



MINUTES

UNSCHEDULED MEETING OF COUNCIL

Tuesday, 25 October 2022

Held at the Swan Hill Town Hall
53-57 McCallum St, Swan Hill
Commenced at 1pm

COUNCIL:

Cr J Benham – Mayor

Cr B Moar
Cr A Young
Cr LT McPhee
Cr C Jeffery
Cr S King
Cr N McKay

Confirmed 15 November 2022

Chairperson.....

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SECTION A – PROCEDURAL MATTERS

- **Welcome**

Acting Mayor, Councillor Bill Moar assumed the chair and declared the meeting open at 1pm.

- **Acknowledgement of Country**

Acting Mayor, Councillor Bill Moar read the Acknowledgement of Country.

“Swan Hill Rural City Council acknowledges the traditional custodians of the land on which we meet, and pays its respects to their elders, past and present.”

- **Prayer**

Cr Stuart King read the prayer.

We beseech you Lord, that we may be granted wisdom, understanding and sincerity of purpose, in the decisions we are called on to make for the welfare of the people of the Rural City of Swan Hill.

- **Apologies/Leaves of Absence**

Cr Chris Jeffery - Apology

Cr Jade Benham – On Leave of Absence

127/22 Motion

MOVED Cr McPhee

That the apologies be accepted.

SECONDED Cr King

The Motion was put and CARRIED

- **Directors/Officers Present**

Scott Barber, Chief Executive Officer
Heather Green, Director Development and Planning
Bhan Pratap, Director of Corporate Services
Ash Free, Finance Manager
Sharon Lindsay, Executive Assistant

- **Disclosures of Conflict of Interest**

Nil.

SECTION B – REPORTS

B.22.91 PRESENTATION OF ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Responsible Officer: Director Corporate Services
File Number: S15-28-14
Attachments: 1 2021/22 Annual Report

Declarations of Interest:

Bhan Pratap - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

Council's Annual Report incorporating the Financial and Performance Statements and the Audit Opinions, are completed within 4 months of the end of the 2021/22 financial year. The Annual Report is now presented for Council's consideration and endorsement.

Discussion

Following the completion of all statutory requirements, Swan Hill Rural City Council's Annual Report for the year ended 30 June 2022, is presented for consideration and endorsement by Council. The format of the Annual Report is consistent with the model recommended by Local Government Victoria.

Some of the highlights of the 2021/22 year were:

- Two Electric Vehicle (EV) chargers were installed in Swan Hill and Robinvale. Since going online in September 2021, 184 sessions have been logged resulting in emission savings of 3,393 kg GHG.
- Council worked with the Central Victorian Greenhouse Alliance (CVGA) to deliver the Small Business Energy Saver Program, which helped local business access funding to install energy-efficient equipment.
- Through our Community Development Fund this year 22 community groups/organisations shared in just under \$75,000 worth of funding to support various projects throughout the municipality.
- Domestic visitors spent \$132 million on travel to the region - up by 22.3%.

- Completion of the new Library Outreach Vehicle. The vehicle will enhance library services to rural communities across the municipality, including Beverford, Boundary Bend, Lake Boga, Manangatang, Nyah, Ultima and Woorinen, along with neighbour Tooleybuc.
- Council's Enhanced Maternal and Child Health team moved into a dedicated premises, and now provides a more family-friendly venue for appointments.
- The establishment of a Robinvale Youth Council through our Youth Inc service.

All of Council's Financial Accountability Statements received clear audit opinions. Council remains in a good financial position, achieving an accounting surplus of \$12.7 million for the year. Council should note that much of this surplus is grant funding committed to existing and planned works including \$5.7 million received in advance from the Victorian Grants Commission. This is the thirteenth successive annual surplus. Council requires operational surpluses to fund future capital works. These work include replacement of roads, community assets and increasing regulatory requirements placed on Councils, for example waste and landfill operations.

The Balance Sheet continues to indicate Council's good financial base. Current assets exceed current liabilities by \$42 million and exceed total liabilities by \$36 million. The sum of \$5.17 million was repaid to lending institutions during the year.

Consultation

Council accepted an in-principle adoption of the Performance and Financial Statements at its September Council Meeting. The Executive team and relevant officers have been involved in the development of the Annual Report.

Financial Implications

Council remains in a healthy financial position.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

It is important that Council continue to generate an operational financial surplus in order to ensure ongoing financial sustainability including the ability to construct and replace assets when necessary.

Council Plan Strategy Addressed

Leadership - Excellent management and administration.

Options

Council may choose to adopt or amend the recommendation.

Recommendation

That Council consider and endorse the 2021/22 Annual Report of Swan Hill Rural City Council as presented.

128/22 Motion

MOVED Cr McPhee

That Council consider and endorse the 2021/22 Annual Report of Swan Hill Rural City Council as presented.

SECONDED Cr Young

The Motion was put and CARRIED



Annual Report

2021/22





Acknowledgement

Swan Hill Rural City Council acknowledges the traditional custodians of the land, and pays its respects to their elders, past and present.

About our Annual Report

Swan Hill Rural City Council is pleased to present its 2021/22 Annual Report, which provides a detailed account of our performance from 1 July 2021 to 30 June 2022.

Documenting Council's performance against the 2021/22 Budget and the Council Plan, the Annual Report highlights achievements and challenges faced within key service areas and programs.

Council seeks to achieve community engagement and an understanding of Council's operations by conducting its affairs openly and with integrity.

Transparency in our decision-making and accountability are core values of Council, reflecting high levels of good governance.

This report provides information to a variety of audiences including community groups, businesses, ratepayers, visitors, investors, government agencies and other interested stakeholders.

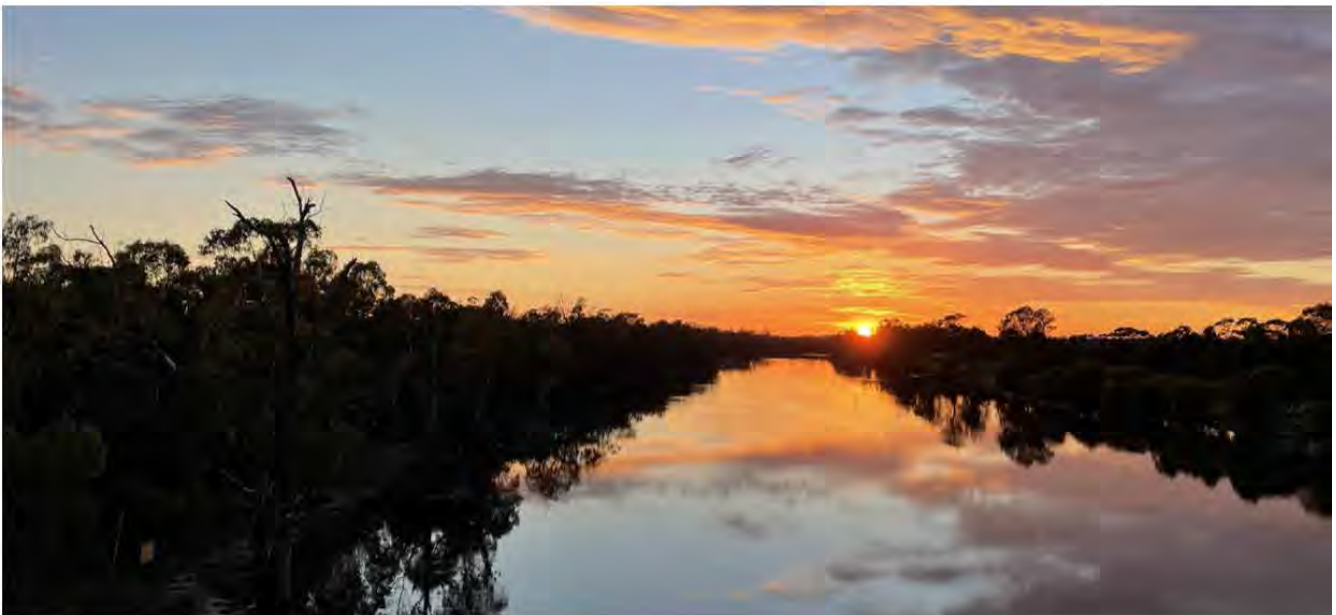
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Welcome to the report of operations

We are committed to transparent reporting and accountability to our community. The Annual Report is our primary means of advising residents within the Swan Hill Rural City Council region about our operations and performance during the 2021/22 financial year.

How to read our Annual Report

Introduction

Provides a snapshot of our region and highlights what we have accomplished.

The year in review

Messages from our Mayor and CEO, a financial summary and major projects highlights.

Our Council

Our region's history and profile, and information on our Councillors.

Our people

Information on Council's employees, including our organisational structure, occupational health and safety, equal opportunity, and appreciating our staff.

Our performance

Results against our Council Plan key strategic initiatives, Local Government performance reporting indicators, and major initiatives and services identified in the 2021/22 Budget.

Corporate governance

Governance and statutory information including decision-making, elected members, risk management, benchmarking and accountability.

Performance statement

Local Government performance reporting indicators for sustainable capacity, service performance and financial performance.

Financial performance

Council's general purpose financial statements.



Part one

Introduction

INTRODUCTION

Snapshot of Council

Swan Hill Rural City Council covers 6,116 square kilometres and is home to 21,403* people. It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Beverford, Woorinen South, Ultima, Manangatang and Boundary Bend.

The Swan Hill municipality has experienced significant growth over the past decade, led by the expansion of horticultural/ agricultural practices and supported by an innovative manufacturing sector.

This success is depicted by the fact that the region is Australia’s largest producer of table grapes, pistachios and olives, responsible for one quarter of all carrots nationwide, a top contributor to the stone fruit industry and accounts for approximately 70 percent of Australia’s almonds and olive oil production.

Almost 22 per cent of the total economic output from the region comes from agricultural production.

Irrigated farming (including stonefruit, grapes, nuts, olives and vegetable production) accounts for over 15 per cent of the total economic output for the municipality, while traditional livestock and broadacre farming accounts for almost 5 per cent.

More than 17 per cent of all jobs in the city are directly related to agriculture.

Food manufacturing (processing) accounts for almost 9 per cent of the municipality’s economic output.

The SunRISE report for Swan Hill on 2018 irrigated crops had a value of production of \$1.18 billion. Preliminary analysis of irrigated crops in the Swan Hill LGA indicates the value of production in 2021 to be on a par with 2018.

