the Act, Council must review and adopt the Code of Conduct within four months of a General Election.

Through the code, Councillors of Baw Baw Shire commit to:

- Act with integrity.
- Exercise their responsibilities impartially in the interests of the local community.
- Not make improper use of their position to advantage or disadvantage any person.
- Avoid conflicts between their public duties as Councillors and their personal interests and obligations.
- Act honestly and avoid making oral or written statements or taking actions that may mislead a person.
- Treat all persons with respect and show due respect for the opinions, beliefs, rights and responsibilities of other Councillors, council officers and others.
- Exercise reasonable care and diligence and submit to lawful scrutiny that is appropriate for their office.
- Ensure that public resources are used prudently and solely in the public interest.
- Act lawfully and in accordance with the trust placed in them as elected representatives of the Baw Baw Shire Community.
- Support and promote these principles by leadership and example to ensure the public has confidence in the office of Councillor.

The Act also requires Council to appoint a Council Conduct Officer (CCO). The CCO at Baw Baw Shire Council, as appointed by the CEO, is Council's Manager Governance.

## Mandatory Councillor Induction

Mandatory induction for all Councillors is a requirement of the *Local Government Act 2020*.

Baw Baw Shire Councillors completed their mandatory induction program in December 2020.

Cr Farhat Firdous was declared elected by the Victorian Electoral Commission on 17 May 2023, filling the extraordinary vacancy created by the resignation of former Central Ward Councillor Joe Gauci. Councillor Firdous completed mandatory induction in May and June 2023.

## Councillor Allowances

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

The Victorian Government sets the upper and lower limits for allowances paid to Mayors, Deputy Mayors and Councillors. Councils are divided into three categories based on the income and population of each council. In this instance, Baw Baw Shire Council is recognised as a category two council.

For the period 1 July 2023 to 18 December 2023, the Councillor annual allowance for a category two Council was fixed at \$31,353.00; the allowance for the Deputy Mayor at \$51,325.00; and the allowance for the Mayor at \$102,650.00.

For the period 19 December 2023 to 30 June 2024, the Councillor annual allowance was fixed at \$32,877.00; the allowance for the Deputy Mayor at \$52,713.00; and the allowance for the Mayor at \$105,424.00.

The following table contains a summary of the allowances paid to each Councillor during the 2023/24 year.

Councillors	Allowance (including Superannuation)
Cr Annemarie McCabe (Mayor)	\$104,024.21
Cr Tricia Jones (Deputy Mayor)	\$44,806.36
Cr Michael Leaney	\$40,908.38
Cr Keith Cook	\$32,462.80
Cr Farhat Firdous	\$32,462.80
Cr Danny Goss	\$32,462.80
Cr Peter Kostos	\$32,462.80
Cr Jazmin Tauru	\$32,462.80
Cr Darren Wallace	\$32,462.80

*The Mayoral term does not correspond with the Financial Year. The Mayor and Deputy Mayor were elected on 15 November 2023. Prior to that date, Cr McCabe was the Mayor and Cr Leaney the Deputy Mayor.*

## Councillor Expense and Entitlements Policy

In accordance with Section 41 of the *Local Government Act 2020*, Council is required to reimburse Councillors for expenses incurred whilst performing their duties as a Councillor.

There are substantial time commitments required of Councillors for them to properly represent their constituents and perform their significant responsibilities, which often require travel and late hours.

To assist Councillors to carry out their duties, Victorian Councils provide Councillors with communication equipment, reimburse their official travel and phone expenses and, where applicable, childcare expenses.

Expenditure is regulated by the Entitlements and Expenses Policy adopted by Council at its 12 August 2020 Council Meeting.

The details of the expenses, including reimbursement of expenses for each Councillor, are set out in the table on the following page:

Councillors	Conferences, Meetings and Functions	IT Expenses	Car Mileage and Parking	Travel and Accommodation	Stationery	Total
Cr Annemarie McCabe (Mayor)	\$2,058.84	\$720	\$22.04	\$2,665.99	\$8,761.17	\$14,228.05
Cr Michael Leaney*	\$1,486.66	\$720	\$16,924.58	\$872.06	\$7,340.05	\$27,343.35
Cr Keith Cook	\$427.76	\$720	\$2,125	\$0	\$11.90	\$3,284.67
Cr Farhat Firdous	\$519.97	\$720	\$532.10	\$296.83	\$43.64	\$2,112.54
Cr Danny Goss	\$0	\$720	\$0	\$0	\$3,440.19	\$4,664.01
Cr Tricia Jones (Deputy Mayor)	\$147.74	\$720	\$0	\$316.36	\$7,270.03	\$8,454.13
Cr Peter Kostos	\$200.00	\$720	\$403.75	\$0	\$0	\$1,323.75
Cr Jazmin Tauru	\$455.03	\$720	\$1,832.99	\$0	\$78.18	\$3,086.20
Cr Darren Wallace	\$0	\$720	\$2,094.40	\$0	\$393.45	\$3,207.85

\*Cr Michael Leaney was Deputy Mayor prior to the Statutory Council Meeting held on 15 November 2023.

## Council Meetings

Council held a total of 20 Council Meetings in 2023/24, with a total of 113 officer reports, 10 general business motions and seven notices of motion considered.

On 15 November 2023, Council endorsed a six-month trial that saw Council Meetings held once per month, rather than fortnightly. On 1 May 2024, following the conclusion of the trial, Council elected to continue holding its Council Meetings monthly for the remainder of the Council Term.

At these meetings, Council also:

- Answered 206 questions on notice.
- Heard 129 submissions.
- Made three decisions in Confidential Council Meetings which were then released to the public.
- Tabled eight petitions.

## Councillor Attendance at Council Meetings for the 2023/24 financial year.

- Cr Annemarie McCabe 17 of 20 meetings
- Cr Michael Leaney 18 of 20 meetings
- Cr Keith Cook 18 of 20 meetings
- Cr Danny Goss 19 of 20 meetings
- Cr Farhat Firdous 17 of 20 meetings
- Cr Tricia Jones 18 of 20 meetings
- Cr Peter Kostos 16 of 20 meetings
- Cr Jazmin Tauru 15 of 20 meetings
- Cr Darren Wallace 19 of 20 meetings

**Note:** Councillor absences are due to either personal situation or working on other Council business.

## Committees

### Community Asset Committees

Committees, made up of dedicated community members, manage recreation facilities and public halls on behalf of Baw Baw Shire Council. These groups are called Community Asset Committees, which are formal entities under the *Local Government Act 2020*.

There are 15 of these committees in Baw Baw Shire who are supported by committed and hardworking volunteers which keep community facilities running. They are:

- Athlone Hall and Recreation Reserve
- Bellbird Park Recreation Reserve
- Bellbird Park Synthetic Sports and Hockey Facility
- Buln Buln Recreation Reserve
- Crossover School Site
- Darnum Memorial Hall
- Downton Park Recreation Reserve
- Ellinbank Public Hall
- Ellinbank Recreation Reserve
- Erica Community Facilities
- Lardner Hall
- Narracan Public Hall
- Neerim South Recreation Reserve
- Nilma North and Lillico Memorial Hall
- Tetoora Road Community Centre

### Advisory Committees

Council operates advisory committees across various areas of its business. Advisory committees are formally established through Council resolution with a policy, terms of reference and formal appointments of members. They provide input and advice, but do not make decisions in relation to expenditure or enact any Council powers.

In addition to the Audit and Risk Committee, Council operates six advisory committees:

- Arts and Culture Advisory Committee
- Access and Inclusion Advisory Committee
- Early Years Advisory Committee
- Environment Voice Advisory Committee
- Healthy in Baw Baw Advisory Committee
- Place Names Advisory Committee

The committee objectives are set in the terms of reference of each committee. Council endeavours to appoint, where possible, a diverse and representative group of community members to each committee.

## Citizenship

During 2023/24, 97 Baw Baw Shire residents received Australian Citizenship.

Baw Baw Shire Council hosted four in-person Citizenship Ceremonies; one held as part of the Australia Day celebrations at the West Gippsland Arts Centre on 26 January 2024, which welcomed 37 new citizens, and events held on 19 September 2023, which welcomed 37 new citizens, 21 March May 2024, which welcomed nine new citizens and 20 June 2024 which welcomed 14 new citizens.

The ceremonies were conducted by the Mayor, who formally conferred citizenship on the new citizens. Baw Baw Shire Councillors and local members of Federal and State Government were also in attendance. New citizens were invited to bring family and friends to join the celebration.

Citizenship Ceremonies are coordinated by Baw Baw Shire Council on behalf of the Department of Home Affairs. As part of the Citizenship Ceremony process, electoral enrolment forms are distributed on behalf of the Australian Electoral Commission, and provided to conferees.



Citizenship Ceremony: 20 June 2024. Geenuka Bandara with supporting family

## Delegation of Powers

In the context of Local Government, delegation is the giving of decision-making power by Council or the Chief Executive Officer to members of staff or to a committee.

Council has committed to reviewing delegations twice yearly to ensure that delegated powers are appropriately and sufficiently conferred to the right positions. Council last reviewed its delegations at the Council Meeting held on 5 June 2024.

It is not practical for Council and the Chief Executive Officer alone to exercise the many statutory powers bestowed on Baw Baw Shire Council. Delegation facilitates the achievement of good governance for the community by empowering appropriate members of staff to make decisions on behalf of the Council and the Chief Executive Officer.

## Local Government Amendment (Governance and Integrity) Act 2024

On Wednesday 25 June 2024, the *Local Government Amendment (Governance and Integrity) Act 2024* (the Amendment Act) was given Royal Assent. The Amendment Act includes reforms to strengthen Council leadership, capability and Councillor conduct, improve early intervention and effective dispute resolution and strengthen oversight mechanisms.

The Amendment Act made a range of changes to the *Local Government Act 2020* that came into effect on 26 June 2024, with further changes to be implemented in October 2024.

## Governance and management checklist

The following are the results of Council's assessment against the governance and management checklist prescribed under the *Local Government (Planning and Reporting) Regulations 2020*.

	Governance and Management Items	Assessment
1	<b>Community engagement policy</b> (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: 23/03/2023
2	<b>Community Engagement Guidelines</b> (Guidelines to assist staff to determine when and how to engage with the community).	Date of operation of current guidelines: 23/03/2023
3	<b>Financial Plan</b> (Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years).	Adopted in accordance with section 91 of the Act. Date of adoption: 19/06/2024
4	<b>Asset Plan</b> (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: 19/06/2024
5	<b>Revenue and Rating Plan</b> (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 operation of current strategy: 19/06/2024
6	<b>Annual Budget</b> (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: 19/06/2024
7	<b>Risk Policy</b> (Policy outlining Council's commitment and approach to minimising the risks to Council's operations).	Date of operation of current policy: 12/07/2017
8	<b>Fraud Policy</b> (Policy outlining Council's commitment and approach to minimising the risk of fraud).	Date of operation of current policy: Fraud and Corruption Control Framework adopted 21/02/2023
9	<b>Municipal Emergency Management Plan</b> (Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery).	Date of operation of current plan: 19/05/2020
10	<b>Procurement Policy</b> (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).	Date of approval: 23/09/2020
11	<b>Business Continuity Plan</b> (Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster).	Date of operation of current plan: 20/09/2020
12	<b>Disaster Recovery Plan</b> (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster).	Date of operation of current plan: 12/11/2020
13	<b>Complaint Policy</b> (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints).	Date of operation of current policy: 12/07/2023
14	<b>Workforce Plan</b> (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation).	Date of operation of current plan: 25/05/2021
15	<b>Payment of Rates and Changes Hardship Policy</b> (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates).	Date of operation of current plan: 1/07/2020
16	<b>Risk Management Framework</b> (Framework outlining Council's approach to managing risks to the council's operations).	Date of operation of current framework: 12/07/2017
17	<b>Audit and Risk Committee</b> (See sections 53 and 54 of the Act).	Date of establishment: 26/08/2020
18	<b>Internal Audit</b> (Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls).	Date of engagement of current provider: 1/07/2019
19	<b>Performance Reporting Framework</b> (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989).	Date of operation of current framework: 22/06/2022

Governance and Management Items		Assessment
20	<b>Council Plan Reporting</b> (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year).	Date of reports: Annual Report 25/10/2023 Quarter 1 Report 13/12/2023 Quarter 2 Report 6/03/2024 Quarter 3 Report 5/06/2024
21	<b>Quarterly Budget Reporting</b> (Quarterly statements to the Council under section 97 of the <i>Local Government Act 1989</i> , comparing actual and budgeted results and an explanation of any material variations).	Date statements presented: Annual Report 25/10/2023 Quarter 1 Report 13/12/2023 Quarter 2 Report 6/03/2024 Quarter 3 Report 5/06/2024
22	<b>Risk Reporting</b> (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies).	Risk Management Report 25/03/2024 Risk Management Report 20/11/2023 Risk Management Report 4/09/2023 Risk Management Report 10/07/2023
23	<b>Performance Reporting</b> (Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the <i>Local Government Act 1989</i> ).	Date of reports: Annual Report 25/10/2023 Quarter 1 Report 13/12/2023 Quarter 2 Report 6/03/2024 Quarter 3 Report 5/06/2024
24	<b>Annual Report</b> (Annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> to the community containing a report of operations and audited financial and performance statements).	Presented at a meeting of the Council in accordance with section 134 of the Act. Date statements presented: 25/10/2023
25	<b>Councillor Code of Conduct</b> (Code under section 139 of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors).	Date adopted: 24/02/2021
26	<b>Delegations</b> (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: 5/06/2024
27	<b>Meeting Procedures</b> (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees).	Date adopted: 14/09/2022

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



**Mark Dupe**  
Chief Executive Officer  
Dated: 9 October 2024



**Cr Annemarie McCabe**  
Mayor  
Dated: 9 October 2024

# Statutory Information.

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

## Documents available for public inspection

Council is committed to operating in an open and transparent manner. In accordance with Section 222 of the *Local Government Act 2020* and Regulation 12 of the *Local Government (General) Regulations 2015*, the following documents are available for public inspection at Drouin Civic Centre, 33 Young Street, Drouin:

- Details of overseas or interstate travel undertaken in an official capacity by a Councillor or member of Council staff in the previous 12 months.
- Agendas and minutes of Council Meetings.
- Minutes of Special Committee Meetings.
- Register of delegations.
- Details of property leases.
- A register of authorised officers.
- A list of donations and grants made by Council in the previous 12 months.

