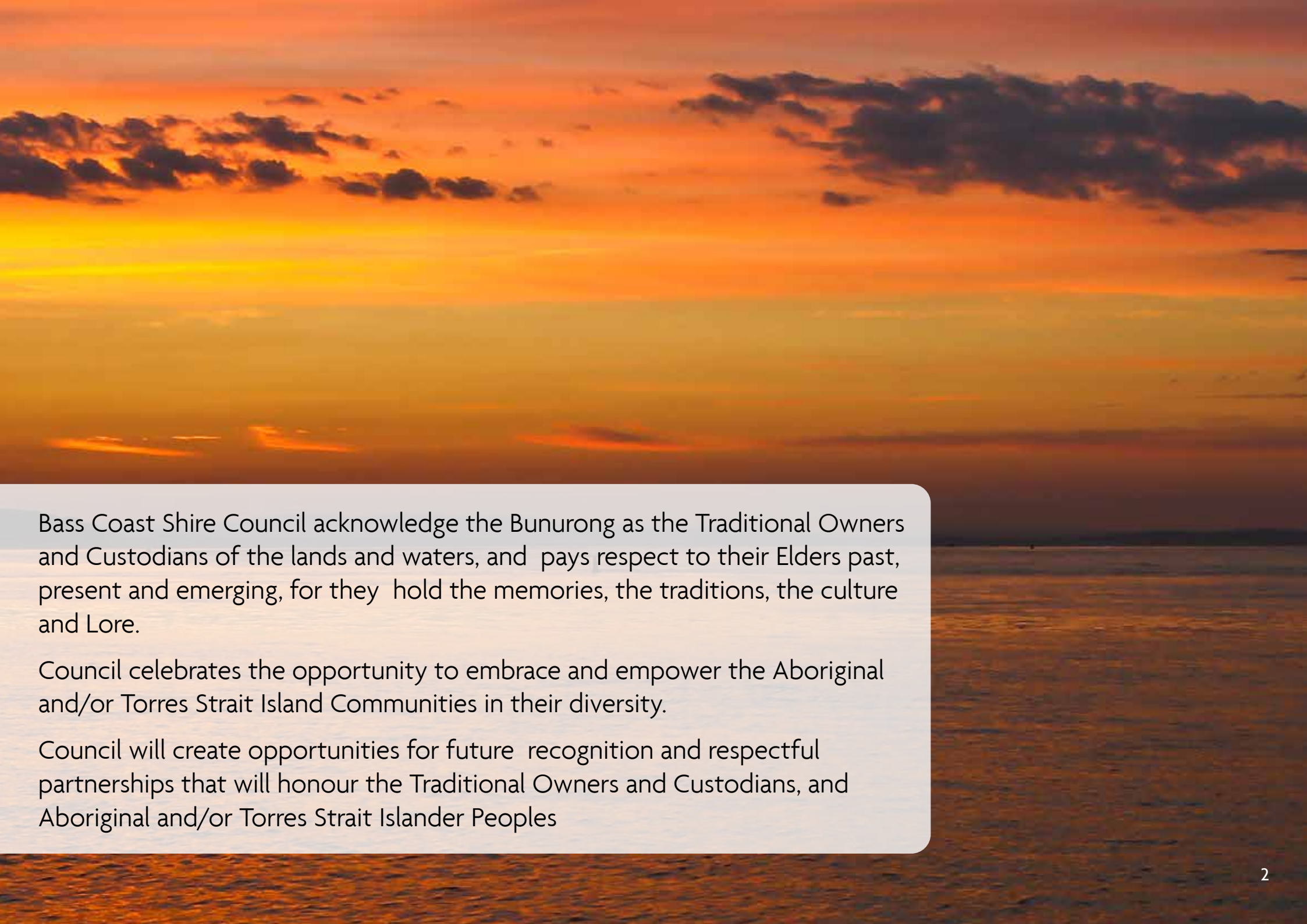




Bass Coast Shire Council Annual Report 2020/21



A sunset over a body of water with a white text box overlay. The sky is filled with orange and yellow hues, with scattered dark clouds. The water in the foreground is dark and reflects the light from the sky. A white text box is positioned in the lower-left quadrant of the image, containing three paragraphs of text.

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

Council celebrates the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity.

Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples

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The Year in Review



Mayor's Message

Local Government elections were held in November 2020 and I would like to take this opportunity to thank the outgoing Councillors, and welcome our incoming Councillors. While there are a few familiar faces back in the role, there are also some new ones, which is fantastic. I was grateful to be elected as Mayor for another term in November as well, which has given me the opportunity to continue to represent the community that I am so passionate about. I would also like to thank my fellow Councillors for their hard work and dedication to our community during the year. I would also like to express my appreciation to our Chief Executive Officer and Council employees for their assistance and efforts during the year.

It has been a year full of challenges, as the COVID-19 pandemic continues to impact on our lives. Throughout the 2020/21 year, Council has taken a number of actions and initiatives, to help local businesses and the community adapt to the uncertainty presented by the pandemic. We waived a number of business-specific fees, funded the Business and Community Resilience Grants, and applied for external grant funding opportunities to expand our Capital Works Program and engage additional staff through the State Government's Working for Victoria Program. The Working for Victoria Program helped us to create 94 temporary roles for people who had been directly affected by the COVID-19 pandemic. We also worked closely with local business and tourism associations to create outdoor dining spaces across the Shire, thanks to \$250,000 from the State Government's Outdoor Eating and Entertainment Package. Summer was the perfect time to see Bass Coast towns opened up for alfresco dining, with many businesses and patrons taking advantage of the outdoor spaces across Bass Coast.

It was another successful year for our Advocacy Team, with success in obtaining funding for a range of local projects linked to COVID-19 response and recovery, sporting and recreation, arts and culture and sustainability. At a Federal level, Council was successful in its advocacy for road infrastructure funding. Successful State funded projects to assist in our growth include funding towards construction of the Guy Road shared path, Guide Park in Wonthaggi, pavilions for Phillip Island and Wonthaggi Croquet Clubs, Newhaven Soccer Club and Wonthaggi Tennis Club, alongside lighting and funding towards the Phillip Island Library alongside Cowes Cultural and Community Centre. A further \$2 million in funding was also successfully achieved for Wonthaggi Activity Centre. It is a credit to everyone – officers, Councillors and community members – that our advocacy efforts are so well rewarded.

Cr Brett Tessari
Mayor



CEO's Message

For the second year running, I've been so proud of the way our organisation adapted to the ever-changing circumstances that the COVID-19 pandemic has created. While the pandemic has presented us with challenges, it has also presented us with opportunities over the last 12 months.

The recovery challenge is substantial. As CEO, I want to reassure everyone that we continue to deliver initiatives and activities for our region's reactivation and recovery. We have built on our strong foundations and the pandemic has not stopped us delivering the many achievements that are outlined in this Annual Report. Major projects and initiatives developed and delivered by Bass Coast have created employment for our residents.

Through the State Government's Working For Victoria (WFV) Program we added an additional 94 people to our workforce for six months. With 70 per cent of people recruited living in the Bass Coast region, we were able to discover local talent and take advantage of expertise from people who wouldn't normally be looking for work in Local Government. The WFV Program meant that we could create positions to support our community and look towards recovery efforts, without having any significant financial impact on our ratepayers and our Budget, as these positions were State Government funded.

The WFV Program also boosted our environmental efforts and enabled us to plant 27,000 indigenous trees in the Bass Hills to revegetate an entire bare hillside. We were able to employ Business Support Officers to guide our local businesses and help them with advice and questions about COVID-19 safety measures. We progressed work on a number of intergenerational projects that will help our region recover. These projects included developing a Masterplan for the Bass Coast Dinosaurs Trail, design and feasibility for two aquatics facilities for Wonthaggi and Phillip Island and the design of the Cowes Cultural and Community Centre.

The pandemic also provided us with an opportunity to create outdoor dining spaces, to support our local hospitality businesses, as they faced one of their toughest years on record. We worked with local businesses and fast tracked

approvals to introduce outdoor dining initiatives throughout the Shire and we cut footpath trading fees to support businesses. We created parklets in main streets and transformed underutilised public spaces and laneways to enjoy vibrant and exciting outdoor dining precincts in our major towns. Prioritising care for those who are some of the most vulnerable in our community, the homeless and at risk, we took a lead in advocacy which resulted in securing a minimum of \$26 million dollars through the Victorian Government's Big Housing Build.

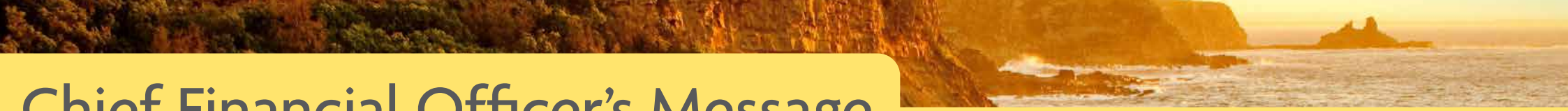
We also worked hard to foster community connections. We worked on our Aboriginal Reconciliation Action Plan and our efforts to significantly improve the understanding of and respect for the culture of Australia's First Peoples continued.

It was also great to be able to hold a small event for IDAHOBIT Day in May. To raise the rainbow flag outside our Civic Centre and have local people speak about what this day means to them and their experiences more broadly, was a truly moving experience.

I'd like to thank all of our outgoing Councillors who finished their term in October 2020. I'd also like to welcome and congratulate all of the incoming Councillors and those who returned for another term. I also thank other government partners, business and community members for their efforts in the past financial year. I look forward to working closely with you on Bass Coast's reactivation and recovery, to return our region to the vibrant and prosperous place that it is known.

Ali Wastie
Chief Executive Officer





Chief Financial Officer's Message

The 2020/21 year saw Council respond to the global COVID-19 pandemic by introducing a number of measures to provide targeted assistance and support the Bass Coast community. A number of fee waivers and payments were made to support impacted local traders. These included financial relief for permits, rent and the allocation of \$700,000 in grants to help local businesses adapt to new ways of working. Council applied an enhanced COVID-19 Financial Hardship Policy during the year, helping impacted ratepayers cope with additional financial burdens caused by the pandemic.

Looking Forward

In 2021/22 we are projecting an operating surplus of \$8.4 million and a balanced Funding Statement position. The budget which has been set within a rates cap increase of 1.5 per cent builds on the recent trend of increasing funding for capital and operational projects. It positions the organisation to respond to the impacts of growth and development within the Shire and plan for the delivery of major projects within a number of different precincts. This has been achieved by continually seeking efficiencies from the way in which Council operates, leveraging funding opportunities and through the prudent use of borrowings and discretionary financial reserves.

This includes a funded portfolio of capital projects of \$35.1 million. This funding will renew, upgrade and expand our community infrastructure and assets. The portfolio will also deliver a number of new community assets and facilities.

Council remains focused on delivering efficiencies from our activities. We are putting in place systems to provide for detailed long term planning, rigorous project management practices, a 'whole of life' asset management approach, further improving internal controls and are working towards an approach where funding is determined by the level of services our community requires. A greater focus on managing our major projects and precincts coupled with ongoing improvements to the customer experience will drive further improvements in our service and infrastructure delivery. All of these measures provide for the opportunity to increase the quality and efficiency of the facilities and the services that Council provides for the Bass Coast community.

Financial Snapshot

\$20.66 million

Operating surplus (budget \$3.11 million surplus)

\$67.19 million

Rates and charges comprised 62% of the total operating revenue

\$18.37 million

Capital works program delivered (against a budgeted \$27.94 million and carryover from 2019/20 \$15.66 million)

\$76.37 million

Cash and term deposits (\$54.18 million in 2019/20)

\$14.75 million

Net borrowings (\$15.53 million in 2019/20)

Council focusses on three key areas of financial performance as a guide to our overall position from a sustainability perspective. These three areas are:

- Our operating and underlying results
- The renewal or replacement of our existing assets
- Our cash holdings, liquidity and borrowings

Chief Financial Officer's Message

The 2020/21 result:

	2020/21 \$' million	2019/20 \$' million
Income statement surplus	20.66	20.81
Underlying result	0.39	2.53
Capital Investment	18.37	18.04
Grant Funding received	15.46	12.67
Cash and cash equivalents	76.37	54.18
Net assets	808.25	739.30
Current asset ratio (%)	151%	157%

Financial sustainability

Increasing threats to funding, such as rate capping and growing community expectations highlight the need for strong financial management, efficient long and short term planning and the targeted allocation of resources.

Our response is to identify and analyse significant trends to provide for sound financial planning and decision making. This is reflected in our annual budget process, Strategic Resource Plan (SRP) and Long Term Financial Plan (LTFP).

Council has, as required by the *Local Government Act 2020*, carried out an in depth review of its forward financial projections and capital works and incorporated these into a comprehensive Long Term Financial Plan.

The Long Term Financial Plan has been placed on public exhibition and will be adopted in conjunction with the Community Vision and Council Plan 2021-25 in October 2021. The Long Term Financial Plan establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10 years and beyond. It is prepared in conjunction with the Council Plan to ensure the affordability of major initiatives included in the Council Plan.

For further financial performance information refer to the annual financial report.

David Filmalter CA
Chief Financial Officer



The Year in Review

Major Capital Works

In August 2020 Council allocated over \$27.9 million towards the renewal, upgrade or construction of new public facilities throughout the municipality and carried forward \$15.7 million for 35 projects that were in progress from 2019/20. This significant investment is reflective of Council's continued commitment towards the maintenance and improvement of its important public assets such as roads, drainage, pathways, buildings, sports grounds, parks and playgrounds. Some of the projects achieved as part of the 2020/21 Capital Works Program include:

Road and Drainage Upgrade, Pioneer Bay (\$2,005,600)

This exciting project involves upgrading the roads from dirt to sealed roads and also includes underground drainage, kerb and channeling to the entire township of Pioneer Bay. It also includes footpaths on selected streets. This project sees significant improvement to the amenity of the town through improved access, reduced dust, better safety for vehicles and pedestrians, reduction in road noise and improved storm water control.



Pioneer Bay Road and Drainage Upgrade



Corinella tennis courts

Tennis Court Redevelopment, Harold Hughes Reserve, Corinella (\$464,838)

Council's new multisport court facility in Corinella was opened and ready to play, just in time for the 2020 summer holidays. This exciting project, at Harold Hughes Reserve, saw the transformation from a tired tennis court to a high quality tennis court and multi-purpose court facility. The new facility features a tennis court with high quality acrylic playing surface.

The Year in Review

Cowes Cultural and Community Centre (\$986,754)

The redevelopment of the Cowes Cultural and Community Centre will create a destination building, demonstrating high quality architectural and urban design outcomes. It will create a dynamic and interactive place for people, a source of community pride where groups can interact together. The new Centre will be a multi-use public building with spaces for the community, including exhibition spaces, function rooms, library and theatre spaces. This is a multi-year project and throughout 2020/21 Jackson Clements Burrows Architects along with key stakeholders and community have finalised the detailed design of the new facility. The new Centre is scheduled to open in late 2022.



Concept design of the Cowes Cultural and Community Centre

The Year in Review

Rhyll Boating Facility Upgrade (\$368,202)

This project is fully funded by State Government through Better Boating Victoria (BBV) with a seawall component funded by Department of Environment, Land, Water and Planning (DELWP). The project will be delivered over the next two years - with land-based works and seawall (Stage 1) this year and marine-based construction (Stage 2) to take place in February/March 2022, to minimise disruption during the peak season. Stage 1 works have started, with the ramps open for usage early September 2021.



Completed carpark works at Rhyll Boat Ramp



Fincher Street, Wonthaggi

Road Renewal, Fincher Street, Wonthaggi (\$879,215)

The road renewal works on Fincher Street were from McKenzie St/Fincher St intersection to No.33 and No.61 to Graham St (Bass Highway). This project resulted in road pavement widening, driveway crossover works, asphalt sealing, underground stormwater drainage, kerb and footpath construction. This project was funded by the Federal Government's Local Roads and Community Infrastructure Program which aims to assist community led recovery from COVID-19 by supporting local jobs, firms and procurement.

Phillip Island Transfer Station and Depot (\$47,528)

The Phillip Island Transfer Station and Depot will incorporate the waste and recycling elements for Phillip Island and current depot operations that are currently running from the existing facility in Cowes. This is a multi-year project with the successful purchase of a 45 hectare site occurring during 2019/20 and initial site investigations and a draft concept design underway in 2020/21.

The Year in Review

Apex Park Playspace, Wonthaggi (\$80,000)

Apex Park is right in the heart of Wonthaggi and now features a brand new playspace. The unique design of the playspace draws upon the historical significance of the train station at Apex Park and the mining history of Wonthaggi. This project is part of the ongoing development of the Wonthaggi Activity Centre Plan (WACP) project.

Aspirational Pathway, Cowes-Rhyll Road (\$302,862)

This new gravel pathway is 2.5 metres-wide and includes approximately 80 metres of boardwalk construction which will provide a connection to the informal carpark area. This pathway creates a vibrant and safe pedestrian and cycling network. Implementing pedestrian priority along and across streets in the townships supported by other measures such as a comprehensive cycle network.

Tennis Court Redevelopment, Grantville (\$456,000)

This project represents another significant investment in sport and recreation facilities in Grantville. This project involved the redevelopment of the existing tennis courts to include new perimeter fencing and shelters and a high quality acrylic playing surface for one tennis court and a new multi-purpose court which comprises of netball and basketball ring, soccer goals and linemarked to accommodate an additional tennis court. The project supports the vision and objectives in Council's Active Bass Coast Plan, which is a 10 year Plan that sets the provision of open space, recreation facilities and services across the municipality.



Apex Park Playspace



Grantville multi-purpose and tennis courts

The Year in Review

Redevelopment of the Netball Court and New Change Pavilion, Dalyston (\$1,238,359)

This project involved the redevelopment of two netball courts which will have a high quality acrylic playing surface applied and a new change pavilion which includes two change rooms with toilets, showers and accessible amenities, multi-purpose space, umpires room, first aid rooms, kitchen and storage facilities. With over 100 players and generally 20-plus officials, umpires and spectators who regularly participate and access the courts this facility will have great benefit to our community.

Building Renewal Works, Wonthaggi Union Community Arts Centre (\$154,702)

This project represents an investment in the performing arts facilities for the Bass Coast community. This will provide upgraded facilities for many local community groups hire and use of this facility including the Wonthaggi Theatrical Group and our local dance schools, primary and secondary school performances, service and interest groups, aged care facilities and touring performers. It also operates as a commercial cinema in key periods. The works included new joinery to male and female dressing rooms, new kitchen and appliances, new joinery to laundry, new vinyl floor coverings to dressing rooms, energy efficient elements including plumbing fixtures and LED lighting, upgraded amenities to toilet facilities, upgraded shower facilities and painting.

Road and Kerb Renewal Works, Sandy Mount Avenue, Inverloch (\$98,520)

The renewal of this section of Sandy Mount Avenue ensures that Council's road network is sustainable and able to continue to provide appropriate levels of service for road users well into the future. Works involved removal and installation of about 270 metres of kerb and channel and agi lines on the south side and including some laybacks into driveways, installation of about 72 metres of new underground stormwater drainage on the north side including a drainage road crossing outside properties No 3 and No 6 and new stormwater pits, reconstruction of about 120 square metres of failed road pavement in front of the existing kerb and channel, asphalt overlay and linemarking. This project was fully funded by Council.



Dalyston Netball Courts



Sandy Mount Avenue, Inverloch

The Year in Review

Major Changes

The new *Local Government Act 2020* received Royal Assent on 24 March 2020 and brings changes across governance, strategic planning and reporting, regional library corporations and financial management for Councils. The new Act provides greater flexibility and stronger provisions on community engagement to ensure decisions are made in line with community needs. Council has delivered all required changes to support the implementation including development of Governance Rules to guide meeting procedures and adoption of revised policies including an Election Period Policy, Public Transparency Policy, Community Engagement Policy and a Councillor Code of Conduct. Council also commenced the process to transition the West Gippsland Regional Library Corporation to a Not for Profit entity and established a new Audit and Risk Committee with an updated Audit and Risk Committee Charter. The Mayor and Deputy Mayor election process was reviewed, Councillor allowances were set and personal interest returns and the mandatory Councillor Induction Program were completed.

Major Achievements

Advocacy

In 2020/21, Council continued its focus on representing the community through advocacy to both State and Federal Governments. Council utilised a list of priorities endorsed in its 'Advocacy Priorities' to work in partnership with local stakeholders to lobby government agencies, ministers and members of parliament to fund these important projects. With strategic justification and a variety of projects, Council was successful in obtaining funding for a range of projects linked to COVID-19 response and recovery, sporting and recreation, arts and culture and sustainability.

Council continues to actively seek grants from a variety of Federal and State government funding programs. Council applied for 49 grants, securing over \$20 million in funding for a range of projects.

At a Federal level, Council was successful in its advocacy for road infrastructure funding. Successful state funded projects to assist in our growth and liveability includes \$2.5 million for Cowes Cultural and Community Centre and \$800,000 for the Phillip Island Library, \$2 million for improvements to the Wonthaggi Activity Centre and \$1.4 million for the construction of Guy Road shared path. The State Government also announced funding towards many recreation projects including \$1.078 million to install new flood lighting on the ovals at Dalyston, Cowes and Inverloch Recreation Reserves, \$1.78 million to construct three brand new pavilions for the Phillip Island and Wonthaggi Croquet Clubs and the Wonthaggi Tennis Club, \$100,000 for new cricket training nets at Thompson Reserve in Inverloch, \$400,000 towards the upgrade to the Newhaven Soccer Club Pavilion and \$1.050 million for Guide Park, Wonthaggi.



The Year in Review

Bass Coast Australia Day Awards

Mat Bowtell from Cowes was announced as the 2021 Bass Coast Citizen of the Year and Wonthaggi's Margaret Sand as the 2021 Bass Coast Young Citizen of the Year at a presentation ceremony on Wednesday, 13 January 2021.

Mr Bowtell, founder of Free 3D Hands, was recognised for his work in re-purposing 14 of his 30 3D printers to manufacture face shields to ensure Bass Coast Health's local health care workers, aged care services, GP clinics and other frontline workers were safe when the COVID-19 pandemic began.

Ms Sand, who has just completed Year 12 at Wonthaggi Secondary College, was recognised for her volunteer work, which included initiating a program to create homeless packs with Wonthaggi Christian Life Centre and Wonthaggi Anglican Church in 2019.

Margaret believes community is very important, both to herself and to the fabric of how we can learn to support and help others.



Bass Coast Citizen of the Year, Mat Bowtell (left) and Young Citizen of the Year, Margaret Sand.



Climate Change Action Plan

Council voted unanimously to adopt the Climate Change Action Plan 2020-30 at its May 2021 Council Meeting. The Plan was developed in consultation with the community through significant engagement with residents, businesses, the agricultural sector and stakeholders, in response to Council's declaration of a climate emergency. The purpose of the Plan is to:

- Commit a strong, local contribution to the global effort
- Set a pathway to help us (Council and the community) achieve zero net emissions by 2030
- Strengthen Council support for our local community to take climate change action
- Drive transformation within Council to embed climate emergency considerations across all operations and decisions
- Guide Council investment that will protect and enhance our natural environment and public infrastructure to ensure it is resilient in the face of a changing climate
- Improve transparency, to enable Council to monitor and report on progress.

Council declared a climate emergency at the August 2019 Council Meeting, in response to a petition signed by over 1,000 community members.

The Year in Review

IDAHOBIT Day flag raising

We proudly raised the rainbow flag with our LGBTQIA+ community on IDAHOBIT Day, Monday 17 May at the Civic Centre in Wonthaggi. Guest speakers included Greg Tingate from Bass Coast Health and Bass Coast local, Lauren Brooks. Alongside in solidarity were our colleagues from Bass Coast Health, Westernport Water, Phillip Island Community and Learning Centre (PICAL) and local networks and schools.

Working with the South Coast Inclusion Network (SCIN) and local health and community service providers, we aim to progress and promote acceptance of diversity and inclusion across services and communities.



Rainbow Flag raising ceremony on IDAHOBIT Day

working
together
to power
46 councils
with
renewable
energy

the
victorian
energy
collaboration



Council signs up to 100% renewable energy

Council is proud to be one of 46 Victorian Councils to join together and form VECO, the Victorian Energy Collaboration. VECO is the largest emissions reduction project ever undertaken by the local government sector in Australia.

The 46 Councils have pooled their electricity needs into one long-term contract with Red Energy which will provide the VECO group with renewable energy generated from wind farms here in Victoria. From 1 July 2021, that renewable energy will be used to power our council-owned infrastructure, like our town halls, sports grounds, community venues, leisure centres and streetlights. By using renewable energy we'll be saving 260,000 tonnes of carbon emissions from entering the atmosphere – the same as taking 90,000 cars off the road.

The VECO project doesn't just benefit the environment – by joining together, each Council will be paying less for their power than if we'd sourced our electricity individually. That means every dollar saved is another dollar that will be put back into providing vital community services and programs that benefit all of us.

The Year in Review

Entry signs

New signage on the Bass Highway at Lang Lang welcomes drivers to Bass Coast Shire. The signs were designed to be a distinctive feature, capturing the elements that make Bass Coast a special place to visit, such as its natural environment, indigenous and mining heritage, the coastline and the hinterland.

Planning for the future of Wonthaggi

Council adopted the Wonthaggi Activity Centre Plan (WACP) and the Wonthaggi Access and Movement Study (WAMS) at its meeting on Wednesday, 21 April 2021.

The WACP establishes a vision for Wonthaggi and identifies ways for this vision to be achieved. Developed with extensive community consultation, it defines key characteristics of the town in relation to land use and activity, access and movement, built form and public realm. It also provides design guidance for four key sites: Apex Park, McBride Avenue, Graham Street and the former Wonthaggi Secondary College site.