Located along the Murray River, tourism plays an important role in our region’s economy. Our climate and natural beauty attracts approximately 552,000** visitors each year as reported in the Murray Regional Tourism (MRT) Snapshot report, March 2022. Visitation was up this year by 11.1% and tourists spent 840,000 nights in the region – up by 43.0%. Domestic visitors spent \$132 million on travel to the region - up by 22.3%.



*2021 ABS data estimates the Swan Hill Rural Council residential population to be 21,403, however, due to ongoing concern that the ABS consistently underestimates the population of Robinvale, Council commissioned Geografia to undertake a population determination study. The ABS census figure of 2016 show the Robinvale population as 3,497 people. The work of Geografia has reliably demonstrated that the true Robinvale population sits at approximately 7,900 people; making the total residential population 25,806.

Vision Statement

Built on strong foundations that embrace our rich history and natural environment, our region will be a place of progression and possibility, we are a community that is happy, healthy and harmonious—we are empowered, we are respectful and we are proud.

Our Mission

We will lead, advocate, partner and provide efficient services and opportunities for growth and the wellbeing of our community, environment and economy.

Our Values

Council values our residents and community and will be responsive to their needs. In pursuing our objectives, we believe in, and are committed to, the following values:

Community engagement

We will ensure that our communities are consulted, listened to and informed.

Leadership

We will be at the centre of our community and by actively engaging our community we will form the collective view on strategic issues and will then express our views through strong advocacy and action.

Fairness

We will value and embrace the diversity of our community and ensure that all people are treated equally.

Accountability

We will be transparent and efficient in our activities and we will always value feedback.

Trust

We will act with integrity and earn the community's trust by being a reliable partner in delivering services and providing facilities.



Highlights of the year

Liveability

- New residential developments and the commencement of the Ronald Street, Robinvale Housing developments.
- Most of Vibrant Villages small town enhancement projects were completed in the communities of Woorinen, Ultima, Manangatang, Lake Boga, Boundary Bend, Piangil, Beverford, Nyah and Nyah West.
- Refurbishment of Swan Hill Truck Wash and Lake Boga Jacaranda toilets
- Council delivered the Biodiversity Response Planning Project, an invasive species control program that addressed key threats to priority habitat and target remnants on 198km of Council roadsides, with funding provided by the Mallee Catchment Management Authority (CMA).
- Council in partnership with the Central Victorian Greenhouse Alliance (CVGA) is currently investigating the feasibility of community or neighbourhood batteries for the region to help unlock more renewables on the grid and deliver community benefits at the same time.
- Two Electric Vehicle (EV) chargers were installed in Swan Hill and Robinvale. Since going online in September 2021, 184 sessions have been logged resulting in emission savings of 3,393 kg GHG.
- Council partnered with Swan Hill Neighbourhood House with funding from the Department of Families, Fairness and Housing to organise the Mallee Urban Greening Event, which aimed to catalyse urban greening on private property within the Swan Hill region.
- With funding provided by the Department of Jobs, Precincts and Regions, Council completed two Roadside Pests and Weeds Programs. Over 400km of Council roadsides were treated for regionally controlled weeds and 264km for rabbits.
- Council worked with the Central Victorian Greenhouse Alliance (CVGA) to deliver the Small Business Energy Saver Program, which helped local business access funding to install energy-efficient equipment.
- In partnership with the Mallee CMA, Council delivered pest animal control across 140km of Council managed roadsides to protect endangered Buloke Woodlands.
- Council collaborated with Fruit Fly Murray Valley to organise a mail drop to residents in the Tresco and Tresco West region, providing them with education materials to combat Queensland Fruit Fly.

INTRODUCTION

Prosperity

- COVID has continued to take a significant toll for businesses in the region, however existing and new businesses are showing confidence in the municipality.
- Through our Community Development Fund this year 22 community groups/organisations shared in just under \$75,000 worth of funding to support various projects throughout the municipality.
- Our Event Support Fund allocated \$62,299.25 worth of funding. The Event Support Fund allocated \$6,000 towards the Summer Live Music Sessions and \$20,000 towards the Neon Lights Event in Swan Hill.
- Domestic visitors spent \$132 million on travel to the region - up by 22.3%.
- Our L2P Program has 48 learners registered and this year we have achieved 16 licences, 520 drive hours were acquired and we have 15 active mentors in the program.
- Activate Riverfront - Purchase GrainCorp Site
- Soccer Pavilion - Ken Harrison Sporting Complex
- Detailed engagement took place with the Manangatang and Woorinen South communities, to ascertain options for early years infrastructure such as preschools.
- Ultima Matchday Room Floor renewal
- Stabilisation of the Swan Hill south pre-school
- Playground Renewal at Lowan Park Manangatang and Rotary Park Robinvale
- A series of projects to improve liveability and community services began in Robinvale. After many years of studies, the township will be benefiting from increased housing, worker transport and entertainment options in coming months and years.
- Completion of the new Library Outreach Vehicle. The Vehicle will enhance library services to rural communities across 6,000 square kilometres, including Beverford, Boundary Bend, Lake Boga, Manangatang, Nyah, Tooleybuc, Ultima and Woorinen
- Robinvale and Lake Boga Netball Court Change Rooms
- New Woorinen Netball Courts
- Winlaton Road, Lake Boga upgrade

Harmony

- Our municipality is proud to have more than 40 nationalities among our community and a population that is welcoming and resilient.
- Council's Enhanced Maternal and Child Health team moved into a dedicated premises at 63 McCrae Street, and now provides a more family-friendly venue for appointments.
- The establishment of a Robinvale Youth Council through our YouthInc service.
- Construction of new office space in Youth Inc buildings

Leadership

- Adopted Strategic Asset Management Plan
- Adopted Gender Equality Action Plan
- Continued Tower Hill development
- Adopted Workforce Plan
- Implemented a Project Management Framework
- Reviewed Community Engagement Policy and Guidelines
- Adopted Council's Advocacy Strategy



Challenges for 2021/22

- Delays in construction of the Our Place project and Heritage Listing of Pioneer Settlement.
- Recruitment – our region is currently facing, like many other areas, a severe labour and skills shortage. The number of vacancies are at a record high and impacted by a housing and childcare shortage.
- Additional challenges relating to COVID-19 restrictions including changed work environments, business and facility closures, event cancellations and local economic impacts.

Major changes for 2021/22

The COVID-19 pandemic has tested our resilience over the past year, resulting in us adapting to a new way of working.

A number of organisational changes have occurred, including changes to superannuation, implementation of many new pieces of legislation including the Local Government Act 2020 and the Gender Equality Act 2020. Vaccinations were mandated by the State Government and the automation and flexibility in how we do business has been continually evolving and changing the dynamic between employers, employees and the workforce.

We have developed a workforce plan, a framework that will help shape our organisation to ensure we have the capability and capacity to deliver on our strategic priorities. There is a clear intent to better integrate workforce planning with financial and service planning. In a service-led organisation, it is critical the appropriate people resources are effectively and efficiently utilised to deliver the organisational requirements.

Swan Hill Councils Community Vision and Council Plan 2021-2025 was reviewed and an analysis of the organisations workforce was conducted to understand our capacity and capability to deliver current and future work requirements and identify and mitigate any risk in our critical workforce segments. Positions that are essential to meeting legislative requirements and positions at risk of effecting service delivery (if they are not able to be filled) was also undertaken.

Due to significant increases in Capital funding, Council has a high operational workload for the next two to three years requiring additional resources. This has resulted in the establishment of a Project Management Office (PMO).

During this period we have also better aligned our Building and Assets units and brought our Robinvale Resource Centre under the Community and Cultural Services Directorate with the Director now having a presence in Robinvale.

INTRODUCTION

<p>12,182</p> <p>rateable properties</p>	<p>7,146</p> <p>tonnes of garbage, recycling and organics collected from kerbside bins</p>	<p>2,422</p> <p>immunisations administered</p>
<p>7,653</p> <p>visits to the Art Gallery</p>	<p>189</p> <p>planning permits and</p> <p>225</p> <p>building permits issued</p>	<p>1,445</p> <p>Social media posts</p>
<p>2,745</p> <p>registered animals</p>	<p>112,389</p> <p>visits to aquatic facilities</p>	<p>2,704</p> <p>active library members</p>
<p>14,918</p> <p>people attended 195 events and performances at Swan Hill Town Hall PACC</p>	<p>107</p> <p>media releases</p>	<p>15,120</p> <p>hours of community care provided</p>
<p>233</p> <p>inspections of food businesses</p>	<p>\$16.2 million</p> <p>spent on capital works projects</p>	<p>5,041</p> <p>maternal and child health consultations</p>

Year at a glance

July

Home hosts sought for Summer Tennis 2022

Swan Hill Regional Information Centre sought home hosts for Summer Tennis 2022.

August

Volunteers hang up aprons for final time
Volunteers at the Pioneer Settlements Paragon Café hung up their aprons for the final time on Thursday, 5 August.



Safety at the forefront

Following a health and hazard assessment from an arborist, 19 trees are removed as a safety measure along Monash Drive.

Council welcomes new Ag Visa

Council is delighted that the Federal Government has delivered a vital agricultural visa, to help secure the future of our region.



Free parking in the Swan Hill CBD

In response to COVID-19 restrictions, Council offers free parking in the Swan Hill CBD.

EV Charges

Council announces the installation of two fast (50kW) Electronic Vehicle charging stations in Swan Hill and Robinvale.



September

Code of practice for mobile food traders

Councillors approve a new Mobile Food Trading Code of Practice.



INTRODUCTION

COVID-19 update

Swan Hill Rural City Council records a number of COVID-19 cases.

Council provides support to those in need

Council encourages local residents in isolation to reach out if they require assistance



Draft Community Vision and Council Plan

Draft Community Vision and Council Plan opens for community feedback via our 'Let's Talk' page.

October

Seasonal worker accommodation compliance campaign

Council announces a pro-active campaign on non-compliant seasonal workers accommodation across the municipality in November and December, in conjunction with the Department of Agriculture.

Resignation of CEO

Councillors receive and accept letter of resignation from Chief Executive Officer, Mr John McLinden.



November

Council appoints short term CEO

At an unscheduled Council meeting of Swan Hill Rural City Council on Thursday, 4 November, Council appoints Ms Heather Green, as short term acting Chief Executive Officer.

Tails wagging for Swan Hill's paw-some new dog park

Council extended an invitation to dog owners and their furry friends to join in the official opening celebrations on Wednesday 24 November.



Heritage Council Hearing

At the June 2021 Council meeting Council resolved to make a submission objecting to Heritage Victoria's recommendation that the Pioneer Settlement be included in the Victorian Heritage Register. The Heritage Council hearing is scheduled for Thursday 9 December, 2021.