## Public Interest Disclosure Procedures

Baw Baw Shire Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* (the Act). It does not tolerate improper conduct by its employees, officers, or members, nor the taking of reprisals against those who come forward to disclose such conduct.

Council recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Disclosures of improper conduct or detrimental action by Council, its employees or a person acting on behalf of Council may be made to the Protected Disclosure Coordinator. The procedures that relate to Public Interest Disclosures may be found on Council's website under the Contact Us tab: [www.bawbawshire.vic.gov.au/Customer-Service/Contact-Us](http://www.bawbawshire.vic.gov.au/Customer-Service/Contact-Us)

No disclosures relating to the Public Interest Disclosure Act (formerly the Protected Disclosure Act and Whistleblowers Act) were received or required notification by Council during the 2023/24 financial year. No protected disclosure complaints were referred to Council by IBAC.



## Freedom of Information

In accordance with section 7(4AA) (a) and 7(4AA) (b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their Annual Report of Operations or separately (such as on its website) concerning its functions and information available. Council has chosen to publish the statements separately. However, the following provides a summary of Baw Baw Shire Council's application and operation of the *Freedom of Information Act 1982*.

Access to documents may be obtained through request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- The request should be in writing (including lodgement online or by email).
- The request should identify as clearly as possible which document is being requested.
- The request should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Access charges may apply once documents have been processed and a decision on access is made (e.g. search, retrieval and photocopying charges).



Although Council endeavours to release information proactively and via the *Freedom of Information Act 1982*, there are some exemptions under the Act that apply to certain types of information that may prevent their release.

For further information please visit [www.foi.vic.gov.au](http://www.foi.vic.gov.au) or Council's website at [www.bawbawshire.vic.gov.au/FOI](http://www.bawbawshire.vic.gov.au/FOI).

## External Audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO).

For the 2023/24 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by VAGO's representative.

The external auditors attend Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.



## Risk Management

Baw Baw Shire Council is committed to building a strong Risk Management culture. In July 2019 Council adopted the Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Framework and Policy addresses items such as:

- risk management culture and branding
- communication and training
- best practice in risk management
- responsibilities of and to internal and external stakeholders
- risk registers and risk management software development
- the council planning cycle, budget cycle and annual audit cycle
- a performance measurement system to determine the effectiveness of the framework.

In February 2023 Council adopted a Fraud and Corruption Control Framework to support the Risk Management Framework and Policy.

Further, a review of the Framework and Policy is currently underway. Both are set to be updated in the 2024/25 financial year.

## Contracts

Under Council's Procurement Policy 2021, any purchase over \$200,000 ex GST for goods and services and over \$300,000 ex GST for Works, are required to proceed to a public tender to form a contract. Before approaching the market, Council conducts strategic reviews to determine:

- whether the service is still required
- the strategic approach for delivering and providing the service
- how the service aligns to Council's strategic objectives
- analysis of the supplier market, and
- the best procurement methodology and delivery.

Council issued seven tenders in 2023/24, covering the following service categories:

- Design services
- Community services
- IT services
- Consultancy and other work.
- Capital and infrastructure works.

Council issued two publicly listed Requests for Quotation in 2023/24, covering the following service categories:

- Consultancy and other work.

Council is also participating in collaborative procurement processes for waste services and environmental health services.

## Disability Act 2006 – Disability Action Plan Creation and Implementation

Council's Draft Disability Action Plan 2023–2027 (the Plan) is a strategic framework that, once adopted, will be implemented over the four-year period between 2023 and 2027.

Aligned to the *Disability Act 2006*, it will aim to address the structural, attitudinal and cultural barriers people with a disability experience when participating in community life. It will aim to eliminate discrimination for people with a disability who use services, facilities and infrastructure provided by Council, or are current or prospective employees of Council.

The Plan will assist in the achievement of the key strategic objective of **A Healthy Community** as set out in the Council Plan 2021–2025, underpinned by the goals of:

- Healthy and well people and communities.
- Connected and inclusive communities, creating a strong sense of safety and belonging.
- Healthy environments, resilient communities.

To achieve this, Council and its partners have committed to a number of priority areas in the 2021–2025 Municipal Public Health and Wellbeing Plan focused on or relating to Disability Action.

These include the following:

- 1.1 Delivering and supporting environments for active living and participation in arts and culture.
- 1.2 Promoting active living to increase overall wellbeing in the Baw Baw Shire community.
- 1.3 Supporting initiatives that encourage active and passive physical activity and participation in arts and culture for all.
- 3.1 Supporting initiatives that promote equal access to services and resources, increase resilience and promote social inclusion.
- 3.2 Increasing awareness of mental health and mental wellbeing.
- 3.3 Supporting opportunities for volunteering, participation in arts and culture, and lifelong learning.

While Council's 2023–2027 Disability Action Plan progresses through to adoption Council continues to operate under its 2018–2022 Disability Action Plan, while also delivering on the Municipal Public Health and Wellbeing Plan.

The full 2018–2022 Disability Action Plan can be accessed in both print and audio formats on Council's website at [www.bawbawshire.vic.gov.au/DisabilityActionPlan](http://www.bawbawshire.vic.gov.au/DisabilityActionPlan).

## Domestic Animal Management plan

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

Council adopted the Domestic Animal Management Plan 2021–2025 in November 2021. The plan was developed following broad community consultation as well as targeted consultation with Council's Animal Management Team and key stakeholders including veterinary clinics, domestic animal businesses and rescue groups.

At the time of this report, numerous objectives within the DAM Plan have been achieved, including:

- Officer training – officers are completing the Certificate IV in Animal Control and Regulation, and all officers have completed dog handling training provided by an accredited trainer.
- Proactive patrols of parks to ensure compliance with dog controls.
- Increased education around responsible pet ownership.
- Introduction of additional payment methods for animal registration.
- Increased number of 84Y agreements.
- Implementation of new barking dog procedures and educational material.
- Completion of a cat adoption room at Council's pound facility.
- Increase in the number of animals adopted and rehomed.
- Increase in the number of animals reclaimed by their owners.
- Increase in animal registrations.
- Annual Registration Check door knock campaign has commenced.
- Reduction in the time it takes to respond to animal management requests.
- Successful completion of the Biannual Pet Expo 2023, with the Pet Expo 2025 in the planning phase.
- Improved procedures for collection of animals wandering at large.



The development of the Domestic Animal Management Plan for the next four-year cycle will commence towards the end of 2024.

### Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received by Council during the 2023/24 financial year.

### Road Management Act Ministerial direction

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

### Development Contributions Plan (DCP) Report

**Table 1 :** Total DCP Levies Received in 2023/24

DCP Name (Year Approved)	Levies received in 2023/24 Financial Year
DCPO1 (2007)	\$888,948
DCPO2 (2014)	\$1,461,142
DCPO3 (2014)	\$8,985
<b>Total</b>	<b>\$2,359,075</b>

**Table 2 :** Land, works, services or facilities accepted in kind in 2023/24

DCP Name (Year Approved)	Project ID	Project	Purpose	Project Value
DCPO2 (2014)	RD-SW-03	Butlers Track upgrade between Warragul Korumburra Road and East West Road (374.31 million)	Road	\$696,951
DCPO2 (2014)	RD-NE-04	Mills Road extension to Lillico Road between east west connector boulevard and Lillico Road (590 million)	Road	\$1,474,807
DCPO2 (2014)	SR-02	Lillico Sporting Reserve	Recreation	\$497,694
DCPO2 (2014)	RD-NW-04	Crole Drive extension (195.91 million)	Road	\$527,795
DCPO3 (2014)	RD-NW-03	Construction of East West connector boulevard between Princes Way and North South connector street (162 million)	Road	\$465,630

**Table 3 :** Land, works, services or facilities delivered in 2023/24 from DCP levies collected

DCP Name (Year Approved)	Project ID	Project	DCP Funds Expended	Works in Kind Accepted	Council Contribution	Other Contribution	Total Project Expenditure	% of Item Delivered
DCPO1 (2007)	CIO5002	Bellbird Park Multi-use Pavilion upgrade	\$338,225	-	\$2,557,588	\$2,000,000	\$4,895,813	90.00%
DCPO3 (2014)	INA-SE-01	Land purchase for construction of four-way roundabout at Main South Road / Weebar Road	\$21,560	-	\$97,440	-	\$119,000	2.29%





# Financial Statements.

For the year ended 30 June 2024.

# Financial Statements.

## Understanding the Financial Statements

The Financial Statements compare the current 2023/24 financial year to the previous 2022/23 financial year.

They comprise two main sections: the financial statements and the notes to the financial statements.

There are six main statements:

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Cash Flow Statement
5. Statement of Capital Works
6. Performance Statement

### 1. Comprehensive Income Statement

The Comprehensive Income Statement is designed to show if Council's operations were in surplus or deficit during the financial year.

The surplus/(deficit) amount is calculated as total income less total expenses. A surplus means that income was greater than expenses.

The Comprehensive Income Statement contains:

- **Income** – the sources of Council's income under various income headings.
- **Expenses** – the expenditure incurred in running the Council during the year. This expenditure relates to the 'operations' and does not include the capital costs associated with the purchase or the creation of fixed assets. While asset purchase costs are not included in the expenses they are included within 'Depreciation and amortisation'. This amount is the value of the assets 'used up' during the year.
- **Other comprehensive income** – this section includes items such as net asset revaluation increments and impairment of expenses. Impairment occurs when the value of Council's assets is reduced or impaired usually due to damage or obsolescence. The comprehensive result is arrived at by adjusting the net surplus/(deficit) by the other comprehensive income items. The comprehensive result is also equal to the movement in Council's net assets (total equity) from the prior year.

### 2. Balance Sheet

The Balance Sheet shows what Council owns as assets and what it owes as liabilities. It presents a one-page summary which is a snapshot of the financial position as at 30 June.

The bottom line of this statement is called 'net assets' which is the net worth of Council which has been built up over many years.

Net assets = Total assets – total liabilities = Total equity.

Assets and liabilities are separated into current and non-current. Generally, 'current' means those assets or liabilities which will fall due in the next 12 months.

### 3. Statement of Changes in Equity

During the course of the year the value of total equity as set out in the Balance Sheet changes. The Statement of Changes in Equity shows the values of these changes that may include:

- The 'profit or loss' from operations, described in the statement as 'surplus/(deficit) for the year'.
- The use of monies from Council's reserves and transfers to Council's reserves.
- The revaluation of fixed assets.
- The share of revaluations of investments in joint venture assets.
- The recognition of an asset for the first time.

### 4. Statement of Cash Flows

The Statement of Cash Flows provides a summary of Council's cash receipts and cash payments during the year. The bottom line is the cash balance at the end of the financial year.