The WAMS supports and enhances the WACP and provides a long term vision for Wonthaggi's transportation networks across freight, private vehicles, cycling, pedestrians and public transport.



The Year in Review

Street Art Program

Council created a Street Art Program during 2020/21 and has had some amazing art, completed by both local and nationally renowned artists, completed right across the Shire.



Olive Justice Place mural by Local artist Eirian Chapman



Grantville mural by Ash Keating



Mural on the wall of Connells Bakery in Wonthaggi by Jimmy Dvate



One of many murals in Durham Lane Wonthaggi. This one is by Cowes artist Craig and Astrid Lockwood

The Year in Review

Outdoor Dining

Council worked closely with local business and tourism associations to identify and activate spaces for outdoor dining across the Shire. Council benefited from the State Government's Outdoor Eating and Entertaining Package.

Summer 2020/21 was the perfect time to see Bass Coast towns opened up for alfresco dining with many business and patrons taking advantage of the options and many creative outdoor spaces opening across Bass Coast.



The Year in Review

Our Bass Coast. Our Future.

During March and April 2021 Council undertook an extensive community engagement campaign called “Our Bass Coast. Our Future.” to collect feedback and ideas from our community to help shape the Community Vision 2041, Council Plan 2021-25 and the Healthy Communities Plan 2021-2025. Community feedback was gathered through drop-in sessions in Corinella, Cape Paterson, San Remo, Wonthaggi, Kernot, Rhyll, Cowes, Grantville and Inverloch, two online Facebook Q&A sessions and an online and paper survey.

A Community Panel was formed to create a 20-year Community Vision for Bass Coast. This group is made up of over 40 community members aged over 16 who lives in Bass Coast, or owns a property or a business in Bass Coast.

The Community Panel have met for four workshops, both online and in person, supported by an external community engagement consultant, Council Officers and experts to help better understand our challenges and opportunities. Development of the Community Vision and the above mentioned plans continued into 2021/22.

Official Opening of the Country University Centre Bass Coast

The Country Universities Centre CUC Bass Coast was officially opened on 26 March 2021. Council has been involved in this project since its inception and having this Centre in Wonthaggi will open up some amazing opportunities for students across Bass Coast and surrounding areas. Federal Member for Monash, Russell Broadbent, played a critical role in achieving the Federal Government’s investment in education in our town. The CUC Bass Coast Board, led by Chair Martin Keogh, did a tremendous job in setting up the Centre and we wish them all the best going forward.



During March and April we asked our community about what they wanted for the future of Bass Coast



Official opening of the Country Universities Centre Bass Coast

The Year in Review

Christmas Decorations

Christmas spirit was alive and well in Bass Coast's major town centres in 2020. Red ribbons and new Christmas flags were installed in Grantville, San Remo, Cowes, Inverloch and Wonthaggi. At San Remo, the existing lights in the pine tree were reprogrammed. In Inverloch, a new Christmas tree was installed outside the Community Hub as well as lights in the gum trees outside the Bunurong Centre and giant baubles in some garden beds. Wonthaggi had baubles installed in its roundabouts and also in Apex Park. In Cowes lights were installed in five cypress trees along Thompson Ave and baubles were installed on two roundabouts and at the bottom of Thompson Avenue.



Our Council



Our Council

Bass Coast Profile

Bass Coast Shire Council is a local government authority incorporated under the *Local Government Act 2020*. It is located approximately 130km south-east of Melbourne and is bounded by Western Port in the north and west, Cardinia Shire in the north-west, South Gippsland Shire in the east and Bass Strait in the south.

The name Bass Coast was adopted as the official name of the Shire when the local Governments of Phillip Island, Bass and Wonthaggi were amalgamated in 1994, along with the incorporation of a small section of Woorayl.

Bass Coast's main centres are Wonthaggi, Cowes (Phillip Island), Inverloch, San Remo and Grantville. In addition, Bass Coast comprises a further 28 towns. Bass Coast is home to over 37,000 permanent residents.

However, its proximity to Melbourne makes it very attractive to visitors and to people wanting to make a sea change. During peak visitor periods, our population swells to over 80,000. Bass Coast boasts many beautiful beaches, unique nature reserves and many major events that attract more than 3.5 million visitors each year, such as the Australian Motorcycle Grand Prix at the Phillip Island Circuit.

Economy and Employment

Bass Coast Shire's major industries are health care, tourism, social assistance, retail trade, accommodation and food services, construction, education and training, and agriculture. Bass Coast supports 10,839 jobs which represents 10.26% for the Gippsland region and has an annual economic output of \$3.167 billion.

Construction was the biggest contributor to Bass Coast's gross revenue with \$589.6 million (18.62% of gross revenue) and the fourth largest employment sector with 1,223 (11.28% of total jobs) of the workforce in Bass Coast. The biggest employment sector was health care and social assistance employing 1,560 (14.39%) staff followed by Retail Trade employing 1,523 (14.05%) staff.

According to REMPLAN, tourism is estimated to generate approximately \$252.5 million in direct visitor expenditure. Agriculture contributes over \$200.2m to the local economy through a combination of traditional farming, such as dairy and meat production and processing, as well as many agricultural boutique enterprises, including venison, free range eggs, olives, wine and cheese.

Unemployment in Bass Coast is approximately 6.10% (quarter ending December 2020).

Impact of COVID-19

In Bass Coast, prior to COVID-19 and the introduction of social lockdown measures to manage the pandemic, the total employment across all local industry sectors was estimated at 10,839. As at March 2021, total employment was estimated at 10,783, a fall of 0.52%. The greatest decrease in employment was in accommodation and food services.

Key Gross Revenue and Employment Sectors **

Sector	Gross Revenue	%	Total employment	%
Construction	\$589.5m	18.62%	1223	11.28%
Rental, Hiring & Real Estate Services	\$425.8m	13.4%	210	1.93%
Manufacturing	\$284.6m	8.98%	437	4.03%
Accommodation & Food Services	\$222.3m	7.01%	1294	11.93%
Health Care & Social Assistance	\$207.3m	6.54%	1560	14.39%
Agriculture, Forestry & Fishing	\$200.2m	6.32%	638	5.88%

** REMPLAN data - employment data is place of work data and represents total numbers of employees without any conversions to full-time equivalence.

Our Council

Population

According to the Australian Bureau of Statistics, the estimated residential population of Bass Coast was 37,445 (as at June 2020). This represents an annual population change of 3.1 per cent from the previous year. The median age in Bass Coast is 50 years compared to 47 years in 2011. The percentage of the community 60 years or older is 35.67%. For Gippsland Region this is 29.78%.

At the end of the financial year 2020/21, there were 33,016 rateable properties in Bass Coast. This is an increase of 901 from the previous year. Reflecting the appeal of Bass Coast as a holiday destination, approximately half of all ratepayers reside outside the Shire.

History

The traditional owners of Bass Coast are the Bunurong/Boonwurrung, members of the Kulin Nation. The area takes its name from the explorer George Bass, who sighted it during an expedition to prove the existence of Bass Strait in 1796. European settlement dates back to 1826, when a military outpost was set up at Corinella, the second permanent settlement in the state.

Another settlement was established on the Bass River shortly after the founding of Melbourne in 1835. In the early 1800s, timber was the primary industry of the area and was shipped to Melbourne and beyond from several ports along the coastline. The cleared land was used for farming and grazing. In the 1860s, land was opened for selection, leading to growth around Wonthaggi, largely due to coal mining. The area continued to grow into the early 1900s, when many townships and villages were established. The construction of the first bridge to Phillip Island in the 1940s also spurred significant growth.

Council Customer Service Centres

Civic Centre

76 McBride Avenue, Wonthaggi 3995

Cowes

154-156 Thompson Avenue, Cowes 3922

Inverloch

16 A'Beckett Street, Inverloch 3996

Grantville

1504-1510 Bass Highway, Grantville 3984

Email

basscoast@basscoast.vic.gov.au

Website

www.basscoast.vic.gov.au

Postal address

PO Box 118, Wonthaggi VIC 3995



Our Council

Councillors

On 22 October 2016 the Bass Coast community elected the outgoing Council for a four year term which ceased on 24 October 2020. The outgoing Councillors are listed below:

Bunurong Ward



Cr Julian Brown



Cr Les Larke



Cr Brett Tessari
Mayor

Island Ward



Cr Stephen Fullarton



Cr Pamela Rothfield



Cr Michael Whelan

Western Port Ward



Cr Geoff Ellis
Deputy Mayor



Cr Bruce Kent



Cr Clare Le Serve

Our Council

Councillors

On 24 October 2020 the Bass Coast community elected the current Council for a four year term commencing 9 November 2020. Council has been elected to provide leadership for the good governance of the municipal district and the local community. The municipality is divided into three wards, represented by three Councillors in each ward. The nine Councillors are the elected representatives of all residents and ratepayers across Bass Coast. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

Bunurong Ward



Cr Leticia Laing
(03) 5671 2123
0439 665 595
leticia.laing@basscoast.vic.gov.au



Cr Les Larke
(03) 5671 2121
0428 747 461
les.larke@basscoast.vic.gov.au



Cr Brett Tessari
Mayor
(03) 5671 2122
0428 857 845
brett.tessari@basscoast.vic.gov.au

Island Ward



Cr Ron Bauer
(03) 5951 3393
0439 535 282
ron.bauer@basscoast.vic.gov.au



Cr David Rooks
(03) 5951 3379
0448 590 943
david.rooks@basscoast.vic.gov.au



Cr Michael Whelan
Deputy Mayor
(03) 5951 3394
0429 129 811
michael.whelan@basscoast.vic.gov.au

Western Port Ward



Cr Rochelle Halstead
(03) 5671 2157
0439 623 511
rochelle.halstead@basscoast.vic.gov.au



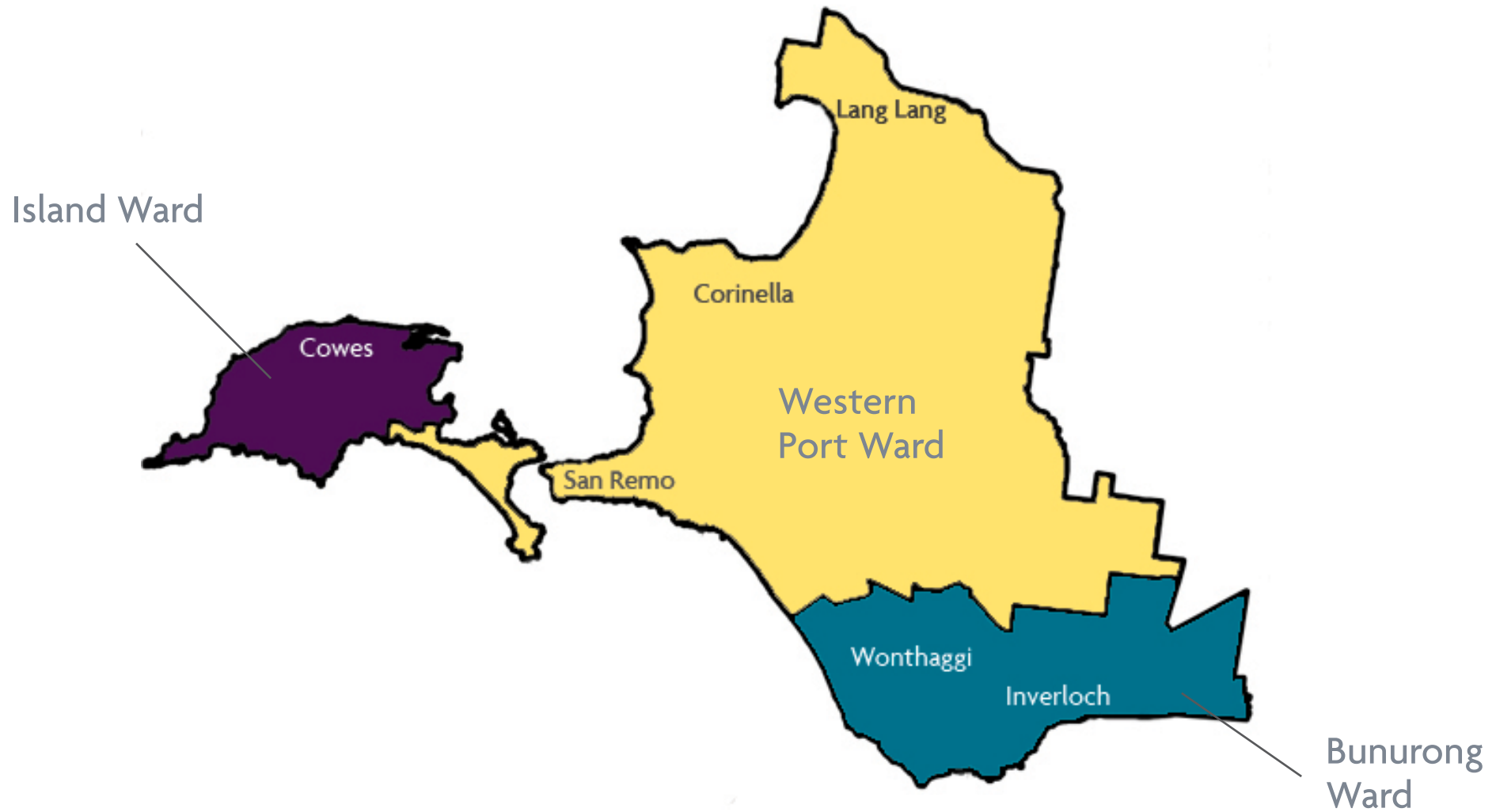
Cr Bruce Kent
(03) 5671 2156
0428 741 843
bruce.kent@basscoast.vic.gov.au



Cr Clare Le Serve
(03) 5671 2155
0448 083 286
clare.leserve@basscoast.vic.gov.au

Our Council

Ward Boundaries



Our People



Our People

Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO) who has responsibility for the day-to-day management of operations. This is done in accordance with the strategic direction set out in the Council Plan. In 2020/21, four General Managers led the organisation. The Chief Financial Officer, Executive Manager Partnerships, Advocacy & Engagement and the CEO formed the Executive Team.

Chief Executive Officer, Ali Wastie

General Manager Business Transformation, Allison Jones (1 July 2020 – 30 October 2020)

General Manager Business Transformation, Wayne Mack (26 October 2020 to current)

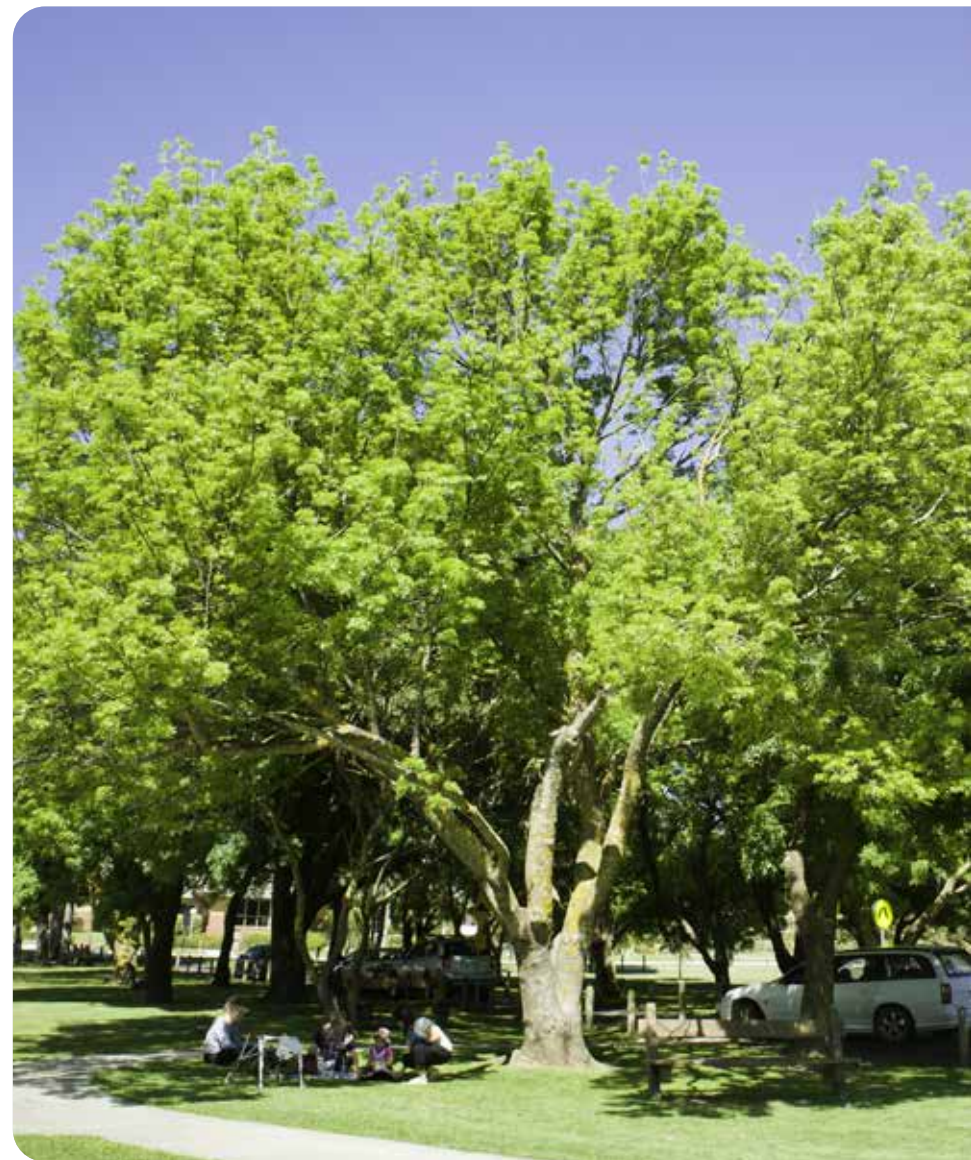
General Manager Partnerships, Economy and Culture, Greg Box (22 March 2021 to current)

General Manager Place Making, James Stirton

General Manager Resilient Communities, Jodi Kennedy

Chief Financial Officer, David Filmalter

Executive Manager Partnerships, Advocacy and Economy, Christian Stefani



Our People

Council Plan and Municipal Public Health and Wellbeing Plan 2017-21

Advocacy

Representing the community

Economic Development

Expanding, attracting and retaining business and investment

Environment

Maintain and protect the natural environment

Governance

We are responsive, open, transparent and financially sustainable

Health and Wellbeing

We are a healthy and active community

Liveability

Enjoying the place we live

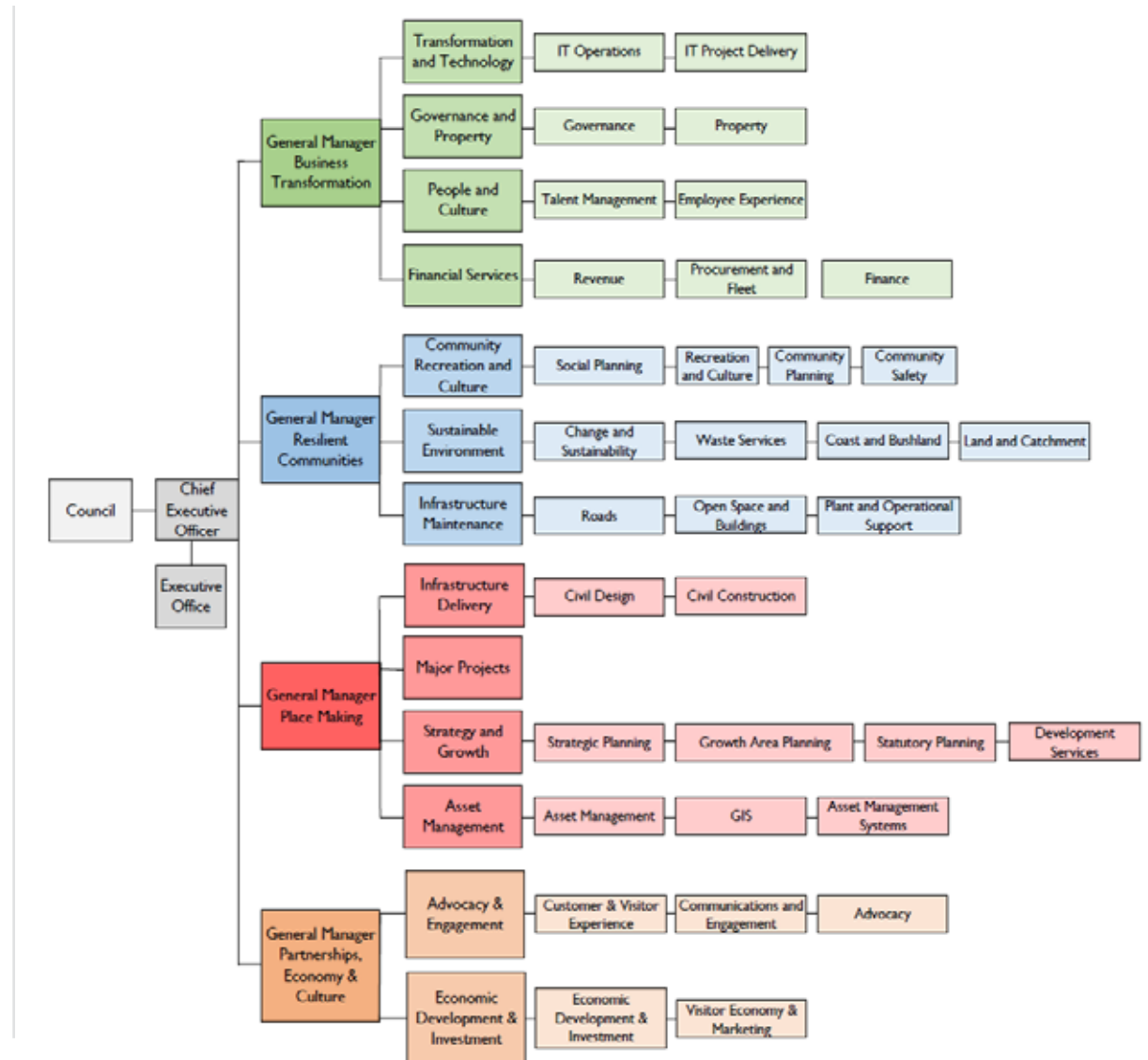
Our Character

Celebrating the uniqueness of our townships

Strategic Principles

- We deliver
- Placing the customer at the centre of everything we do and,
- Being a part of something bigger

Organisation Chart as at 30 June 2021



Our People

Council staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below. These figures are based on actuals and therefore do not include vacancies.

Employment type/Gender	Executive Office	Business Transformation	Resilient Communities	Place Making	Partnerships, Economy & Culture	Total
Permanent Full Time - F	2.00	29.00	13.00	16.00	13.00	73.00
Permanent Full Time - M	-	10.00	72.00	34.00	7.00	123.00
Permanent Full Time - X	-	-	-	-	-	0.00
Permanent Part Time - F	-	9.75	15.58	5.03	5.70	36.06
Permanent Part Time - M	-	0.60	6.60	2.20	-	9.40
Permanent Part Time - X	-	-	-	-	-	0.00
Temporary Full Time - F	-	8.00	2.00	6.00	5.00	21.00
Temporary Full Time - M	-	7.00	6.00	4.00	-	17.00
Temporary Full Time - X	-	-	-	-	-	0.00
Temporary Part Time - F	-	0.40	1.80	-	1.60	3.80
Temporary Part Time - M	-	-	0.96	1.00	-	1.96
Temporary Part Time - X	-	-	-	-	-	0.00
Casual - F	-	-	-	-	-	0.00
Casual - M	-	-	-	-	-	0.00
Casual - X	-	-	-	-	-	0.00
TOTAL	2.00	64.75	117.94	68.23	32.30	285.22

Gender categories

F - Female

M - Male

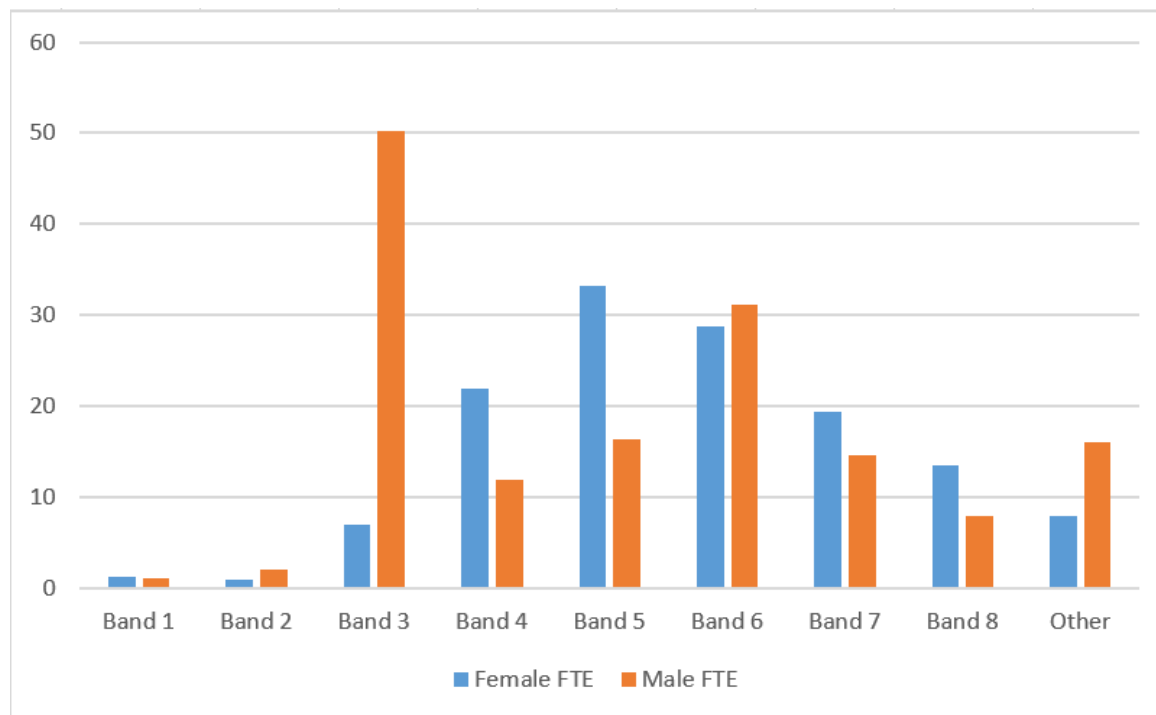
X - Indeterminate/Intersex/Unspecified

Our People



A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below. These figures are based on actuals and therefore do not include vacancies.