Cr Jade Benham elected as Mayor

Councillor Jade Benham was elected as Mayor of Swan Hill Rural City Council, for 12 months.



Year at a glance cont...

Monash Drive Precinct set for upgrades
The Monash Drive road realignment and car parking tender opens for submissions.

Big Summer Read
The BIG Summer Read is coming to Swan Hill Regional Library, this summer, from Wednesday, 1 December 2021 to Monday, 31 January 2022.

Mallee Councils Trial IoT
Four Mallee councils join forces to trial Internet of Things (IoT) technology to inform decision-making and improve operational efficiencies.

Mildura, Buloke, Gannawarra and Swan Hill councils are participating in the 12-month Smart Cities project, which runs until June 2023.

December

Curtains set to open with impressive line-up
The Swan Hill Town Hall Performing Arts Centre hits the ground running in 2022 with a year full of outstanding events.



VCAT outcome
Council advised that the Victorian Civil and Administrative Tribunal (VCAT) decided to set aside Council's decision and not issue a planning permit for the development of a convenience restaurant in Bromley Road, Robinvale.

Amendment to ease planning for rural worker accommodation
An amendment was made to simplify the Planning Schemes for all Victorian municipalities with a Farming Zone, exempting the use of land for the purposes of rural worker accommodation.



Housing shortage flow on effect
Like many rural communities across Victoria, our municipality is experiencing a housing shortfall, impacting jobs and Gross Regional Product significantly.

A report, commissioned by Rural Councils Victoria, recommends that the state government commits to a rural worker housing program providing recurrent payments to those willing to build, own and operate rental housing to mitigate employee shortages.



INTRODUCTION

January

Congratulations to Beryl Lowe – Australian Citizen of the year

Council awarded Beryl Lowe as their Australia Day, citizen of the year.

Beryl is a truly committed citizen, this is displayed through her selfless approach and various roles held in the community. She has always been involved with and supported community participation – whether it is helping to fundraise, supporting those in need or providing transport for her own children and others to community sport, Beryl is always there and willing to get involved.



Community satisfaction survey

A community satisfaction survey was conducted for residents in our Municipality from Monday, 31 January 2022, running through until March.

February

International Women’s Day 2022

International Women’s Day, Tuesday 8 March, Council celebrated the contribution of women in local government.



March

RISE funding for Fairfax Youth Initiative

Fairfax Youth Initiative receives \$251,000 under the Federal Governments Restart Investment to Sustain and Expand (RISE) Fund.



Countdown on to Swan Hill Harmony Day

Anticipation builds for Swan Hill’s annual Harmony Day celebrations.

A celebration of our community’s diversity was held on Saturday, 26 March and residents from right across our region were invited to attend.



Pioneer Settlement listed on Victorian Heritage Register

Council advised that Pioneer Settlement listed on the Victorian Heritage Register.



Year at a glance cont...

April

School Crossing Supervisors needed
Council runs a campaign to recruit School Crossing Supervisors.



New CEO appointed

Council announces the appointment of new Chief Executive Officer (CEO), Scott Barber.

Scott has held Executive roles at Goulburn-Murray Water, Murray River Council and most recently Director of Projects & Strategy at Wagga Wagga City Council.

Mr Barber commenced at Council on Tuesday, 7 June 2022.



May

Community Development Fund
Community Development Fund applications opened.

Community groups invited to apply for up to \$5,000 from Council's Community Grants program.

The Community Development Fund assists eligible community groups and organisations to undertake a variety of projects.



Event Support Fund - now open

Applications for Swan Hill Rural City Council's Event Support Fund opened.

Event organisers can apply for up to \$500 for community events, up to \$2,000 for minor events and up to \$5,000 for large events.



INTRODUCTION

Riverfront commercial development, one step closer

Commercial development opportunities along the Swan Hill Riverfront are one step closer to becoming reality, following the demolition of the GrainCorp site on Monash Drive.



The Mallee's first Youth Film Festival is here

The Fairfax Youth Initiative (FYI) presented its very first festival of films written by local young people in a free event open to all ages at Swan Hill Town Performing Arts and Conference Centre (PACC) on Saturday 28 May.



Calling on local input for Council asset naming

Council called on local residents to have their say by submitting naming suggestions for consideration and inclusion on the updated Naming Masterlist.

Flu vaccines now available

Influenza (flu) vaccines were available at Council's immunisation sessions and special flu sessions.



Funding boost for Robinvale Riverfront

Council secured \$500,000 in funding from the State Government to complete stage one of the Robinvale Riverfront Masterplan project.





Part two

Year in review

THE YEAR IN REVIEW

Mayor and CEO message



We are pleased to present the 2021/22 Annual Report to our community. In this document you will see our continued work on project and service delivery, advocacy and planning for the future.

This Report provides a great snapshot of Council's performance, our achievements on behalf of the community, and areas for improvement.

This year again saw the COVID-19 pandemic impact our community.

We would like to thank residents, community groups, businesses and Council officers for continuing to work together towards our municipality's success, in spite of the difficulties faced this year.

Our Economic Development Unit (EDU) team has continued to support businesses through COVID-19 lockdowns and restrictions, including the provision of a COVID Support Officer providing targeted communications to local businesses about

support, current restrictions and available funding opportunities.

Council assisted Victoria Police during border closures, centred largely on administrative and logistical support. We worked alongside Victoria Police and Swan Hill District Health (SHDH) staff throughout the operation of SHDH's COVID-19 testing clinic, including the implementation of traffic management measures. We also assisted local community members, with no other avenues of support, isolating due to COVID-19 by providing food and hygiene packages.

We delivered a number of significant infrastructure projects across our municipality.

Our capital works program focused on infrastructure creation and replacement, with \$7.9 million for road works, as well as a number of major projects.

These include the Ronald Street housing development in Robinvale, Swan Hill Regional Soccer Hub, and Lake Boga Flying Boat Museum carpark upgrade.

We have also completed our lighting and runway upgrades at the Swan Hill Aerodrome, and development of vehicle access from Latje Road to Robinvale Riverside Park and the Robinvale Leisure Centre.

The implementation of Community Plans, including the Vibrant Villages: Small town enhancement project delivered critical public infrastructure, beautification/landscaping works and public art across the townships of Woorinen South, Manangatang, Lake Boga, Boundary Bend, Piangil, Beverford, Ultima, Nyah and Nyah West.

The role of Council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making.
- Providing leadership by establishing strategic objectives and monitoring their achievement.
- Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Acting as a responsible partner in government by taking into account the needs of other communities.
- Fostering community cohesion and encouraging active participation in civic life.

External funding sources enabled us to complete a number of projects that have proved to be community favourites. Works were completed on a number of projects across the municipality, including the off leash Dog Park at Steggall Park in Swan Hill, Lake Boga Recreation Reserve netball change room building, Robinvale Netball change room facilities and associated landscaping works, Nyah West Skate Park, Woorinen and Robinvale Netball Court facilities and precinct lighting and the construction of the Robinvale levee bank.

Smaller outlying communities are now enjoying an expanded mobile library service thanks to \$267,050 from the Victorian Government, for a new outreach van.

Additionally, we witnessed record sales during the release of Tower Hill stage 13. The release required a ballot system be implemented to ensure an even distribution of lots sold.

This year has also been met with some challenges. In March the Heritage Council decision to list Pioneer Settlement on the Victorian Heritage halted work on the Our Place development which included a new entrance to Pioneer Settlement, Aboriginal interpretive centre, Information centre and the Art Gallery. Similarly the construction of the long awaited new bridge for Swan Hill has been delayed due to two state level heritage protections, however we continue our advocacy efforts.

This financial year has seen wetter than average conditions, enhancing our regions gross domestic product and maintaining our reputation for being the heart of Victoria’s food bowl. Increased rainfall brings challenges with increased maintenance and repair on our road networks and infrastructure, and on occasion’s has created unavoidable project delays.

Australian Bureau of Statistics (ABS) released the 2021 census data and whilst a growth was recorded for our municipality, our true population figures were not recognised. We will, along with other service providers in the area, continue to advocate for the Robinvale community with our data, at any chance we get.

Thank you

Finally, we’d like to thank residents, community groups, businesses and Council officers for contributing to the successes of 2021/22.

We extend a special thank you to our former CEO John McLinden for his significant contribution to Council, Acting CEO Rosanne Kava and Mayor, Cr Jade Benham.

Cr William Moar
Acting Mayor

Scott Barber
Chief Executive Officer

The Chief Executive Officer is responsible for:

- Establishing and maintaining an appropriate organisational structure for Council.
- Ensuring that the decisions of the Council are implemented without undue delay.
- The day to day management of the Council's operations in accordance with the Council Plan.
- Developing, adopting and disseminating a code of conduct for Council staff.
- Providing timely advice to Council.

THE YEAR IN REVIEW

Financial Summary

Operating position

On a full accrual basis the surplus for the year was \$12.71 million. It is important to note that this is an accounting profit after recognising non-cash items such as depreciation and amortisation of \$10.33 million and the receipt of infrastructure assets created by developers. This significant profit is due to a number of economic stimulus grants received during the financial year for projects that are yet to be undertaken. These works are expected to be completed in the 2022/23 financial year.

Major revenue and expenditure items included in the operating result can be identified from the following graphs.

For more information on the comprehensive income statement, balance sheet and cash flows for the year, please refer to the audited General Purpose Financial Report in Part Eight of this Annual Report.

Revenue

Council's total revenue for 2021/22 was \$65.2 million as per the Comprehensive Income Statement. A breakdown of Council's revenue sources highlights that 85.7 per cent of Council's income comes from three income categories.

- Rates and garbage charges 46.2%
- Grants - operating 23.5%
- Grants - capital 16.0%

Expenditure

Council's total expenses for the 2021/22 year were \$52.5 million as per the Comprehensive Income Statement. A breakdown of Council's expenses highlights that 98 per cent relates to three expenditure categories.

- Employee costs 39.0%
- Materials and services 39.3%
- Depreciation 19.7%

Total revenue (\$65.2 million)



- Rates & garbage charges 46.2%
- Statutory fees & fines 1.7%
- Net gain on disposal of assets 0.3%
- User fees 6.4%
- Grants - operating 23.5%
- Grants - capital 16.0%
- Contributions 0.5%
- Other revenue 5.5%

Total expenditure (\$52.5 million)



- Employee costs 39.0%
- Materials and services 39.3%
- Bad and doubtful debts 0.1%
- Depreciation & amortisation 19.7%
- Other expenses 1.6%
- Finance costs 0.4%

Purchase and creation of assets



Capital expenditure

During the financial year, Council spent \$16.2 million on capital works and asset purchases, bringing the five- year total of expenditure on fixed assets to almost \$65 million.