This statement shows the movements in the bank balance during the course of the year and is dissected into the following three sections:

- **Cash flows from operating activities** – All receipts to and payments from Council's bank account for normal operations. Receipts include monies from rates, grants and from amounts owing to Council. Payments mainly include monies paid to suppliers and employees.
- **Cash flow from investing activities** – This section mainly comprises payments for the creation or purchase of fixed assets (capital items) as well as the proceeds from asset sales.
- **Cash flow from financing activities** – This section includes the proceeds from loan borrowing as well as loan interest and the repayment of outstanding loans.

### 5. Statement of Capital Works

Statement of capital works shows all capital expenditure of Baw Baw Shire Council in relation to non-current assets and asset expenditure type prepared in accordance with the model statement of capital works in the Local Government Financial Report.

### 6. Performance Statement

The Performance Statement provides the results of the sustainable capacity, service performance and financial performance indicators and measures required under the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2014*.

# Comprehensive Income Statement

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Income / Revenue</b>			
Rates and charges .....	3.1	74,006	69,597
Statutory fees and fines .....	3.2	3,017	2,542
User fees .....	3.3	2,780	2,347
Grants - operating .....	3.4	9,352	23,915
Grants - capital .....	3.4	16,306	5,901
Contributions - monetary .....	3.5	3,812	2,826
Contributions - non monetary .....	3.5	14,303	14,280
Other income .....	3.7	5,329	3,121
<b>Total income / revenue</b>		<b>128,905</b>	<b>124,529</b>
<b>Expenses</b>			
Employee costs .....	4.1	(35,423)	(33,144)
Materials and services .....	4.2	(52,498)	(46,313)
Depreciation .....	4.3	(22,379)	(21,986)
Amortisation - intangible assets .....	4.4	(74)	(417)
Depreciation - right of use assets .....	4.5	(755)	(783)
Net loss on disposal of property, infrastructure, plant and equipment .....	3.6	(2,010)	(576)
Allowance for impairment losses - receivables .....	4.6	(446)	(80)
Borrowing costs .....	4.7	(684)	(530)
Finance costs - leases .....	4.8	(68)	(45)
Other expenses .....	4.9	(2,127)	(2,401)
<b>Total expenses</b>		<b>(116,464)</b>	<b>(106,275)</b>
<b>Surplus for the year</b>		<b>12,441</b>	<b>18,254</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation gain/(loss) .....	6.2	36,999	(23,705)
<b>Total other comprehensive income</b>		<b>36,999</b>	<b>(23,705)</b>
<b>Total comprehensive result</b>		<b>49,439</b>	<b>(5,451)</b>

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
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents .....	5.1	3,008	16,973
Trade and other receivables .....	5.1	7,889	6,365
Other financial assets .....	5.1	32,129	54,624
Prepayments .....	5.2	2,058	937
Non-current assets classified as held for sale .....	6.1	4,278	1,150
Contract assets .....	5.1	13,004	9,169
Other assets .....	5.2	30	32
<b>Total current assets</b>		<b>62,396</b>	<b>89,250</b>
<b>Non-current assets</b>			
Other financial assets .....	5.1	16,500	1,500
Property, infrastructure, plant and equipment .....	6.2	941,224	883,390
Right-of-use assets .....	5.8	3,878	4,379
Intangible assets .....	5.2	1,682	132
<b>Total non-current assets</b>		<b>963,284</b>	<b>889,401</b>
<b>Total assets</b>		<b>1,025,680</b>	<b>978,651</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables .....	5.3	12,886	11,586
Trust funds and deposits .....	5.3	8,666	7,615
Contract and other liabilities .....	5.3	7,445	18,818
Provisions .....	5.5	8,028	7,597
Interest-bearing liabilities .....	5.4	14,490	4,000
Lease liabilities .....	5.8	563	675
<b>Total current liabilities</b>		<b>52,078</b>	<b>50,291</b>
<b>Non-current liabilities</b>			
Provisions .....	5.5	11,565	11,338
Interest-bearing liabilities .....	5.4	5,753	9,908
Lease liabilities .....	5.8	990	1,260
<b>Total non-current liabilities</b>		<b>18,308</b>	<b>22,506</b>
<b>Total liabilities</b>		<b>70,386</b>	<b>72,797</b>
<b>Net assets</b>		<b>955,294</b>	<b>905,854</b>
<b>Equity</b>			
Accumulated surplus .....		460,422	450,133
Reserves .....	9.1	494,872	455,721
<b>Total Equity</b>		<b>955,294</b>	<b>905,854</b>

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	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Balance at beginning of the financial year		905,854	450,133	422,794	12,927
Surplus for the year		12,441	12,441	-	-
Net asset revaluation gain	6.2	36,999	-	36,999	-
Transfers to other reserves	9.1	-	(3,990)	-	3,990
Transfers from other reserves	9.1	-	1,838	-	(1,838)
		955,294	460,422	479,793	15,079
<b>Balance at end of the financial year</b>		<b>955,294</b>	<b>460,422</b>	<b>479,793</b>	<b>15,079</b>

2023	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Balance at beginning of the financial year		911,305	432,888	466,499	11,918
Surplus for the year		18,254	18,254	-	-
Net asset revaluation loss	6.2	(23,705)	-	(23,705)	-
Transfers to other reserves	9.1	-	(2,916)	-	2,916
Transfers from other reserves	9.1	-	1,907	-	(1,907)
		905,854	450,133	442,794	12,927
<b>Balance at end of the financial year</b>		<b>905,854</b>	<b>450,133</b>	<b>442,794</b>	<b>12,927</b>

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
<b>Cash flows from operating activities</b>			
Rates and charges		72,569	69,230
Statutory fees and fines		2,170	2,543
User fees		3,042	3,511
Grants - operating		5,518	12,700
Grants - capital		6,574	6,540
Contributions - monetary		3,723	2,793
Interest received		3,124	1,351
Trust funds and deposits taken		19,754	14,721
Other receipts		2,350	9,525
Net GST refund/payment		4,818	4,043
Employee costs		(33,367)	(30,463)
Materials and services		(58,259)	(50,502)
Short-term, low value and variable lease payments		(8)	(28)
Trust funds and deposits repaid		(18,701)	(14,193)
Other payments		(2,572)	(4,478)
<b>Net cash provided by operating activities</b>	9.2	<b>10,735</b>	<b>27,293</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(37,541)	(25,737)
Proceeds from sale of property, infrastructure, plant and equipment		132	645
(Redemption of)/Payments for investments	5.1 (b)	7,495	(24,500)
<b>Net cash used in investing activities</b>		<b>(29,914)</b>	<b>(49,592)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(684)	(531)
Proceeds from borrowings		14,490	4,000
Repayment of borrowings		(8,155)	(4,000)
Interest paid - lease liability		(55)	(45)
Repayment of lease liabilities		(382)	(228)
<b>Net cash provide by/(used in) financing activities</b>		<b>5,214</b>	<b>(804)</b>
Net decrease in cash and cash equivalents		(13,965)	(23,103)
Cash and cash equivalents at the beginning of the financial year		16,973	40,076
<b>Cash and cash equivalents at the end of the financial year</b>		<b>3,008</b>	<b>16,973</b>
Financing arrangements	5.6		

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

# Statement of Capital Works

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Property</b>			
Land		216	910
<b>Total land</b>		<b>216</b>	<b>910</b>
Buildings		13,353	8,768
<b>Total buildings</b>		<b>13,353</b>	<b>8,768</b>
<b>Total property</b>	6.2	<b>13,569</b>	<b>9,678</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,935	1,114
Computers and telecommunications		1,624	-
<b>Total plant and equipment</b>	6.2	<b>3,559</b>	<b>1,114</b>
<b>Infrastructure</b>			
Roads		9,054	5,903
Bridges		934	855
Footpaths and cycleways		883	1,860
Drainage		1,101	454
Parks, open space and streetscapes		8,124	5,318
<b>Total infrastructure</b>	6.2	<b>20,096</b>	<b>14,391</b>
<b>Total capital works expenditure</b>		<b>37,224</b>	<b>25,183</b>
<b>Represented by:</b>			
Asset renewal expenditure		18,789	9,558
Asset expansion expenditure		14,060	8,823
Asset upgrade expenditure		4,375	6,801
<b>Total capital works expenditure</b>		<b>37,224</b>	<b>25,183</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2024

## Note 1 : Overview

### Introduction

The Baw Baw Shire Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate.

The Council's main office is located at 33 Young Street, Drouin, Victoria 3818.

### Statement of compliance

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

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

### Significant accounting policies

#### 1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)

- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

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

## 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.

## 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 the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

#### 2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	REF
<b>Income / Revenue</b>					
Rates and charges	73,854	74,006	152	0%	
Statutory fees and fines	2,836	3,017	181	6%	
User fees	2,042	2,780	738	36%	1
Grants - operating	13,872	9,352	(4,520)	(33%)	2
Grants - capital	22,821	16,306	(6,515)	(29%)	3
Contributions - monetary	3,850	3,812	(38)	(1%)	
Contributions - non monetary	7,316	14,303	6,987	96%	4
Net gain on disposal of property, infrastructure, plant and equipment	440	-	(440)	(100%)	5
Other income	2,549	5,329	2,780	109%	6
<b>Total income / revenue</b>	<b>129,580</b>	<b>128,905</b>	<b>(675)</b>	<b>(1%)</b>	
<b>Expenses</b>					
Employee costs	35,452	35,423	29	0%	
Materials and services	38,002	52,498	(14,496)	(38%)	7
Depreciation	22,238	22,379	(141)	(1%)	
Amortisation - intangible assets	460	74	386	84%	8
Depreciation - right of use assets	510	755	(245)	(48%)	9
Allowance for impairment losses - receivables	-	446	(446)	(100%)	10
Net loss on disposal of property, infrastructure, plant and equipment	-	2,010	(2,010)	100%	5
Borrowing costs	723	684	39	5%	
Finance costs - leases	58	68	(10)	(17%)	11
Other expenses	4,415	2,127	2,288	52%	12
<b>Total expenses</b>	<b>101,858</b>	<b>116,464</b>	<b>(14,606)</b>	<b>(14%)</b>	
<b>Surplus/(deficit) for the year</b>	<b>27,722</b>	<b>12,441</b>	<b>(15,281)</b>	<b>(55%)</b>	

### (i) Explanation of material variations

1	User fees	The main reason for the favourable variance is due to higher than expected income from the West Gippsland Arts Centre productions and presentations of \$527k and increased animal registration fees of \$91k.
2	Grants - operating	The main reasons for the unfavourable variance in Operating Grants is due to the entire Financial Assistance Grants from the Victorian Grants Commission for 2023/24 paid in advance in 2022/23 financial year. This was partly offset by \$4.6 million of Natural Disaster Funding expected to be received as part of council storms and floods claim.
3	Grants - capital	Capital grants are unfavourable to budget by \$7.13 million due to delays in completion of capital projects, which have resulted in the carryover of capital grants to next financial year. The grants will be recognised by Council at the point when Council satisfies the project performance obligations as specified in the agreement.
4	Contributions - non monetary	Contributions - non monetary are favourable to budget by \$6.99 million mainly due to donated assets received by Council which are not budgeted.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The budgeted gain on disposal of property, infrastructure, plant and equipment was for mainly land and plant sales. The unfavourable variance is mainly due to the write-off of infrastructure assets as a part of capitalisation process.
6	Other income	Other income is favourable to the budget by \$2.78 million, mainly due to higher than expected interest income received by the Council. In the current interest rate environment, the Council earned higher than expected interest rates.  Additionally, there was a reclassification of family day care fees recovery, which was initially budgeted under operating grants.
7	Materials and services	Materials and service costs are unfavourable to the annual budget mainly due to the operational costs expensed in the financial year from the Capital Works Program of \$4.9 million. These costs form part of the Capital Works Program; however, they do not meet the criteria to be capitalized. In addition, \$5.6 million was spent on natural disaster events due to multiple storms and flood events.  Most of this expenditure will be recovered as part of council claims.  The reclassification of the Myli contractual payment, which was budgeted under other expenses, has been moved to materials and services.
8	Amortisation - intangible assets	Amortisation - intangible assets is favourable to budget by \$386k due to a project not completed and carried forward to the next financial year.
9	Depreciation - right of use assets	Depreciation - right of use assets is unfavourable to budget by \$245k due to new leases entered within the financial year which resulted in higher amortisation costs compared to annual budget.
10	Allowance for impairment losses - receivables	This is an unbudgeted expenditure but forms part of Council expenditure on an annual basis.
11	Finance costs - leases	Finance cost on leases is unfavourable to budget due to changes to lease agreements.
12	Other expenses	Favourable variance of \$2.3 million is mainly due to reclassification of \$2.1 million Myli contribution from expenses to material and services.