Employment Classification	Female FTE	Male FTE	Other FTE	Grand Total (not including vacancies)
Band 1	1.3	1.04	0	2.34
Band 2	1	2	0	3
Band 3	6.93	50.16	0	57.09
Band 4	21.86	11.96	0	33.82
Band 5	33.14	16.4	0	49.54
Band 6	28.72	31.2	0	59.92
Band 7	19.4	14.6	0	34
Band 8	13.51	8	0	21.51
Other	8	16	0	24
Grand Total	133.86	151.36	0	285.22



Band 'other' is anyone who is not a banded employee (Senior Executive Officers, Trainees/Apprentices etc.).

Our People

Organisation Development

Despite the impact of COVID-19, Council has continued to maintain high levels of performance and connectivity throughout the pandemic with a strong focus on organisational development centred around Customer, Culture and Leadership. We continue to develop and celebrate our constructive culture, embedding our EPIIC values of Excellence, Passion, Imagination, Integrity and Courage through our shared leadership approach and the development of 'Our New Ways of Working' beyond the pandemic.

Working for Victoria Program

The Working for Victoria (WV) program was part of the Victorian Government's \$1.7 billion Economic Survival Package. Council was successful in its funding application to secure \$4.3m and supported 94 jobs in our local area which will connect workers with new opportunities that will help our community and contribute to our ability to respond to COVID-19.

As part of the program, Council employed 94 people ensuring Bass Coast had the highest uptake in establishing WV positions across Gippsland councils. The program has not only greatly benefited the Bass Coast community but also the 94 people that were able to employ.

Our WV colleagues come from a diverse range of backgrounds. Some came from established careers, some had their own businesses, whilst others were just starting their professional lives when the pandemic hit. This caused them to become unemployed or underemployed. In many cases this was for the first time in their lives.

Working For Victoria provided the opportunity to gain meaningful employment that not only utilised their skills but contributed to their local community through the provision of cleaning and sanitisation of public and open spaces, customer service and recovery support, environmental management, business and community services support, administrative and corporate service support.



Our People



People Need People Initiative

Today we face massive change across the world. We need to equip our people with the tools to solve complex problems and thrive in unpredictable environments.

Council has launched the People Need People initiative, the first of its kind for local government in Australia. Together we are embarking on a collaborative journey of discovery and learning as we develop new responses to a range of complex problems.

We are pleased to be partnering with leadership consultants at ChangeMakers and technology providers Qvest who are supporting us to unlock our ideas, leverage opportunities and seek solutions and new ways of looking at the many challenges we face in our organisation and our community.

Equality, Diversity and Inclusion

Council is committed to embedding a gender inclusive workplace culture and delivering equitable and inclusive services, programs and infrastructure in our community.

In line with the *Gender Equality Act 2020*, Council has commenced development of the Gender Equality Action Plan to provide a whole of Council approach to address gender inequality and support the prevention of violence against women and children.

This year Council established the Equality, Diversity and Inclusion Working Group, strengthened awareness of our Working Together Policy and conducted a baseline survey as an important first step in identifying and understanding areas of required change.

Our People

Health and Safety

Council is committed to a continuous improvement of OHS performance through the setting and review of objectives and targets which relate to key aspects of the business operations.

2020/21 proved to be a productive year in spite of the challenges faced during the period including changes in safe work practices to tackle the COVID-19 situation. We continued to rollout and implement the elements of the OHS Management System (OHSMS) and the Return to Work Framework and in particular implementation of the Working from Home (WFH) Workstation Risk Assessment. This was complemented by the creation of a video and guidelines including how to manage daily workstation set-up and health hazards of computer screen whilst continually working on-line remotely and in the office.

We strengthened our collaborative efforts in working with MAV to ensure our WorkCover claims associated with workplace injuries and illnesses are managed effectively including the tasks of enabling injured employees to return to work as early as possible. The increased reporting of hazards and incidents on My Safety is a testament to the Council's commitment to achieve Zero harm and positive workplace health and safety culture by identifying and managing current and emerging hazards and risks and early intervention on injury or illness. This positive culture is translated to a reduction in lost injury time.

We have seamlessly transitioned from the MAV WorkCare to WorkSafe following the discontinuation of the self-insurance scheme. We look forward to collaborating with our new insurance agent Gallagher Bassett to ensure our WorkCover claims are processed on time and injured employees are back at work as early as they could.

Proactive participation is a strong focus of the Bass Coast OHS Reference Group, including approaches such as activities promoting health and wellbeing and sharing of safety information. Consultation and collaboration with various Departments and Teams are conducted to discuss hazards and to ensure corrective measures are established and implemented to mitigate potential risks if not eliminate the hazards.

To further achieve a climate of continuous improvement of the OHSMS, we commenced investigating other methods of safety processes such as online approaches to conduct workplace inspections. This is to ensure a more effective and time-efficient monitoring of workplace hazards and implement appropriate corrective measures.



Our Performance

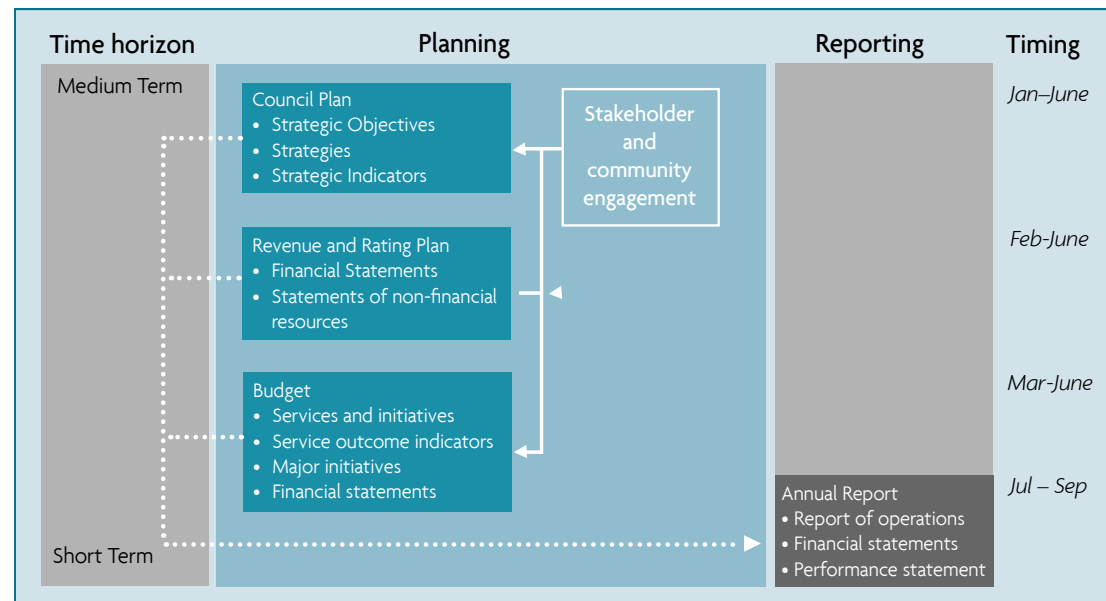


Our Performance

Planning and Financial Management

Part 4 of the *Local Government Act 2020* (the Act) requires councils to prepare the following strategic planning and reporting documents in accordance with the strategic planning principles and deliberative engagement practices defined in the Act.

- Community Vision that must describe the municipal community's aspirations for the future of the municipality
- Financial Plan for the next 10 financial years
- Asset Plan for the next 10 financial years
- Council Plan for a period of the next four financial years following a general election
- Revenue and Rating Plan for a period of the next four financial years following a general election
- Annual Budget for each financial year
- Annual Report in respect of each financial year



Council Plan

The Council Plan 2017-21 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan. The following are the seven strategic objectives as detailed in the Council Plan.

1. Advocacy	Representing the community
2. Economic Development	Expanding, attracting and retaining business and investment
3. Environment	Maintain and protect the natural environment
4. Governance	We are responsive, open, transparent and financially sustainable
5. Health and Wellbeing	We are a healthy and active community
6. Liveability	Enjoying the place we live
7. Our Character	Celebrating the uniqueness of our townships

Our Performance

Performance

Council's performance against each strategic objective for 2020/21 has been reported to demonstrate how Council is performing in achieving the 2017-21 Council Plan.

Performance has been measured as follows:

- 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 provided those services
- results against the prescribed service performance indicators and measures

The following sections review the performance of Council against the Council Plan and the services, initiatives, major initiatives and service performance indicators for each business area.



Our Performance

Strategic Objective 1: Advocacy

To achieve our objective of Advocacy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives		Progress
Nil		N/A

Service	Description	Net Cost Actual Budget Variance \$000
Mayor, Council and Chief Executive Office	This advocacy item includes the activities related to the Mayor, Councillors, Chief Executive and associated support.	1,217 <u>1,321</u> (104)
Advocacy	Deliver the objectives of the Advocacy Strategy	397 <u>480</u> 83

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Result
Community Satisfaction with Advocacy	Community Satisfaction Survey	No result received
Advocacy Priorities	Action Plan achievement	Achieved

Our Performance

Strategic Objective 2: Economic Development

To achieve our objective of Economic Development, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive service.

Major initiatives	Progress
Nil	N/A

Service	Description	Net Cost Actual Budget Variance \$000
Economic Development Management	Responsible for managing the activities to deliver the economic development strategic objective.	399 <u>172</u> 227
Economic Development	Supports local business operators to build their skills and run more efficient business operations leading to increased investment and employment opportunities.	151 <u>408</u> (257)
Events and Tourism	Assists with tourism development for the region, provides visitor services through the operation of Visitor Information Centres, provides management of the Inverloch Community Hub and coordinates Council involvement in event activities in the Shire.	1,383 <u>1,932</u> (549)

Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Result
Visitation in off-peak season	Events held in off peak season in Bass Coast	Achieved
Focus on eco-tourism	Events attracted to Bass Coast	Achieved
Investment in infrastructure improvements	Public Sector (Municipal, State and Federal)	Achieved
	Private Sector Investment	Achieved
Economic Development Strategy 2016-21	Action Plan Achievement	Achieved - five Council Plan Strategies implemented
Phillip Island and San Remo Visitor Economy Strategy 2035 - Growing Tourism	Action Plan Achievement	Not all short-term actions achieved

Our Performance

Strategic Objective 3: Environment

To achieve our objective of Environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives	Progress
Climate Change Action Plan 2020-30	100%

Service	Description	Net Cost Actual Budget Variance \$000
Coast and Bushland Management	Manages coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	598 <u>865</u> (267)
Climate Change and Sustainability	Helps to maintain and improve the local natural environment by complying with environmental regulations, mitigating and adapting to the effects of climate change, providing environmental education for staff and the community, and recording and reporting on the organisations greenhouse emissions and water use.	39 <u>265</u> (226)
Waste Services	Provides the effective management of Council's waste services including the contracted collection of domestic, smaller commercial, public place garbage and recycling and domestic hard waste. This service monitors and investigates reports of illegally dumped rubbish and litter including issuing compliance notices and infringements, and aims to reduce waste to landfill in accordance with the State Government's "Towards Zero Waste" strategy through waste and recycling education programs.	9,713 <u>9,514</u> 199
Sustainable Environment Management	Responsible for managing the activities to deliver the Natural Environment strategic objective.	249 <u>199</u> 50
Land and Catchment	Responsible for managing Council's coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	1,067 <u>1,048</u> 19

Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Results
Corporate and community emissions reduction	50% reduction in corporate greenhouse gas levels compared to 2009/10	Achieved
	Develop a community emissions profile for Bass Coast Shire and set a target to reduce community emissions	Achieved
Restoration of coastal and inland vegetation corridors	Increase native vegetation cover by minimum of 1.5% each year	Achieved - increase of 195 hectares or 1.6% in native vegetation cover
Waste Management Strategy 2015-25	Increase diversion of kerbside waste from landfill to 70% by 2021 to extend the life of our landfill	Achieved - 75.11% for 2020/21
Natural Environment Strategy 2016-26	Action plan achievement	Achieved

Our Performance

Local Government Performance Reporting Framework

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Waste Management			
Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</i>	41.58	37.95	Council serviced 27,902 kerbside collection properties and received 1,059 Customer Requests for 2020/21 compared to 1,119 Customer Requests for 2019/20.
Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	1.62	1.40	The improved result can be attributed to the number of garbage and recycling bins missed decreasing from 265 in 2019/20 to 246 in 2020/21. The number of kerbside collection bin lifts increased by 120,000 during this time. Improved reporting includes requests received directly to the waste services contractor as well as those received by Council. Camera systems on the collection trucks have also assisted in verifying whether reports of missed bins are accurate.
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$71.07	\$73.32	The overall cost of the kerbside garbage bin collection service increased by less than 6.5% for 2020/21 in comparison to 2019/20. During this period the number of kerbside garbage collection bins has increased from 26,910 to 27,776. This has resulted in a minor increase in the year on year cost per kerbside garbage collection from \$71.07 to \$73.32.
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$70.76	\$79.93	The increase in cost of kerbside recycling is primarily due to a 34% increase in processing costs imposed on collectors as a result of the Chinese National Sword Policy which limits the import of low-quality mixed recyclables including paper and plastic.
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	75.75%	75.11%	The small decrease in Bass Coast Shire Council's diversion rate is due to a 7.7% increase in kerbside waste collected. This is partly offset by the increase of 6.8% in the diversion rate for recyclables and organics.

Our Performance

Strategic Objective 4: Governance

To achieve our objective of Governance, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives	Progress
Implement the <i>Local Government Act 2020</i>	100%
Develop the Council Plan 2021-2025	100%

Service	Description	Net Cost Actual Budget Variance \$000
Governance Management	Responsible for managing the activities to deliver the governance strategic objective.	1,408 <u>1,163</u> 245
Finance	Provides responsive and reliable accounting services and reporting to enable the organisation to make effective and timely decisions; ensures the organisation meets its financial legislative and statutory compliance obligations; and accurately accounts for and reports on the activities of Council.	(4,100) <u>(4,288)</u> 188
Procurement and Fleet	Provides contract management support services, coordinates the tender process, prepares tender and quote documentation; monitors officer obligations under the <i>Competition and Consumer Act</i> and monitors spending with suppliers to ensure legislative compliance; maintains and administers procurement systems; and provides fleet management services (including services for plant management).	(259) <u>109</u> (368)
Revenue	Responsible for raising and collecting ratepayer revenue and special charges; maintaining property data including street and property addressing; providing valuation services, including revaluation of all properties in the municipality every two years and supplementary valuations as required.	685 <u>1,070</u> (385)
Communications and Engagement	Informs staff and community on key Council issues; provides professional advice on consultation and engagement within Council; and assists and educates Council staff on effective and professional communication with the community and stakeholders in order to raise the profile of Council and protect Council's image.	436 <u>396</u> 40

Our Performance

Service	Description	Net Cost Actual Budget Variance \$000
Corporate Planning, Performance and Reporting	Provides an oversight to Council's Corporate Planning and Business Planning and improvement processes that integrate with risk management and insurance; ensures Council has the appropriate process, authorisations and delegations in order to make transparent and accountable decisions; provides support and compliance to Committees of Management and the Wonthaggi and San Remo Cemetery Trusts; manages Council's property portfolio including Crown Land where Council is the appointed Committee of Management; and oversees Council's Service Review Program.	1,803 <u>1,146</u> 657
Customer Service	Provides frontline customer service to our customers and ratepayers to provide services and to enable contact with Council staff about services provided by Council.	1,038 <u>1,309</u> (271)
Corporate Information	Assists the organisation to ensure records are captured efficiently and accurately; accurately digitises physical records into a compliant electronic format; and conducts staff training and inductions in Information Management Awareness, Information Privacy, Freedom of Information and Confidentiality.	394 <u>436</u> (42)
Information Technology	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	3,899 <u>4,106</u> (207)
Business Transformation	To support and drive a culture of effectiveness and efficiency improvement across the organisation focusing on excellence in culture, systems and processes.	155 <u>186</u> (31)
Human Resources	Delivers workforce planning and recruitment and human resources information and reporting.	507 <u>538</u> (31)

Our Performance

Service		Net Cost Actual Budget Variance \$000
Organisation Development	Provides leadership, advice, programs and support to the whole organisation in the areas of OHS, WorkCover, health and wellbeing, payroll, leadership and organisation culture, and learning and development and payment of salaries and wages to Council employees.	615 <u>954</u> (339)
Asset Management Systems	Protects the value of Council's assets through effective asset management systems and processes to deliver the best outcome for the community.	357 <u>449</u> (92)
Geographic Information Systems (GIS)	Provides Geographic Information Systems for Council including the management of software architecture and tools to enable strategic planning across the organisation.	201 <u>235</u> (34)



Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Result
Community Satisfaction with Council Decisions	Increase in Council Decisions score year on year	Achieved (five point increase)
Transparency of Council decisions	Less closed report than the average in Large Rural Councils group year on year	Not yet due
Community Satisfaction with Consultation and Engagement	Increase in Consultation and Engagement score year on year	Achieved (one point increase)
Community satisfaction with customer contact	Increase in Customer Contact score year on year	Achieved (two point increase)
Local Government Performance Reporting Framework (LGPRF) – Financial Performance	Improve or maintain Council's performance	6 of 12 indicators improved year on year performance.
Victorian Auditor General Office (VAGO) Financial Sustainability indicators	The Strategic Resource Plan and the Long Term Financial Plan to meet VAGO low risk indicators	Achieved
Other financial and non-financial performance indicators	Quarterly and year to date financial reporting	Achieved
	Quarterly and year to date non-financial performance reporting	Achieved
	Information Technology improvements	Achieved
Revenue opportunities	Action plan achievement	Achieved

Our Performance

Local Government Performance Reporting Framework

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Governance			
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] x100</i>	2.71%	3.28%	During 2020/21, 6 of 183 decisions were considered in a closed meeting of Council. Closed decisions include personnel and contractual matters. In comparison, 6 of 221 decisions were considered at closed meetings in 2019/20.
Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	53	54	No material variation
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) × (Number of Councillors elected at the last Council general election)] x100</i>	90.37%	94.87%	No material variation

Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Governance			
Cost of governance <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$44,212.31	\$44,756.79	No material variation.
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]</i>	52	57	A five point increase in community satisfaction is indicative of Council's implementation of its Communications and Engagement Strategy that is focussed on improving engagement with the community and explaining the reasons behind Council decisions.





Our Performance

Strategic Objective 5: Health and Wellbeing

To achieve our objective of Health and Wellbeing, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives	Progress
Nil	N/A

Service	Description	Net Cost Actual Budget Variance \$000
Environmental Health	Provides Environmental Health services such as immunisation programs and monitoring compliance with health regulations to the community and businesses to promote health and wellbeing.	698 <u>286</u> 412

Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Results
Compliance with Municipal Emergency Management Plan 2014	Compliance plan achievement	100% of actions achieved
Youth Action Plan 2016-2020	Action Plan achievement	100% of actions achieved
Municipal Public Health and Wellbeing Action Plan (MPHWP)	Action Plan achievement	100% of actions achieved
Disability Action Plan 2016-20	Action Plan achievement	100% of actions achieved
Municipal Early Years Plan 2016-20	Action Plan achievement	100% of actions achieved



Our Performance

Local Government Performance Reporting Framework

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Food Safety			
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.78 days	1.96 days	In 2020 Council received 28 food complaints with a total response time of 55 days.
Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	99.47%	75.13%	The number of food safety assessments undertaken reduced from 375 in 2019 to 281 in 2020. This was due to a significant number of businesses not operating during COVID-19 restrictions.
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]</i>	\$369.99	\$332.98	The cost of the food safety service has reduced from \$369.99 in 2019/20 to \$332.98 in 2020/21. In 2019/20 there was a need to engage recruitment agency staff for a significant period to cover a staff vacancy which resulted in increased operational costs. There was no requirement for agency staff in 2020/21.



Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Food Safety			
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	97.92%	81.25%	In 2020 Council received 16 non-compliance notifications regarding food premises, 13 of which were followed up. Council continues to work with these businesses to ensure regulatory standards are met.



Our Performance

Strategic Objective 6: Liveability

To achieve our objective of Liveability, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives		Progress
Nil		N/A

Service	Description	Net Cost Actual Budget Variance \$000
Infrastructure Management	Responsible for managing the infrastructure activities to deliver the sustainable development and growth strategic objective.	1,354 <u>1,094</u> 260
Asset Management	Plans for the preservation, protection and expansion of existing and future infrastructure assets for their maximum possible design life and minimum ongoing life-cycle cost, while responding to the community's changing needs and expectations. This service also provides advice to Planning Approvals and Strategic Planning on new developments across Bass Coast.	577 <u>892</u> (315)
Civil Construction and Design	Undertakes design, tendering, contract management and supervision of various works within Council's capital works program to ensure delivery to a quality standard, to scope, on time and on budget.	756 <u>738</u> 18
Building Maintenance	Maintains Council buildings in accordance with the building asset management plan.	1,997 <u>1,874</u> 123

Our Performance

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Plant	Provides plant and vehicle management services to the infrastructure maintenance department.	1,231 <u>1,176</u> 55
Roads	Maintains Council's roads and road related infrastructure.	2,932 <u>3,327</u> (395)
Local Laws and Emergency Management	Assists the organisation to ensure Council and the municipality is in a state of preparedness to fulfil its responsibilities in Emergency Management. The service also implements Council's responsibilities under legislation including the Domestic Animals Act and Council's Local Laws, to promote community safety and promulgate harmonious community relationships.	1,048 <u>1,362</u> (314)
Recreation and Culture	Supports, encourages and develops leisure projects, programs and services, along with a range of recreational facilities including an aquatic centre, fully equipped Gymnasiums, and an extensive range of recreational programs, and a library service that caters for the needs of residents.	5,266 <u>4,750</u> 516

Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Results
Community grants program supporting events	Funding contributed to community events as identified in Annual Budget	Achieved
Municipal Recreation Plan (Active Bass Coast)	Action Plan completed annually	100% of actions achieved
Municipal Health and Wellbeing Plan	Action Plan completed annually	100% of actions achieved
Build community infrastructure that improves quality of life	90% of the projects included in the Capital Works program to be completed	Not achieved
Implement Asset Management Policy and Strategy Improvements	Action Plan completed annually	100% of actions achieved
Implementation of annual maintenance programs	Action Plan completed annually	100% of actions achieved
Implement priorities identified in the Pathways Network Plan 2016	Action Plan completed annually	100% of actions achieved
Domestic Animal Management Plan 2017-2020	Action Plan completed annually	Not achieved – All actions achieved with the exception of Council report regarding additional off-leash areas and cat containment.
Arts and Culture Plan 2015-2019	Action Plan completed annually	100% of actions achieved
Youth Action Plan 2016-2020	Action Plan completed annually	100% of actions achieved

Our Performance

Local Government Performance Reporting Framework

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Roads			
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	13.40	9.20	Council maintains 587 kilometres of sealed local roads. We received a total of 54 sealed local road requests in 2020/21 compared to 76 requests in 2019/20.
Sealed local roads below the intervention level <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	98.41%	96.93%	No material variation.
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$73.64	\$113.54	Council's pavement reconstruction costs have increased per square metre from \$73.64 to \$113.54 due to an increased proportion of urban road reconstruction from the previous year. Due to higher traffic volumes, urban road projects typically need to be constructed with more material and as a result are more expensive. Higher costs are also realised as there are more adjustments required to surrounding infrastructure such as drainage, services, vehicle crossings and more traffic management is required.
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$15.06	\$14.12	No material variation.

Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Roads			
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</i>	53	55.00	Our 2021 Community Satisfaction score of 55 is a two point improvement on last year's result and is five points higher than the average for Large Rural Councils. This is indicative of Council's commitment and focus in improving its road network. It is important to note that the survey results are also a reflection of the state controlled roads within the municipality.



Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Libraries			
Physical library collection usage <i>[Number of physical library collection item loans / Number of library collection items]</i>	4.13	3.22	There were 135,253 library collection item loans for 2020/21 which was significantly less than the 173,793 loans in 2019/20. Library facilities were closed for considerable periods during the year due to the impacts of COVID-19.
Recently purchased library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	81.17%	67.79%	The proportion of the collection that is less than 5 years old has decreased from 2019/20 but is consistent with previous years. This is due to e-resources not being included in the collection items total for 2019/20. Collection items purchased has decreased from 34,149 to 32,716 whilst library collection items increased from 42,070 to 48,261 with the inclusion of e-resources.
Active library borrowers in municipality <i>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</i>	22.18%	19.90%	Bass Coast's library facilities were closed for significant periods throughout the 2020/21 year due to COVID-19, resulting in a 12.5% reduction in the number of active library borrowers in the municipality. This significant reduction in active library members has caused a 2.72% decrease in this indicator for 2020/21.
Cost of library service per population <i>[Direct cost of the library service / Population]</i>	\$49.00	\$49.41	No material variation.

Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Aquatic Facilities			
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	1	1	Bass Coast Shire has one aquatic facility. One health inspection was completed in October 2020. No further inspections were completed due to the COVID-19 closure of the facility.
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.83	0.69	The total number of visits at the aquatic facility have significantly reduced from 102,775 in 2019/20 to 25,945 in 2020/21 as a result of COVID-19. Bass Coast's aquatic facility experienced an extended period of complete closure and major restrictions on patron numbers when re-opening under State Government restrictions.
Cost of aquatic facilities <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$4.71	\$18.18	The impacts of COVID-19 on visitation to the Bass Coast Aquatic and Leisure Centre was significant with a 75% reduction in patron access to the facility compared to the previous year. Council's service contract obligations were met and amended to suit the pandemic impacts and the uncertainty of service continuity. Throughout the year, the facility continued to be maintained and prepared for full operations, resulting in a continued cost to Council, whilst being either fully closed or with limited access due to COVID-19 restrictions.

Our Performance

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Animal Management			
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	2.70 days	No result	Council received 843 animal management request in 2020/21 compared to 1816 requests for 2019/20. Council's current reporting framework does not allow reporting on number of days between receipt of animal management requests and first response action. We are reviewing our reporting framework to improve future reporting.
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	58.47%	45.94%	The number of animals impounded is significantly less due to COVID-19 pandemic. More people were at home so less animals were found wandering at large.
Animals Rehomed <i>[Number of animals rehomed / Number of animals collected] x100</i>	26.06%	34.06%	Animals are not directly rehomed through Council's facility. However all unclaimed animals are assessed and those deemed suitable for rehoming are transferred to the RSPCA who have the necessary resources and experience to ensure the best outcome.
Cost of animal management service per population <i>[Direct cost of the animal management service / Population]</i>	\$9.87	\$9.67	No material variation.
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	100%	100%	There were eight successful Animal Management prosecutions during 2020/21 (excluding unpaid fines). The COVID-19 pandemic impacted on Council's ability to take cases to Court during this time.

Our Performance

Strategic Objective 7: Our Character

To achieve our objective of Our Character, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Major initiatives	Progress
Commence design and construction of the Cowes Cultural and Community Centre	100%
Commence implementation of the Wonthaggi North East Precinct Structure Plan and Developer Contributions Plan	100%

Service	Description	Net Cost Actual Budget Variance \$000
Parks	Maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals.	4,146 4,464 (318)
Planning and Character Management	Responsible for managing the sustainable development and growth activities that develop the character of the municipality. In addition this service enforces the Bass Coast Planning Scheme including the management and investigation of complaints, liaison and negotiation to achieve positive outcomes after breaches have occurred and the legal activities associated with Planning Enforcement.	669 629 40
Building Services	Responsible for the assessment and determination of building applications, conducting building inspections, advising residents on building-related matters and implementing pool safety and essential safety audits.	194 404 (210)
Development Services	This service manages subdivision design and construction, and is responsible for ensuring engineering requirements of planning applications are adequately considered and controlled.	283 487 (204)
Statutory Planning	Provides assessment of planning permit applications against the various requirements of the Bass Coast Planning Scheme and the Planning and Environment Act to ensure that development across the Shire is appropriately planned and controlled.	521 642 (121)

Our Performance

Service	Description	Net Cost Actual Budget Variance \$000
Strategic Planning	Maintains the Bass Coast Planning Scheme by development and delivery of key Strategic Planning projects and policies, and the assessment of planning scheme amendments. This service also plans for recreation facilities and services to meet the current and future needs of the community.	441 <u>666</u> (225)
Major Projects	This service leads feasibility studies, master planning, and the effective design, and delivery of transformational projects. Manages the design and development of urban design, open space projects and provides sustainable recreation planning, strategy and policy development.	592 <u>908</u> (316)
Growth Areas	This service assesses planning permit applications within the Wonthaggi North East Growth Area against the requirements of the Bass Coast Planning Scheme and the Planning and Environment Act to ensure that development is adequately considered and appropriately controlled.	276 <u>250</u> 26
Social and Community Planning	Has the responsibility to frame and respond to the challenges of social inclusion that present to Council. This service provides and gives support to community development, community planning, community grants, youth and social planning, rural access and Inter Council Aboriginal Consultative Committee.	2,170 <u>1,590</u> 580

Our Performance

Council Plan Service Performance Indicators

Strategic Indicators	Measures	Results
Build capacity in community planning	Host quarterly community building events and networking opportunities each year	Achieved
Overall Community Satisfaction Rating	Increase in overall community satisfaction score year on year	Achieved
Advocate on behalf of the community on key planning issues	Make representation to State and Federal Government on key planning matters	Achieved
Statutory Planning decisions	75% of decisions not set aside at VCAT	50% achieved
	80% of Statutory Planning applications determined within 60 days	53% achieved

Our Performance

Local Government Performance Reporting Framework

Performance Indicators	Result 2019/20	Result 2020/21	Material Variations and Comments
Statutory Planning			
Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	99 days	110 days	The increase in median days from 99 days in 2019/20 to 110 days in 2020/21 is due to staff vacancies, complexity of applications and the technical challenges of working remotely during COVID-19.
Planning applications decided within required time frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</i>	66.87%	53%	A decrease in the overall result from 66.87% in 2019/20 to 53% in 2020/21 can be attributed to staff vacancies, complexity of applications, increased customer enquiries and the technical challenges of working remotely during COVID-19.
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$2,354.20	\$2,270.15	The decrease in the direct cost of the statutory planning service reflects a number of planning staff vacancies.
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	30%	50%	Of the 500 planning applications determined in 2020/21, there were two VCAT application decisions. One set aside Council's decision whilst the other upheld Council's decisions.

Our Performance

Performance Statement

Description of municipality

Bass Coast Shire Council is a local government authority incorporated under the *Local Government Act 2020 (Vic)*. It is located about 130km south east of Melbourne and is bounded by Western Port in the west, Cardinia Shire in the north west, South Gippsland Shire in the north and Bass Strait in the south. Bass Coast's main centres are Wonthaggi, Cowes (Phillip Island), Inverloch, San Remo and Grantville. In addition, the Shire comprises a further 28 towns. Bass Coast is home to over 37,000 permanent residents. However, its proximity to Melbourne makes it very attractive to visitors and to people wanting to make a sea change. During peak periods, our population swells to over 80,000. The Shire boasts many beautiful beaches, unique nature reserves and many major events that attract more than 3.4 million visitors each year, such as the Australian Motorcycle Grand Prix at the Phillip Island Circuit.



Our Performance

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Population					
Expenses per head of municipal population <i>[Total expenses/Municipal population]</i>	\$2,164.68	\$2,460.84	\$2,131.69	\$2,338.98	There has been a continual increase in the municipal population over the four years. The increase in the indicator in 18/19 was due to heightened landfill amortisation and a significant contribution towards the Wonthaggi Highball Stadium. The increase in 2020/21 is due to Council offering additional short term contract opportunities to help stimulate the local economy in response to the COVID-19 pandemic. This initiative has been fully funded by the State Government (\$4 million).
Infrastructure per head of municipal population <i>[Value of infrastructure/Municipal population]</i>	\$13,232.71	\$14,825.74	\$14,826.18	\$15,422.22	The 2020/21 increase is due to a fair value adjustment to the value of drainage assets which increased the value of infrastructure by \$32 million. The 2018/19 increase was due to a road revaluation which increased the value of infrastructure by \$61 million.
Population density per length of road <i>[Municipal population/Kilometres of local roads]</i>	36.76	37.78	38.19	38.91	A continuous increase in population has resulted in higher density per length of road.
Own-source revenue					
Own-source revenue per head of municipal population <i>[Own-source revenue/Municipal population]</i>	\$1,866.88	\$1,921.91	\$1,933.18	\$2,011.08	This has increased by 4.0% as a result of additional rates and charges raised through the Pioneer Bay special charge scheme and above trend growth in statutory fees linked to development in the Shire.
Recurrent grants					
Recurrent grants per head of municipal population <i>[Recurrent grants/Municipal population]</i>	\$298.97	\$244.21	\$252.48	\$196.37	Recurrent Grants received by Council reduced in 20/21 due to the cessation of Aged and Disability services, from January 2020.

Our Performance

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Disadvantage					
Relative socio-economic disadvantage <i>[Index of Relative Socio-economic Disadvantage by decile]</i>	3	3	3	3	
Workforce turnover					
Percentage of staff turnover <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	11.3%	13.9%	40.9%	15.1%	Staff turnover increased substantially in 2019/20, due to Council decision to cease the provision of Aged Care Services from January 2020.

Definitions

“adjusted underlying revenue” means total income other than:

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

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

“local road” means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004*

“population” means the resident population estimated by Council

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

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Our Performance

Service Performance Indicators

For the year ended 30 June 2021

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Aquatic facilities					
Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities/Municipal population]</i>	4.53	4.33	2.83	0.69	The total number of visits at the aquatic facility have significantly reduced from 102,775 in 2019/20 to 25,945 in 2020/21 as a result of the COVID-19 pandemic. Bass Coast's aquatic facility experienced an extended period of complete closure and major restrictions on patron numbers when re-opening under State Government restrictions.
Animal management					
Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions as a percentage of total animal management prosecutions]</i>	New in 2020	New in 2020	100%	100%	There were 8 successful animal management prosecutions during 2020/21 (excluding unpaid fines). The COVID-19 pandemic impacted on Council's ability to take cases to Court during this time..
Food safety					
Health and safety Critical and major non-compliance notifications <i>[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100</i>	98.11%	96.88%	97.92%	81.25%	In 2020 Council received 16 non-compliance notifications regarding food premises, 13 of which were followed up. Council continues to work with these businesses to ensure regulatory standards are met.
Governance					
Satisfaction 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]</i>	49	51	52	57	A five-point increase in community satisfaction is indicative of Council's implementation of its Communications and Engagement Strategy that is focussed on improving engagement with the community and explaining the reasons behind Council decisions.

Our Performance

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Libraries					
Participation Active library members <i>[Number of active library members/Municipal population] x100</i>	23.70%	23.02%	22.18%	19.90%	Bass Coast's library facilities were closed for significant periods throughout the 2020/21 year due to COVID-19, resulting in a 12.5% reduction in the number of active library borrowers in the municipality. This significant reduction in active library members has caused a 2.72% decrease in this indicator for 2020/21.
Maternal and Child Health (MCH)					
Participation Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x100</i>	N/A	N/A	N/A	N/A	Council does not have operational control of MCH service.
Participation Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	N/A	N/A	N/A	N/A	Council does not have operational control of MCH service.

Our Performance

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Roads					
Satisfaction Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	47	53	53	55	Our 2021 Community Satisfaction score of 55 is a two-point improvement on the previous year and is five points higher than the average for Large Rural Councils. This is indicative of Council's commitment and focus in improving its road network. It is important to note that the survey results are also a reflection of the state controlled roads within the municipality.
Statutory Planning					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	75%	80%	30%	50%	Of the 500 planning applications determined in 2020/21, there were two VCAT decisions. One set aside Council's decision whilst the other upheld Council's decision.
Waste Collection					
Waste diversion Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	70.22%	74.77%	75.75%	75.11%	The small decrease in Bass Coast Shire Council's diversion rate is due to a 7.7% increase in kerbside waste collected. This is partly offset by the increase of 6.8% in the diversion rate for recyclables and organics.



Our Performance

Definitions

“**Aboriginal child**” means a child who is an Aboriginal person

“**Aboriginal person**” has the same meaning as in the *Aboriginal Heritage Act 2006*

“**active library member**” means a member of a library who has borrowed a book from the library

“**annual report**” means an annual report prepared by a council under sections 131, 132 and 133 of the Act

“**CALD**” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

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

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

“**Community Care Common Standards**” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

“**HACC program**” means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

“**HACC service**” means home help, personal care or community respite provided under the HACC program

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

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

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

“**population**” means the resident population estimated by council

“**target population**” has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth

“**WorkSafe reportable aquatic facility safety incident**” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Our Performance

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency									
Expenditure level Expenses per property assessment <i>[Total expenses/Number of property assessments]</i>	\$2,399.03	\$2,756.83	\$2,410.80	\$2,652.66	\$2,447.29	\$2,427.77	\$2,364.07	\$2,437.64	The increase in 2020/21 is due to Council offering 100 (\$4 million) short term contracted positions to help stimulate the local economy in response to the COVID-19 pandemic. This initiative was fully funded by the State Government.
Revenue level Average rate per property assessment <i>[General rates and Municipal charges / Number of property assessments]</i>	New in 2020	New in 2020	\$1,539.78	\$1,563.65	\$1,568.79	\$1,595.87	\$1,627.79	\$1,660.57	Average rate per property assessment is forecast to increase in line with the expected rate cap and forecast growth within the municipality.
Liquidity									
Working capital Current assets compared to current liabilities <i>[Current assets/Current liabilities] x100</i>	251.58%	171.98%	176.05%	157.46%	151.31%	133.31%	124.16%	95.80%	The lower working capital ratio in 20/21 is due to a significant increase in the value of unearned income which has been elevated by the receipt of large capital grants in the final quarter of the financial year. This indicator has also been impacted by the timing of spend for multi-year projects. This indicator is expected to decrease in future years as these projects are completed and as long-term borrowings become current. The reduction in 2018/19 was due to the reclassification of a \$5.3 million loan which was due for repayment.

Our Performance

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Unrestricted cash									
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	133.42%	47.64%	4.86%	26.97%	101.54%	82.28%	73.00%	46.99%	This indicator was depressed in 2019/20 due to funds held in term deposits with maturities greater than 90 days being classed as other financial assets instead of cash. In 2020/21, the majority of investments held at 30 June were in deposits with maturities less than 90 days. This has contributed to the increase in this indicator in 2020/21.
Obligations									
Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings/Rate revenue] x100</i>	27.99%	30.49%	25.11%	21.95%	42.56%	47.12%	47.71%	55.12%	A reduction in this indicator is due to loan repayments decreasing our loan balances and increased rates and charges in line with the rate cap. Council plans to draw down additional borrowings in 21/22 to fund the completion of intergenerational projects. This will result in an increase in the level for this indicator in future years.
Loans and borrowings Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	7.02%	2.71%	23.51%	19.05%	20.94%	4.46%	4.81%	5.13%	A short-term loan rollover (\$11.7 million) has been accounted for as a repayment and redraw in both 2019/20 and 2020/21. This redraw is expected to re-occur in 2021/22 with future year predictions to secure an extended tenure.

Our Performance

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Obligations									
Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities/Own source revenue] x100</i>	22.01%	18.88%	21.78%	21.20%	51.12%	53.71%	52.81%	53.59%	The increase in this indicator seen from 2021/22 is due to the planned draw down of borrowings which will fund the delivery of intergenerational projects for Bass Coast. This includes planned works at the Cowes Cultural and Community Centre, Aquatics, Phillip Island Transfer Station, Pathways and Realm improvements.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation <i>[Asset renewal and upgrade expense/Asset depreciation] x100</i>	New in 2020	New in 2020	82.01%	67.57%	111.20%	114.78%	88.90%	119.67%	A steady increase in depreciation coupled with the delayed delivery of Wonthaggi Guide Park (\$1.2 million) and Inverloch Community Hub works (\$1.04 million) has caused a decrease in this indicator for the 2020/21 year. Council expects a future increase in this indicator, as delivery of these projects are carried out in addition to the continuation of the adopted Capital Works Program.
Operating Position									
Adjusted underlying result Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100</i>	2.04%	-12.34%	3.16%	0.45%	0.49%	2.71%	6.96%	5.49%	Adjusted underlying result for 2020/21 was a surplus of \$0.395 million, which resulted in a positive underlying result largely in line with Council's annual budget (0.22%). The 2018/19 result was due to the take up of a one off \$5.3 million amortisation expense attributable to the landfill airspace asset and a \$2.4 million contribution toward the Wonthaggi Highball Stadium.

Our Performance

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Stability									
Rates concentration Rates compared to adjusted underlying revenue <i>[Rate revenue/Adjusted underlying revenue] x100</i>	73.06%	75.66%	77.30%	76.38%	80.34%	80.65%	80.86%	81.33%	Continual annual increases in this measure are due to the creation of new rateable property assessments as a result of growth within the municipality. A small decrease in 2020/21 was due to a significant increase in adjusted underlying revenue following the receipt of a \$4 million grant from the State Government. This grant allowed Council to offer short term contract opportunities to around 100 Victorians during the COVID-19 pandemic.
Rates effort Rates compared to property values <i>[Rate revenue/Capital improved value of rateable properties in the municipality] x100</i>	0.41%	0.38%	0.38%	0.37%	0.36%	0.36%	0.36%	0.36%	Rate revenue is expected to increase in line with the capital improved value of rateable properties in the municipality, resulting in a stable rates effort ratio.

Our Performance

Former measures

Service/indicator/measure	Results			
	2018	2019	2020	2021
Retired measures				
Animal Management				
Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	11	12	Retired in 2020	
Efficiency				
Revenue Level Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,694.02	\$1,771.19	Retired in 2020	
Obligations				
Asset Renewal Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	46.43%	86.39%	Retired in 2020	



Our Performance

Definitions

“**adjusted underlying revenue**” means total income other than:

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

“**adjusted underlying surplus (or deficit)**” means adjusted underlying revenue less total expenditure

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

“**current assets**” has the same meaning as in the Australian Accounting Standards (AAS)

“**current liabilities**” has the same meaning as in the AAS

“**non-current assets**” means all assets other than current assets

“**non-current liabilities**” means all liabilities other than current liabilities

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

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

“**population**” means the resident population estimated by council

“**rate revenue**” means revenue from general rates, municipal charges, service rates and service charges

“**recurrent grant**” means a grant other than a non-recurrent grant

“**residential rates**” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

“**unrestricted cash**” means all cash and cash equivalents other than restricted cash.

Our Performance

Other Information

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 1989* and *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (eg Australian Bureau of Statistics).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 16 June 2021 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.





Our Performance

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).



David Filmalter, CA

Principal Accounting Officer

Dated: 27 October 2021

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 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 2014* to certify this performance statement in its final form.



Brett Tessari

Councillor

Dated: 27 October 2021



Michael Whelan

Councillor

Dated: 27 October 2021



Ali Wastie

Chief Executive Officer

Dated: 27 October 2021

Our Performance



Independent Auditor's Report

To the Councillors of Bass Coast Shire Council

Opinion	<p>I have audited the accompanying performance statement of Bass Coast Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff 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 and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, 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.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
 13 November 2021

Sanchu Chummar
 as delegate for the Auditor-General of Victoria

Governance, Management and Other Information



Governance, Management and Other Information

Governance

Bass Coast Shire Council is constituted under the *Local Government Act 2020* to provide leadership and good governance of the municipal district and the local community. Council has a number of roles including:

- taking into account the diverse needs of the local community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring that resources are managed in a responsible and accountable manner
- advocating the interests of the local community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums and the ability to make submissions to Special Committees of Council.

Council's formal decision-making processes are conducted through Council Meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.



Governance, Management and Other Information

Meetings of Council

Council meetings are conducted on the third Wednesday of each month, with some exceptions made and no meeting held in January.

During the COVID-19 Pandemic Council Meetings have been held virtually, being open and accessible to the community via livestream. Council meetings provide the opportunity for community members to submit a question to Council.

The following tables provide a summary of Councillor's attendance at Council Meetings for the 2020/21 financial year.

July 2020 – October 2020

- 4 Ordinary Council Meetings
- 2 Special Council Meetings

July 2020 – October 2020			
Councillors	Council Meeting	Special Council Meeting	Total
Cr Brett Tessari Mayor	4	2	6
Cr Geoff Ellis Deputy Mayor	4	2	6
Cr Julian Brown	4	1	5
Cr Stephen Fullarton	4	2	6
Cr Bruce Kent	4	2	6
Cr Les Larke	4	2	6
Cr Clare Le Serve	4	2	6
Cr Pamela Rothfield	4	2	6
Cr Michael Whelan	4	2	6

The following table provides a summary of Councillor's attendance at Council meetings and Special Council meetings for the 2020/21 financial year.

November 2020 – June 2021

- 7 Council Meetings
- 0 Special Council Meetings

November 2020 – June 2021			
Councillors	Council Meeting	Special Council Meeting	Total
Cr Brett Tessari Mayor	6	0	6
Cr Michael Whelan Deputy Mayor	7	0	7
Cr Bruce Kent	7	0	7
Cr Clare Le Serve	7	0	7
Cr Les Larke	6	0	6
Cr Leticia Laing	7	0	7
Cr Ron Bauer	6	0	6
Cr David Rooks	6	0	6
Cr Rochelle Holstead	7	0	7

Governance, Management and Other Information

Committees

Council has a variety of working groups, advisory and planning committees to meet its legislative obligations, enhance its involvement in community activities and to advocate on behalf of the community.

The following list contains the names of committees that Councillors are appointed to:

- Access and Inclusion Advisory Committee
- Arts and Culture Advisory Committee
- Audit & Risk Committee
- Bass Coast Community Road Safety Committee
- Bass Coast Events Advisory Committee
- Bass Coast Municipal Emergency Management Planning Committee
- Bass Coast Municipal Fire Management Committee
- Bass Coast Natural Environment Advisory Working Group
- Bass Coast Place Names Committee
- Cape Barren Geese Working Group
- Climate Change Action Plan 2020 - 2030 Community Reference Group
- Community Leadership Recovery Group
- Community Leadership Recovery Group - Arts and Culture
- Community Leadership Recovery Group - Community Wellbeing
- Community Leadership Recovery Group - Environment
- Community Leadership Recovery Group - Local Economy
- Community Tourism Reference Group
- Phillip Island Aquatics Working Group
- Phillip Island Integrated Transport Study Reference Group
- Rural Engagement Group
- The Chief Executive Officer Employment Matters Committee

Community Asset Committees have also been established under section 65 of the *Local Government Act 2020* (previously established under Section 86 of the *Local Government Act 1989*)

- Cape Paterson Hall Community Asset Committee
- Cape Paterson Sports Facility Community Asset Committee
- Corinella Community Hall Community Asset Committee
- Coronet Bay Reserves Community Asset Committee
- Dalyston Hall Community Asset Committee
- Dalyston Recreation Reserve Community Asset Committee
- Glen Alvie Recreation Reserve Community Asset Committee
- Glen Forbes Recreation Reserve Community Asset Committee
- Kernot Hall and Reserve Community Asset Committee
- Krowera Hall Community Asset Committee
- Newhaven Hall Community Asset Committee
- Pioneer Bay Reserve Community Asset Committee
- Pound Creek Recreation Reserve Community Asset Committee
- Rhyll Hall and Reserve Community Asset Committee
- Surf Beach Community Park Community Asset Committee

Governance, Management and Other Information

Councillor Code of Conduct

The Act requires Councils to review and adopt a Councillor Code of Conduct within four months of the general election, which is developed with input and feedback from Councillors and reflects the requirements of the Act and the Local Government (Governance and Integrity) Regulations. On 17 February 2021, Council adopted a revised Councillor Code of Conduct which sets out the high standards of conduct and behaviour to be maintained by Councillors, including the prescribed standards required by the *Local Government Act 2020*. It provides guidance in the event of any Councillor breach of the Code of Conduct and also supports a good working relationship between Councillors and between Councillors and Council officers.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest, personal interest returns and gifts
- roles and relationships
- dispute resolution procedures

Conflict of Interest

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest.

Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflicts of interests.



Governance, Management and Other Information

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 is also entitled to receive a higher allowance.

The state government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. Bass Coast Shire Council is recognised as a category two Council.

For the period 1 July 2020 to 30 June 2021, the Councillor annual allowance for a category two Council (as defined by the *Local Government Act 1989*) was fixed at \$26,245 and the allowance for the Mayor at \$81,204. There was no adjustment made during the year.

The following table contains a summary of the allowances paid to each Councillor during the 2020/21 year:

Councillors: 1 July 2020 - 24 October 2020	Allowance
Cr Brett Tessari (Mayor)	\$29,901.84
Cr Geoff Ellis (Deputy Mayor)	\$9,664.24
Cr Julian Brown	\$9,664.24
Cr Stephen Fullarton	\$9,664.24
Cr Bruce Kent	\$9,664.24
Cr Les Larke	\$9,664.24
Cr Clare Le Serve	\$9,664.24
Cr Pamela Rothfield	\$9,664.24
Cr Michael Whelan	\$9,664.24

Councillors: 7 November 2020 - 30 June 2021	Allowance
Cr Brett Tessari (Mayor)	\$45,966.54
Cr Michael Whelan (Deputy Mayor)	\$15,676.14
Cr Bruce Kent	\$15,676.14
Cr Clare Le Serve	\$15,676.14
Cr Les Larke	\$15,676.14
Cr Leticia Laing	\$15,676.14
Cr Ron Bauer	\$15,676.14
Cr David Rooks	\$15,676.14
Cr Rochelle Holstead	\$15,676.14



Governance, Management and Other Information

Councillor Expenses

In accordance with Section 40 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by Council.