The graph at left shows the level of expenditure spent on new and redeveloped assets over the past five years.

Major capital expenditure items were road networks, construction works at Tower Hill, sporting facilities, parks and open spaces.

New borrowings



Borrowings (excluding financial leases)

Loans are used to fund major capital projects and asset purchases. Loan funding allows the community to pay for the asset (such as a leisure centre) over some of the time that it is being used.

At 30 June 2022, Council had a loan liability of \$2.62 million. This is a planned and responsible level of debt, achieved in accordance with Council's borrowing strategy.

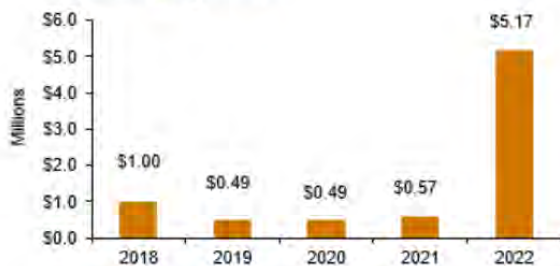
Loan balance at 30 June each year



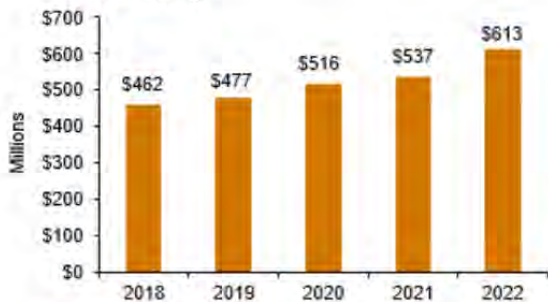
During 2021/22 Council repaid an interest only loan of \$4.8 million. This loan was for a term of seven years, and each year Council had put aside funds in a reserve for the loan to be repaid in full at maturity.

Loan repayments for the upcoming year are forecast to be \$0.27 million.

Loan repayments



Total equity



Equity

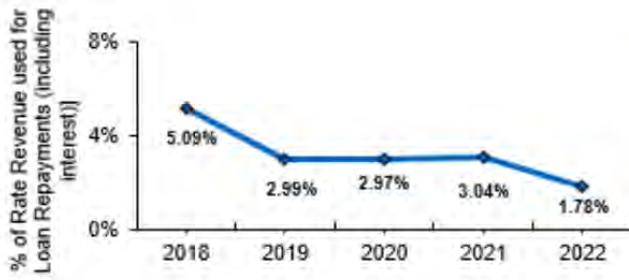
The Balance Sheet shows total community equity of \$613 million, represented by accumulated surplus and asset revaluation reserve.

The increase in equity is due to the revaluation of Council's road assets, and a \$12.71 million surplus in 2022.

This graph shows the movement in equity over the past five years.

THE YEAR IN REVIEW

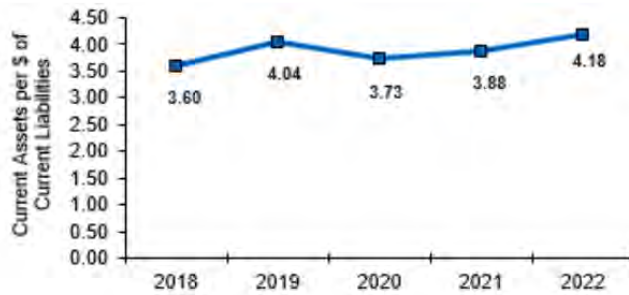
Financial indicators



Debt commitment ratio

The debt commitment ratio identifies the percentage of rate revenue required to pay interest and principal on Council’s loans.

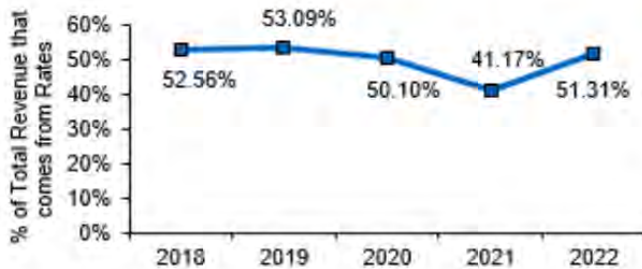
Closely tied to the Borrowing Strategy, the ratio shows that Council is in a healthy position and that it decreased in 2022 due to the repayment of our \$4.8 million interest only loan. Of the \$2.62 million in loans, \$0.5 million are interest only repayment loans.



Working capital ratio

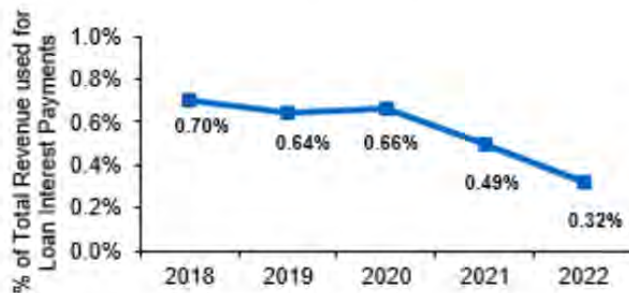
Working capital ratio shows the level of current assets Council has available to meet its current liabilities. The graph shows that the ratio is healthy and has increased over the past four years due to increased levels of cash holdings.

The ratio is expected to decrease marginally in future years.



Revenue ratio

The revenue ratio shows rate revenue as a proportion of total revenue and seeks to measure Council’s reliance on property rates. It is influenced by other revenue sources such as government grants, contributions, user fees and charges. This ratio increased in 2022 due to the reduced level of grants received.



Debt servicing ratio

The debt servicing ratio shows the amount of rates required to pay the interest on Council’s loan liability. This ratio documents that loan interest does not place a burden on finances.

Description of operations

Swan Hill Rural City Council plays a vital role in shaping the future prosperity, health and wellbeing of our municipality. Council aims to be progressive, dynamic and committed as we work towards this.

Swan Hill Rural City Council delivers more than 100 services to our community.

These range from waste and road management, to managing and improving open space and community buildings.

We deliver services and facilities for children, young people, families and our elderly. We offer business development, town and strategic planning and community health initiatives.

Council's vision, strategic objectives and strategies to improve services and facilities are described in our Council Plan 2021-25 and the associated Budget.

The progress of these strategies and their delivery against the Budget is reported in this Annual Report. Refer to the section on Our Performance for more information about delivery of Council services.

The delivery of core services and facilities are measured by a set of Service Performance Indicators, as you will see in this report. We also track progress on the Initiatives set out in our Council Plan.

Council has a wide range of responsibilities under both Victorian and Commonwealth legislations.

Economic factors

Council delivered its sixth budget under the 'Fair Go' rates system. Council's average rates increase was 1.25% for 2021-2022, compared to the state-wide cap of 1.5%



THE YEAR IN REVIEW

Services provided

Council receives funding from a number of sources and had a budgeted income of over \$63.7 million in 2021/22. Below is a breakdown of the services Council delivered and what these cost, for every \$100 of expenditure.

- \$10 Recreation and Community Facilities**
Halls, parks, reserves, pools, playgrounds, sporting facilities and street beautification.
- \$22 Transport Services**
Maintaining over 3,650km of roads, footpaths, signs, street cleaning, tree maintenance and the aerodrome.
- \$17 Governance and Administration**
Municipal offices in Swan Hill and Robinvale, Councillor support, Council depots and plant equipment.
- \$3 Community Care**
Domestic assistance and property maintenance for our seniors.
- \$7 Environmental and Waste Management**
Recycling services, garbage collection, landfills, drainage and environmental management.
- \$3 Cultural Services**
Performing Arts, Libraries, Art Gallery and Indigenous Affairs.
- \$3 Family, Youth and Children's Services**
Services and support for families, children and youth.
- \$4 Pioneer Settlement**
Managing, marketing, maintaining and developing this premium tourist attraction, including Heartbeat of the Murray Laser Light Show.
- \$22 Economic Development and Marketing Services**
Business development and investment, marketing of the region and leases of caravan parks.
- \$7 Public Health, Safety and Regulatory Compliance**
Animal control and registrations, parking, immunisations, emergency management, lighting and community health.
- \$2 Other**
Livestock Exchange, property acquisitions and disposal, commercial works, planning and building services.



Major capital works

During 2021/22 the major capital works included:

Vibrant Villages Projects

Actual spend: \$560k

Council received \$500k from Regional Development Victoria to improve public and recreational infrastructure, undertake beautification and landscape works, renew existing community gathering spaces, and create new public art.

The successful project saw improvements and upgrades to many of our smaller townships including:

Nyah West

- New skate park
- BBQ shelter upgrade
- New trees, furniture and bins
- Public art

Lake Boga

- Installation of solar pathway lighting
- New gym/exercise equipment
- New trees, furniture and bins

Boundary Bend

- New gym/exercise equipment

Woorinen South

- New public space near skate park and community centre
- New shade sails
- New concrete path

Nyah

- Bollards and carpark and A&N Lewis Park
- New trees, furniture and bins

Manangatang

- Irrigation and lawn treatment
- New trees, furniture and bins
- Public art

Ultima

- New trees and irrigation works

Beverford

- Service road upgrade and parking

Piangil

- Irrigation works
- Public art

THE YEAR IN REVIEW

Road reconstruction, sealing and maintenance

Actual spend: \$6.15 million

Roads around the municipality were reconstructed and/or resealed during 2021/22 including:

- Reconstruction of Pental Island Road
- Winlaton Road upgrade
- Completion of Campbell Street reconstruction
- Anzac Road reconstruction
- Chinkapook-Nyah West Road reseal
- Happy Valley Road reseal
- Mowatville Road resheet

Funding from the Federal Roads to Recovery contributed to a number of these projects.

Robinvale Levee Completion

Actual spend: \$663k for 21/22

Total project cost: \$1.7M



Tower Hill Stage 13

Actual spend: \$1.254M



Public lighting upgrades

Actual spend: \$172k

Lake Boga Caravan Park Amenity Block

Actual spend: \$139k

Robinvale netball change rooms

Actual spend: \$322k



Robinvale Recreation Reserve - New Entry

Actual spend: \$101k

Library Books

Actual spend: \$134k

Upgrade change rooms at Lake Boga FNC

Actual spend: \$96k

Swan Hill Indoor Sports Centre

Basketball equipment renewal

Actual spend: \$79k

Aerodrome Runway

Actual spend: \$1.623M

Advocacy campaigns

Swan Hill Rural City Council regularly advocates to the Victorian and Australian governments for funding for important programs and projects that will benefit our community and the broader region.