## 2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	REF
<b>Property</b>					
Land	-	216	216	100%	1
<b>Total land</b>	<b>-</b>	<b>216</b>	<b>216</b>	<b>100%</b>	
Total buildings	11,450	13,353	1,903	17%	2
<b>Total buildings</b>	<b>11,450</b>	<b>13,353</b>	<b>1,903</b>	<b>17%</b>	
<b>Total property</b>	<b>11,450</b>	<b>13,569</b>	<b>2,119</b>	<b>19%</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,689	1,935	246	15%	3
Computers and telecommunications	2,342	1,624	(718)	(31%)	4
<b>Total plant and equipment</b>	<b>4,031</b>	<b>3,559</b>	<b>(472)</b>	<b>(12%)</b>	
<b>Infrastructure</b>					
Roads	8,416	9,054	638	8%	5
Bridges	2,459	934	(1,525)	(62%)	6
Footpaths and cycleways	3,180	883	(2,297)	(72%)	7
Drainage	915	1,101	186	20%	8
Parks, open space and streetscapes	2,133	8,124	5,991	281%	9
Other infrastructure	25,473	-	(25,473)	(100%)	10
<b>Total infrastructure</b>	<b>42,576</b>	<b>20,096</b>	<b>(22,480)</b>	<b>(53%)</b>	
<b>Total capital works expenditure</b>	<b>58,057</b>	<b>37,224</b>	<b>(20,833)</b>	<b>(36%)</b>	
<b>Represented by:</b>					
Asset renewal expenditure	34,120	18,789	(15,331)	(45%)	11
Asset expansion expenditure	7,306	14,060	6,754	92%	12
Asset upgrade expenditure	16,631	4,375	(12,256)	(74%)	13
<b>Total capital works expenditure</b>	<b>58,057</b>	<b>37,224</b>	<b>(20,833)</b>	<b>(36%)</b>	

## 2.1.2 Capital works (continued)

### (i) Explanation of material variations

Variance REF	Item	Explanation
1	Land	Land acquisition cost is higher than budget mainly due to a carryover project of land acquisition at Main South Road & Weebar Road.
2	Buildings	Variances in the building costs are due to delays mainly associated with the design projects and the Baw Baw Civic Precinct project. These projects have been carried over to the next financial year. In addition, some expenditure did not meet the capitalisation requirements and was transferred to operational expenditure.
3	Plant, fleet & machinery	Variance comprised of underspend in plant fleet and equipment replacement programs. These works have been carried over to the next financial year.
4	Computers and telecommunications	Computers and telecommunications spent was allocated towards intangible assets and leased items and hence was not recognised as capital expenditure causing a variance of \$2.3 million to the budgeted amount.
5	Roads	Road projects are lower than budget by \$10.6 million due to delays on the sealing gravel roads program, Black Spot program and the Drouin townscape works. These projects have been carried over to the next financial year. Some expenditure did not meet the capitalisation requirements and was transferred to operational expenditure.
6	Bridges	Variance comprised of underspend in Vehicle bridge renewal programs. These works have been carried over to the next financial year.
7	Footpaths and cycleways	Footpaths and cycleways expenditure are lower than budgets by \$5.8 million due to underspend in Rokeby Noojee trail project, and the Sand Road Bicycle Paths.
8	Drainage	Unfavourable variance was observed due to works on Trafalgar drainage - design and land acquisition retardation project that was budgeted in previous financial years.
9	Parks, open space and streetscapes	Unfavourable variance was observed due to re-classification of some projects like Bellbird park pavilion to better align with parks, open space and streetscapes category.
10	Other infrastructure	The projects from other infrastructure have been re-classified to better align their probable asset categories.
11	Asset renewal expenditure	Favourable variance was observed due to delay in a few projects. Notably projects underspent this year are Downton Park Pavilion Upgrade Design, Vehicle Bridge Renewal Program and Core System Replacement.
12	Asset expansion expenditure	Some projects like Warragul Leisure Centre and Bellbird park had works budgeted in last financial year but the expenditure on these projects were incurred this financial year which resulted in an unfavourable variance in Asset expansion.
13	Asset upgrade expenditure	Delay in Rollo Street, Yarragon Masterplan Project, Black Spot Program - Sand Road/Princes Way and Copelands Road Upgrade are some of the significant projects that contributed to favourable variance in upgrade category.

## 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

### 2.2.1 Community Infrastructure

Community Infrastructure is responsible for both the planning and delivery of Council's annual and long-term capital works program, and the maintenance of Council's assets. This includes Infrastructure Maintenance, Infrastructure Delivery, Civil asset planning, Road maintenance, Fleet and depot support, open space maintenance and environmental sustainability.

Recreational facilities are managed by Council, and include leisure and pool facilities contracts, support for committees of management of public halls and recreation reserves.

### Strategy and Organisational Performance

Corporate and Community service provide a range of services for individuals and families within the community, including Connected Communities and Community Planning Services and Family and Children's Services.

Safety, procurement, human resources, finance, community planning, payroll and revenue services are performed within the organisation to ensure that Council meet all statutory compliance requirements and is financially sustainable.

Performance of these functions enable Council to operate strategically to support future growth and development.

### Chief Executive Office

The Chief Executive Office (CEO) represents the management of Council, including day to day operations of the organisation in accordance with the Council Plan, implementation of Council decisions, and advocating to government on behalf of Council and the community.

The CEO directorate includes communication to inform the community of Council issues.

### Planning and Development

Planning and development is responsible for the planning services to meet day to day, and strategic planning requirements in a major growth region. This includes statutory planning, priority development, strategic planning and building services.

Other services that support the community and Council are community compliance, public health, emergency management and environment services.

### Economic Development, Arts and Advocacy

Economic Development, Arts and Advocacy has responsibility for the management of the redeveloped iconic West Gippsland Arts Centre, which hosts a variety of performance and events each year. Additionally, Community Cultural Development promotes initiatives and opportunity for arts and cultural activities within the community.

Other services that support the community and Council are economic development, tourism, business support and grants and advocacy which brings the community together.

### Governance and Information Services

Governance and Information services is responsible for Risk and Insurance management, Governance and Property to ensure all statutory compliance requirements are met.

Information Technology and Business information support the information requirement of Council, and the associated technical infrastructure, and Customer service is the first point of external customer contact.

## 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
<b>2024</b>					
Community Infrastructure	32,403	(70,260)	(37,857)	17,748	931,765
Chief Executive Office	41	(1,422)	(1,381)	-	-
Strategy and Organisational Performance	81,234	(11,800)	69,434	2,265	88,937
Economic Development, Arts and Advocacy	1,944	(5,009)	(3,065)	540	-
Planning and Development	12,876	(18,163)	(5,287)	5,105	-
Governance and Information Services	407	(9,810)	(9,403)	-	4,978
	<b>128,905</b>	<b>(116,464)</b>	<b>12,441</b>	<b>25,658</b>	<b>1,025,680</b>

### 2023

Community Infrastructure	26,517	(68,719)	(42,202)	6,450	889,042
Chief Executive Office	-	(1,199)	(1,199)	-	-
Strategy and Organisational Performance	88,485	(11,084)	77,401	16,316	84,859
Economic Development, Arts and Advocacy	2,541	(5,189)	(2,648)	1,365	-
Planning and Development	6,909	(11,082)	(4,173)	5,680	-
Governance and Information Services	77	(9,002)	(8,925)	5	4,750
	<b>124,529</b>	<b>(106,275)</b>	<b>18,254</b>	<b>29,816</b>	<b>978,651</b>

## Note 3 : Funding for the Delivery of our Services

### 3.1 Rates and charges

	2024 \$'000	2023 \$'000
Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value (CIV) of a property is its market value of land and improvements as of January 2023. The valuation base used to calculate general rates for 2023/24 was \$24,125 million (2022/23 \$21,738 million).		
General rates	60,442	57,240
Waste management charge	12,261	10,925
Supplementary rates and rate adjustments	1,019	1,248
Interest on rates and charges	284	184
<b>Total rates and charges</b>	<b>74,006</b>	<b>69,597</b>

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

### 3.2 Statutory fees and fines

Infringements and costs	842	507
Town planning fees	810	529
Land information certificates	140	142
Permits	931	1,019
Court recoveries	294	345
<b>Total statutory fees and fines</b>	<b>3,017</b>	<b>2,542</b>

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

### 3.3 User fees

Aged and health services	11	11
Leisure centre and recreation	1,376	1,213
Registration and other permits	928	822
Other fees and charges	465	301
<b>Total user fees</b>	<b>2,780</b>	<b>2,347</b>

#### User fees by timing of revenue recognition

User fees recognised over time	2,780	2,347
<b>Total user fees</b>	<b>2,780</b>	<b>2,347</b>

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

### 3.4 Funding from other levels of government

Grants were received in respect of the following :

	2024 \$'000	2023 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	7,134	17,731
State funded grants	18,524	12,085
<b>Total grants received</b>	<b>25,658</b>	<b>29,816</b>
<b>(a) Operating Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Financial assistance grants *	529	14,551
Family day care	-	3
Aged care	-	18
Other	10	-
<b>Recurrent – State Government</b>		
Aged care	-	82
School crossing supervisors	251	236
Maternal and child health	1,157	1,183
Recreation	130	130
Family children services	130	319
Other	344	-
<b>Total recurrent operating grants</b>	<b>2,551</b>	<b>16,523</b>
<b>Non-recurrent – State Government</b>		
Community health	25	43
Community safety	147	550
Economic development	677	913
Recreation	133	-
Waste	692	-
Natural disaster funding	4,770	4,802
Other	357	1,084
<b>Total non-recurrent operating grants</b>	<b>6,801</b>	<b>7,392</b>
<b>Total operating grants</b>	<b>9,352</b>	<b>23,915</b>
* Financial assistance grants from the Victorian Local Government Grants Commission (VLGGC) for 2023/24 was paid in advance in 2022/23 financial year resulting in a significant drop in the grant income for 2023/24 financial year.		
<b>(b) Capital Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Roads to recovery	2,949	1,903
<b>Total recurrent capital grants</b>	<b>2,949</b>	<b>1,903</b>
<b>Non-recurrent – Commonwealth Government</b>		
Local Roads and Community Infrastructure (LRCI)	3,329	1,235
Roads	-	20
Bridges	317	-
<b>Non-recurrent – State Government</b>		
Local and collector roads	321	445
Recreation	2,340	478
Bridges	-	125
Buildings	6,425	1,695
Drainage	400	-
Parks, open space and streetscapes	225	-
<b>Total non-recurrent capital grants</b>	<b>13,357</b>	<b>3,998</b>
<b>Total capital grants</b>	<b>16,306</b>	<b>5,901</b>

### (c) Recognition of grant income

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, 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.

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

General purpose	529	14,551
Specific purpose grants to acquire non-financial assets	16,306	5,901

#### Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	8,823	9,364
	<b>25,658</b>	<b>29,816</b>

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>

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

#### Operating

Balance at start of year	2,097	900
Received during the financial year and remained unspent at balance date	86	2,097
Received in prior years and spent during the financial year	(1,108)	(900)
<b>Balance at year end</b>	<b>1,075</b>	<b>2,097</b>

#### Capital

Balance at start of year	15,982	14,248
Received during the financial year and remained unspent at balance date	718	15,982
Received in prior years and spent during the financial year	(10,525)	(14,248)
<b>Balance at year end</b>	<b>6,175</b>	<b>15,982</b>

### 3.5 Contributions

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>

Monetary	3,812	2,826
Non-monetary	14,303	14,280
<b>Total contributions</b>	<b>18,115</b>	<b>17,106</b>

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

Land	2,484	8,167
Roads	5,745	1,993
Drainage	3,318	1,576
Other infrastructure	2,756	2,544
<b>Total non-monetary contributions</b>	<b>14,303</b>	<b>14,280</b>

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Proceeds of sale	133	645
Written down value of assets disposed/Written off *	(2,143)	(1,221)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(2,010)</b>	<b>(576)</b>

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

\* Net loss on disposal of assets predominantly relates to the write off of property and infrastructure assets as part of the asset renewal process.

### 3.7 Other income

Interest	3,061	2,211
Rent	260	242
Other	2,008	668
<b>Total other income</b>	<b>5,329</b>	<b>3,121</b>

Interest is recognised as it is earned.