The details of the expenses for the 2020/21 year are set out in the following tables:

1 July 2020 - 24 October 2020

Councillor	Travel	Car mileage	Vehicle	Information and Communication	Conferences and Training	Total
Cr Brett Tessari Mayor	\$0.00	\$0.00	\$3,944.08	\$181.80	\$172.29	\$4,298.17
Cr Geoff Ellis Deputy Mayor	\$0.00	\$170.73	\$0.00	\$181.80	\$9.55	\$362.08
Cr Julian Brown	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Cr Stephen Fullarton	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Cr Bruce Kent	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Cr Les Larke	\$0.00	\$101.86	\$0.00	\$181.80	\$0.00	\$283.66
Cr Clare Le Serve	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Cr Pamela Rothfield	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Cr Michael Whelan	\$0.00	\$0.00	\$0.00	\$181.80	\$0.00	\$181.80
Total	\$0.00	\$272.59	\$3,944.08	\$1,636.20	\$181.84	\$6,034.71

Governance, Management and Other Information

Councillor Expenses (continued)

9 November 2020 - 30 June 2021

Councillor	Travel	Car mileage	Vehicle	Information and Communication	Conferences and Training	Childcare	Total
Cr Brett Tessari Mayor	\$1,847.52	\$0.00	\$7,888.21	\$3,750.89	\$1,177.30	\$0.00	\$14,663.92
Cr Michael Whelan Deputy Mayor	\$1,505.68	\$2,038.28	\$0.00	\$3,450.89	\$192.02	\$0.00	\$7,186.87
Cr Bruce Kent	\$0.00	\$1,679.63	\$0.00	\$3,450.89	\$0.00	\$0.00	\$5,130.52
Cr Clare Le Serve	\$0.00	\$1,615.88	\$0.00	\$3,450.89	\$712.50	\$0.00	\$5,779.27
Cr Les Larke	\$0.00	\$237.59	\$0.00	\$3,450.89	\$712.50	\$0.00	\$4,400.98
Cr Leticia Laing	\$0.00	\$2,381.85	\$0.00	\$3,450.89	\$1,452.50	\$428.20	\$7,713.44
Cr Ron Bauer	\$0.00	\$584.50	\$0.00	\$3,750.89	\$712.50	\$0.00	\$5,047.89
Cr David Rooks	\$0.00	\$1,827.31	\$0.00	\$3,450.89	\$732.50	\$0.00	\$6,010.70
Cr Rochelle Holstead	\$0.00	\$2,054.32	\$0.00	\$3,450.89	\$712.50	\$0.00	\$6,217.71
Total	\$3,353.20	\$12,419.36	\$7,888.21	\$31,658.01	\$6,404.32	\$428.20	\$62,151.30

Governance, Management and Other Information

Management

Council has implemented a number of statutory and good practice to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the following pages. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of three independent members, Mr Vincent Philpott (Chair), Mr Homi Burjorjee and Mr Tim Large, the Mayor and one Councillor.

Independent members are appointed for a three-year term and may be reappointed for two additional two-year terms subject to satisfactory performance, that is, a maximum of seven years. The chair is elected by Council. The Audit and Risk Committee meets four times a year. The Internal Auditor, External Auditor, Executive Team and relevant Managers attend all Audit and Risk Committee meetings. Other officers attend as required to present reports.

Recommendations from each Audit and Risk Committee meeting are subsequently reported to and considered by Council.



Governance, Management and Other Information

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

The Audit and Risk Committee each year endorse a program for independent review and audit. At each Audit and Risk Committee meeting, the Committee receives a detailed report on the actions being implemented, their progress and current status. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Team and the Audit and Risk Committee. Quality assurance is measured through client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The following reviews were conducted in 2020/21:

- Fraud and Corruption Framework
- Building Security and Maintenance
- IT General Controls

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2020/21 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings during the year to present the Annual Audit Plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

Council's Risk Management Framework and Policy is in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 2018 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



Governance, Management and Other Information

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
1 Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Community Engagement Policy adopted 17 February 2021
2 Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Communication and Engagement Strategy adopted September 2015; revised version adopted March 2018.
3 Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Annual Budget including Financial Plan adopted by Council on 16 June 2021.
4 Asset Plan (plans 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)	Date of operation of current plans: Road Asset Management Plan 20 March 2019, Drainage Asset Management Plan 17 June 2020, Building Asset Management Plan 18 May 2016.
5 Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted 16 June 2021.
6 Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Annual Budget adopted by Council on 16 June 2021.
7 Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 04 September 2019.
8 Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 15 December 2020.
9 Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986: Date of preparation: 18 April 2018.
10 Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Date of operation of current policy: 17 June 2020. Currently under review.

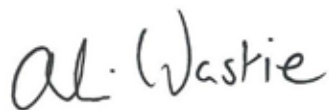
Governance, Management and Other Information

Governance and Management Items	Assessment
11 Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of operation of current plan: 25 November 2014, currently under review.
12 Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Date of operation of current plan: 31 October 2014, currently under review.
13 Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Date of operation of current framework: 04 September 2019
14 Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Date of establishment: 19 August 2020
15 Internal Audit (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: 19 July 2017
16 Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)	Date of operation of current framework: 1 July 2014
17 Council Plan Report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Date of reports: Major Initiatives, Finance and Capital Works Progress Report: 16 December 2020, 17 February 2021, 19 May 2021.
18 Financial reporting (quarterly statements to Council under section 138(1) of the <i>Local Government Act 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly reports to Council presented: Annual Report 16 December 2020, Major Initiatives, Finance and Capital Works Progress 16 December 2020, 17 February 2021, 19 May 2021.

Governance, Management and Other Information

Governance and Management Items	Assessment
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Quarterly reports to Audit Committee: 23 September 2020, 15 December 2020, 3 March 2021, 26 May 2021.
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)	Reported in Annual Report 16 December 2020 and Major Initiatives, Finance and Capital Works Progress Report 19 May 2021.
21 Annual Report (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 Council in accordance with section 134 of the Act.
22 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors)	Reviewed and adopted in accordance with section 139 of the Act. Date reviewed: 17 February 2021
23 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Delegations reviewed in accordance with section 11(7) of the Act and a Register kept in accordance with 11(8) and 47(7) of the Act. Date of review: 16 June 2021.
24 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date of adoption: 19 August 2020.

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



Ali Wastie
Chief Executive Officer
Dated: 17 November 2021



Cr Brett Tessari
Mayor
Dated: 17 November 2021

Statutory Information



Statutory Information

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

Documents Available for Public Inspection

In accordance with the *Local Government Act 2020* s57 Public Transparency Policy and s58 The Public Transparency Principles, Council adopted a Public Transparency Policy 19 August 2020.

The purpose of this Policy is to:

- give effect to the Public Transparency Principles
- describe the ways in which Council Information will be made publicly available
- specify which Council Information will be made publicly available as of course
- describe the categories of Council Information that may be unavailable to the public.

A copy of this policy is available on Council's website policy page at www.basscoast.vic.gov.au/policies.

Best Value

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment

to continuous improvement and innovation which is supported by our Sustainable Excellence Program. To further reflect Council's commitment to Best Value, Council has a Service Review Program. This program reviews six service areas per year to find opportunities and efficiencies, and to make sure that the model we use to deliver services provides maximum benefit to our community.

The purpose of the service reviews:

- Is designed to find operational efficiencies and innovations to deliver services to the community in accordance with the Council Plan and Long Term Financial Plan.
- Is our commitment to continuous improvement in what we do.
- Is not about performance. In general, service reviews are designed to determine the level of service we will provide and the most appropriate strategic model to provide that service.

The service reviews that are currently being undertaken include:

- Environmental Health (complete)
- Strategy and Growth (complete)
- Building Services (implementation)
- Cemetery Operations (implementation)
- Infrastructure Delivery (complete)
- Governance & Property (complete)
- Customer and Visitor Services (complete)



Statutory Information

Carers Recognition

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act.

Council ceased delivery of in home care and planned activity group services at the end of 2019, with the service being transferred to independent provider Mecwacare. Council is no longer required to report against this measure

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more for any goods and services, or works (i.e. construction/building) that will exceed \$200,000 or more, without first engaging in a competitive process. These figures are GST inclusive and are for the value of the life of the goods, services and works.

Disability Action Plan

In accordance with section 38 of the Disability Act 2006, as Council has prepared a Disability Action Plan it must report on its implementation in its Annual Report. Disability Action Plan key outcomes and achievements in 2020/21 are highlighted below:

- Community advocacy for improved pedestrian access and safety in Wonthaggi Town Centre as part of the Wonthaggi Activity Centre and Wonthaggi Access and Movement Plans, resulting in pedestrian upgrades at the intersections of Graham and Billson Streets and Graham and McKenzie Streets
- Enhancing the role of the Access and Inclusion Advisory Committee to provide more frequent strategic advice to Council, focusing on infrastructure delivery including Cowes Cultural and Community Centre, Apex Park Master Plan, Rhyll Boating Facility Playspace and Landscaping Upgrade

- Delivery of an online community event to celebrate Social Inclusion Week and International Day of People with a Disability 2020, with award winning Australian and international short films from the 12th Annual Wide Angle Film Festival
- Delivery of 'Understanding Access and Inclusion' Disability Awareness Training to members of our Access and Inclusion Advisory Committee
- Development of a suite of access resources in response to COVID-19 Outdoor Dining including; Footpath Trading Information Sheet, Footpath Trading Access Checklist and Parklets Access Checklist
- Development of, and updated various access resources including; Designated Accessible Car Parks and Toilets Guides for Bass Coast, Changing Places Brochure for Bass Coast, 'How to Zoom' and 'How to set up a Gmail account' Guides
- Delivery of universal access for the development and renewal of infrastructure, such as Corinella, Kilcunda and Wonthaggi (Guide Park) toilet upgrades, Changing Places facility at Guide Park
- Funding to Gippsland Disability Advocacy to deliver a project on the impacts of COVID-19 for people with disability in Bass Coast 'Remote Connections' film screening, as part of our Business and Community Resilience Grants
- Appointment of Linda Stoneman Consulting to undertake the development of our new Disability Action Plan (DAP) 2021-25, in consultation with our Access and Inclusion Advisory Committee as the Steering Group
- Delivery of a Forum 'Access and Inclusion in Bass Coast' to help shape the development of our new DAP 2021-25, with approximately 80 participants with disability, their families/cares and other key stakeholders who can make a difference in improving the lives of people with disability in Bass Coast
- Launched the 2021 Building Disability Inclusive Businesses and Community Organisations Grant Program in Bass Coast

Statutory Information

Domestic Animal Management Plan

Council's Domestic Animal Management Plan 2017-21 was adopted by Council on 20 September 2017 and submitted to the Secretary of the Department of Economic Development, Jobs, Transport and Resources. The Plan sets the action plan for the four year period. The Plan looks at how we live with cats and dogs and gives Council a direction for management of these domestic animals until 2021. One of the main objectives of the Plan is to assist the community with responsible pet ownership. It also helps Council deliver a professional, consistent and proactive approach to domestic animal management practices. The themes the Plan is required to address are: training of authorised officers, registration and identification of cats and dogs, nuisance cats and dogs, dog attacks, dangerous, menacing and restricted breed dogs, overpopulation and high euthanasia and domestic animal businesses. A range of objectives have been developed to address these themes along with an annual action plan.

The actions during the 2020/21 financial year include:

- Review of all actions to support the development of DAMP 2021-25
- Community Consultation for development of DAMP 2021-25



Statutory Information

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 2020/21 financial year.

Freedom of Information (FOI)

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 or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

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

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances)

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

Access charges may also apply once documents have been processed and a decision on access is made (eg photocopying and search and retrieval charges). The timeframes for processing an FOI Application can vary depending on the relevant access charges and third party appeal rights.

Further information regarding FOI can be found at www.foi.vic.gov.au and on Council's website www.basscoast.vic.gov.au/foi.

Protected Disclosure Procedures

In accordance with section 69 of the *Public Interest Disclosures Act 2012* a Council must include in their annual report information about how to access the procedures established by Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year. The Public Interest Disclosures Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website at www.basscoast.vic.gov.au/disclosures. During the 2020/21 year no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act Ministerial Direction

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

Our Finances



Our Finances

Financial Performance

In 2020/21, Council has maintained its services and infrastructure, supported community recovery and progressed the delivery of a number of major multi-year projects. In doing so it continued our commitment to the community, providing efficiencies and continuous improvement while keeping rates affordable. We are committed to providing accurate, understandable and fair reporting on our financial performance for 2020/21 and our financial position at the end of the period. It enables an assessment of our ability to deliver current services and maintain existing facilities in the longer-term.

In brief

We achieved a \$20.6 million surplus in 2020/21; compared to budget expectations of a \$3.1 million surplus.

Within this result are a number of variances

- Council received unbudgeted developer contributed assets of \$16.7 million
- Operating grants were higher than budget due to \$4 million in State Government funding for the Working for Victoria initiative. This funded short term employment opportunities to 94 Victorians impacted by the COVID-19 pandemic.
- Special Charge scheme rates of \$1.7 million were raised for the delivery of drainage and roads in Pioneer Bay.
- A \$2.9 million loss on disposal of assets includes the demolition of the former Cowes Cultural and Community Centre.

During the 2020/21 financial year, a state of emergency was declared in Victoria in response to the COVID-19 pandemic. Council have been agile in providing support to the most vulnerable community cohorts and businesses impacted by the pandemic. A number of payments were made to support local business continuity, providing financial relief for permits, rent and the allocation of \$700,000 in grants to support the most vulnerable and help local businesses adapt to new ways of working. Council approved an enhanced COVID-19 Financial Hardship Policy during the year. This policy provides targeted support (rate deferrals) to assist impacted ratepayers during the pandemic.

We ended the financial year with a total cash and investments balance of \$76.4 million compared to \$54.1 million in 2019/20. This increase is largely attributable to funding that has been set aside for deferred capital works projects and a number of grants that were received towards the end of the financial year. As a result, our Unearned Income increased to \$23.2 million (\$6.2 million in 19/20), recognising grants received for incomplete projects.

Revenue

Our total revenue for 2020/21 was \$108.2 million (budgeted \$82.4 million) compared with \$98.2 million for 2019/20.

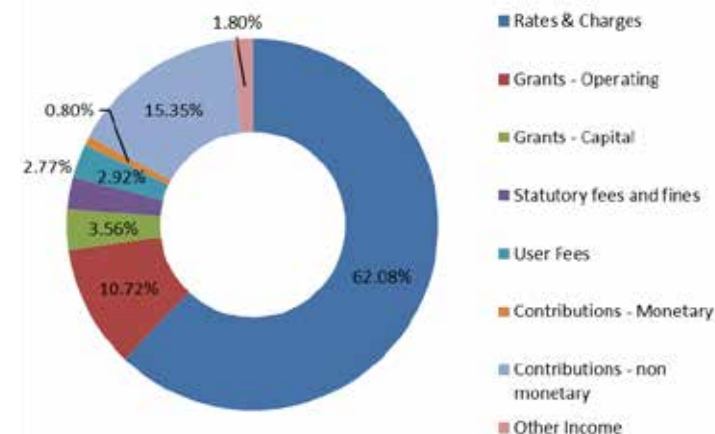
This is largely due to the receipt of \$16.7 million in developer contributed assets (\$15.3 million - 2019/20).

Further detail on our revenue can be seen in the Comprehensive Income Statement.

An analysis of Council's revenue sources highlights that 76% of our income (excluding developer contributions and capital grants) is derived from three income categories:

- Rates and charges 62%
- Operating grants 11%
- User fees 3%

Revenue breakdown



Our Finances

Expenditure

Our total expenses for 2020/21 were \$87.6 million; (\$77.4 million - 2019/20) as detailed in the Comprehensive Income Statement.

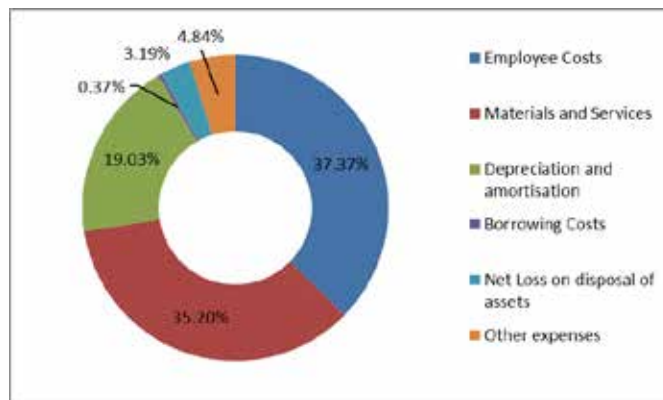
An analysis of expenses indicates that 91% were in the following three categories:

- Employee benefits 37%
- Materials and services 35%
- Depreciation and amortisation 19%

Increased expenditure on employee benefits is linked to the \$4 million Working for Victoria initiative. The other major expenditure type is materials and services.

Materials and services covers a wide range of activities, such as payments to contractors for services, waste collection activities, maintenance, repairs and insurance, among many others. Each of the types of payments made in this area is broken out into more detail within Note 4.2 of the Annual Financial Report.

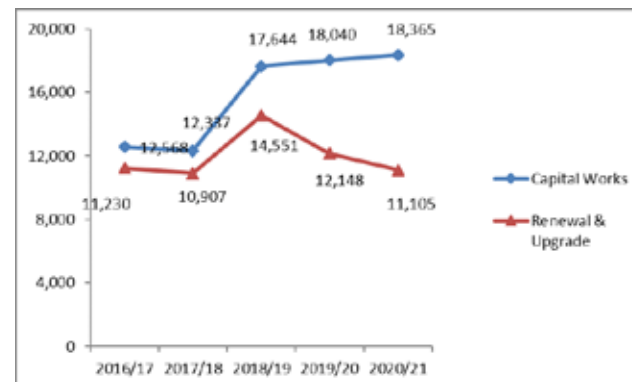
Expenditure Breakdown



Capital Works

2020/21 Capital Works expenditure of \$18.4 million is \$0.4 million greater than the prior year expenditure of \$18.0 million. A number of large projects entered construction phase during 2020/21. These include but are not limited to; Pioneer Bay Road and Drainage works, Dalyston Netball Court renewal, Grantville Glen Alvie Road and toilet renewals at Harold Hughes Reserve, Kilocunda foreshore and Guide park. Renewal and upgrade of our existing assets accounted for \$11.1 million and we spent \$7.3 million on new and expansion works. This investment in capital works is a strategic approach to maintaining or renewing the community's existing assets as they age.

Capital Works Trends



Activities included:

- \$6.1 million on road works
- \$3.2 million of strategic land acquisitions
- \$2.3 million of land improvements including Rhyll Boat Ramp, Bass Coast Entry Signage and Tennis Court renewals in Corinella and Wonthaggi.
- \$4.4 million of building works including Dalyston Netball Courts and Pavilion and Toilet Block renewals
- \$0.5 million on climate change action plan actions

Although Council capitalised works for \$18.4 million, the total value of project costs for those activities was \$20.4 million.

Total project costs include activities that support the delivery of capital works. These support costs do not form part of the asset's value and do not then appear in the Statement of Capital Works within the financial statements. To better understand the cost of a project against the budget the following Statement of Project Works is prepared.

Our Finances

Statement of Project Works

	2021 Budget	2021 Actual
	\$'000	\$'000
Property		
Land	1,000	3,212
Land improvements	3,002	2,332
Total land	4,002	5,544
Buildings	13,605	4,442
Total buildings	13,605	4,442
Total property	17,607	9,986
Plant and equipment		
Plant, machinery and equipment	1,595	967
Computers and telecommunications	685	697
Art works	0	90
Total plant and equipment	2,280	1,754
Infrastructure		
Roads	4,482	6,149
Bridges	88	97
Footpaths and cycleways	1,186	1,399
Drainage	651	475
Waste management	1,600	428
Other infrastructure	50	71
Total infrastructure	8,057	8,619
Total capital works expenditure	27,944	20,359
Represented by:		
New asset expenditure	9,400	6,044
Asset renewal expenditure	13,283	9,359
Asset expansion expenditure	2,460	1,436
Asset upgrade expenditure	2,801	3,520
Total capital works expenditure	27,944	20,359

Capital project expenditure for 2020/21 includes delivery on the following projects:

- Phillip Island strategic land acquisition
- Pioneer Bay roads and drainage special charge scheme
- Cowes Cultural and Community Centre
- Kilcunda, Harold Hughes and Guide Park toilet renewal
- Fincher Street traffic improvements

Assets

Our total assets are valued at \$883 million; 98% consisting of:

- Property, plant, equipment and infrastructure (land, buildings, roads, bridges etc.)
- Cash assets (mainly short-term investments)

Liabilities

Our total liabilities are valued at \$75 million; consisting of loans, amounts owed to suppliers, provisions for landfill rehabilitation and amounts owed to employees for leave entitlements. Liabilities increased by \$22.6 million, in comparison with 2019/20. This was largely due to the impact of the accounting standards for the recognition of revenue when performance obligations are satisfied.

Provisions for employee benefits increased by \$1.1 million due to reduced take up of leave entitlements during 2020/21. The provision for landfill restoration increased by \$0.9 million and Council's borrowings reduced from \$15.5 million in 2019/20 to \$14.7 million in 2020/21.

Loan liability

During 2020/21 Council made total loan repayments (principal and interest) of \$12.5 million and borrowed an additional \$11.7 million. This resulted in an overall net decrease in debt of \$0.8 million. Council's current debt is within the prudential ratio limits used by the Victorian State Government.

Total Loan Liability



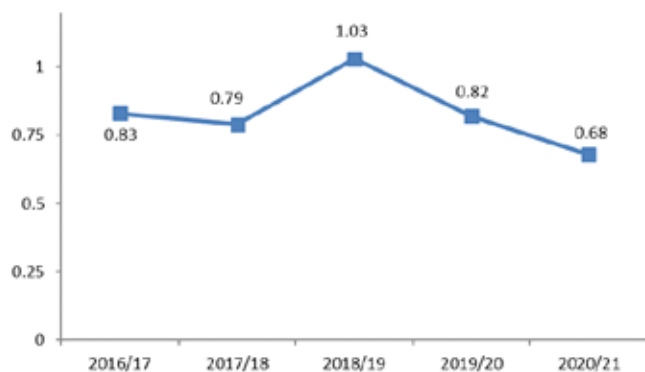
Our Finances

Financial Indicators

The financial indicators included in this report provide information on performance trends over time.

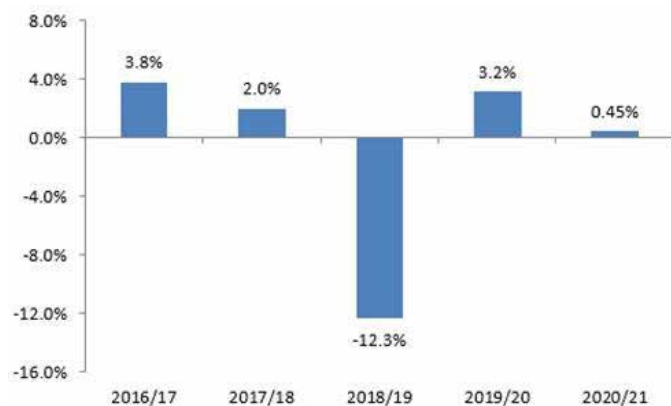
Renewal Gap Ratio

This ratio is about the renewal and upgrade of our existing assets (ie replacing one asset with another of the same or better quality). This indicator is comfortably above the high risk range (0 to 0.5) set by the Victorian Auditor General's Office.



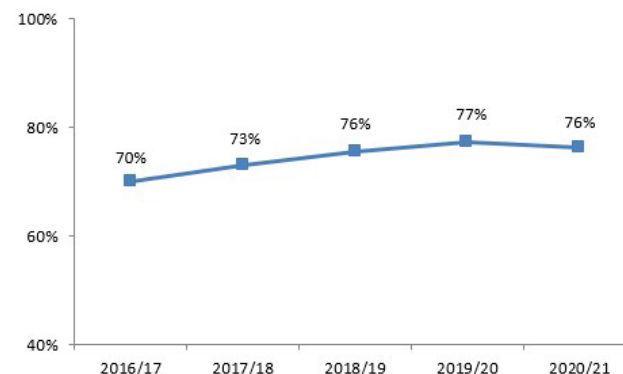
Underlying result

This ratio provides an indication of whether Council generates sufficient funds from its day to day operations to deliver existing services and maintain existing assets. The Adjusted underlying result for 2020/21 was a surplus of \$0.4 million, which was 0.45% of adjusted underlying revenue.



Rates Concentration

The Rates Concentration Ratio reflects our heavy reliance on rate revenue. It is impacted by our ability to raise revenue from other sources such as government grants, special charges, user fees and charges. Rate income is a secure and predictable source of revenue. A low ratio indicates a high reliance on other forms of revenue, which may or may not be sustainable, e.g. government grants. The preferred position is for stability in this ratio as an increase reflects a shift from user pays to ratepayer subsidised service delivery.



Our Finances

Financial Sustainability Risk Indicators

Financial sustainability is defined in a number of different ways. A generally accepted definition is whether local governments have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

To be sustainable, councils need to have some excess capacity at any point in time to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The indicators used by the Victorian Auditor General to assess the financial viability of councils are:

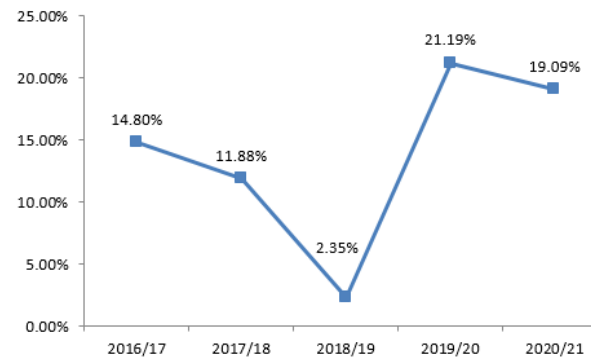
- Net Result – whether enough revenue is generated to cover operating costs (including the cost of replacing assets, reflected in depreciation expense).
- Liquidity – whether sufficient working capital exists to meet short-term commitments.
- Internal Financing – whether sufficient operating cash flows are generated to invest in asset renewal and to repay any debt incurred in the past.
- Indebtedness – whether there is an over reliance on debt to fund the capital program.
- Capital Replacement – whether assets have been replaced at a rate consistent with the rate of their consumption.
- Renewal Gap – whether existing assets have been maintained at a consistent rate.