Our advocacy is ongoing, but had a particular focus in the lead up to the 2022 federal election.



Swan Hill Bridge

Efficient road and rail freight is essential to our \$1.2 billion agriculture and manufacturing sectors. Access to safe transport is also essential for our people to access the services and social activities they need - many of which are unavailable locally.

Council asked the Federal government to ensure the Swan Hill bridge is next to be built along the Murray and provide additional funding when needed.

The aging single-lane Swan Hill bridge creates a bottleneck for traffic moving through our region, is costing millions in ongoing repairs, and is simply unusable for the higher mass and over dimensional vehicles that local and interstate industry relies on.

The Federal Government's \$60 million commitment from 2019 is welcome. We now need all levels of government to continue working together to complete designs, and for Federal and State governments to commit funding.

Council also supports the replacement of the Tooleybuc bridge as its second priority for replacement.

Improved housing availability

A lack of suitable, affordable housing is a significant barrier to economic growth across our municipality. Workers in all sectors have trouble finding housing when re-locating to our area. This is especially problematic for the seasonal workforce that our horticulture sector relies on.

Council's Robinvale Housing Strategy is guiding us with some solutions. The Robinvale Worker Housing Project has started construction of eight new dwellings in Robinvale, while the Seasonal Worker Accommodation Study is reviewing compliance and incentives for more on-farm accommodation for seasonal workers.

It is widely agreed that solving housing shortages needs a multi-level government approach.

THE YEAR IN REVIEW

A new Swan Hill Hospital

Swan Hill District Health services a catchment of 35,000 people. Much of the hospital's key infrastructure is old, not fit for purpose and in need of redevelopment.

The Swan Hill Needs a New Hospital Committee and Council have been advocating for a new hospital. The Federal Government's \$30 million commitment, has acted as seed funding for Stage 1 of the new hospital.

Council will continue advocating the State Government to build the new Swan Hill Hospital in its entirety; and provide future seed funding to support further stages and to prompt the State Government to commit to Stages 2, 3 and 4.



A true population

The ABS's data for Swan Hill Rural City Council inaccurately represents the number of residents who actually call our region home.

The Council-commissioned 2019 Robinvale Population Determination Study showed that Robinvale's population is between 7,000 and 8,800, much higher than the official Census data of 3,200. It is expected this discrepancy in population is similar for other parts of the municipality.

Council asked the Government to ensure Robinvale is being correctly serviced and has facilities commensurate with the population from the 2019 study. In addition provide financial support to further investigate municipal wide population through a study, estimated to cost \$80,000. And introduce a new and more modern way to collect Census data, to cater to an increasingly diverse Australian population.



Australia Day Local Government Awards

Citizen of the Year - Beryl Lowe



Born in England and moving to Australia with her family in 1963, Beryl brought with her an embedded commitment to support communities and provide humanitarian aid – joining the Red Cross at age 9 in Southend-on-Sea in the UK for 7 years.

She has always been involved with and supported community participation – whether it is helping to fundraise, supporting those in need or providing transport for her own children and others to football games, Beryl is always there and willing to get involved.

Joining the Red Cross in 1947, Beryl has held a number of positions across various locations in our region. These included Regional Secretary in the Swan Hill District area for 2 years and Emergency Services Liaison Officer of Catering and Registration for bushfire and floods at the Lake Boga Unit.

Beryl's passion for fundraising spanned across many years and various community organisations. She spent 8 years conducting the Royal Children's Hospital Appeal in the Lake Boga area, with money raised enabling the purchase of two much needed hospital beds for the Royal Children's Hospital. She also assisted with funding for two Lake Boga Football Club Junior football trips by running raffles at games throughout the year.

Beryl was an active member of the Ladies Auxiliary Brigade for the Lake Boga CFA for a period of 8 years, during this time the brigade supported the junior running team which Beryl's sons participated in.

Beryl founded and organised the "Beetles", Lake Boga's first women's softball team, which went on to compete for 20 years in the Swan Hill Softball Association competition. 4 years later Beryl founded, and took on the role of President for, the Swan Hill Men's Softball Association, she did this while simultaneously coaching the "Albatross" Aboriginal Men's softball team who successfully won the men's competition in their first year.

Beryl coordinated the Lake Boga Carols by Candlelight from late 1980's to early 1990's.

For 34 years, and still to this day, Beryl volunteers her time to the Swan Hill Community Comfort Centre.

In 1993 Beryl was charged with the responsibility as key holder of the standpipe. By holding the key, Beryl provides access to water for farmers who have run out of rainwater to take home and use for drinking, cooking, showers, and irrigation.

In 1997 Beryl joined the RoadSafe Central Murray committee. Together with various dedicated local community members Beryl promoted improving local road safety through listening, educating and advocating for our region.

For the past 14 years and still today, Beryl acts as an Independent Third Person with the Public Advocate. Being on call 24/7, she attends police interviews to ensure offenders (youth and those with a disability) are not disadvantaged during the interview process.

The year 2000 was certainly one to remember as Sydney played host to the Olympic Games, it was especially memorable for Beryl as she was nominated by Maran Chandler to run the Olympic torch through Lake Boga.

Children from Swan Hill Primary are safely ushered across the busy Gray St school crossing, providing a safe entrance into the school yard. Beryl's dedication as a School Crossing Supervisor and providing a safe setting for school students to cross the road is unwavering - and the school children love her!

In recognition of 50 years of continued support and dedication to the Red Cross, Beryl was awarded the prestigious Long Service Medal, presented in 2021 at Government House.

Note: No nominations were received for Event of the Year or Young Citizen of the Year.

THE YEAR IN REVIEW

Student Achievement award winners

- Otto Conlan St Mary MacKillop College
- Alana Hughes Swan Hill College
- Logan Tonkin Swan Hill Specialist School
- Heath Beard Swan Hill Primary School
- Anisha Micallef Swan Hill North Primary School
- Calyssa Baber Woorinen District Primary School
- Lani Holt Lake Boga Primary School
- Rory Wilkinson Nyah District Primary School
- Jobhi Plant Manangatang P-12 College
- Sierra Natale Robinvale St Mary's Primary School
- Alex Curran Robinvale St Mary's Primary School
- Loan Togo Robinvale P-12 College



Award winners pictured left to right, top to bottom



Part three

Our Council

Our Region

OUR COUNCIL

The Swan Hill municipality covers 6,116 square kilometers that over 40 nationalities call home, creating a community that is diverse, welcoming and resilient. Our region has experienced significant economic growth over the past decade, led by the expansion of horticultural/agricultural practices and supported by an innovative manufacturing sector. With more than 40 commercially grown products including almonds, olives, stone fruit, grapes, vegetables, cereals, legumes, lucerne, sheep, beef and dairy – it is easy to see why our municipality is an important part of Victoria's food bowl.

The beautiful Murray River winds its way through much of the municipality, offering a major draw card for visitors and those who call the region home.

21,403*
Total Population



\$3.004b
Annual economic output



2633
Number of local businesses



9,462
Local jobs



478,000
Total visitors

Top Four Gross Regional Product by Industry



\$331.3M
Agriculture, forestry and fishing



\$107.7M
Health care and social assistance



\$105.3M
Manufacturing



\$97.9M
Construction

*2021 ABS data estimates the Swan Hill Rural Council residential population to be 21,403, however, due to ongoing concern that the ABS consistently underestimates the population of Robinvale, Council commissioned Geografia to undertake a population determination study. The ABS census figure of 2016 show the Robinvale population as 3,497 people. The work of Geografia has reliably demonstrated that the true Robinvale population sits at approximately 7,900 people; making the total residential population 25,806.

Our history

For thousands of years, the traditional owners of the lands that now form the Swan Hill Rural City Council lived in the region, with the land providing abundant food sources and a permanent water supply.

In 1836, led by explorer Major Thomas Mitchell, the first Europeans arrived. Settlers started to arrive soon after, establishing large sheep stations next to the Murray River.

In 1871, the Shire of Swan Hill was proclaimed and was located in Kerang (which now forms part of the Gannawarra Shire).

In 1890, part of the Shire of Swan Hill was severed and formed the Mildura Shire, now called the Mildura Rural City Council.

In 1893, the Shire of Castle Donnington was created and centred around the town of Swan Hill. By 1904 it had assumed the name Shire of Swan Hill.

Returned servicemen settled in the Tol Tol and Robinvale areas circa 1923 and established farms, persevering through the Depression and providing a solid foundation for the prosperous farming community centred there today.

The Borough of Swan Hill was formed in 1939 and in March 1965 became the City of Swan Hill. Throughout the 1960s and 1970s, the City of Swan Hill was considered one of the largest wheat-producing municipalities in Victoria. Whilst broadacre farms are still found in abundance in our region, many farmers have since transitioned away from dryland farming to grow grapes, citrus, olives, carrots, asparagus, stonefruit and a wide range of other crops.



OUR COUNCIL

Councillors

The Council is elected to provide leadership and good governance for the municipal district and the local community.

Swan Hill Rural City Council is not divided into Wards, with seven Councillors elected as representatives for all residents and ratepayers across the municipality.

They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.



Cr Jade Benham
Mayor
Elected 2019
(M) 0436 804 012

Cr Benham's story starts in Tresco where her Dad grew up, flows through to Woorinen where she grew up and now continues in Robinvale where she now raises her own young family.

Starting working life on the family fruit block, she was thankful to get a casual position as one of the first McDonald's staff in Swan Hill. She then started in media locally at Ace Radio Broadcasters, gained experience all over Australia and internationally and later started her own business in digital media which she still operates today.

Elected to Council in 2019, during a by-election and re-elected in the last Local Government Election, Cr Benham has brought her passion for communication to her Council role with gusto.

She knows the meaning of hard work, how difficult life can be on the land and in small business and is passionate about practical change on the ground and planning for the future. She recognises the importance of smaller communities throughout the municipality and wants to see them thrive.



Cr Bill Moar
Deputy Mayor
Elected 2016
(M) 0429 496 194

Councillor Bill Moar was elected to Council in 2016. He was elected Mayor in November 2019 and re-elected in November 2020.

Bill was born and raised in Swan Hill and has had a varied career, predominately in farming but also extending to aged care nursing and sports.

A proud father of six and grandfather of ten, Bill spent 25 years at Goschen as a dry land farmer, as well as being involved with his parents' irrigation farm just over the border in New South Wales - where he currently farms sheep and cereals.

Bill has held over the years a number of voluntary positions in the agricultural sector, within sporting and community groups and within the CFA.