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

## Note 4 : The Cost of Delivering Services

### 4.1 (a) Employee costs

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	31,280	29,722
WorkCover	628	445
Superannuation	3,400	2,839
Fringe benefits tax	112	137
Other	3	1
<b>Total employee costs</b>	<b>35,423</b>	<b>33,144</b>

### (b) Superannuation

Council made contributions to the following funds:

#### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	31	28
	<b>31</b>	<b>28</b>
Employer contributions payable at reporting date.	-	19

#### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,369	2,812
	<b>3,369</b>	<b>2,812</b>
Employer contributions payable at reporting date.	140	58

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

## 4.2 Materials and services

	2024 \$'000	2023 \$'000
Contract		
Waste	10,610	9,684
Roads and infrastructure	8,864	7,893
Recreation services	1,836	1,685
Other	2,585	1,741
Contribution – West Gippsland Regional Library Corporation	2,066	1,996
Repairs and maintenance	4,129	3,842
Building maintenance	1,132	929
General maintenance	4,451	2,826
Utilities	687	668
Office administration	1,577	748
Information technology	1,644	1,854
Insurance	961	846
Consultants	2,006	1,520
Arts and culture	469	543
Family day care	537	505
Fleet vehicles and plant costs	1,055	995
Legal	692	732
Marketing costs	574	1,104
Natural disaster damage rectification	5,650	5,402
Training	594	485
Other	379	315
<b>Total materials and services</b>	<b>52,498</b>	<b>46,313</b>

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

## 4.3 Depreciation

Property	2,761	2,438
Plant and equipment	646	846
Infrastructure	18,972	18,702
<b>Total depreciation</b>	<b>22,379</b>	<b>21,986</b>

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

## 4.4 Amortisation – Intangible assets

Software	74	417
<b>Total Amortisation – Intangible assets</b>	<b>74</b>	<b>417</b>

## 4.5 Depreciation – Right of use assets

Property	386	366
Vehicles	145	151
IT equipment	219	260
Arts centre	5	6
<b>Total Depreciation – Right of use assets</b>	<b>755</b>	<b>783</b>

## 4.6 Allowance for impairment losses – Receivables

Infringement debtors	425	-
Other debtors	21	80
<b>Total bad and doubtful debts – allowance for impairment losses</b>	<b>446</b>	<b>80</b>

### Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	80	-
New allowances recognised during the year	537	80
Amounts already provided for and written off as uncollectible	(18)	-
Amounts provided for but recovered during the year	(7)	-
<b>Balance at end of year</b>	<b>592</b>	<b>80</b>

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

## 4.7 Borrowing costs

	2024 \$'000	2023 \$'000
Interest – Borrowings	684	530
<b>Total borrowing costs</b>	<b>684</b>	<b>530</b>

Borrowing costs are recognised as an expense in the period in which they are incurred.

## 4.8 Finance Costs – Leases

Interest – Lease liabilities	53	32
Interest – Chattel mortgage	15	13
<b>Total finance costs</b>	<b>68</b>	<b>45</b>

## 4.9 Other expenses

Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	62	62
Auditors' remuneration – Internal Audit	52	111
Councillors' allowances	495	465
Bank charges	153	140
Council grants & sponsorships	662	747
Others	703	876
<b>Total other expenses</b>	<b>2,127</b>	<b>2,401</b>

## Note 5 : Investing in and Financing our Operations

### 5.1 Financial assets

#### (a) Cash and cash equivalents

Cash on hand	2	2
Cash at bank	3,006	11,471
Term deposits	-	5,500
<b>Total cash and cash equivalents</b>	<b>3,008</b>	<b>16,973</b>

#### (b) Other financial assets

<b>Current</b>		
Term deposits	32,129	54,624
<b>Total current other financial assets</b>	<b>32,129</b>	<b>54,624</b>
<b>Non-current</b>		
Term deposits	16,500	1,500
<b>Total non-current other financial assets</b>	<b>16,500</b>	<b>1,500</b>
<b>Total other financial assets</b>	<b>48,629</b>	<b>56,124</b>
<b>Total cash and cash equivalents and other financial assets</b>	<b>51,637</b>	<b>73,097</b>

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

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

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

(c) Trade and other receivables	2024	2023
Current	\$'000	\$'000
<i>Statutory receivables</i>		
Rates debtors	5,547	3,653
Infringement debtors	931	51
Provision for doubtful debts - infringements	(555)	(51)
Net GST receivable	1,459	1,276
<i>Non statutory receivables</i>		
Other debtors	544	1,466
Allowance for expected credit loss - other debtors	(37)	(30)
<b>Total trade and other receivables</b>	<b>7,889</b>	<b>6,365</b>

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

#### (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)	402	1,299
Past due by up to 30 days	20	102
Past due between 31 and 180 days	49	12
Past due between 181 and 365 days	61	10
Past due by more than 1 year	12	43
<b>Total trade and other receivables</b>	<b>544</b>	<b>1,466</b>

#### (e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$592k (2023: 81k) were impaired. The amount of the provision raised against these debtors was \$592k (2023: 81k). 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	592	81
<b>Total trade &amp; other receivables</b>	<b>592</b>	<b>81</b>

#### (f) Contract assets

Contract assets	13,004	9,169
<b>Total contract assets</b>	<b>13,004</b>	<b>9,169</b>

### 5.2 Non-financial assets

(a) Other assets	2024	2023
	\$'000	\$'000
Prepayments	2,058	937
Other	30	32
<b>Total other assets</b>	<b>2,088</b>	<b>969</b>

#### (b) Intangible assets

Software	1,682	132
<b>Total intangible assets</b>	<b>1,682</b>	<b>132</b>

Gross carrying amount	Software
	\$'000
Balance at 1 July 2023	6,394
Additions from internal developments	-
Other additions	-
<b>Balance at 30 June 2024</b>	<b>6,394</b>
<b>Accumulated amortisation and impairment</b>	
Balance at 1 July 2023	6,262
Amortisation expense	74
<b>Balance at 30 June 2024</b>	<b>6,336</b>
Work in progress at 30 June 2023	-
Work in progress at 30 June 2024	1,624
Net book value at 30 June 2023	132
<b>Net book value at 30 June 2024</b>	<b>1,682</b>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life.

Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

### 5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables	2024	2023
	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	9,455	8,205
Accrued expenses	3,431	3,381
<b>Total current trade and other payables</b>	<b>12,886</b>	<b>11,586</b>

#### (b) Trust funds and deposits

Current		
Refundable deposits	7,952	7,074
Retention amounts	644	339
Other refundable deposits	70	202
<b>Total current trust funds and deposits</b>	<b>8,666</b>	<b>7,615</b>

#### (c) Unearned income/revenue

Current		
Grants received in advance - operating	1,075	2,097
Grants received in advance - capital	6,175	15,982
Other	195	739
<b>Total current unearned income/revenue</b>	<b>7,445</b>	<b>18,818</b>

#### 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 grants for specific projects. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

#### Purpose and nature of items

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

## 5.4 Interest-bearing liabilities

	2024 \$'000	2023 \$'000
<b>Current</b>		
Treasury Corporation of Victoria borrowings – secured	14,490	4,000
<b>Total current interest-bearing liabilities</b>	<b>14,490</b>	<b>4,000</b>
<b>Non-current</b>		
Treasury Corporation of Victoria borrowings – secured	2,474	2,474
Borrowings – secured	3,279	7,434
<b>Total non-current interest-bearing liabilities</b>	<b>5,753</b>	<b>9,908</b>
<b>Total</b>	<b>20,243</b>	<b>13,908</b>

Borrowings are secured by registered charge over general rates revenue of council. \$2.474 million of the Non-current borrowings relates to Treasury Corporation of Victoria variable interest only loan over 10 years.

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

Not later than one year	14,490	4,000
Later than one year and not later than five years	3,279	7,434
Later than five years	2,474	2,474
	<b>20,243</b>	<b>13,908</b>

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

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

## 5.5 Provisions

	Employee \$'000	Landfill restoration \$'000	Total \$'000
<b>2024</b>			
Balance at beginning of the financial year	7,363	11,572	18,935
Additional provisions	4,399	1,535	5,934
Amounts used	(3,795)	-	(3,795)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(79)	(1,402)	(1,481)
<b>Balance at the end of the financial year</b>	<b>7,888</b>	<b>11,705</b>	<b>19,593</b>
<i>Provisions – current</i>	7,108	920	8,028
<i>Provisions – non-current</i>	780	10,785	11,565
<b>2023</b>			
Balance at beginning of the financial year	6,384	11,813	18,197
Additional provisions	4,861	109	4,970
Amounts used	(3,989)	-	(3,989)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	107	(350)	(243)
<b>Balance at the end of the financial year</b>	<b>7,363</b>	<b>11,572</b>	<b>18,935</b>
<i>Provisions – current</i>	6,574	1,023	7,597
<i>Provisions – non-current</i>	789	10,549	11,338

	2024 \$'000	2023 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	2,114	1,499
Long service leave	709	659
Other	359	345
	<b>3,182</b>	<b>2,503</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	934	1,369
Long service leave	2,992	2,702
	<b>3,926</b>	<b>4,071</b>
<b>Total current employee provisions</b>	<b>7,108</b>	<b>6,574</b>
<b>Non-current</b>		
Long service leave	780	789
<b>Total non-current employee provisions</b>	<b>780</b>	<b>789</b>
Aggregate carrying amount of employee provisions:		
Current	7,108	6,574
Non-current	780	789
<b>Total aggregate carrying amount of employee provisions</b>	<b>7,888</b>	<b>7,363</b>

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

### Annual leave

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

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

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

### Long service leave

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

Key assumptions:

Discount rate	4.35%	4.06%
Index rate	4.45%	4.35%

	2024 \$'000	2023 \$'000
<b>(b) Landfill restoration</b>		
Current	920	1,023
Non-current	10,785	10,549
	<b>11,705</b>	<b>11,572</b>

Council is obligated to restore the Trafalgar 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	4.35%	4.35%
Index rate	4.30%	5.20%

## 5.6 Financing arrangements

	2024 \$'000	2023 \$'000
The Council has the following funding arrangements in place as at 30 June 2024.		
Bank overdraft *	1,500	1,500
Credit card facilities *	250	250
Treasury Corporation of Victoria facilities	16,964	6,474
Other facilities	3,279	7,434
<b>Total facilities</b>	<b>21,993</b>	<b>15,658</b>
Used facilities	20,280	13,931
Unused facilities	<b>1,713</b>	<b>1,727</b>

\* Unused facilities include Bank overdraft and part of the credit card facilities

## 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

2024	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Operating	\$'000	\$'000	\$'000	\$'000	\$'000
Garbage collection and recycling	12,186	10,426	11,512	12,722	46,846
Roads	10,194	10,630	11,160	11,720	43,704
Consultancies	1,564	266	-	-	1,830
Open space management	629	490	539	-	1,658
Cleaning contracts for council buildings	300	312	-	-	612
Buildings	193	-	-	-	193
Drainage	7	-	-	-	7
Recreation	1,845	1,835	-	-	3,680
Information Technology	1,728	1,256	1,278	1,290	5,552
Other	1,125	135	140	145	1,545
<b>Total</b>	<b>29,771</b>	<b>25,350</b>	<b>24,629</b>	<b>25,877</b>	<b>105,627</b>
<b>Capital</b>					
Buildings	752	-	-	-	752
Other	171	-	-	-	171
<b>Total</b>	<b>923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923</b>

2023	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Operating	\$'000	\$'000	\$'000	\$'000	\$'000
Garbage collection and recycling	9,146	4,566	4,385	396	18,493
Roads	10,238	10,531	11,057	-	31,826
Consultancies	478	-	-	-	478
Open space management	569	-	-	-	569
Cleaning contracts for council buildings	329	345	60	-	734
Buildings	28	-	-	-	28
Drainage	324	-	-	-	324
Recreation	1,701	1,803	1,911	-	5,415
Information Technology	1,147	1,169	1,191	2,452	5,959
Other	1,321	28	60	-	1,409
<b>Total</b>	<b>25,281</b>	<b>18,442</b>	<b>18,664</b>	<b>2,848</b>	<b>65,235</b>
<b>Capital</b>					
Buildings	16,950	-	-	-	16,950
Roads	1,736	-	-	-	1,736
Drainage	85	-	-	-	85
Open Space	77	-	-	-	77
Recreation	2,330	-	-	-	2,330
Other	2,353	-	-	-	2,353
<b>Total</b>	<b>23,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,531</b>

## 5.8 Leases

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

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

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

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

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

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

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



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

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

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

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

<b>Right-of-Use Assets</b>	<b>IT \$'000</b>	<b>Fleet \$'000</b>	<b>Property \$'000</b>	<b>Arts Centre \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2023	714	236	3,424	5	4,379
Additions	1	-	253	-	254
Amortisation charge	(219)	(145)	(386)	(5)	(755)
<b>Balance at 30 June 2024</b>	<b>496</b>	<b>91</b>	<b>3,291</b>	<b>-</b>	<b>3,878</b>