The following graphs show the trend for each of the financial sustainability risk indicators.

Net Result Ratio

This ratio includes capital grants and developer contributed assets that aid in generating an underlying surplus. This result places Council within the 'Low' risk category for financial sustainability. High results in 2019/20 and 2020/21 are largely due to the receipt of developer contributed assets during those years.

Net Result Ratio



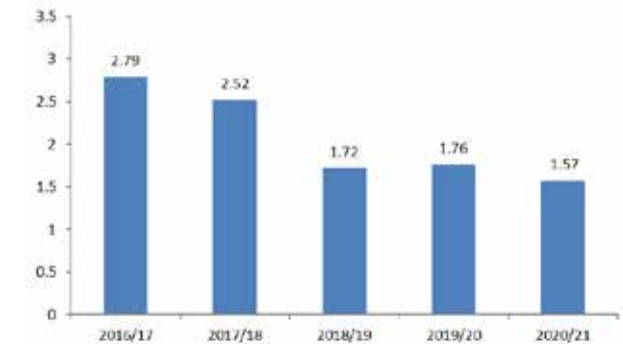
Liquidity Ratio

The Liquidity Ratio expresses the level of current assets, such as cash and investments, that Council has available to meet our current liabilities. This includes outstanding creditors and employee entitlements.

To be considered at Low risk by the Auditor General the ratio must be greater than 1.0. This means that Council has the capacity to pay its immediately due debts. A result above 1.5 has historically been recommended by the Municipal Association of Victoria (MAV) as the minimum level for this ratio.

Our liquidity ratio of 1.57 is over the recommended target for low risk and reflects Council's practice of putting aside funds to pay for future activities. This is a positive result and it means that we have no immediate issue with repaying our liabilities when they fall due.

Liquidity Ratio

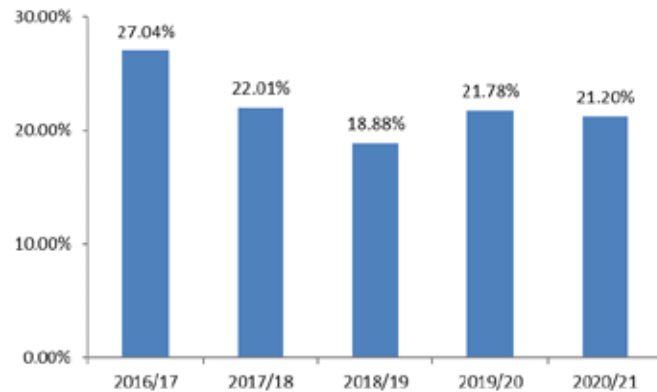


Our Finances

Indebtedness Ratio

This ratio measures our ability to repay debt from our own sources of revenue, such as rates and charges. The ratio is comfortably in the low risk category, indicating that we are generating sufficient funds to cover debt without requiring outside assistance.

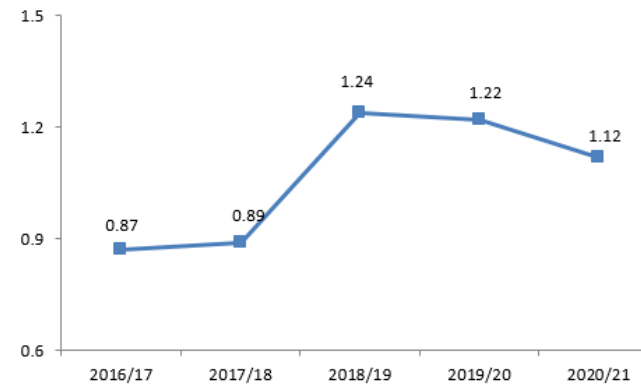
Indebtedness Ratio



Capital Replacement Ratio

This ratio is about the overall spending on assets, both new and existing. The more recent results are reflective of the allocation of funds which have been made available through organisational efficiencies being invested into our capital program.

Capital Replacement Ratio



Our Finances

Introduction

The financial statements show Council's performance during 2020/21 and our overall financial position as at 30 June 2021.

We present our financial report in accordance with Australian Accounting Standards.

The financial report comprises two sets of statements:

- Financial Statements (see page 116)
- Performance Statement (see page 72)

Annual Financial Report

The Annual Financial Report contains the General Purpose Financial Statements. The data throughout this report includes all entities controlled by Council.

Council's financial report has two main sections, the Report and the Notes. There are five Statements and nine notes. These are prepared by Council staff, reviewed by the Chief Financial Officer and reviewed by Council's Audit Committee. They are also audited by the Victorian Auditor-General.

The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

The Notes detail Council's accounting policies and give further information about the make-up of the values contained in the statements.

Comprehensive Income Statement

This statement includes all sources of income, less all operating expenses incurred in delivering Council services. It also includes depreciation of the value of buildings, roads, footpaths, drains and all other assets used to deliver Council services. These assets are depreciated over their life as they are used. Capital costs or new assets acquired or created during the year are excluded from the statement.

Preparation of the statement is on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not have been received (interest on bank deposits), or expenses not paid (invoices not received for goods and services already used).

The key figure to look at is the surplus/(deficit) for the year. A surplus is positive as it means that revenue was greater than expenses. Continual deficits (losses) may raise questions about Council's ability to be financially viable in the longer-term.

Balance Sheet

The Balance Sheet is a one-page summary of our financial position as at 30 June each financial year. It shows what we own (assets) and what we owe (liabilities). The bottom line of this statement is net assets or the 'net worth' of Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due or will be used in the next 12 months. The components of the Balance Sheet are described below.

Current and Non-Current Assets

- Cash includes cash and cash equivalents ie cash held in the bank, petty cash and term deposits.
- Receivables are monies owed to Council by ratepayers and others.
- Investment in Associate is the investment in the West Gippsland Regional Library Corporation.
- Other assets include inventory and accounts which have been prepaid.
- Property, Plant and Equipment, Infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items.

Current and Non-Current Liabilities

- Trade and other payables are monies owed by Council as at 30 June each financial year
- Trust funds and deposits are monies received and held by Council
- Unearned income includes funding that has been received but not yet included as revenue. Revenue which is required to be spent on specific activities in the future is included in this category.
- Provisions include landfill rehabilitation works and employee benefits, such as accrued long service and annual leave.
- Interest bearing liabilities includes loans repaid over a set period of time. Lease liabilities are leases of assets where ownership of the asset is transferred to Council.
- Lease liabilities recognise Council's current commitments to future lease payments.

Our Finances

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each financial year. The net value of Council is also synonymous with total equity.

Total Equity

- Asset revaluation reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations.
- Other reserves are allocations of the accumulated surplus to specific projects.
- Accumulated surplus is the value of all net assets accumulated over time.

Statement of Changes in Equity

The value of total equity, as set out in the balance sheet, changes during the year. The statement shows the values of each change along with how and why.

The main reasons for changes in equity are:

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- The use of monies from Council's reserves and transfers to Council's reserves.
- Revaluation of assets occurs to ensure that assets are correctly valued at current fair value.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because this statement is prepared on an accrual accounting basis.

The amounts disclosed in the Cash Flow Statement are our cash flows generated from, and used in, three main areas:

1. Cash Flow from Operating Activities

- Receipts. All cash received into Council's bank account from ratepayers and other monies owed to Council. Receipts also include the interest assets from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments. All cash paid from Council's bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

2. Cash Flow from Investing Activities

The accounting term Investing Activities relates to payments for the acquisition of assets, such as new plant, roads and other long-term revenue producing assets. It also includes the proceeds from the sale of assets, such as plant and land.

3. Cash Flow from Financing Activities

This is where the receipt and repayment of borrowed funds are recorded, as well as any movement in trust funds and deposits held by Council.

The bottom line of the Statement of Cash Flows is our total cash at the end of the financial year. The Statement of Cash Flows is important as it shows the source of our funds and detail show they are spent.

Statement of Capital Works

The Statement of Capital Works summarises Council spending on assets for the year. The Statement of Capital Works breaks all capital expenditure incurred by Council into three broad headings – Property, Plant and Equipment, and Infrastructure, with relevant sub groups below these.

The Statement of Capital Works also shows asset spending by four (4) categories:

- New asset expenditure – spending on assets that Council has not possessed previously.
- Asset renewal expenditure – spending on renewing Council's existing assets back to their original service provision capacity.
- Asset expansion expenditure – spending on new assets that expand the existing network
- Asset upgrade expenditure – spending on improving the service capacity of Council's existing assets.



Our Finances

Notes to the Accounts

The Notes are an important and informative section of the report. The Notes give details behind many of the summary figures contained in the statements. Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and the Statement of Capital Works.

The Australian Accounting Standards are not prescriptive on a lot of issues. To understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are detailed within the relevant note on the specific revenue, expenditure, asset or liability item.

Note 1 provides for a comparison between end of year actual results and Council's original budget, highlighting and providing explanations for major variances.

Where Council wishes to disclose other information that cannot be incorporated in the statements, then this is shown in the Notes. Other Notes include:

- The breakdown of expenses, revenues, reserves and other assets.
- Transactions with persons related to Council.
- Financial performance indicators.

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

What is the Performance Statement?

The Performance Statement reports on Council's progress for the financial year against the Local Government Performance Reporting Framework indicators adopted as part of the annual budget. They include financial and non-financial data.

Our external auditors review the evidence and accuracy of the results.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council. It assures that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council confirming that in their opinion the financial statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

Auditor General's Report

The Independent Auditor's Report provides an external opinion on the financial statements. The opinion covers statutory and professional requirements as well as addressing the fairness aspects of the financial statements.

Our Finances

Certification of the Financial Statements	112	Note 4 The cost of delivering services	128	7.1. Council and key management remuneration	147
Victorian Auditor-General's Office Report	113	4.1. Employee costs	128	7.2. Related party disclosure	149
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Our Finances



Independent Auditor's Report

To the Councillors of Bass Coast Shire Council

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

- balance sheet as at 30 June 2021
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* 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 and the *Local Government Act 1989*, 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.

Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE
13 November 2021

Our Finances

Bass Coast Shire Council
2020/2021 Financial Report

Certification of the Financial Statements


In my opinion, the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, the Australian Accounting Standards and other mandatory professional reporting requirements.



David Finlay CA
Principal Accounting Officer


Date : 27 October 2021
76 McBride Ave, Wonthaggi VIC 3995
In my opinion the accompanying financial statements present fairly the financial transactions of the Bass Coast Shire Council for the year ended 30 June 2021 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 2014 to certify the financial statements in their final form.


Cr Brett Tessian
Councillor
Date : 27 October 2021
76 McBride Ave,
Wonthaggi VIC 3995


Cr Michael Whelan
Councillor
Date : 27 October 2021
76 McBride Ave,
Wonthaggi VIC 3995


Aili Wasile
Chief Executive Officer
Date : 27 October 2021
76 McBride Ave,
Wonthaggi VIC 3995

Our Finances

Comprehensive Income Statement for Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	67,198	61,796
Statutory fees and fines	3.2	3,001	3,140
User fees	3.3	3,161	3,844
Grants - operating	3.4	11,602	8,806
Grants - capital	3.4	3,854	3,860
Contributions - monetary	3.5	865	67
Contributions - non monetary	3.5	16,618	15,289
Share of net profits of associates and joint ventures	6.2	145	122
Other income	3.7	1,800	1,311
		108,244	98,235
Expenses			
Employee costs	4.1	32,733	28,117
Materials and services	4.2	30,825	27,088
Depreciation	4.3	16,434	14,812
Amortisation - intangible assets	4.4	5	728
Amortisation - right of use assets	4.5	232	100
Bad and doubtful debts	4.6	6	5
Borrowing costs	4.7	297	446
Net loss on disposal of property, infrastructure, plant and equipment	3.6	2,793	1,128
Finance costs - leases	4.8	27	11
Other expenses	4.9	4,231	4,988
		87,583	77,423
		20,661	20,812
Surplus for the year			
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1 & 6.2	48,288	5,728
		68,949	26,540

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

Our Finances

Balance Sheet as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	56,712	24,940
Trade and other receivables	5.1	13,481	10,039
Other financial assets	5.1	19,660	29,240
Inventories	5.2	60	69
Investments in associates	6.2	1,970	-
Other assets	5.2	1,189	1,038
Total current assets		93,072	65,326
Non-current assets			
Investments in associates	6.2	-	1,804
Property, infrastructure, plant and equipment	6.1	786,887	723,194
Right-of-use assets	5.8	1,188	1,318
Intangible assets	5.2	2,175	58
Total non-current assets		790,250	726,374
Total assets		883,322	791,700
Liabilities			
Current liabilities			
Trade and other payables	5.3	8,815	4,689
Trust funds and deposits	5.3	7,591	7,262
Unearned income	5.3	23,271	6,169
Provisions	5.5	7,222	6,277
Interest-bearing liabilities	5.4	11,981	12,501
Lease liabilities	5.8	227	208
Total current liabilities		59,107	37,106
Non-current liabilities			
Provisions	5.5	12,215	11,161
Interest-bearing liabilities	5.4	2,771	3,015
Lease liabilities	5.8	977	1,115
Total non-current liabilities		15,963	15,291
Total liabilities		75,070	52,397
Net assets			
Equity		808,252	739,303
Accumulated surplus		283,266	266,088
Reserves	9.1	524,986	473,215
Total Equity		808,252	739,303

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

Our Finances

Statement Changes in Equity for the year ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		739,303	266,088	427,097	46,118
Surplus for the year		20,661	20,661	-	-
Net asset revaluation increment	6.1	48,288	-	48,288	-
Transfers to other reserves	9.1	-	(31,645)	-	31,645
Transfers from other reserves	9.1	-	28,162	-	(28,162)
Balance at end of the financial year		808,252	283,266	475,385	49,601
2020					
Balance at beginning of the financial year		715,665	250,744	421,369	43,552
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers		(2,902)	(2,902)	-	-
Adjusted Opening balance		712,763	247,842	421,369	43,552
Surplus for the year		20,812	20,812	-	-
Net asset revaluation increment	6.1	5,728	-	5,728	-
Transfers to other reserves	9.1	-	(35,904)	-	35,904
Transfers from other reserves	9.1	-	33,338	-	(33,338)
Balance at end of the financial year		739,303	266,088	427,097	46,118

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

Our Finances

Statement of Cash Flow for the year ended 30 June 2021

	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities	Note	Note
Rates and charges	64,471	60,820
Statutory fees and fines	3,002	3,140
User fees	5,902	4,419
Grants - operating	14,423	9,540
Grants - capital	14,118	4,204
Contributions - monetary	2,574	2,062
Interest received	278	711
Dividends received	2	2
Trust funds and deposits taken	12,329	17,844
Other receipts	769	1,047
Net GST refund	2,746	4,285
Employee costs	(31,764)	(30,898)
Materials and services	(27,392)	(32,462)
Trust funds and deposits repaid	(12,387)	(14,994)
Other payments	(5,541)	(6,107)
Net cash provided by operating activities	9.2 43,530	23,613
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(20,359)	(18,040)
Proceeds from sale of property, infrastructure, plant and equipment	330	148
Payments for investments	-	(13,400)
Proceeds from investments	9,580	-
Net cash used in investing activities	(10,449)	(31,292)
Cash flows from financing activities		
Finance costs	(324)	(460)
Proceeds from borrowings	11,737	11,737
Repayment of borrowings	(12,501)	(14,070)
Repayment of lease liabilities	(221)	(95)
Net cash used in financing activities	(1,309)	(2,888)
Net increase/(decrease) in cash and cash equivalents	31,772	(10,567)
Cash and cash equivalents at the beginning of the financial year	24,940	35,507
Cash and cash equivalents at the end of the financial year	5.1 56,712	24,940
Financing arrangements	5.6	
Restrictions on cash assets	5.1	

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

Our Finances

Statement of Capital Works for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Property			
Land		3,208	838
Land improvements		2,600	3,604
Total land		5,808	4,442
Buildings		2,839	1,632
Total buildings		2,839	1,632
Total property		8,647	6,074
Plant and equipment			
Plant, machinery and equipment		844	555
Fixtures, fittings and furniture		-	10
Computers and telecommunications		681	350
Art works		161	9
Total plant and equipment		1,686	924
Infrastructure			
Roads		5,699	7,187
Bridges		103	(19)
Footpaths and cycleways		1,327	694
Drainage		475	240
Water sensitive urban design		-	4
Waste management		428	2,936
Total infrastructure		8,032	11,042
Total capital works expenditure		18,365	18,040
Represented by:			
New asset expenditure		6,038	4,232
Asset renewal expenditure		8,765	9,732
Asset expansion expenditure		1,222	1,660
Asset upgrade expenditure		2,340	2,416
Total capital works expenditure		18,365	18,040

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

Our Finances

Notes to the Financial Report for the Year Ended 30 June 2021

OVERVIEW

Introduction

Bass Coast Shire Council was established by an Order of the Governor in Council on 1 December 1994 and is a body corporate.
The Council's main office is located at 76 McBride Avenue Wonthaggi VIC 3995.

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 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, 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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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

(b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Additional grant revenue – Council was successful in securing numerous government stimulus funding packages. This included the Working for Victoria initiative aimed at matching displaced Victorian workers impacted by COVID-19 with short-term employment opportunities with Council. Funding received from Commonwealth Government to help stimulate the local economy included a grant for traffic improvement in Fincher Street as well as an allocation for temporary outdoor dining spaces.
- Revenue reductions – revenue reductions were observed in discretionary spending, including admission income to the Wonthaggi Art Centre as well as merchandise sales at customer and visitor information centres.
- Revenue forgone – Council has forgone parking fees and footpath trading fee revenue in response to the pandemic.
- Additional costs – Council incurred additional costs including employee costs in response to the 'Working for Victoria' initiative. In addition heightened cleaning costs and the issue of \$0.7m in Community Grants to help local businesses adapt to new ways of working during the pandemic.

Our Finances

Note 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 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1,000,000 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Income					
Rates and charges	64,586	67,198	2,612	4%	1
Statutory fees and fines	2,467	3,001	534	22%	2
User fees	3,926	3,161	(765)	(19%)	3
Grants - operating	6,745	11,602	4,857	72%	4
Grants - capital	3,107	3,854	747	24%	5
Contributions - monetary	748	865	117	16%	6
Contributions - non monetary	-	16,618	16,618	100%	7
Share of net profits of associates and joint ventures	-	145	145	100%	8
Other income	867	1,800	933	108%	9
Total income	82,446	108,244	25,798	31%	
Expenses					
Employee costs	28,583	32,733	(4,150)	(15%)	10
Materials and services	31,412	30,825	587	2%	
Depreciation	15,111	16,434	(1,323)	(9%)	11
Amortisation - Intangible assets	225	5	220	98%	12
Amortisation - Right of use assets	26	232	(206)	(792%)	13
Bad and doubtful debts	10	6	4	40%	14
Borrowing costs	317	297	20	6%	
Finance costs - Leases	-	27	(27)	100%	
Net (gain) or loss on disposal of property, infrastructure, plant and equipment	(117)	2,793	(2,910)	2487%	15
Other expenses	3,773	4,231	(458)	(12%)	16
Total expenses	79,340	87,583	(8,243)	(10%)	
Surplus/(deficit) for the year	3,106	20,661	17,555	565%	

(i) Explanation of material variations

1 Rates and charges	Higher than budget largely due to the receipt of special charge scheme revenue related to drainage works at Pioneer Bay, which was originally budgeted to be received in prior financial years.
2 Statutory fees and fines	Higher than budget due to higher planning and checking fees \$0.375m and building permits \$0.230m due to increased development activity throughout the shire. Offset by lower than budgeted parking infringements (\$0.075m) raised during the year.
3 User fees	Lower than budget due to lower fees collected at the Grantville transfer station (\$0.484m) as well as lower sales income from Wonthraggi Art Centre (\$0.280m) as a result of COVID-19 restrictions.

Our Finances

4	Grants - operating	<p>Higher than budget mostly as a result of 'Working for Victoria' State Government Initiative providing \$4 million to support Council in providing short term employment opportunities to around 100 Victorians whose substantive roles were adversely impacted by the COVID-19 pandemic. In addition, Council was successful in receiving \$0.3m to support businesses in the outdoor dining initiative, \$0.185m for the provision of additional business support during the COVID-19 pandemic and \$0.1m towards the community activation initiative.</p>
5	Grants - capital	<p>Capital grants are higher than budget due to the recognition of the non-recurrent state government funding, including \$0.453m upgrade to Glen Alvie Road, \$0.1m contribution to Cowes Cultural & Community Centre and \$0.1m towards Audio Visual Equipment at Council.</p>
6	Contributions - monetary	<p>Cash contributions are recognised once the corresponding obligation or expense has occurred. The variance to budget is due strategic land acquisition occurring earlier than budgeted.</p>
7	Contributions - non monetary	<p>Non monetary developer contributed assets are received on completion of developments. As it is difficult to project the value and timing of these contributions, they are not included in Council's budget. During the year Council received non monetary contributions from, but not limited to, the following estates, Shoalhaven, Cloverdale, Parklands and Seagrove.</p>
8	Share of net profits of associates and joint ventures	<p>Council's share of this income is dependant upon the performance of West Gippsland Regional Library corporation. This is not budgeted due to the timing of the preparation of Council's budget.</p>
9	Other income	<p>Higher than budget due to the effective reduction in Transfer Station Aftercare and Rehabilitation costs when considering the significantly reduced inflation and interest rate measures used to express this future cost in 2021 values.</p>
10	Employee costs	<p>Higher than budget employee costs as a result of the State Government 'Working for Victoria' initiative which provided \$4 million to support Council to providing short term employment opportunities to around 100 Victorians whose substantive roles were adversely impacted by the COVID-19 pandemic.</p>
11	Depreciation	<p>Higher than budget due to the completion of key projects including Sheepways Road, Loch-Wonthaggi Road and Cowes-Rhyl Road (\$0.515m), Land Improvements including Cowes Jetty Triangle and Corinella Tennis Courts (\$0.326m) and Waste Management (\$0.227m) projects including Cowes Transit Centre scoping and Grantville Cell 7 construction.</p>
12	Amortisation - Intangible assets	<p>Lower than budget due to the landfill site being filled at a slower rate than expected. In addition a greater rate of landfill compaction is resulting in more space being available within the landfill cell to dispose of additional waste in future years.</p>
13	Amortisation - Right of use assets	<p>Higher than budget due to Council entering a 7 year extension lease agreement with West Gippsland Regional Library corporation starting in March 2020. This lease was not included in our budget due to the timing of which the extension was confirmed.</p>
14	Bad and doubtful debts	<p>Lower than budget write-off of doubtful debts as a result of effective debt collection procedures.</p>
15	Net (gain) or loss on disposal of property, infrastructure, plant and equipment	<p>Higher than budget due to demolition of Cowes Community and Cultural Centre (\$2.494m) and property disposal in Church street Cowes (\$0.690m).</p>
16	Other expenses	<p>Higher than budget due the distribution of \$0.7m in Community Grants to help local businesses adapt to new ways of working during the pandemic. Offset by lower than projected financial hardship assistance (\$0.2m) of which the budget was increased to account for the COVID-19 pandemic.</p>

Our Finances

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	1,000	3,208	2,208	221%	1
Land improvements	3,002	2,600	(402)	(13%)	2
Total land	4,002	5,808	1,806	45%	
Buildings	13,605	2,839	(10,766)	(79%)	3
Total buildings	13,605	2,839	(10,766)	(79%)	
Total property	17,607	8,647	(8,960)	(51%)	
Plant and equipment					
Plant, machinery and equipment	1,595	844	(751)	(47%)	4
Computers and telecommunications	685	681	(4)	(1%)	
Art works	-	161	161	100%	5
Total plant and equipment	2,280	1,686	(594)	(26%)	
Infrastructure					
Roads	4,482	5,699	1,217	27%	6
Bridges	88	103	15	17%	7
Footpaths and cycleways	1,186	1,327	141	12%	8
Drainage	651	475	(176)	(27%)	9
Waste management	1,600	428	(1,172)	(73%)	10
Other infrastructure	50	-	(50)	(100%)	11
Total infrastructure	8,057	8,032	(25)	0%	
Total capital works expenditure	27,944	18,365	(9,579)	(34%)	
Represented by:					
New asset expenditure	9,400	6,038	(3,362)	(36%)	
Asset renewal expenditure	13,283	8,765	(4,518)	(34%)	
Asset expansion expenditure	2,460	1,222	(1,238)	(50%)	
Asset upgrade expenditure	2,801	2,340	(461)	(16%)	
Total capital works expenditure	27,944	18,365	(9,579)	(34%)	

(i) Explanation of material variations

1	Land	Current year unbudgeted expenditure was for the Phillip Island Strategic Land Acquisition, not originally budgeted for in 2020/21
2	Land Improvements	Expenditure is under budget as works for Wontheggi Guide Park (\$1.3m) budgeted in 2020/21 will continue in 2021/22. This is offset by projects with a value of \$1.5m which were included within Buildings asset class in budget, but included in Land Improvements asset class in actual results.