He is passionate about the place he calls 'home' and continues to advocate for the future of this community that he loves.



Cr Les McPhee
Elected 2008
(M) 0427 319 394

Cr McPhee was first elected to Swan Hill Rural City Council in 2008. He was born in Melbourne and moved to Swan Hill in 1987 with his wife and two children.

He was a member of Victoria Police for 36 years and held the position of Sergeant in Charge of the Swan Hill Highway Patrol. Cr McPhee retired in February 2022.

Since moving to Swan Hill, Les has been a member of numerous community organisations and is currently a meals on wheels volunteer.

Les has a passion for ensuring that Swan Hill Rural City Council remains a great place to live, work and visit.



Cr Ann Young
Elected 2016
(M) 0409 503 711

Cr Young was born, grew up and educated in Swan Hill. She was elected Mayor in November 2018. Cr Young, her late husband Ken, and their children grew stone fruit at Woorinen.

She was a trainer at SuniTAFE Swan Hill, owned two registered training organisations, and most recently delivered a specialised food safety program to assist local fruit growers with compliance. Cr Young has sat on national and state level training and curriculum boards, horticultural and Victorian Farmers Federation (VFF) committees, and had local involvement through the Woorinen Football Netball Club and Woorinen District Primary School Council. She was a foundation member of the Australian Women in Agriculture board.

Cr Ann Young loves the Swan Hill region and her community involvement and connection to the area is strong.



Cr Chris Jeffery
Elected 2016
(M) 0429 447 802

Cr Jeffery was elected to Council in 2016, with an aim to give younger representation, views and direction that benefits the municipality now and into the future.

He was born and raised in Swan Hill and has lived in Swan Hill for most of his life with his wife and two young children. Chris works for CFA in corporate administration.

Chris is passionate about seeing our towns continue to grow through improved sporting facilities, expansion of existing businesses and seeing new business investment in the area, while ensuring good planning outcomes and a high standard of community services.



Cr Nicole McKay
Elected 2019
(M) 0436 299 842

Cr McKay grew up in a family business at Nyah, forging connections with many sectors including: natural resources management, small business, community services, with family involved in agriculture of all types. Nicole was elected in April 2019 after a by-election was held.

She studied nursing and worked in Jacaranda Lodge at Nyah before relocating to Melbourne to complete Midwifery at Monash Medical Centre. She worked there for five years and has worked in Midwifery and Community Health in Swan Hill for the past 12 years. She sees excellent health services as essential for the region.

Nicole believes that multiculturalism is the building block of our vibrant community and economy. She sees Aboriginal culture and communities as important and central to the region, and hopes we can grow stronger together.



Cr Stuart King
Elected 2020
(M) 0437 967 531

Cr King was born and raised within the municipality and elected to Council in 2020. He is a former farmer, qualified engineer and project manager, a current commercial business owner and football umpire. Stuart is married to Angela and between them they have 9 children and 2 grandchildren.

Stuart is passionate about this community. He was motivated to seek election to Council to fulfil an obligation to deliver basic services to ratepayers and to create an environment that stimulates existing businesses. His goal is to attract new investment to the municipality from higher tiers of Government and the private sector to provide better infrastructure, improved services, and a place where people want to live, work and play.

OUR COUNCIL

Community Satisfaction Survey

Each year, Local Government Victoria coordinates a state-wide local government community satisfaction survey. The survey measures the community's perceptions of their local council's performance in key areas.

During February and March 2022, a total of 400 residents from across the municipality provided their feedback via a telephone survey.

Overall performance

The overall performance index score of 53 for Council represents a decrease on the 2021 result. Overall performance remains six points down on the peak performance experienced both in 2018 and in 2015 (index scores of 59).

Top performing areas

Council's three highest performing services are:

- Appearance of public areas
- Waste Management
- Customer Service

Areas for improvement

Council's two poorest performing services are:

- Unsealed roads
- Overall Council direction



53
for overall performance
State average - 59
Large rural council - 55



44
for overall Council direction
State average - 50
Large rural council - 47



48
for community consultation
State average - 54
Large rural council - 51



67
for customer service
State average - 68
Large rural council - 67



51
for sealed local roads
State average - 53
Large rural council - 45



45
for making community decisions
State average - 54
Large rural council - 51

Full survey results are available on Council's website - www.swanhill.vic.gov.au



Part four

Our people

OUR PEOPLE

Executive Leadership Team

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO is responsible for the day-to-day management of operations, in accordance with the strategic directions of the Council Plan. Four Directors and the CEO form the Executive Leadership Team (ELT) and lead the organisation.



John McLinden - Chief Executive Officer

John joined Council as its Chief Executive Officer in March 2016. He was previously the Chief Executive Officer of Loddon Shire Council, a position he held since 2005. John, who has a wealth of experience in local government, was previously the Director Operations (and formerly Director Technical Services) at Loddon Shire Council since local government amalgamations in 1995. A qualified engineer, he has also held engineering positions at the Shire of Rosedale, City of Broadmeadows and the Shire of Colac.

John finished his role on 5 November 2021.



Rosanne Kava - Acting Chief Executive Officer

Rosanne Kava is an experienced federal and local government senior executive.

Ms Kava was chief executive officer for Gannawarra Shire Council from 2006-2012 and has also previously held a position with Swan Hill Rural City Council including Director of Infrastructure and Environment and Deputy Chief Executive Officer.

Ms Kava previously worked at senior executive levels at the Federal Department of Primary Industry and Energy and of Transport and Regional Services.

Rosanne was Acting CEO from 11 November 2021 to 6 June 2022.



Heather Green - Director Development and Planning

Heather started as Council's Director Development and Planning in July 2017. She has extensive local and state government experience across Australia. During her nine years as a manager and director at Victoria's Alpine Shire Council, she focused on sustainable development, planning, tourism and economic development. Heather was at Toowoomba for 15 years as the Manager of Strategic Planning. And during her time working for the Northern Territory Government as the Katherine Land Manager, she oversaw planning, Crown leases and grazing licences.

OUR PEOPLE



Joel Lieschke - Director Corporate Services

Joel is an experienced chartered accountant having worked for a variety of multinational companies including Diageo and Reckitt Benckiser as well as hospitality companies IHG and Marriott International at locations in Australia, Europe and the USA. Prior to Swan Hill Rural City Council Joel was Director Corporate Services and Chief Financial Officer at Development Christchurch Limited and on the Board of Directors at Habitat for Humanity – Christchurch Affiliate. Joel is a qualified CPA and member of the Institute of Directors NZ with a Bachelor of Business (Accounting) and a diploma in hospitality management. Joel finished on 13 January 2022.

Helen Morris, Organisational Development Manager, acted in the role until Friday 15 July 2022.



Bruce Myers - Director Community and Cultural Services

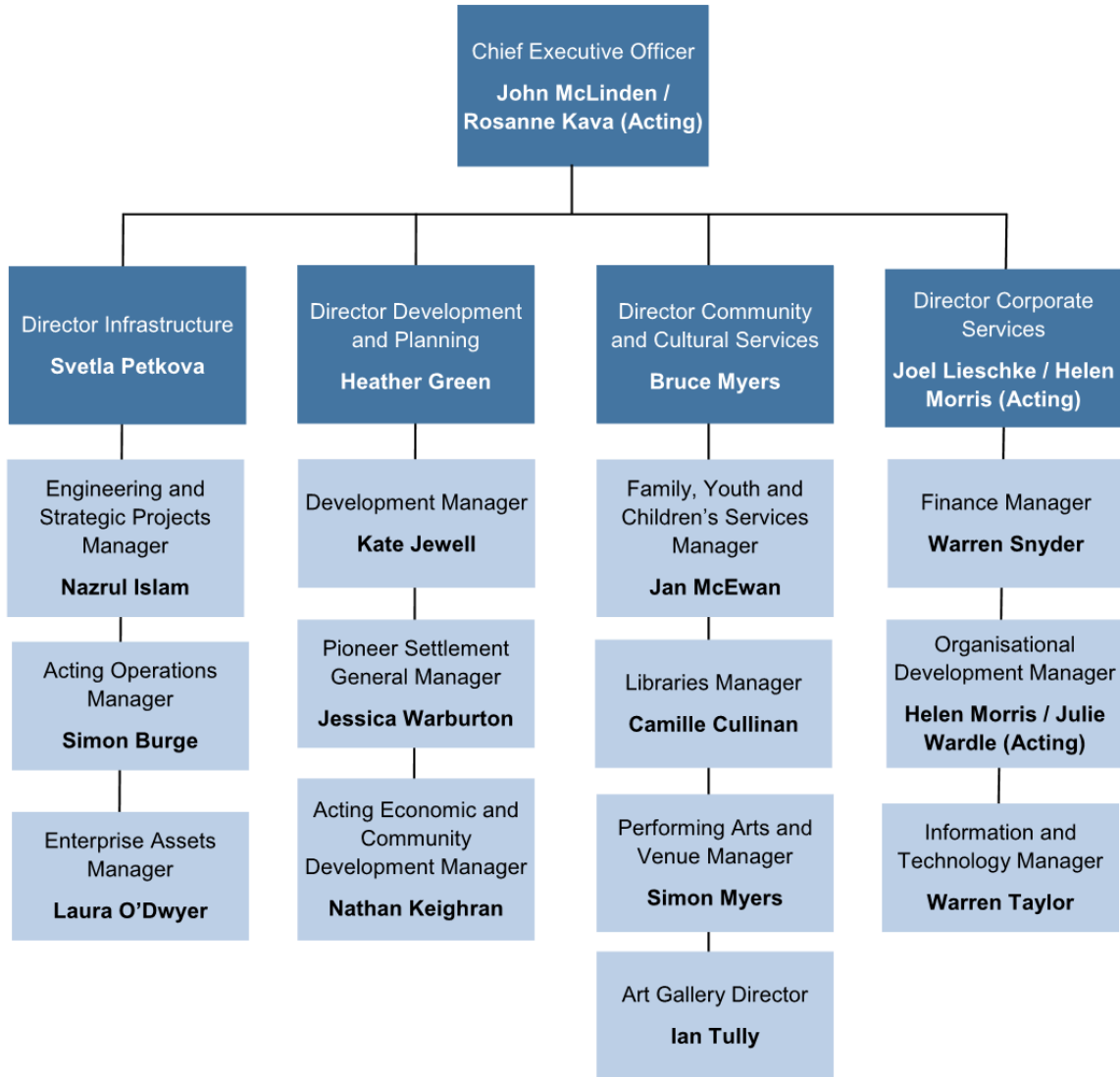
Bruce is a qualified librarian who started his career at the Swan Hill Regional Library, managing the mobile library, in 1994. From 1998 until 2007 Bruce was Manager of the Library. Bruce became the Director Community and Cultural Services in 2007. He now heads a team of about 90 people involved with a wide range of community services, including community-based aged care, children's and youth services and cultural experiences.