#### Lease Liabilities

<b>Maturity analysis - contractual undiscounted cash flows</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Less than one year	563	675
One to five years	990	1,260
<b>Total undiscounted lease liabilities as at 30 June:</b>	<b>1,553</b>	<b>1,935</b>

#### Lease liabilities included in the Balance Sheet at 30 June:

Current	563	675
Non-current	990	1,260
<b>Total lease liabilities</b>	<b>1,553</b>	<b>1,935</b>

#### Short-term and leases of low value assets

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

<b>Expenses relating to:</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Short-term leases	8	28
<b>Total</b>	<b>8</b>	<b>28</b>

#### Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

##### Payable:

Within one year	8	28
<b>Total lease commitments</b>	<b>8</b>	<b>28</b>

## Note 6 : Assets Manage by Council

### 6.1 Non current assets classified as held for sale

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Value of assets - Property	4,278	1,150
<b>Total non current assets classified as held for sale</b>	<b>4,278</b>	<b>1,150</b>

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

6.2 Property, Infrastructure and Equipment  
Summary of property, infrastructure, plant and equipment

\$'000	Carrying amount 30 June 2023	Additions \$'000	Contributions \$'000	Revaluations \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfer \$'000	Carrying amount 30 June 2024
Property	303,006	-	2,484	18,897	(2,761)	(378)	-	7,716	328,964
Plant and equipment	4,341	1,935	-	-	(646)	(45)	-	205	5,790
Infrastructure	516,737	-	11,889	18,102	(18,972)	(1,720)	-	20,225	546,261
Work in progress	59,306	33,665	-	-	-	-	(1,489)	(31,273)	60,209
	<b>883,390</b>	<b>35,600</b>	<b>14,373</b>	<b>36,999</b>	<b>(22,379)</b>	<b>(2,143)</b>	<b>(1,489)</b>	<b>(3,127)</b>	<b>941,224</b>

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	15,968	13,569	(23)	(14,107)	15,407
Infrastructure	43,338	20,096	(1,466)	(17,166)	44,802
<b>Total</b>	<b>59,306</b>	<b>33,665</b>	<b>(1,489)</b>	<b>(31,273)</b>	<b>60,209</b>

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Total Land & Land Improvements \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2023	92,876	130,026	222,902	147,411	147,411	15,968	386,281
Accumulated depreciation at 1 July 2023	-	-	-	(67,307)	(67,307)	-	(67,307)
	<b>92,876</b>	<b>130,026</b>	<b>222,902</b>	<b>80,104</b>	<b>80,104</b>	<b>15,968</b>	<b>318,974</b>
<b>Movements in fair value</b>							
Additions	-	-	-	-	-	13,569	13,569
Contributions	66	2,418	2,484	-	-	-	2,484
Revaluation	(2,120)	(2,713)	(4,833)	19,368	19,368	-	14,535
Disposal	-	-	-	(1,033)	(1,033)	-	(1,033)
Write-off	-	-	-	-	-	(23)	(23)
Transfers	3,543	(5,486)	(1,943)	9,659	9,659	(14,107)	(6,391)
	<b>1,489</b>	<b>(5,781)</b>	<b>(4,292)</b>	<b>27,994</b>	<b>27,994</b>	<b>(561)</b>	<b>23,141</b>
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	-	-	-	(2,761)	(2,761)	-	(2,761)
Accumulated depreciation of disposals	-	-	-	655	655	-	655
Revaluation depreciation movements	-	-	-	4,362	4,362	-	4,362
	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,256</b>	<b>2,256</b>	<b>-</b>	<b>2,256</b>
At fair value 30 June 2024	94,365	124,245	218,610	175,405	175,405	15,407	409,422
Accumulated depreciation at 30 June 2024	-	-	-	(65,051)	(65,051)	-	(65,051)
<b>Carrying amount</b>	<b>94,365</b>	<b>124,245</b>	<b>218,610</b>	<b>110,354</b>	<b>110,354</b>	<b>15,407</b>	<b>344,371</b>

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	7,302	4,630	11,932
Accumulated depreciation at 1 July 2023	(3,274)	(4,317)	(7,591)
	<b>4,028</b>	<b>313</b>	<b>4,341</b>
<b>Movements in fair value</b>			
Additions	1,906	29	1,935
Disposal	(184)	-	(184)
Transfers	-	205	205
	<b>1,722</b>	<b>234</b>	<b>1,956</b>
<b>Movements in accumulated depreciation</b>			
Depreciation and amortisation	(549)	(97)	(646)
Accumulated depreciation of disposals	139	-	139
	<b>(410)</b>	<b>(97)</b>	<b>(507)</b>
At fair value 30 June 2024	9,024	4,864	13,888
Accumulated depreciation at 30 June 2024	(3,684)	(4,414)	(8,098)
<b>Carrying amount</b>	<b>5,340</b>	<b>450</b>	<b>5,790</b>

	Roads	Bridges	Footpaths and cycleways	Drainage	Parks, open spaces & streetscapes	Off street car parks	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	5,746	59,460	56,749	109,832	78,810	13,786	43,338	873,682
Accumulated depreciation at 1 July 2023	(21,602)	(28,183)	(14,727)	(21,518)	(32,481)	(5,096)	-	(313,607)
	<b>300,105</b>	<b>31,277</b>	<b>42,022</b>	<b>88,314</b>	<b>46,329</b>	<b>8,690</b>	<b>43,338</b>	<b>560,075</b>
<b>Movements in fair value</b>								
Additions	-	-	-	-	-	-	20,096	20,096
Contributions	5,746	637	1,660	3,318	369	159	-	11,889
Revaluation	(939)	1,788	617	12,512	2,121	216	-	16,315
Disposal	(2,194)	(453)	(377)	(84)	(957)	(52)	-	(4,117)
Write-off	-	-	-	-	-	-	(1,466)	(1,466)
Transfers	10,761	1,257	2,156	1,878	3,782	391	(17,166)	3,059
	<b>35,067</b>	<b>4,315</b>	<b>4,417</b>	<b>8,660</b>	<b>6,452</b>	<b>901</b>	<b>5,364</b>	<b>65,177</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(11,222)	(809)	(840)	(1,388)	(4,389)	(324)	-	(18,972)
Accumulated depreciation of disposals	1,318	405	202	17	424	31	-	2,397
Revaluation	8,097	(1,074)	(433)	(2,738)	(2,000)	(65)	-	1,787
	<b>(1,807)</b>	<b>(1,478)</b>	<b>(1,071)</b>	<b>(4,109)</b>	<b>(5,965)</b>	<b>(358)</b>	<b>-</b>	<b>(14,788)</b>
At fair value 30 June 2024	525,081	62,669	60,805	127,456	84,125	14,500	44,802	919,458
Accumulated depreciation at 30 June 2024	(213,409)	(29,661)	(15,798)	(25,627)	(38,446)	(5,454)	-	(328,395)
<b>Carrying amount</b>	<b>311,672</b>	<b>33,028</b>	<b>45,007</b>	<b>101,829</b>	<b>45,679</b>	<b>9,046</b>	<b>44,802</b>	<b>591,063</b>

At fair value 30 June 2024  
Accumulated depreciation at 30 June 2024  
**Carrying amount**

**Acquisition**

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

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

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

**Asset recognition thresholds and depreciation periods**

**Depreciation Period**

**Threshold Limit \$'000**

**Land & land improvements**

land - -

**Buildings**

buildings 4 - 100 years 25

**Plant and Equipment**

plant, machinery and equipment 1 - 20 years -

fixture fittings and furniture 3 - 27 years 10

computer and telecommunications 1 - 20 years 10

**Infrastructure**

roads - pavements, and seals 1 - 85 years 10

roads - formation and earthworks - 10

bridges - kerbs, channel and minor culverts 15 - 80 years 5

road bridges 1 - 100 years 20

pedestrian bridges 1 - 100 years 10

major culverts 1 - 80 years 20

footpaths and cycleways 1 - 80 years 10

drainage 25 - 100 years 10

waste management - 10

open space and recreational facilities 10-80 years 5

off street car parks 1 - 85 years 10

**Intangible assets**

intangible assets 2 - 10 years 100

**Land under roads**

Council recognises land under roads it controls at fair value.

**Depreciation and amortisation**

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to 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 and buildings were undertaken by a qualified independent valuer Gippsland Property Valuations (Jonathan Barnett AAPI registration number 63207). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions, the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on, market value, a full revaluation of land assets was conducted in the year 2021/22 and next full revaluation for land and buildings assets will occur in three year cycle from valuation date or earlier if any material change is observed in regular desktop review.

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 Valuation	Type of Valuation
Non-Specialised land	-	124,245	-	May 2024	Index
Specialised land	-	-	94,365	May 2024	Index
Specialised buildings	-	-	110,354	May 2024	Full
<b>Total</b>	<b>-</b>	<b>124,245</b>	<b>204,719</b>		

## Valuation of infrastructure

Valuation of infrastructure assets was undertaken by the qualified engineers within the Assets Systems Team lead by Manager Infrastructure Assets and Recreation (Bachelor of Engineering – Civil – Registered Professional Engineer PE0006720), A conditional assessment for Roads and Off Street Car Park asset classes were undertaken by qualified independent consultants from Talis Consultants (Nigel King BSc (Hons), Geography, Information Technology), DM Roads Pty Ltd. (Aydin Molokov, B.Eng (Hons)). A conditional assessment for Footpaths and Cycleways class was performed by Infrastructure Management Group (Luke Gibney, Bachelor of Engineering (B.Eng)).

The date and type of the current valuation is detailed in the following table. An indexation on unit rates for Bridges and Major Culverts (based on PPI), Parks, Open Space and Streetscape (based on a combination of PPI and Rawlinson) and Drainage (based on a combination of PPI and internal subdivision costings) assets was applied in the current year. A full unit rate revaluation was conducted on Roads, Footpaths and Cycleways and Off Street Car Park asset classes utilising the Asset Information Management System (Conquest) to process the information for financial reporting.

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
Roads	-	-	311,672	May 2024	Index
Bridges	-	-	33,028	May 2024	Index
Footpaths and cycleways	-	-	45,007	May 2024	Index
Off street car parks	-	-	9,046	May 2024	Index
Drainage	-	-	101,829	May 2024	Full
Parks, open space and streetscapes	-	-	45,679	May 2024	Index
<b>Total</b>	<b>-</b>	<b>-</b>	<b>546,261</b>		

## Description of significant unobservable inputs into level three 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 five percent and 95 percent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2 and \$1200 for per square metre.

**Specialised buildings** are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$890 to \$3,070 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 4 years to 25 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 one year 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.

	2024 \$'000	2023 \$'000
Land under roads	26,128	26,130
Parks and reserves	27,784	23,533
Other	40,453	46,798
<b>Total specialised land</b>	<b>94,365</b>	<b>96,460</b>

## 6.3 Investments in associates, joint arrangements and subsidiaries

### Community Asset Committee

All entities controlled by Council that have material income, 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.

## Note 7 : People and Relationships

### 7.1 Council and key management remuneration

#### (a) Related Parties

##### Parent entity

Baw Baw Shire Council has no subsidiaries.