Our Finances

- 3 Buildings
Expenditure under budget due to timing of spend for large multi year projects, Cowes Cultural Centre (\$3.1m) and Bass Coast Aquatics (\$2.7m). In addition spend on Inverloch Community Hub (\$1.04m), Cowes Band Rotunda (\$0.7m), Public Toilet Renewals (\$0.6m) and Phillip Island Recreation Reserve (\$0.2m) which were budgeted to be spent in 2020/21 will now be spent in 2021/22. In addition projects with a value of \$1.5m were included within Buildings asset class in budget but were included in Land Improvements asset class in actual results.
- 4 Plant & Equipment
Expenditure under budget due to delay in sourcing major plant and equipment.
- 5 Art works
Expenditure over budget as the allocated spend on artworks (\$0.05m) was included within the 'Other Infrastructure' asset class in the budget. In addition, expenditure on public artworks which were originally budget for in 2019/20 were delivered in 2020/21.
- 6 Roads
Works continued in 2020/21 for Pioneer Bay that was originally budgeted to be spent in prior years.
- 7 Bridges
Expenditure higher than budget due to unbudgeted works required on Berrys Beach Road culverts.
- 8 Footpaths and cycleways
Expenditure is higher due to works completed on Cowes-Rhyll Road and Justice Road pathways which was not included in 2020/21 budget.
- 9 Drainage
Expenditure under budget due to works on Alexander Ave South Dudley Stormwater, and Surf Beach Sunderland Bay Drainage Plan, which were budgeted for completion in 2020/21 and are continuing in 2021/22.
- 10 Waste Management
Expenditure under budget due to delays in progressing Phillip Island Transfer Station and other waste depot infrastructure. Works which were planned for delivery in 2020/21 will continue in 2021/22.
- 11 Other Infrastructure
Expenditure under budget as actual spend of \$0.16m has been allocated within the plant and equipment asset class.



Our Finances

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Advocacy

Plan and deliver responsive services including the delivery of the Advocacy Strategy objectives and activities related to the Mayor, Councillors, Chief Executive and support.

Economic Development

The Economic Development area supports local businesses to build skills and develop operations in the community. This service is also responsible for developing and promoting tourism in the region including the provision of visitor services and coordinating Council involvement in local festivals and events.

Environment

The Environment service manages Council's waste and collection services with the aim to reduce waste to landfill. This service helps to maintain and improve the local natural environment by complying with environmental regulations, mitigating and adapting to the effects of climate change and providing environmental education to the community. In addition, it includes the management of coast and bushland reserves to ensure safe use and conservation of biodiversity.

Governance

Governance provides effective oversight of the organisation through performance reporting, financial management, risk management, information technology, human resources, facility management and customer service. Governance is also responsible for internal engagement and external communications with the community.

Health and Wellbeing

The Health and Wellbeing service includes the provision of immunisation programs and the monitoring of health compliance within the community and businesses.

Liveability

Liveability is responsible for the management of infrastructure activities including design, tender, supervision, preservation, protection, expansion and maintenance of Council assets. In addition the service develops leisure projects, recreational facilities and provides support to library services. Liveability ensures the municipality is prepared for responsibilities surrounding emergency, domestic animal and local law management in order to promote community safety and harmonious community relationships.

Our Character

Our Character is responsible for maintaining open spaces, including parks, gardens, reserves, foreshores and sporting ovals. In addition it holds the responsibility to frame and respond to the challenges of social inclusion and provides support to community development, community grants and youth planning. This service is also responsible for managing the sustainable development and growth activities that develop the character of the municipality. This includes the assessment of building and planning permit applications, planning scheme amendments and ensuring the development across the shire is appropriately planned and controlled.

Our Finances

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
2021					
Advocacy	54	1,668	(1,614)	54	-
Economic Development	960	3,101	(2,141)	819	60
Environment	2,736	14,717	(11,981)	663	2,175
Governance	86,907	34,504	52,403	6,234	303,080
Health and Wellbeing	387	1,097	(710)	24	-
Liveability	10,970	19,511	(8,541)	5,822	573,902
Our Character	6,230	12,985	(6,755)	1,840	-
Unattributed	-	-	-	-	4,105
	108,244	87,583	20,661	15,456	883,322
2020					
Advocacy	1	1,591	(1,590)	-	-
Economic Development	452	2,685	(2,233)	2	69
Environment	3,080	13,264	(10,184)	864	58
Governance	81,457	30,780	50,677	4,513	251,950
Health and Wellbeing	1,951	2,901	(950)	1,160	-
Liveability	7,295	17,099	(9,804)	5,933	533,869
Our Character	3,999	9,103	(5,104)	194	-
Unattributed	-	-	-	-	5,754
	98,235	77,423	20,812	12,666	791,700

Our Finances

Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its estimated market value.

The valuation base used to calculate general rates for 2020/21 was \$16,384 million (2019/20 \$15,447 million).

General rates	50,575	48,652
Waste management charge	13,524	12,030
Special rates and charges	1,723	-
Supplementary rates and rate adjustments	1,052	798
Interest on rates and charges	298	280
Revenue in lieu of rates	26	36
Total rates and charges	67,198	61,796

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation was first applied in the rating year commencing 1 July 2020.

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	159	187
Town planning fees	1,240	1,502
Land information certificates	130	88
Permits	1,472	1,363
Total statutory fees and fines	3,001	3,140

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	7	351
Leisure centre and recreation	734	824
Waste management services	1,999	2,064
Other fees and charges	421	605
Total user fees	3,161	3,844
User fees by timing of revenue recognition		
User fees recognised over time	37	48
User fees recognised at a point in time	3,124	3,796
Total user fees	3,161	3,844

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.

Our Finances

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	8,029	8,745
State funded grants	7,427	3,921
Total grants received	15,456	12,666

(a) Operating Grants

Recurrent - Commonwealth Government		
Financial Assistance Grants	6,125	6,884
Aged care	-	307
General home care	-	480
Recurrent - State Government		
General home care	38	70
Assessment	-	202
Respite and carers support	-	63
Environment	59	61
Community health	16	33
Community safety	182	122
Other	9	24
Total recurrent operating grants	6,429	8,246

Non-recurrent - Commonwealth Government

Environment	-	150
Other	35	-
Non-recurrent - State Government		
Environment	333	89
Recreation	-	212
Other	4,805	109
Total non-recurrent operating grants	5,173	560
Total operating grants	11,602	8,806

Total operating grants

(b) Capital Grants

Recurrent - Commonwealth Government		
Roads to recovery	924	924
Total recurrent capital grants	924	924
Non-recurrent - Commonwealth Government		
Buildings	114	-
Transport network	831	-
Non-recurrent - State Government		
Transport network	669	2,545
Transport network	1,204	338
Recreation	112	53
Other	2,930	2,936
Total non-recurrent capital grants	3,854	3,860

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

Operating

Balance at start of year	864	546
Received during the financial year and remained unspent at balance date	3,430	734
Received in prior years and spent during the financial year	(721)	(416)
Balance at year end	3,573	864

Capital

Balance at start of year	527	474
Received during the financial year and remained unspent at balance date	10,592	344
Received in prior years and spent during the financial year	(216)	(291)
Balance at year end	10,903	527

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

Our Finances

3.5 Contributions

	2021 \$'000	2020 \$'000
Monetary	865	67
Non-monetary	16,618	15,289
Total contributions	17,483	15,356

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

Land Improvements	229	237
Roads	9,505	8,520
Infrastructure	6,884	6,532
Total non-monetary contributions	16,618	15,289

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

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

Proceeds of sale	330	2,998
Written down value of assets disposed	(3,123)	(4,126)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(2,793)	(1,128)

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

3.7 Other income

Interest	278	711
Dividends	2	2
Other rent	103	122
Financing discount gain	1,045	-
Other	372	476
Total other income	1,800	1,311

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

Wages and salaries	25,599	22,334
Annual leave	2,599	2,145
Superannuation	2,654	2,322
Long service leave	759	564
WorkCover	554	484
Fringe benefits tax	128	132
Other	440	136
Total employee costs	32,733	28,117

Our Finances

(b) Superannuation	2021	2020
Council made contributions to the following funds:	\$ '000	\$ '000

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	101	89
Employer contributions payable at reporting date:	101	89
	-	-

Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,432	1,475
Employer contributions - other funds	1,121	747
	2,553	2,222
Employer contributions payable at reporting date:	1	-

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

4.2 Materials and services		
Contractor payments	11,649	10,050
General maintenance	2,226	1,530
Utilities	971	854
Information technology	1,636	1,728
Insurance	678	591
Consultants	1,321	1,297
Banking and financing fees	220	126
Subscriptions and memberships	196	185
Advertising	151	172
Cost of goods sold	42	81
Legal and debt recovery	874	343
Staff development and recruitment	467	593
Waste management	7,568	6,655
Library	1,885	1,848
Property leases	30	170
Consumables	763	849
Other	148	16
Total materials and services	30,825	27,088

4.3 Depreciation		
Property	3,486	2,758
Plant and equipment	1,268	1,218
Infrastructure	11,680	10,836
Total depreciation	16,434	14,812

Refer to note 6.1 for a more detailed breakdown of depreciation and accounting policy.

4.4 Amortisation - Intangible assets		
Landfill airspace	5	728
Total Amortisation - Intangible assets	5	728

Refer to Note 5.2(c) and 6.1 for detail on the amortisation and accumulated amortisation on Landfill Airspace assets.

4.5 Amortisation - Right of use assets		
Property	232	100
Total Amortisation - Right of use assets	232	100

Refer to Note 5.8 and 6.1 for detail on the amortisation and accumulated amortisation on Landfill Airspace assets.

Our Finances

4.6 Bad and doubtful debts

	2021	2020
	\$'000	\$'000
Other debtors	6	5
Total bad and doubtful debts	6	5

Movement in provisions for doubtful debts

Balance at the beginning of the year	275	274
New provisions recognised during the year	87	37
Amounts already provided for and written off as uncollectible	(1)	(5)
Amounts provided for but recovered during the year	(82)	(31)
Balance at end of year	279	275

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

4.7 Borrowing costs

Interest - Borrowings	297	446
Total borrowing costs	297	446

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

4.8 Finance Costs - Leases

Interest - Lease Liabilities	27	11
Total finance costs	27	11

4.9 Other expenses

Landfill levy	687	699
Land management rebate	645	610
Councillors' allowances	308	315
Auditors' remuneration - external	66	59
Auditors' remuneration - Internal	33	42
Fire services levy	76	85
Contributions to other organisations	2,174	2,156
Refund of unexpended grants	-	181
Financing discount costs	-	550
Fee waivers	241	250
Other	1	41
Total other expenses	4,231	4,988

Our Finances

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	5	7
Cash at bank	15,127	8,133
Term deposits	41,580	16,800
Total cash and cash equivalents	56,712	24,940

(b) Other financial assets

Term deposits - current	19,620	29,200
Shares in community bank	40	40
Total other financial assets	19,660	29,240
Total financial assets	76,372	54,180

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

- Trust funds and deposits (Note 5.3)	7,591	7,262
- Contractually restricted unearned income (Note 5.3 (c))	23,271	6,169
- Contractually restricted reserves (Note 9.1)	241	96
Total restricted funds	31,103	13,527
Total unrestricted cash and cash equivalents	25,609	11,413

Intended allocations

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

- Cash held to fund carried forward capital works	18,699	14,483
- Identified reserves (Note 9.1)	7,392	7,127
- Discretionary reserves (Note 9.1)	23,269	24,412
Total funds subject to intended allocations	49,360	46,022

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days 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.

Our Finances

	2021 \$'000	2020 \$'000
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(c) Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	5,961	4,009
Special rate debtors	3,108	493
Fire services levy debtors	527	388
Net GST receivable	973	431
Non statutory receivables		
Other debtors	3,191	2,143
Proceeds of sale of land pending settlement	-	2,850
Provision for doubtful debts - other debtors	(279)	(275)
Total current trade and other receivables	13,481	10,039
Total trade and other receivables	13,481	10,039

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

(d) Ageing of Receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,684	4,526
Past due by up to 30 days	385	35
Past due between 31 and 180 days	136	57
Past due between 181 and 365 days	759	121
Past due by more than 1 year	227	254
Total trade and other receivables (excluding statutory receivables)	3,191	4,993

(e) Ageing of individually impaired Receivables
At balance date, other debtors representing financial assets with a nominal value of \$279K were impaired. The amount of the provision raised against these debtors was \$279K. 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:		
Current (not yet due)	-	1
Past due by up to 30 days	-	-
Past due between 31 and 180 days	59	-
Past due between 181 and 365 days	65	61
Past due by more than 1 year	155	213
Total trade & other receivables	279	275

Our Finances

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution
Total inventories

	2021	2020
	\$'000	\$'000
	60	69
	60	69

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments
Accrued income
Total other assets

	1,165	965
	24	73
	1,189	1,038

(c) Intangible assets

Landfill air space
Total intangible assets

	2,175	58
	2,175	58

Gross carrying amount

Balance at beginning of the financial year:
Additions from internal developments
Reestimation of gross carrying amount
Revaluation of asset due to change in cost estimates
Balance at the end of the financial year:

	2,750	2,748
	2,148	-
	(27)	495
	(158)	(493)
	4,713	2,750

Accumulated amortisation and impairment

Balance at beginning of the financial year:
Amortisation expense
Revaluation of asset due to change in cost estimates
Balance at the end of the financial year:

	2,692	2,457
	5	728
	(159)	(493)
	2,538	2,692

Net book value at 30 June

	2,175	58
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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

(a) Trade and other payables

Trade payables
Accrued expenses
Total trade and other payables

	6,432	3,466
	2,383	1,223
	8,815	4,689

(b) Trust funds and deposits

Fire services levy
Retention amounts
Monies held in trust
Refundable deposits
Total trust funds and deposits

	269	740
	4	18
	729	730
	6,589	5,774
	7,591	7,262

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.

Our Finances

Purpose and nature of items

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

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

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

Monies held in trust - this reflects funds held by Council on behalf of the San Remo and Wonthaggi cemetery trusts.

(c) Unearned income			
Grants received in advance - operating		3,573	752
Grants received in advance - capital		10,903	639
Contributions - monetary		6,125	4,416
User fees		2,648	353
Other income		22	9
Total unearned income		23,271	6,169

Amounts received by Council are classified as unearned income where funds are received for a specified purpose and where the specified purpose or obligation has not yet been fulfilled. Once the obligation has been fulfilled by Council, the associated income will be presented in the income statement. This requirement is set in AASB15 - Revenue Recognition. Further detail on unearned income balances are shown in the table below.

	Unearned income at 30 June 20	Income received during the year	Income recognised during the year	Unearned income at 30 June 21
	\$'000	\$'000	\$'000	\$'000
Capital Lease Commitment Contributions	242	67	(32)	277
Car Parking Contributions	33	-	-	33
Developer Contributions	1,948	1,529	(179)	3,298
Drainage Contributions	8	-	-	8
Native Vegetation Offset Schemes	232	1	(9)	224
Non Standard Street Lighting Contributions	193	2	-	195
Resort & Recreation Contributions	1,965	724	(480)	2,209
Other income, contributions, grants and fees	1,548	33,697	(18,218)	17,027
Total	6,169	36,020	(18,918)	23,271

Purpose and nature of items

Capital Lease Commitment Contributions - where council receives lease income which includes a capital contribution obligation, the capital contribution is held until spent on related capital works.

Car Parking Contributions - Specific developer contributions received for future works on car parking.

Developer Contributions - Funds provided by developers for future projects in accordance with planning agreements.

Drainage Contributions - Specific developer contributions received in accordance with planning agreements for future drainage works.

Native Vegetation Offset Schemes - Funds sourced from certified Native Vegetation Offset Schemes and utilised to fund ongoing maintenance of Offset Reserves.

Non Standard Street Lighting Contributions - Developer contributions received in accordance with planning agreements for future installation of non-standard lighting.

Resort & Recreation - Specific developer contributions to be used for the development of recreational reserves and public open space.

Other income, contributions, grants and fees - Grants, contributions, user fees or other income received where associated obligations have not yet been met.

Our Finances

5.4 Interest-bearing liabilities

Current	2021 \$'000	2020 \$'000
Borrowings - secured	11,981	12,501
	11,981	12,501
Non-current		
Borrowings - secured	2,771	3,015
	2,771	3,015
Total	14,752	15,516

Borrowings are secured against the rates and other income of Council.

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

Not later than one year	11,981	12,501
Later than one year and not later than five years	125	369
Later than five years	2,646	2,646
	14,752	15,516

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

2021

Balance at beginning of the financial year

Additional provisions

Amounts used

Change in the discounted amount arising because of time and the effect of any change in the discount rate

Balance at the end of the financial year

	Employee	Landfill	Total
	restoration		
	\$ '000	\$ '000	\$ '000

7,276	10,162	17,438
4,102	2,122	6,224
(2,942)	(163)	(3,105)
(75)	(1,045)	(1,120)
8,361	11,076	19,437

2020

Balance at beginning of the financial year

Additional provisions

Amounts used

Change in the discounted amount arising because of time and the effect of any change in the discount rate

Balance at the end of the financial year

9,902	9,288	19,190
3,081	496	3,577
(5,792)	(171)	(5,963)
85	549	634
7,276	10,162	17,438

Our Finances

	2021	2020
(a) Employee provisions	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,107	1,864
Long service leave	610	618
Termination benefits	375	-
Leave in lieu	251	285
	3,343	2,767
Current provisions expected to be wholly settled after 12 months		
Annual leave	695	591
Long service leave	3,019	2,752
	3,714	3,343
Total current employee provisions	7,057	6,110
Non-current		
Long service leave	1,304	1,166
Total non-current employee provisions	1,304	1,166
Aggregate carrying amount of employee provisions:		
Current	7,057	6,110
Non-current	1,304	1,166
Total aggregate carrying amount of employee provisions	8,361	7,276

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. 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.

	2021	2020
Key assumptions:		
- discount rate (%)	(0.015) - 1.486	0.24 - 0.87
- index rate (%)	1.8 - 2.5	1.8 - 3.5
- average settlement period	3.2 years	2.9 years
(b) Landfill restoration	\$'000	\$'000
Current	165	167
Non-current	10,911	9,995
Total landfill restoration provision	11,076	10,162

Council is obligated to restore Grantville 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.

	2021	2020
Key assumptions:		
- discount rate (%)	(0.015) - 1.58	0.24 - 0.98
- inflation rate (%)	1.5 - 2.25	1.75 - 2.50
- estimated cost to rehabilitate (\$'000)	10,114	8,298
- average settlement period	15.5 years	14.4 years

Our Finances

5.6 Financing arrangements

The Council has the following funding arrangements in place

	2021 \$'000	2020 \$'000
Bank overdraft	1,000	1,000
Credit card facilities	520	520
Bank loan facilities	14,752	15,516
Total facilities	16,272	17,036
Used facilities	14,779	15,540
Unused facilities	1,493	1,496
Total facilities	16,272	17,036

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.

2021	Later than 1 year and not later than 2 years		Later than 5 years		Total
	\$'000	\$'000	\$'000	\$'000	
Operating					
Garbage & recycling collection	8,041	7,865	23,418	1,301	40,625
Software licencing	480	329	220	-	1,029
Leisure centre management	1,188	1,188	1,188	-	3,564
Other	805	257	119	-	1,181
Total operating commitments	10,514	9,639	24,945	1,301	46,399
Capital					
Buildings	1,386	-	-	-	1,386
Drainage	2,394	-	-	-	2,394
Land Improvements	4,833	-	-	-	4,833
Roads	865	-	-	-	865
Total capital commitments	9,478	-	-	-	9,478
Total commitments	19,992	9,639	24,945	1,301	55,877

2020	Later than 1 year and not later than 2 years		Later than 5 years		Total
	\$'000	\$'000	\$'000	\$'000	
Operating					
Garbage and recycling collection	7,604	7,232	21,606	7,202	43,644
Software licencing	881	-	-	-	881
Leisure centre management	973	-	-	-	973
Consultancies	218	-	-	-	218
Other	263	141	35	-	439
Total	9,939	7,373	21,641	7,202	46,155
Capital					
Buildings	1,861	648	-	-	2,509
Drainage	109	-	-	-	109
Land Improvements	589	-	-	-	589
Total capital commitments	2,559	648	-	-	3,207
Total commitments	12,498	8,021	21,641	7,202	49,362

5.8 Leases

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

- The contract involves the use of an identified asset;
 - The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
 - The customer has the right to direct the use of the asset.
- This policy is applied to contracts entered into, or changed, on or after 1 July 2019.
- As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:
- any lease payments made at or before the commencement date less any lease incentives received; plus
 - any initial direct costs incurred; and
 - an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Our Finances

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. Council's incremental borrowing rate at 30 June 2021 is 1.44% (2020: 2.07%).

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.

	Property \$'000	Total \$'000
Right-of-Use Assets		
Balance at 1 July 2020	1,318	1,318
Additions	102	102
Amortisation charge	(232)	(232)
Balance at 30 June 2021	<u>1,188</u>	<u>1,188</u>

Balance at 1 July 2019	-	-
Recorded on transition	79	79
Additions	1,339	1,339
Amortisation charge	(100)	(100)
Balance at 30 June 2020	<u>1,318</u>	<u>1,318</u>

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	250	233
One to five years	886	859
More than five years	138	342
Total undiscounted lease liabilities as at 30 June:	<u>1,274</u>	<u>1,434</u>

Lease liabilities included in the Balance Sheet at 30 June:

Current	227	208
Non-current	977	1,115
Total lease liabilities	<u>1,204</u>	<u>1,323</u>

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AU\$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.

Expenses relating to:	2021 \$'000	2020 \$'000
Short-term leases	1	-
Leases of low value assets	-	-
Total	<u>1</u>	<u>-</u>
Variable lease payments (not included in measurement of lease liabilities)	1	-

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	1	-
Later than one year but not later than five years	-	-
Total lease commitments	<u>1</u>	<u>-</u>

Our Finances

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Reclassification \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2021 \$'000
Property	245,169	-	229	21,163	(3,486)	(2,619)	-	-	6,183	266,639
Plant and equipment	9,376	-	-	-	(1,268)	(297)	(2)	-	1,627	9,436
Infrastructure	447,904	-	16,389	27,104	(11,680)	(207)	2	-	11,866	491,378
Work in progress	20,745	20,359	-	-	-	-	-	(1,994)	(19,676)	19,434
	723,194	20,359	16,618	48,267	(16,434)	(3,123)	-	(1,994)	-	786,887

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	8,122	9,505	(1,415)	(6,183)	10,029
Plant and equipment	75	1,772	(24)	(1,627)	196
Infrastructure	12,548	9,082	(555)	(11,866)	9,209
Total	20,745	20,359	(1,994)	(19,676)	19,434

Our Finances

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Land improvements	Total Land & Land Improvement	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	138,391	2,712	19,035	39,055	199,193	87,546	87,546	8,122	294,861
Accumulated depreciation at 1 July 2020	-	-	-	(14,486)	(14,486)	(27,084)	(27,084)	-	(41,570)
	138,391	2,712	19,035	24,569	184,707	60,462	60,462	8,122	253,291
Movements in fair value									
Additions	-	-	-	-	-	-	-	9,505	9,505
Contributions	-	-	-	229	229	-	-	-	229
Revaluation	20,843	320	-	-	21,163	-	-	-	21,163
Disposal	-	(406)	-	(432)	(838)	(3,317)	(3,317)	-	(4,155)
Write-off	-	-	-	-	-	-	-	(1,415)	(1,415)
Transfers	3,184	-	-	2,455	5,639	544	544	(6,183)	-
	24,027	(86)	-	2,252	26,193	(2,773)	(2,773)	1,907	25,327
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	(1,747)	(1,747)	(1,739)	(1,739)	-	(3,486)
Accumulated depreciation of disposals	-	-	-	248	248	1,288	1,288	-	1,536
	-	-	-	(1,499)	(1,499)	(451)	(451)	-	(1,950)
At fair value 30 June 2021	162,418	2,626	19,035	41,307	225,386	84,773	84,773	10,029	320,188
Accumulated depreciation at 30 June 2021	-	-	-	(15,985)	(15,985)	(27,535)	(27,535)	-	(43,520)
	162,418	2,626	19,035	25,322	209,401	57,238	57,238	10,029	276,668

Our Finances

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Art works	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	10,714	1,480	1,753	3,934	75	17,956
Accumulated depreciation at 1 July 2020	(4,794)	(1,389)	(1,283)	(1,039)	-	(8,505)
	5,920	91	470	2,895	75	9,451
Movements in fair value						
Additions	-	-	-	-	1,772	1,772
Disposal	(705)	-	(1,187)	-	-	(1,892)
Write-off	-	-	-	-	(24)	(24)
Transfers	844	62	681	40	(1,627)	-
Reclassification	(82)	-	57	-	-	(25)
	57	62	(449)	40	121	(169)
Movements in accumulated depreciation						
Depreciation and amortisation	(1,017)	(31)	(174)	(46)	-	(1,268)
Accumulated depreciation of disposals	481	-	1,114	-	-	1,595
Accumulated depreciation of reclassifications	74	-	(51)	-	-	23
	(462)	(31)	889	(46)	-	350
At fair value 30 June 2021	10,771	1,542	1,304	3,974	196	17,787
Accumulated depreciation at 30 June 2021	(5,256)	(1,420)	(394)	(1,085)	-	(8,155)
	5,515	122	910	2,889	196	9,632

Our Finances

(c) Infrastructure

	Pathways, Roads cycleways and trails	Bridges	Drainage	Waste management	Water sensitive urban design	Work In Progress	Total Infrastructure	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At fair value 1 July 2020	363,040	38,628	42,681	100,956	4,523	7,539	12,548	569,915
Accumulated depreciation at 1 July 2020	(65,390)	(9,126)	(12,745)	(17,671)	(2,611)	(1,920)	-	(109,463)
	297,650	29,502	29,936	83,285	1,912	5,619	12,548	460,452
Movements in fair value								
Additions	-	-	-	-	-	-	9,082	9,082
Contributions	9,505	2,608	-	4,135	-	142	-	16,390
Revaluation	-	-	-	32,695	-	-	-	32,695
Disposal	(239)	(34)	-	-	-	-	-	(273)
Write-off	-	-	-	-	-	-	(555)	(555)
Transfers	7,407	1,396	230	984	1,849	-	(11,866)	-
Reclassification	-	-	-	17	25	(17)	-	25
	16,673	3,970	230	37,831	1,874	125	(3,339)	57,364
Movements in accumulated depreciation								
Depreciation and amortisation	(8,409)	(754)	(574)	(1,059)	(686)	(198)	-	(11,680)
Accumulated depreciation of revaluations	-	-	(246)	(5,346)	-	-	-	(5,592)
Accumulated depreciation of disposals	53	13	-	-	-	-	-	66
Accumulated depreciation of reclassifications	-	-	-	(1)	(23)	1	-	(23)
	(8,356)	(741)	(820)	(6,406)	(709)	(197)	-	(17,229)
At fair value 30 June 2021	379,713	42,598	42,911	138,787	6,397	7,664	9,209	627,279
Accumulated depreciation at 30 June 2021	(73,746)	(9,867)	(13,565)	(24,077)	(3,320)	(2,117)	-	(126,692)
	305,967	32,731	29,346	114,710	3,077	5,547	9,209	500,587

Our Finances

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
	Years	\$'000
Land & land improvements		
Land	-	-
Land under roads	-	-
Land improvements	15 - 180	5
Buildings		
Buildings (long and short life components)	10 - 200	10
Plant and Equipment		
Plant, machinery and equipment	5 - 10	10
Fixtures, fittings and furniture	3 - 10	5
Computers and telecommunications	3 - 10	5
Art works	20 - 100	5
Infrastructure		
Roads - seals, pavement and substructure	12 - 150	10
Roads - formation and earthworks	Indefinite	10
Roads - kerb, channel and other	80	10
Bridges - deck and substructure	50 - 100	10
Bridges - others	50 - 100	10
Pathways, cycleways & trails	15 - 60	1 - 3
Drainage	25 - 100	1 - 5
Waste management	7 - 15	10
Water sensitive urban design	25 - 200	10
Intangible assets		
Landfill airspace	3 - 20	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

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

Repairs and maintenance

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

Valuation of land and buildings

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

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

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

The last valuation of land was undertaken by a qualified independent valuer, R. Anthony AAP (valuer registration no. 1432) at 30 June 2013. An indexed based revaluation of land was conducted as at 30 June 2021. This valuation was based on the compounded impact of the movement in the land indices published by the Valuer-General Victoria since the last indexed revaluation undertaken in 2020. A review of land value index movements over the last year has confirmed that the valuation as at 30 June 2021 materially reflects the fair value of this land.