Svetla Petkova - Director Infrastructure

Svetla began as Director Infrastructure at Council in December 2017. Svetla is a qualified engineer with a Bachelor of Engineering, a Masters in Engineering, and a PhD in Fluid Mechanics. Before joining Council, Svetla spent more than a decade working in asset management and project delivery in the Victorian water industry, and enterprise asset management within local government in Queensland. As Director Infrastructure, she oversees infrastructure projects and services, manages Council's environmental and natural resource programs, and manages and maintains Council assets.

OUR PEOPLE

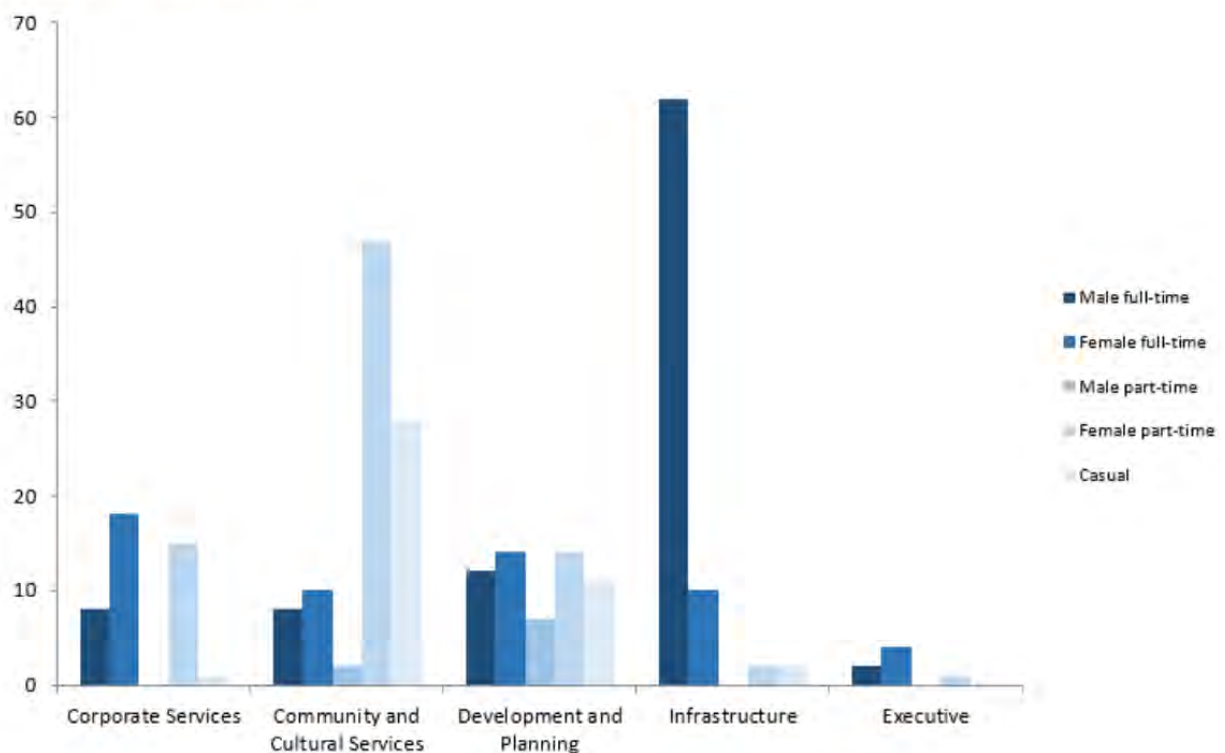


Council employees

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.

Directorate	Male full-time	Female full-time	Male part-time	Female part-time	Casual	Total Staff	Male total FTE	Female total FTE	FTE total
Corporate Services	8.0	18.0	-	15.0	1.0	42.0	8.0	28.3	36.3
Community and Cultural Services	8.0	10.0	2.0	47.0	28.0	95.0	9.4	36.6	46.0
Development and Planning	12.0	14.0	7.0	14.0	11.0	58.0	15.8	23.6	39.4
Infrastructure	62.0	10.0	-	2.0	2.0	76.0	62.9	11.6	74.5
Executive	2.0	4.0	-	1.0	-	7.0	2.0	4.7	6.7
Total	92.0	56.0	9.0	79.0	42.0	278.0	98.1	104.8	202.9

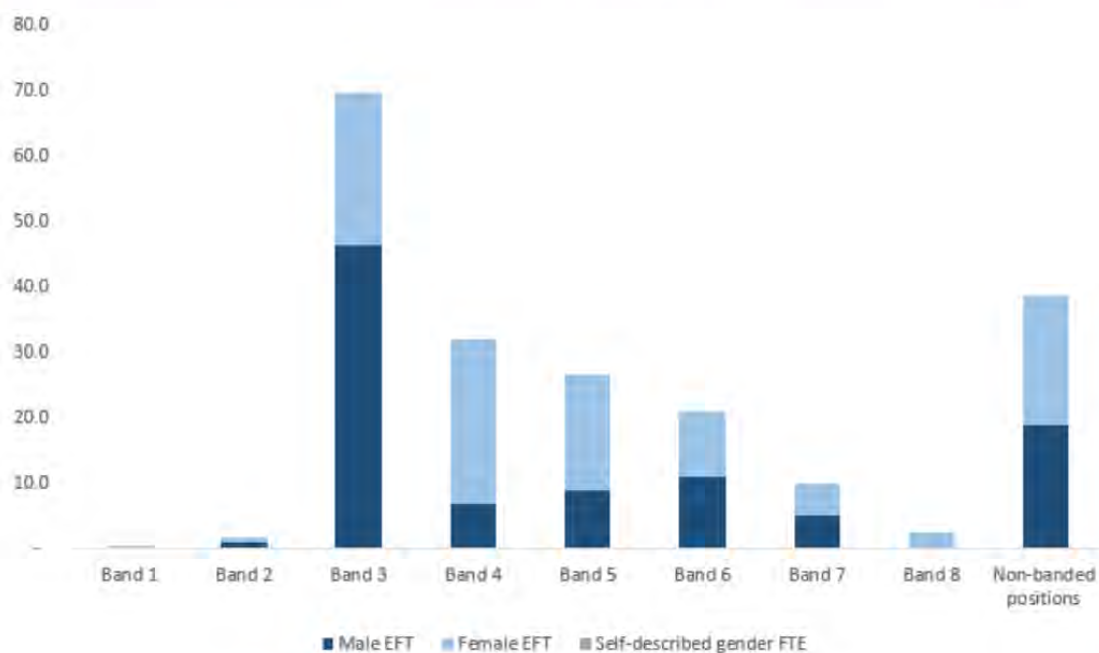
Number of staff (FTE)



OUR PEOPLE

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification	Male FTE	Female FTE	Self-described gender FTE	Total FTE
Band 1	-	0.5	-	0.5
Band 2	0.9	1.0	-	1.9
Band 3	46.4	23.3	-	69.7
Band 4	6.8	25.3	-	32.1
Band 5	9.0	17.5	-	26.5
Band 6	11.0	10.0	-	21.0
Band 7	5.0	5.0	-	10.0
Band 8	-	2.5	-	2.5
Non-banded positions (includes salary packages)	19.0	19.7	-	38.7
Total	98.1	104.8	0.0	202.9



Valuing our people

At Swan Hill Rural City Council, we recognise the importance that each individual plays in achieving our goals. Our aim is to ensure that Council is a great place to work, where capability of our people is nurtured and performance is focused on delivering exceptional service for our communities.

Council is committed to recruiting and retaining staff, but recognises ongoing challenges in today's climate including: skill shortages, pay condition and staff turnover. To address the challenges Council is implementing a number of strategies to keep valuable staff, expand Council's potential employee base and promote as an employer of choice. Local Governments are significant employers within communities and require a diverse workforce that encompasses a wide range of occupations.

Council staff strategies include:

- A focus on enhancing the skills of staff to increase efficiency.
- Implementation of the Workforce Plan including;
 - o Succession planning
 - o Recruitment and retention of staff
 - o Apprenticeships, traineeships and/or bursaries
- Review the Aboriginal Employment Plan.
- Offering phased retirement options to extend the careers of higher skilled staff.
- Ongoing development of systems and processes to continually improve productivity
- Look at areas where may be able to offer Flexible work option.

Swan Hill Rural City Council delivers substantial levels of government services, including community, social, health, physical, regulatory and environmental services, amongst others. Council also drives and develops considerable economic activity, supporting significant employment across the municipality.

Professional development

Council is committed to providing learning and development opportunities to support the continuing professional development of our staff.

This year staff have accessed a range of learning and development opportunities including on-the-job training and coaching; attendance at courses, workshops, seminars, conferences, webinars, and meetings; and participation in professional networks. More than 4,400 hours of organisational training was provided to staff during the year, or 21 hours per EFT. Council also offers study assistance for staff undertaking relevant

Fast facts

More than **4,400** hours of organisational training was provided during 2021/22.

That equates to over **21** hours of training per EFT employee.

Over **200** online e3Learning courses are available to Council employees

Online training

Council continued to offer an expanded suite of compliance courses through e3Learning - an online learning program.

All internal courses are developed with industry experts and the courses are delivered in an engaging and easy to use format.

Courses are designed in line with relevant legislation, are fully customisable and are suitable for Council.

The system also allows both administrators and end users to record attendance and completion of in-person training (accredited and non-accredited).

Scholarship Program

Council's Scholarship Program supports up to seven local students who are completing undergraduate or TAFE studies during the school year. In addition to financial support, students receive valuable on-the-job experience by working at Council during semester breaks.

Students participating in the program are:

- Amy Cadd, Graduate Diploma in Child, Family and Community Nursing
- Claudia Free, Bachelor of Design (Architecture) and Bachelor of Construction Management (Honours)
- Harry Scott, Bachelor of the Arts and Bachelor of Global Studies double degree

OUR PEOPLE

Other staff matters

Equal Employment Opportunity Program

As an equal opportunity employer, we are dedicated to providing a workplace where diversity is embraced and decisions are merit-based. This includes ensuring fair, equitable and non-discriminatory consideration being given to all job applicants, regardless of age, sex, disability, marital status, pregnancy, sexual orientation, race, religious beliefs or other irrelevant factors.