#### (b) Key Management Personnel

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

Details of KMP at any time during the year are:

#### Councillors

Cr Annemarie McCabe (Mayor)  
 Cr Tricia Jones (Deputy Mayor from 16 November 2023)  
 Cr Michael Leaney (Deputy Mayor until 15 November 2023)  
 Cr Keith Cook  
 Cr Farhat Firdous  
 Cr Danny Goss  
 Cr Peter Kostos  
 Cr Jazmin Tauru  
 Cr Darren Wallace

#### Key management personnel

Chief Executive Officer Mark Dupe  
 Director - Community Infrastructure Ben Wood  
 Director - Economic Development, Arts and Advocacy Mark Kestigian  
 Director - Governance and Information Services Martin Hopley  
 Director - Governance and Information Services (from 6 January 2024 to 17 March 2024) Dominique Foenander  
 Director - Planning and Development (until 5 January 2024) Leanne Hurst  
 Director - Planning and Development (from 6 January 2024 to 17 March 2024) Martin Hopley  
 Director - Planning and Development (from 18 March 2024) Luke Connell  
 Director - Strategy and Organisation Performance Cohen Van der Velde

	2024 No.	2023 No.
<b>Total Number of Councillors</b>	9	10
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	8	8
<b>Total Number of Key Management Personnel</b>	<b>17</b>	<b>18</b>

#### (c) Remuneration of Key Management Personnel

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

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

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

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

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

Total remuneration of key management personnel was as follows:

	2024 \$	2023 \$
Short-term employee benefits	1,763	1,657
Post-employment benefits	179	164
Termination benefits	-	41
<b>Total</b>	<b>1,942</b>	<b>1,862</b>

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

	2024 No.	2023 No.
\$0 - \$9,999	-	2
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	6	6
\$40,000 - \$49,999	2	1
\$50,000 - \$59,999	2	-
\$80,000 - \$89,999	-	2
\$100,000 - \$109,999	1	-
\$150,000 - \$159,999	-	1
\$210,000 - \$219,999	2	1
\$220,000 - \$229,999	1	1
\$250,000 - \$259,999	2	3
\$310,000 - \$319,999	-	1
\$320,000 - \$329,999	1	-
	<b>17</b>	<b>19</b>

#### (d) Remuneration of other senior staff

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

	2024 \$	2023 \$
<b>Total remuneration of other senior staff was as follows:</b>		
Short-term employee benefits	2,026	1,297
Post-employment benefits	212	141
Termination benefits	-	41
<b>Total</b>	<b>2,238</b>	<b>1,479</b>

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

Income Range:	2024 No.	2023 No.
\$170,000 – \$179,999	6	4
\$180,000 – \$189,999	3	1
\$190,000 – \$199,999	1	-
\$210,000 – \$219,999	1	-
\$220,000 – \$229,999	-	2
\$230,000 – \$239,999	1	-
<b>Total</b>	<b>12</b>	<b>7</b>

Total remuneration for the reporting year for other senior staff included above, amounted to: **2,238**      **1,479**

\* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

## 7.2 Related party disclosure

### (a) Transactions with related parties

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

		2024 \$'000	2023 \$'000
Councillor Joe Gauci (Resigned 26 April 2023)	Gauci Electrics Pty Ltd	-	39

(Payment for electrical services subject to normal procurement terms, provided on council buildings and facilities during the year ended 30 June 2023).

Councillor Joe Gauci (Resigned 26 April 2023)	Gippy Tree Services	-	99
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(Payment for tree services subject to normal procurement terms, provided to Council facilities during the year ended 30 June 2023)

During the year the following key management personnel, were board members of Myli – My Community Library to which the Council made the following contributions as per the Regional Library Agreement.

Cr. Annemarie McCabe	Mr Martin Hopley	2,066	1,996
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### (b) Outstanding balances with related parties

No outstanding balances with related parties are in existence as at balance date.

### (c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to a related party.

### (d) Commitments to/from related parties

No other commitment has been made, guaranteed or secured by Council to Key Management personnel or related parties during the reporting year.

## Note 8 : Managing Uncertainties

### 8.1 Contingent assets and liabilities

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

#### (a) Contingent assets

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

Council has three Development Contributions Plans (DCP01 – whole of municipal district, DCP02 Warragul and DCP03 Drouin) which have been designed to fund the construction of designated infrastructure assets. As at 30 June 2024, the estimated income for the balance of the projects in each DCP are

- a) DCP01 – \$15.1 million
- b) DCP02 – \$230.4 million
- c) DCP03 – \$113.2 million.

#### (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.

### Development Contributions Plans (DCPs)

Council is committed to meet the shortfall between the DCP levy income collected and the cost to deliver the designated infrastructure assets.

There is a significant shortfall in funds for DCP01 while DCP02 has been designed to collect 99.45% of all projects on average and DCP03 is expected to collect 99.99% of all projects.

As at 30 June 2023 the estimated value of infrastructure works to be funded by council is as follows:

- a) DCP01 – \$25.9 million
- b) DCP02 – \$1.3 million
- c) DCP03 – \$0.01 million.

### Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. Details of the circumstances which may result in the need to make additional contributions are explained in Note 9.3.

### Liability Mutual Insurance

Council is (was) 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. The Council has not been notified of any additional payments.

## MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027).

During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members. The Council has not been notified of any additional payments.

## 8.2 Change in accounting standards

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

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

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

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

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards – Noncurrent 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), bank and TCV borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

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

#### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget. There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

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

### (c) Credit risk

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

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

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

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

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

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

### (d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

### (e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and -0.5% 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.

## 8.4 Fair value measurement

### Fair value hierarchy

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:

<b>Level 1</b>	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
<b>Level 2</b>	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
<b>Level 3</b>	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, 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 one to four 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	1 to 4 years
Buildings	1 to 4 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Off Street car parks	1 to 4 years
Parks, open space and streetscapes	1 to 4 years
Other infrastructure	1 to 4 years

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

### Impairment of assets

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

## 8.5 Events occurring after balance date

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

## Note 9 : Other Matters

### 9.1 Reserves

#### (a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (Decrement) \$'000	Balance at end of reporting period \$'000
<b>2024</b>			
<b>Property</b>			
Land and land improvements	148,286	(4,832)	143,454
Buildings	47,626	23,728	71,354
	<b>195,912</b>	<b>18,896</b>	<b>214,808</b>
<b>Infrastructure</b>			
Roads	177,419	7,158	184,577
Bridges and major culverts	15,336	714	16,050
Footpaths and cycleways	4,459	184	4,643
Drainage	39,638	9,775	49,413
Parks, open space and streetscapes	5,223	122	5,345
Off street car parks	4,807	150	4,957
	<b>246,882</b>	<b>18,103</b>	<b>264,985</b>
<b>Total asset revaluation reserves</b>	<b>442,794</b>	<b>36,999</b>	<b>479,793</b>
<b>2023</b>			
<b>Property</b>			
Land and land improvements	129,189	19,097	148,286
Buildings	34,468	13,158	47,626
	<b>163,657</b>	<b>32,255</b>	<b>195,912</b>
<b>Infrastructure</b>			
Roads	239,613	(62,194)	177,419
Bridges and major culverts	13,220	2,116	15,336
Footpaths and cycleways	7,160	(2,701)	4,459
Drainage	34,849	4,789	39,638
Parks, open space and streetscapes	2,852	2,371	5,223
Off street car parks	5,148	(341)	4,807
	<b>302,842</b>	<b>(55,960)</b>	<b>246,882</b>
<b>Total asset revaluation reserves</b>	<b>466,499</b>	<b>(23,705)</b>	<b>442,794</b>

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



**(b) Other reserves**

	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>2024</b>				
Open space	3,614	600	(983)	3,231
Development contribution levy DCP01	1,367	889	(338)	1,918
Development contribution levy DCP02	4,367	1,694	(496)	5,565
Development contribution levy DCP03	1,627	87	(21)	1,693
Land sales	151	-	-	151
Native vegetation offset scheme	546	3	-	549
Open space PSP	1,255	717	-	1,972
<b>Total other reserves</b>	<b>12,927</b>	<b>3,990</b>	<b>(1,838)</b>	<b>15,079</b>
<b>2023</b>				
Open space	3,386	437	(209)	3,614
Development contribution levy DCP01	2,407	637	(1,677)	1,366
Development contribution levy DCP02	2,769	1,598	-	4,367
Development contribution levy DCP03	1,612	15	-	1,627
Land sales	151	-	-	151
Native vegetation offset scheme	477	90	(21)	546
Open space PSP	1,116	139	-	1,255
<b>Total other reserves</b>	<b>11,918</b>	<b>2,916</b>	<b>(1,907)</b>	<b>12,927</b>

**Public Open Space Reserve 1 (non PSP)**

The reserve retains funds contributed by property developers outside the Precinct Structure Plan areas of Warragul and Drouin for work associated with developing and improving open space and recreational facilities within the Shire. Funds are contributed in accordance with Section 18 of the *Subdivision Act 1988* and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development.

**DCP01 – Baw Baw Shire Development Contribution Plan (Overlay 1)**

The DCP reserve retains funds received from developers for infrastructure provision related to the Baw Baw Shire Council Development Contribution Plan introduced in March 2007. Transfers from this reserve will be nominated capital works for development infrastructure projects and community infrastructure projects as listed out in DCP. Funds held in this reserve are tied directly to the income received from property developers within the Shire.

**DCP02 – Warragul Development Contribution Plan (Overlay 2)**

The DCP reserve retains funds received from developers for infrastructure provision related to the Warragul Development Contribution Plan introduced in September 2014. Transfers from this reserve will be nominated capital works for development infrastructure projects and community infrastructure projects as listed out in the Warragul DCP. Funds held in this reserve are tied directly to the income received from property developers within the areas defined in the Warragul DCP. Payments to developers for excess Works in Kind will be as detailed out in the Baw Baw Shire DCP Implementation Policy.

**DCP03 – Drouin Development Contribution Plan (Overlay 3)**

The DCP reserve retains funds received from developers for infrastructure provision related to the Drouin Development Contribution Plan introduced in September 2014. Transfers from this reserve will be nominated capital works for development infrastructure projects and community infrastructure projects as listed out in the Drouin DCP. Funds held in this reserve are tied directly to the income received from property developers within the areas defined in the Drouin DCP. Payments to developers for excess Works in Kind will be as detailed out in the Baw Baw Shire DCP Implementation Policy.

**Land sales**

This reserve comprises sale proceeds from land previously identified as open space land that, at the time of acquisition, would qualify for funding from the open space reserve.

**Native Vegetation Offset Scheme Reserve**

The Native Vegetation Offset Scheme Reserve retains funds received from holders of approved planning permits received under the *Planning and Environment Act 1987* for the removal of native vegetation. The Reserve is also used to implement land management actions listed in Council's 10-year Offset Management Plans for each of its offset sites located at Lardner and Trafalgar Transfer Stations and at Nangara Reserve. These Offset Management Plans are enforced through an on-title Landowner Agreement (section 69) with the Department of Environment, Water and Planning (DELWP) under the *Conservation, Forests and Lands Act 1987*. The Reserve also pays for the processing of DELWP Trade Agreements (Native Vegetation Offset Register) between Council and the permit holder to facilitate the transfer of native vegetation credits (offsets). Council's Native Vegetation Offset Scheme policy outlines objectives and principles for operation and governance of the Scheme.

**Public Open Space Reserve 2 (PSP)**

The reserve retains funds contributed by property developers within the Precinct Structure Plan areas of Warragul and Drouin. The funds are held to pay land developers who are obligated to provide land in excess 4.5% for neighbourhood parks as defined in the PSPs. Funds are contributed in accordance with Section 18 of the *Subdivision Act 1988*. Payments to developers from this reserve will be as detailed out in the Baw Baw Shire DCP Implementation Policy.

	2024 \$'000	2023 \$'000
<b>Total Reserves</b>	494,872	455,722

**9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	2024 \$'000	2023 \$'000
Surplus for the year	12,441	18,254
<b>Non-cash adjustments:</b>		
Loss on disposal of property, infrastructure, plant and equipment	2,010	576
Depreciation/amortisation	23,208	23,186
Finance costs	752	575
Contributions – Non-monetary assets	(14,303)	(14,280)
Bad and doubtful debts – allowance for impairment losses	446	80
Work in Progress – write off	1,489	229
<b>Change in assets and liabilities:</b>		
Increase in trade and other receivables	(1,988)	(88)
(Increase)/decrease in prepayments	(1,121)	432
Increase in contract assets	(3,835)	(3,297)
Increase/(decrease) in trade and other payables	1,300	(1,655)
Increase/(decrease) in contract and other liabilities	(11,373)	2,015
Increase in trust funds and deposits	1,051	528
Increase in provisions	658	738
<b>Net cash provided by operating activities</b>	<b>10,735</b>	<b>27,293</b>

### 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 Baw Baw Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. 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 97%.

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

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

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

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### The 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:

	<b>2023</b> (Triennial)	<b>2022</b> (Interim)
	<b>\$m</b>	<b>\$m</b>
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 benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 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 actuarial 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:

	<b>2020</b> Triennial investigation	<b>2023</b> Triennial investigation
Net investment return	5.6% pa 2.50 % pa for the first two years and 2.75% pa thereafter	5.7% pa 3.50% pa
Price inflation	2.0% pa	2.8% pa

#### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

<b>Scheme</b>	<b>Types of Scheme</b>	<b>Rate</b>	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
Vision super	Defined benefits	11.0% (2023: 10.5%)	31	28
Vision super	Accumulation	11.0% (2023: 10.5%)	3,369	2,812

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$32k.

### Note 10 : Change in Accounting Policy

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

# Certification to the Financial Statements

For the year ended 30 June 2024

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.