Valuation of Land Improvements has been determined in accordance with an independent valuation undertaken by Assetic Pty Ltd at 31 October 2017.

Our Finances

The last valuation of buildings was undertaken by qualified independent valuers, L. Black AAP1 (registered valuer no. 2913) and D. Griggs AAP1 (registered valuer no. 3204) at 30 June 2017. The valuation was amended in October 2017 to reflect new buildings and updated condition assessments as at 30 June 2017 due to works conducted between the valuer's site visit and 30 June 2017. The valuation of buildings is at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants.

The date 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 land indices published by the Valuer-General-Victoria, a desktop revaluation of these assets was conducted in 2020/21 and has confirmed that the valuation as at 30 June 2021 materially reflects the fair value of buildings.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land - specialised	-	-	162,418	06/2021
Land - non specialised	-	-	2,626	06/2021
Land under roads	-	-	19,035	06/2013
Land improvements	-	-	25,322	10/2017
Buildings - specialised	-	-	57,238	06/2017
Total	-	-	266,639	

Valuation of plant and equipment

The valuation of plant and equipment, except for art works, is at fair value based on cost less accumulated depreciation as at the balance sheet

Valuation of artworks has been determined in accordance with an independent valuation undertaken by Assetic Pty Ltd at 31 October 2017.

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

Details of the Council's plant and equipment and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Plant machinery and equipment	-	-	5,515	-
Fixtures fittings and furniture	-	-	122	-
Computers and telecomms	-	-	910	-
Art works	-	-	2,889	10/2017
Total	-	-	9,436	

Valuation of infrastructure

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

Valuation of pathways, cycleways and trails has been determined in accordance with an independent valuation undertaken by Assetic Pty Ltd at 1 July 2017.

An internal fair value assessment of Council's assets was undertaken during the 2020/21 year, resulting in a valuation adjustment being applied to drainage assets. This fair value review did not include a condition assessment and therefore has not been included in the below fair value valuation hierarchy.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	305,967	07/2018
Bridges	-	-	29,346	06/2015
Footpaths and cycleways	-	-	32,731	07/2017
Drainage	-	-	114,710	06/2015
Waste management	-	-	3,077	06/2015
Water sensitive urban design	-	-	5,547	06/2015
Total	-	-	491,378	

Our Finances

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 98%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$919 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$200 to \$8,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 200 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 depreciated 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 7 years to an indefinite number of 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.

	2021 \$'000	2020 \$'000
Reconciliation of specialised land		
Land under roads	19,035	19,035
Parks and reserves	104,737	84,498
Community facilities	17,806	18,545
Car parks	16,598	14,934
Civic centres	11,633	10,074
Caravan parks	7,989	6,899
Transfer stations and landfill sites	3,655	3,441
Total specialised land	181,453	157,426
Reconciliation of non-specialised land		
Residential zoned land	1,697	1,827
Commercial zoned land	929	885
Total non-specialised land	2,626	2,712

Our Finances

6.2 Investments in associates, joint arrangements and subsidiaries

	2021	2020
(a) Investments in associates	\$'000	\$'000
- West Gippsland Regional Library Corporation	1,970	1,804

West Gippsland Regional Library Corporation

Background

The council has a 35.60% (2020: 35.74%) interest in the West Gippsland regional Library Corporation, which operates a library service for a number of municipalities.

Fair value of Council's investment in West Gippsland Regional Library Corporation

	1,970	1,804
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Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	1,401	1,192
Reported surplus for year	152	134
Change in proportion of equity (based on agreement)	(150)	75
Council's share of accumulated surplus(deficit) at end of year	1,403	1,401

Council's share of reserves

Council's share of reserves at start of year	403	409
Transfers (to) from reserves	145	(85)
Increase in Asset Revaluation reserve	21	82
Change in proportion of reserves (based on agreement)	(2)	(3)
Council's share of reserves at end of year	567	403

Movement in carrying value of specific investment

Carrying value of investment at start of year	1,804	1,601
Share of surplus for year	152	134
Share of transfers (to) from other reserves	145	(85)
Change in proportion of equity	(152)	72
Share of asset revaluation	21	82
Carrying value of investment at end of year	1,970	1,804

Council's share of expenditure commitments

Operating commitments	444	8
Capital commitments	-	-
Council's share of expenditure commitments	444	8

At balance date, there were no contingent liabilities and contingent assets (2020:\$nil)

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

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Events occurring after balance date

The Council agreed on 21 July 2021 that its intention is that the original Library Agreement is taken to be terminated with effect at 11:59pm on 30 June 2022. Agreeing to the dissolution and winding up of West Gippsland Regional Library Corporation, with the Gift and Transfer Deed constituting the distribution of assets and liabilities in full and final satisfaction of dissolution and winding up clause, 13.2, of the Library Agreement. We refer note 8.5 Events occurring after balance date for further details of the transaction. Impacts of the events will be presented in the 2022 Financial Statements.

Our Finances

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Bass Coast Shire Council

Associates

West Gippsland Library Corporation

Subsidiaries

Wonthaggi Cemetery Trust
San Remo Cemetery Trust

By virtue of the fact that Councillors form the whole of the Board of Trustees, these entities are considered to be controlled entities under AASB 10: Consolidated Financial Statements. Their operating results, assets and liabilities have not been included in the accounts on the basis that they are not material individually or in aggregate.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Brett Tessari (Mayor)	
Councillor Michael Whelan	
Councillor Bruce Kent	
Councillor Clare Le Serve	
Councillor Les Larke	
Councillor David Rooks (9 November 2020 - 30 June 2021)	
Councillor Leticia Laing (9 November 2020 - 30 June 2021)	
Councillor Rochelle Halstead (9 November 2020 - 30 June 2021)	
Councillor Ron Bauer (9 November 2020 - 30 June 2021)	
Councillor Geoff Ellis (1 July 2020 to 24 October 2020)	
Councillor Julian Brown (1 July 2020 to 24 October 2020)	
Councillor Pamela Rothfield (1 July 2020 to 24 October 2020)	
Councillor Steven Fullarton (1 July 2020 to 24 October 2020)	

Executive Team

Chief Executive Officer - Ali Wastie	
General Manager Business Transformation (18 February 2021 - 30 June 2021) - Wayne Mack	
General Manager Business Transformation (1 July 2020 - 25 October 2020) - Allison Jones	
General Manager Resilient Communities - Jodi Kennedy	
General Manager Place Making - James Stifton	
Executive Manager Partnerships, Advocacy and Economy (1 July 2020 - 21 March 2021) - Christian Stefani	
Executive Manager Advocacy and Engagement (22 March 2021 - 30 June 2021) - Christian Stefani	
General Manager Partnerships, Economy and Culture (22 March 2021 - 30 June 2021) - Greg Box	
Director Cultural & Community Assets (7 December 2020 - 21 March 2021) - Greg Box	
General Manager Finance and Governance (26 October 2020 to 17 February 2021) - David Filmatler	
Executive Manager Business Transformation (26 October 2020 to 17 February 2021) - Wayne Mack	
Chief Financial Officer (1 July 2020 to 25 October 2020) - David Filmatler	
Chief Financial Officer (18 February 2021 to 30 June 2021) - David Filmatler	

Total Number of Councillors

Total of Chief Executive Officer and other Key Management Personnel

Total Number of Key Management Personnel

	2021 No.	2020 No.
	13	9
	8	7
	21	16

The total Key Management Personnel above are not full time equivalent employees but are the number of people that have been in a key management position during the period. The full time equivalent (FTE) of the Chief Executive Officer and other Key Management Personnel at 30 June 2021 was 7 FTE (30 June 2020 6.0 FTE).

Our Finances

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	1,943	1,673
Long-term benefits	78	41
Post employment benefits	133	110
Termination benefits	-	-
Total	2,154	1,824

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

\$10,000 - \$19,999	8	-
\$20,000 - \$29,999	4	8
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	1	1
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	1	1
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	-	1
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	2	2
\$310,000 - \$319,999	-	1
\$340,000 - \$349,999	1	-
	21	16

(d) Senior Officer Remuneration

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

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

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

Income Range:	2021	2020
\$151,000 - \$159,999	No. 2	No. 5
\$160,000 - \$169,999	7	6
\$170,000 - \$179,999	2	2
\$180,000 - \$189,999	3	1
\$190,000 - \$199,999	-	1
	14	15

The total Senior Officers above are not full time equivalent employees but are the number of people that have been in a senior officer position during the period. The full time equivalent (FTE) of senior officers at 30 June 2021 was 12 FTE (30 June 2020 10.0 FTE).

Total Remuneration for the reporting year for Senior Officers included above, amounted to: 1,886 1,396

Our Finances

7.2 Related party disclosure

(a) Transactions with related parties

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

	2021 \$'000	2020 \$'000
Rent paid	231	262
Library Contributions	1,885	1,848
Other Contributions	156	-
Other Contributions	82	-
Services paid	47	-
Total transactions with related parties	2,401	2,110

The rent is for commercial property with a lease term of 7 years. The arrangement is on normal commercial terms.

The library contribution is made to the West Gippsland Regional Library Corporation to operate the library service for a number of municipalities. Further details of this arrangement are provided in Note 6.2.

(b) Outstanding balances with related parties

There were no outstanding balances payable from Council to related parties at the end of the reporting period in relation to transactions with related parties.

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by Council to a responsible person of Council, or a related party of a responsible person during the reporting period (2020: \$nil).

(d) Commitments to/from related parties

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

Rent	1,291	1,505
Total commitments to related parties	1,291	1,505

The discounted value of this commitment is included as a lease liability in note 5.8.

Our Finances

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

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2021	2020
Not later than one year	\$'000	\$'000
Later than one year and not later than five years	742	830
Later than five years	2,894	2,920
	7,821	8,535
	11,457	12,285

As a result of COVID-19, Council has provided waivers on a month-to-month basis for a number of properties. This may be ongoing and will reduce the future minimum rentals actually received.

(b) Contingent liabilities

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.

Future superannuation contributions

In addition to the disclosed contributions, Bass Coast Shire has not paid any unfunded liability payments to Vision Super during the 2020/21 year (2019/20: \$nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$95,000.

Landfill

Council operates a landfill site, and has provided for the potential obligation to carry out site rehabilitation works in the future as outlined in Note 5.5. The estimates for this provision is dependent on the accuracy of the forecast, timing of work, work required and related costs.

Council also has a number of closed landfill sites and will have to carry out site rehabilitation works in the future. At balance date Council has not completed nor received a remedial action notice or approved financial assurance assessment of the old landfill sites. As a result, Council is unable to accurately assess the financial implications of such works for these closed sites.

Public liability and professional indemnity

Council has no recognised contingent liabilities relating to public liability or professional indemnity. In the event of a claim and a judgement against Council, it is anticipated that Council's insurer would cover the claim, with Council contributing the policy excess only.

Legal matters

Council is presently involved in confidential legal matters, currently being conducted through Council's solicitors. As this is yet to be finalised, and the financial outcome is unable to be reliably estimated, no allowance for any contingency has been made in the financial report.

Liability Mutual Insurance

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

MAV WorkCare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority.

Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would 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 would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

(g) Guarantees for loans to other entities	2021	2020
Department of Sustainability and Environment	\$'000	\$'000
Phillip Island Nature Parks	5	5
Environmental Protection Agency	350	350
	811	811

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

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

Our Finances

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. 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 been significant during the year and has adversely impacted Council's interest revenue by \$120,000 against budget. Interest rate movements therefore had an overall immaterial 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 have 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(a).

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:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(b) 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 + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.34%.

While these movements will not have a material impact on the valuation of Council's financial assets and liabilities, they could have an adverse impact in the order of \$50,000 on the results of Council's operations.

Our Finances

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis, with a targeted completion every 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. There are currently the asset classes that have temporarily fallen outside of this target external revaluation period due to the requirements of asset system upgrades. Council have a forward plan to ensure these asset class revaluations are completed to align with targets in the coming years.

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

Impairment of assets

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

8.5 Events occurring after balance date

COVID 19

On 30 January 2020, COVID-19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. Following 30 June 2021, further ongoing restrictions have been applied across Victoria. As a result, the Northtagg/ Mt Gambier and Council's Visitor Information Centres located in Cowes, Inverloch, Gambrie, Newhaven and Northtagg have continued to operate in accordance with the ongoing restrictions. When closed due to the restrictions, staff from these sites have been deployed to alternate services and the reduction in commission revenue and merchandise sales received is offset by a reduction in operating expenditure experienced through the closure of these sites. Net financial impacts these closures are not expected to be material to Council's operating result. Council's financial statements have been prepared on an ongoing concern basis.

Investment in Associate - West Gippsland Regional Library Corporation

The Council considered the requirement to restructure the Library Corporation as a result of the Local Government Act 2020 (Vic) that requires Library Corporations to be wound up within 10 years from 1 July 2021. On 25th June 2021, it was recommended to the Council that they participate in the formation of a beneficial enterprise to be known as and become a founding member of MyI – My Community Library Ltd being:

- i. a public company limited by guarantee;
 - ii. a not-for-profit and charitable institution to be registered with the Australian Charities and Not-for-profits Commission;
 - iii. a public library recognised by the Australian Taxation Office; and
 - iv. on the terms of the MyI – My Community Library/ Ltd constitution.
- The Member Councils will enter into a deed of novation and variation (Novation Deed) in relation to the existing West Gippsland Regional Library Corporation Agreement from 1 July 2022. The existing Library Agreement continues as an agreement between Bass Coast Shire Council, Baw Baw Shire Council, South Gippsland Shire Council and MyI – My Community Library/ Ltd on its current funding and commercial terms (Novated Library Agreement) and in the Novated Library Agreement.

The Member Councils will also enter into a gift and transfer deed between West Gippsland Regional Library Corporation and MyI – My Community Library/ Ltd (Gift and Transfer Deed) which provides in general terms, the restructure of West Gippsland Regional Library Corporation and replace it with MyI – My Community Library/ Ltd. Member Councils will gift their interests in West Gippsland Regional Library Corporation Ltd, and therefore their interests in West Gippsland Regional Library Corporation's business, assets and liabilities to MyI – My Community Library/ Ltd. The transfer of West Gippsland Regional Library Corporation's business, assets and liabilities will occur in specie to MyI – My Community Library/ Ltd on 30 June 2022.

The Council on 21 July 2021, subject to giving full effect to the Novation Deed and the Gift and Transfer Deed, agreed that its intention is that the original Library Agreement is taken to be terminated with effect at 11:59pm on 30 June 2022. Therefore, agreed to the dissolution and winding up of West Gippsland Regional Library Corporation, with the Gift and Transfer Deed constituting the distribution of assets and liabilities in full and final satisfaction of dissolution and winding up clause 13.2, of the Library Agreement.

Other Member Councils made their decisions to transition on the following dates:

- South Gippsland Shire Council on 21 July 2021
- Baw Baw Shire Council on 28 July 2021

The Council does not consider that the decision to transition to the operations, assets, and liabilities from West Gippsland Regional Library Corporation to MyI – My Community Library/ Ltd affects the measurement of the assets or liabilities of West Gippsland Regional Library Corporation at the end of the financial year.

As a result of the impending transition, all assets, liabilities and commitments have been classified as current on the basis that the transition will occur on 30 June 2022, being less than 12 months from the preparation of these financial statements.

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

Our Finances

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
2021			
Property			
Land	122,607	21,163	143,770
Land under roads	3,209	-	3,209
Land improvements	11,101	-	11,101
Buildings	46,560	-	46,560
	183,477	21,163	204,640
Plant and equipment			
Atworks	2,288	-	2,288
	2,288	-	2,288
Infrastructure			
Infrastructure	241,041	27,104	268,145
Library	291	21	312
	241,332	27,125	268,457
	427,097	48,288	475,385

Total asset revaluation reserves

2020			
Property			
Land	117,187	5,420	122,607
Land under roads	3,209	-	3,209
Land improvements	11,050	51	11,101
Buildings	46,560	-	46,560
	178,006	5,471	183,477
Plant and equipment			
Atworks	2,288	-	2,288
	2,288	-	2,288
Infrastructure			
Infrastructure	240,866	175	241,041
Library	209	82	291
	241,075	257	241,332
	421,369	5,728	427,097

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2021				
Contractually restricted reserves				
Share of associate's reserves (see note 6.2)	96	145	-	241
	96	145	-	241
Identified reserves				
Constrained works (carry forward)	14,483	18,699	(14,483)	18,699
Future sustainability fund	200	100	(100)	200
Landfill rehabilitation	5,603	-	-	5,603
LGFV sinking fund	1,324	265	-	1,589
	21,610	19,064	(14,583)	26,091
Discretionary reserves				
Art in public places	128	50	(71)	107
Stake parks	408	101	-	509
Strategic works	14,461	4,980	(8,077)	11,364
VGC grant received in advance	3,562	3,168	(3,562)	3,168
Resort and recreation interest reserve	1,267	9	(369)	907
Worthingli North East Land Acquisition Reserve	-	500	-	500
Unallocated surplus	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

(b) Other reserves

2021

Contractually restricted reserves

Share of associate's reserves (see note 6.2)

	96	145	-	241
	96	145	-	241

Identified reserves

Constrained works (carry forward)

	14,483	18,699	(14,483)	18,699
	200	100	(100)	200
	5,603	-	-	5,603
	1,324	265	-	1,589
	21,610	19,064	(14,583)	26,091

Future sustainability fund

	200	100	(100)	200
	5,603	-	-	5,603
	1,324	265	-	1,589
	21,610	19,064	(14,583)	26,091

Landfill rehabilitation

	5,603	-	-	5,603
	1,324	265	-	1,589
	21,610	19,064	(14,583)	26,091

LGFV sinking fund

	1,324	265	-	1,589
	21,610	19,064	(14,583)	26,091

Discretionary reserves

	128	50	(71)	107
	408	101	-	509
	14,461	4,980	(8,077)	11,364
	3,562	3,168	(3,562)	3,168
	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Art in public places

	128	50	(71)	107
	408	101	-	509
	14,461	4,980	(8,077)	11,364
	3,562	3,168	(3,562)	3,168
	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Stake parks

	408	101	-	509
	14,461	4,980	(8,077)	11,364
	3,562	3,168	(3,562)	3,168
	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Strategic works

	14,461	4,980	(8,077)	11,364
	3,562	3,168	(3,562)	3,168
	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

VGC grant received in advance

	3,562	3,168	(3,562)	3,168
	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Resort and recreation interest reserve

	1,267	9	(369)	907
	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Worthingli North East Land Acquisition Reserve

	-	500	-	500
	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Unallocated surplus

	4,586	3,628	(1,500)	6,714
	24,412	12,436	(13,579)	23,269
	46,118	31,645	(28,162)	49,601

Total Other reserves

Our Finances

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2020				
Statutory reserves				
Car parking reserve	33	-	(33)	-
Resort and recreation reserve	3,642	-	(3,642)	-
	3,675	-	(3,675)	-
Contractually restricted reserves				
Capital lease commitments	203	-	(203)	-
Native vegetation offset reserve	132	-	(132)	-
Wonthaggi North East developer contributions	301	-	(301)	-
Specific development contributions	251	-	(251)	-
Share of associate's reserves (see note 6.2)	181	-	(85)	96
	1,068	-	(972)	96
Identified reserves				
Constrained works (carry forward)	9,630	14,483	(9,630)	14,483
Drainage reserve	8	-	(8)	-
Future sustainability fund	100	100	-	200
Landfill rehabilitation	4,903	700	-	5,603
LGFV sinking fund	7,988	265	(6,929)	1,324
Long service leave	3,178	-	(3,178)	-
Non-standard street lighting reserve	176	-	(176)	-
	25,983	15,548	(19,921)	21,610
Discretionary reserves				
Art in public places	87	50	(9)	128
Highball development	479	-	(479)	-
Skate parks	338	135	(65)	408
Strategic works	2,778	12,802	(1,119)	14,461
VGC grant received in advance	3,005	3,562	(3,005)	3,562
Resort and recreation interest reserve	-	1,267	-	1,267
Unallocated surplus	6,139	2,540	(4,093)	4,586
	12,826	20,356	(8,770)	24,412
Total Other reserves	43,552	35,904	(33,338)	46,118

Other reserves are in essence a reflection of surpluses from prior years that Council has set aside to allocate for some future activity. The existence of the reserves does not necessarily mean that Council has the cash funds available to allocate to the reserves purpose. The name of each reserve and the purpose of each reserve (why Council has the reserve) is provided below.

Art in Public Places	Provision for funds to be allocated to the development and installation of major public art installations across the municipality.
Constrained Works (Carry Forward)	This reserve is to recognise the funds allocated and received in prior financial periods that are committed to unfinished projects.
Future Sustainability Fund	These funds are to ensure allocations for specific future expenditures and where they aid in the future financial sustainability of the Bass Coast Shire.
Landfill Rehabilitation	This reserve is to fund the rehabilitation of waste disposal sites.
LGFV Sinking Fund	To fund the repayment of LGFV bonds as the bonds come due for payment.
Share of associates reserves	These funds are Council's share of other reserves maintained by associates. See Note 6.2 for further detail.
Resort & Recreation Interest Reserve	Discretionary reserve to hold funds which are allocated for development of future resort and recreational projects.
Skate Parks	These funds have been set aside via council resolution for future works on municipal skate park facilities.
Strategic Works	These funds are intended for strategic works and acquisitions of new or expanded assets that are of an intergenerational nature.
Unallocated Surplus	These funds are the funds that remain unallocated at the year end.
VGC Grant Received in Advance	Victorian Grants Commission funding in relation to the next financial year paid in advance.
Wonthaggi North East Land Acquisition Reserve	To fund the future land acquisitions in Wonthaggi North East as nominated by Bass Coast Shire Council

Our Finances

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

	2021	2020
	\$'000	\$'000
Surplus for the year	20,661	20,812
Depreciation / amortisation	16,671	15,640
Share of profits in associates	(145)	(122)
Loss on disposal of property, infrastructure, plant and equipment	2,793	1,128
Contributions - Non-monetary assets	(16,618)	(15,289)
Borrowing costs	297	446
Finance costs - leases	27	11
Work in progress write off	1,994	-

Change in assets and liabilities:

Increase in trade and other receivables	(3,442)	(1,001)
Decrease in inventories	9	2
(Increase)/decrease in prepayments	(200)	192
Decrease in accrued income	49	79
Decrease in intangible assets	(2,122)	(495)
Increase/(decrease) in trade and other payables	4,126	(2,284)
Increase in unearned income	17,102	6,169
Increase in trusts and deposits	329	2,979
Increase/(decrease) in provisions	1,999	(1,752)
Decrease in accumulated surplus on transition to accounting standard change - AASB 15 Revenue	-	(2,902)
Net cash provided by operating activities	43,530	23,613

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 Comprehensive Operating 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 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

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 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 Employee Benefits.

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 review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa

Salary information 2.5% pa for two years and 2.75% pa thereafter

Price inflation (CPI) 2.0% pa.

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

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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.

Our Finances

Employer contributions

Regular contributions

On the basis of the results of the 2020 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

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 2020 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 2020.

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

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

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

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021	2020
Vision super	Defined benefit	9.50%	\$100	\$100
Vision super	Accumulation fund	9.50%	1,432	89
			1,432	1,475

Refer to Note 8.1 for details any future superannuation contributions.



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10 Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Council has adopted AASB 1059 Service Concession Arrangements: Grantors , from 1 July 2020.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector) Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020 .

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020.

It is not expected that these standards will have any significant impact on council.