**Prabdeep Sethi (CPA)**  
Principal Accounting Officer  
**Dated:** 9 October 2024  
Warragul

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

At the date of signing, we are not aware of any circumstances 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 Annemarie McCabe**  
Councillor  
**Dated:** 9 October 2024  
Warragul



**Cr Tricia Jones**  
Councillor  
**Dated:** 9 October 2024  
Warragul



**Mark Dupe**  
Chief Executive Officer  
**Dated:** 9 October 2024  
Warragul

## Independent Auditor's Report

To the Councillors of Baw Baw Shire Council

**Opinion** I have audited the financial report of Baw Baw 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.



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

MELBOURNE  
15 October 2024



# Performance Statement

## For the year ended 30 June 2024.

### Description of municipality

Baw Baw Shire Council is approximately 100 kilometres east of Melbourne in West Gippsland. The Council covers an area of 4,027 square kilometres and has an estimated resident population of 60,644 people (as at 30 June 2024, [forecast.id.com.au](http://forecast.id.com.au)).

The Shire was formed in 1994 from the amalgamation of the former Buln Buln and Narracan Shires, the Rural City of Warragul and some parts of the Shire of Upper Yarra.

The northern half of the Shire is heavily forested and lies in the Great Dividing Range and its foothills, including parts of the Mt Baw Baw National Park, while the Shire is bounded by the Strzelecki Range and its foothills to the south. The middle part of the Shire is more densely populated, particularly in areas close to the Princes Highway and the Gippsland railway line, but still retains its rural environment.

Baw Baw's main industries (in terms of the economic value of output) include: health care and social assistance, construction, education and training, retail trade, agriculture, forestry & fishing, and manufacturing.

### Overview of 2023/24

Over the 2023/24 financial year, Baw Baw Shire Council continued to deliver services for the community within a rate-capped environment, whilst also responding to various economic challenges resulting from global uncertainty and a challenging market environment.

Cost pressures persisted due to increased inflation, compounded by growth in the municipality, and rising overheads such as insurance premiums, WorkCover, and utilities costs. Additionally, storm damage from significant weather events throughout the year required unplanned cash investments and caused delays in cost recovery, impacting Council's cash flow.

However, increased interest rates have resulted in higher-than-expected interest income for Council, partially offsetting the additional costs outlined above. Despite these challenges, Council continues to deliver a significant capital works program to service a growing community. Balancing the maintenance of existing services and assets with the addition of new assets to Council's network remains a key challenge for the organisation.

## Sustainable Capacity Indicators

Service	Results				Comments	
	Indicator : measure : [formula]	2021	2022	2023		2024
C1	<b>Population</b> Expenses per head of municipal population [Total expenses / Municipal population]	\$1,663	\$1,945	\$1,796	\$1,920	This result is consistent with last year.
C2	<b>Infrastructure per head of municipal population</b> [Value of infrastructure / Municipal population]	\$12,159	\$15,010	\$11,160	\$11,916	This result is consistent with last year.
C3	<b>Population density per length of road</b> Municipal population / Kilometres of local roads]	30	31	32	33	Council manages a local road network of 1,829 kilometres, resulting in a ratio of 33 people for each kilometre of local road.
C4	<b>Own-source revenue</b> Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,320	\$1,873	\$1,311	\$1,404	This result is consistent with last year.
C5	<b>Recurrent grants</b> Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$298	\$346	\$311	\$91	Financial Assistance Grants (a main component of recurrent grants) were paid in advance in 2022/23, resulting in a significant reduction of funds. This led to a reduction of funds per head of municipal population.
C6	<b>Disadvantage</b> Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	6	The Australian Bureau of Statistics (ABS) prepares an index of relative socio-economic disadvantage. The result for the municipality is six, where one is the most, and ten is the least disadvantaged.
C7	<b>Workforce turnover</b> Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	14.8%	41.9%	18.0%	15.4%	Percentage of staff turnover decreased for the second year in a row. The increase in 2021/22 was primarily attributed to Council's exit of Aged and Disability Services.

## Service Performance Indicators

Service	Results					Comments	
	Service : indicator : [measure]	2021	2022	2023	2024		
				Target as per Budget	Actual		
<b>Aquatic Facilities</b>							
AF6	<b>Utilisation</b> Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.3	4.6	7.1	N/A	6.5	In total, there were 391,401 visits to Council aquatic facilities in 2023/24. This is approximately 26,000 less visits than last year. Despite this reduction, the number of visits per person remains comparable to last year's result of 7.1.
<b>Animal Management</b>							
AM7	<b>Health and safety</b> Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	100%	N/A	100%	There were 16 animal management prosecutions this year (increasing from five last year). All were successfully pursued by Council. Prosecutions are conducted on an as needs basis or when required under the <i>Domestic Animals Act 1994</i> . Council's primary strategy remains focused on community safety, communication, education, and promotion of responsible pet ownership.
<b>Food Safety</b>							
FS4	<b>Health and safety</b> 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] x 100	94.1%	98.8%	100%	N/A	100%	During the year, there were a total of 29 critical and major non-compliance notifications, all of which were followed up by Council.
<b>Governance</b>							
G5	<b>Satisfaction</b> Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53	51	48	53	47	Satisfaction with consultation and engagement decreased by one point compared to the previous year. The average result for similar sized Councils was 48. Note: 2022 result was incorrectly reported as 53, the actual result was 51.
<b>Library Membership</b>							
LB7	<b>Membership</b> Active library borrowers in municipality [Registered library members / Municipal population] x100	N/A*	N/A*	N/A*	N/A*	31.0%	There were 18,810 registered library members at the end of the 2023/24 year. This number equates to 31% of the municipal population. *As this is a new measure from 2023/24 there are no comparative results available.
<b>Maternal and Child Health (MCH)</b>							
MC4	<b>Participation</b> Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	70.9%	70.6%	69.4%	N/A	67.3%	The overall participation rate for the Maternal and Child Health Service was 67%, which is marginally lower than the previous financial year.
MC5	<b>Participation</b> Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	73.1%	70.3%	70.7%	N/A	72.2%	Participation in the Maternal and Child Health service by Aboriginal children was 72% and is marginally higher than previous years.
<b>Roads</b>							
R2	<b>Condition</b> The percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal. [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads]	98.2%*	97.3%*	97.6%*	95.0%	94.6%	Council continued to maintain a high proportion of its road network to the condition standards. Road condition was modelled on historical data as condition assessments are completed every four years.
<b>Statutory Planning</b>							
SP2	<b>Service Standard</b> Planning applications decided within the relevant required time [Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart Permits / Number of planning application decisions made] x100	39.6%	47.9%	41.8%	48.0%	59.0%	The percentage of planning applications decided within the required timeframes continues to improve and is attributed to process improvements and workforce stability.
<b>Waste Collection</b>							
WC5	<b>Waste diversion</b> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	54.3%	53.6%	53.5%	53.0%	53.8%	The landfill diversion rate for this year remained consistent with previous years. More than half of the waste collected was recycled or processed for green organics.

## Financial Performance Indicators

Service	Results					Forecasts				Comments	
	2021	2022	2023	2024		2025	2026	2027	2028		
				Target as per budget	Actual						
<b>Indicator :</b> <i>measure : [formula]</i>											
<b>Efficiency</b>											
E2	<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]										The actual result is consistent with last year.  The target result did not allow for the \$5.6 million natural disaster rectification cost (mostly funded from the state government cost recovery) or the \$4.9 million transfer of capital expenditure (funded from capital budget) to materials and services. Additionally, Council incurred an asset write-off of \$2.1 million as part of asset renewal. The total unplanned expenditure of \$12.6 million, partly funded through the capital budget, state grants, and assets, led to an increase in total expenditure, resulting in a higher cost per assessment compared to the target position.
	\$3,381	\$3,867	\$3,734	\$3,440	\$3,958	\$3,637	\$3,659	\$3,699	\$3,794		
<b>Revenue level</b>											
E4	<b>Average rate per property assessment</b> [Total rate revenue (general rates and municipal charges) / Number of property assessments]										This result is consistent with last year.
	\$2,020	\$1,976	\$2,055	N/A	\$2,089	\$2,185	\$2,243	\$2,296	\$2,350		
<b>Liquidity</b>											
L1	<b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100										Council's current asset balance reduced mainly due to decreased cash and term deposit balances. Some of the term deposits are classified as non-current assets due to their terms. This reduction in current assets, along with an increase in current liabilities due to loan refinancing, and the drawdown of a new loan has impacted the overall balance.  However, the amount of funds in term deposits is sufficient for the Council to meet its obligations.
	174.4%	178.5%	177.4%	306.7%	119.8%	224.6%	236.6%	242.8%	224.0%		
<b>Unrestricted cash</b>											
L2	<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100										The indicator excludes term deposits worth \$49 million from unrestricted cash, in which Council invests most of its funds to maximise returns.  The amount of funds in term deposits is sufficient for Council to meet its obligations.
	45.2%	42.3%	(36.5%)	N/A	(76.3%)	4.0%	7.5%	13.8%	11.4%		
<b>Obligations</b>											
O2	<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100										Council drew down a planned borrowing of \$6.5 million for the extension of the Warragul Leisure Centre capital works. This was approved budgeted borrowing, leading to increased loan borrowings and a change in the ratio.
	24.1%	21.1%	19.9%	N/A	27.4%	27.2%	33.7%	31.6%	29.6%		

Service	Results					Forecasts				Comments	
	2021	2022	2023	2024		2025	2026	2027	2028		
				Target as per budget	Actual						
<b>Indicator :</b> <i>measure : [formula]</i>											
O3	<b>Loans and borrowings repayments compared to rates</b> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100										Council has arranged funding on a short-term basis due to the current interest rate environment, resulting in the payment of loans that were refinanced for an extended short term, leading to an increase in the variance percentage.  During 2023/24, Council refinanced \$8 million and borrowed an additional \$6.5 million. This indicates Council's ability to meet debt commitments from rate revenue. In the forecasted years, we expect to refinance the loans on a long-term basis.
	6.9%	12.4%	6.5%	N/A	11.9%	1.9%	6.1%	2.3%	2.2%		
O4	<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100										Council's refinance of loan facilities for a shorter period of time resulted in reclassification of non current liability to current liability.  Council's non currently liability reduced from \$22.5 million in 2022/23 to \$18.3 million in 2023/24, which was the main driver for the variance movement.
	28.0%	22.0%	29.0%	N/A	21.5%	35.9%	44.5%	42.1%	35.5%		
O5	<b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x 100										Council's renewal and upgrade expenditure was in line with the budget and asset requirements. Due to delays in capital projects and expenditure not meeting the capital thresholds, capital expenditure was lower in 2022/23.  The future year percentage is based on the 2024/25 Council Long Term Infrastructure Plan, which assumes the projects to be completed on time.
	91.3%	103.2%	74.4%	100.0%	103.3%	148.1%	196.8%	159.3%	160.1%		
<b>Operating position</b>											
OPI	<b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100										The Financial Assistance Grant for 2024 was paid in advance in 2022/23, resulting in an unfavourable variance of \$12 million. In addition, Council had unexpected expenditures relating to storm damage rectification and capital expenditure not meeting the asset capitalisation definition. This resulted in a transfer to operating (\$5 million) and Asset write off as a part of capitalisation (\$2 million) and was the main cause of the variance.
	(0.4%)	13.2%	(2.8%)	N/A	(19.5%)	(5.4%)	(3.2%)	(2.2%)	(2.7%)		
<b>Stability</b>											
S1	<b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100										The increase in variance for 2023/24 reflects Council's genuine reliance on rates revenue as a primary source of income.
	69.8%	51.9%	67.3%	74.2%	76.0%	75.1%	75.1%	75.5%	75.8%		
S2	<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100										This result is consistent with last year.
	0.4%	0.4%	0.3%	N/A	0.3%	0.3%	0.3%	0.3%	0.3%		

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
Adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> <li>• non-recurrent grants used to fund capital expenditure; and</li> <li>• non-monetary asset contributions; and</li> <li>• contributions to fund capital expenditure from sources other than those referred to above</li> </ul>
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 outcome notification	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 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

## Notes to the Accounts

### 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 an accounting basis 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 Community 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 forecast figures included in the performance statement are those adopted by Council in its Annual Budget on 19 June 2024 and which informs the Council Plan. The Annual Budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements (Annual Budget). The Council Plan, Strategic Resource Plan, and Annual Budget can be obtained from Council's website.

*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.

### Other Matters

During the financial year Council experienced growth in residents and demand for services. Extensive capital works were undertaken to improve infrastructure.



# Certification to the Performance Statements

For the year ended 30 June 2024

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



**Prabdeep Sethi (CPA)**

Chief Financial Officer

Dated: 9 October 2024

In our opinion, the accompanying performance statement of the Baw Baw 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.



**Annemarie McCabe**

Councillor

Dated: 9 October 2024



**Tricia Jones**

Councillor

Dated: 9 October 2024



**Mark Dupe**

Chief Executive Officer

Dated: 9 October 2024

## Independent Auditor's Report

To the Councillors of Baw Baw Shire Council

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

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

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

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

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



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

MELBOURNE  
15 October 2024