We recognise our proactive duty to ensure compliance with equal opportunity and Council ensures all staff undertake mandatory equal opportunity training every three years.

Our Equal Employment Opportunity Policy and Procedure supports our organisation in fulfilling its obligations under the *Equal Opportunity Act 2010*. In 2021/22, 104 employees undertook Equal opportunity training, as well as 127 employees successfully completing Culture at Work training.

Council also has an online bullying and harassment course, with 99 staff completing this training. In 2021/22 Council added an online sexual harassment course which was completed by 167 staff.

Equal opportunity is covered in policy and procedure training and all staff are informed of Council's dedication to equal opportunity during staff induction. We have seven equal opportunity contact officers available to provide guidance and assistance.

Enterprise bargaining agreement

In February 2021, the Consultative Committee comprising management representatives, nominated workplace union delegates and union industrial officers commenced negotiations for a new Enterprise Agreement for Council employees. As a result, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 9 March 2022 for a period until 30 June 2024.



Preventing violence against women

Council is actively working towards Prevention of Violence Against Women primarily through promoting gender equity and building respectful and safe relationships and breaking down stereotypes of women. This prevention approach is consistent with Council's health and wellbeing planning approach, which is incorporated into the Council Plan.

This year the local partnership achieved significant liaison with council staff to promote gender equity within the workplace. Programs this year included whole of staff presentations with guest speakers, and the development of tools and training to support council to achieve gender equity and support the community.

Council has partnered with Women's Health Loddon Mallee and other organisations to offer the following training:

- Bystander Action in the workplace
- Family Violence awareness

Council also has an active Gender Equality Committee which is applying prevention and promotion models to ensure the Council as an organisation is doing everything it can to address violence against women.

Gender Equality Act 2020

The Gender Equality Act 2020 commenced on 31 March 2021. The Act will improve workplace gender equality in the Victorian public sector, universities and local councils.

Council is committed to promoting gender equality and has an established Gender Equality Committee from volunteers within Council. The Gender Equality Committee is focused on compliance obligations in line with new Gender Equality Legislation.

Council is on track to meet all compliance obligations of the Act and has successfully completed:

- Workplace Gender Audit
- Adopted Gender Equality Action Plan

Understanding the prevalence of sexual harassment in a workplace and taking proactive steps to stop sexual harassment occurring, rather than only respond after it occurs is a key step in effectively eliminating it.

In Victoria, employers have a positive duty to prevent and eliminate sexual harassment in their workplaces under the Equal Opportunity Act 2010.

Health, safety and wellbeing

Council continued its commitment to staff health, safety and wellbeing by continuing several programs to encourage a healthy lifestyle and improved work/life balance. Programs include:

- Ergonomic assessments
- OHS and manual handling training
- Providing sunscreen and insect repellent
- Six-weekly issues of the HR Newsletter outlining Council policies and procedures, professional development and wellbeing
- Employee wellbeing initiatives including the flu vaccination program undertaken by Council's Public Health Unit, and subsidised gym memberships
- Ongoing provision of Council's Employee Assistance Program for employees requiring support and/or counselling for work and non-work related matters.
- Continued support of our internal Health and Wellbeing Committee.

OHS Committee

Council's OHS Committee consists of management and staff representatives. The committee meets every two months to review policies, review hazard and injury incidents, discuss workplace OHS issues and identify opportunities to improve Council's OHS performance. The committee met six times during 2021/22.

In 2021/22 there were 17 reported injuries compared to 16 in the previous year. There were 2 standard

Staff Recognition Awards

Working for Victoria Program: **Megan Stewart, Julie Wardle, Kerry Thomson, Christine Steike, Dallas Free**

Project Coordination: **Nathan Keighran and Dione Heppell**

Let's Talk: **Felicity O'Rourke, Karen Taylor, Brooke O'Connor, Rachel Bibby**

Project Leadership: **Nazrul Islam**

Better Approvals: **Nicholas Mudge, Monica Ellis, Tamara Broadsmith, Joyline Rovere, Kate Jewell**

Simon Burge, Rebecca Herman and Robinvale Resource Centre were the joint 'winners' of the Staff Recognition Award in 2021 (pictured below).



OUR PEOPLE

Staff service awards

Every year Council acknowledges service and presents awards to staff who have reached service milestones. Ten staff were presented with Staff Service Awards at the annual all-staff function in December 2021.

10 years of service



Peter Rowlands



Casey Simmons



Kirsty Presley



Rodney Pierce

20 years of service



Vince Mezzatesta



Janelle Free



Karen Delmenico

25 years of service



Jan McEwan



Part five

Our performance

OUR PERFORMANCE

Our performance

Integrated strategic planning and reporting framework

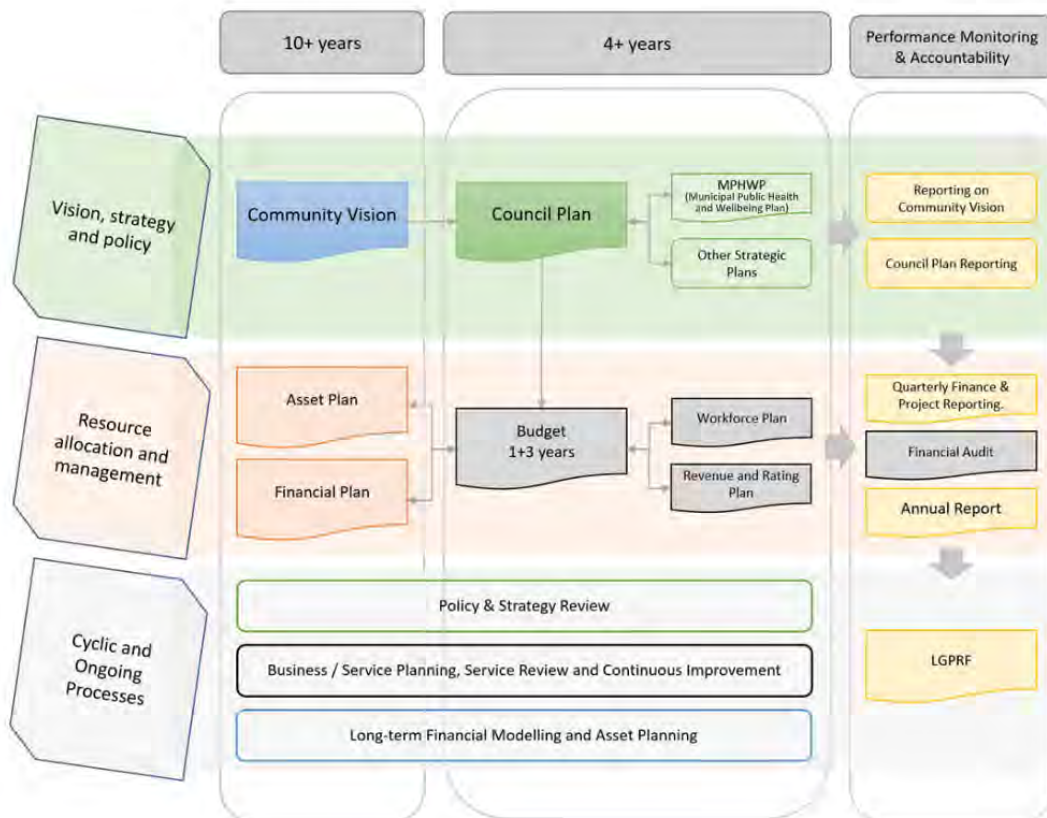
Part 4 of the Local Government Act 2020 requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next 4 financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next 4 financial years);
- An Annual Budget (for the next 4 financial years);
- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.

The Act also requires councils to prepare:

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

The following diagram shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback.



Community Vision and Council Plan

The Community Vision and Council Plan 2021-25 includes strategic objectives strategies for achieving these for the four-year period, strategic indicators for monitoring achievement, and the Municipal Public Health and Wellbeing Plan.

Performance

Council's performance for the year has been reported against each strategic initiative to demonstrate how Council is performing in relation to the 2021-25 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 defined 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.

Strategic Pillars

The Community Vision and Council Plan is supported by four themed pillars as detailed below which form the key directions and focus.



Liveability

We will be a healthy, connected and growing community supported by a range of infrastructure and services.



Prosperity

We will continue to build and strengthen a prosperous local economy, through sustainable growth and education. We will focus on creating jobs and wealth through adding value to existing strengths in all areas of our economy.



Harmony

We will be a welcoming community for all, recognised for our maturity and respect for each other.



Leadership

We will ensure accountable leadership, advocacy and transparent decision making.

OUR PERFORMANCE

Strategic Pillar 1: Liveability

Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed >> In progress/continuing in 2022/23 - Carried over to 2022/23

Council Plan Initiative	Action	Status
Attractive urban areas and regional townships	Complete stage 1 of Vibrant Villages project	>>
	Continue to implement relevant actions of the Swan Hill Riverfront Masterplan	>>
	Complete and implement the Robinvale Riverfront Masterplan	>>
	Develop Nyah Riverfront Masterplan	>>
Ensure adequate provision of a variety of safe and secure housing	Develop and build houses on Council owned property	>>
	Continue to implement the Robinvale housing strategy	>>
	Continue development of Tower Hill stages	>>
	Assist South West Development Precinct developers	>>
Excellent transport links to allow ease of movement	Advocate for the completion of the Murray Basin Rail Project	>>
	Advocate for the continual improvement of the Murray Valley Highway and upgrade of the Robinvale-Sea Lake Road	>>
	Actively participate in the Central Murray Regional Transport (CMRT) Forum	✓
	Implement relevant actions from the CMRT strategy	✓
Accessible open spaces and healthy rivers and lakes	Improve the presentation of the Lake Boga foreshore and its environs in collaboration with the community	>>
Encourage active and healthy lifestyles for people of all ages, abilities and interests	Continue to implement master plans for all recreation facilities	>>
	Support initiatives leading to better outcomes for children and families	>>
	Partner with agencies to address preventable illnesses and active lifestyles	>>
Spaces where people of all ages, abilities and backgrounds can flourish	Review and implement the public art policy	✓

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 Budget.

Major Initiative	Progress
Re-seal sealed roads (Budget \$1,217,000 Actual \$1,998,645).	Complete
Re-sheet unsealed gravel roads (Budget \$1,000,000 Actual \$723,743).	Incomplete
Complete road works funded by the Federal Roads to Recovery Program (Budget \$1,434,000 Actual \$1,371,462).	Complete
Ken Harrison Sporting Complex Soccer Pavilion (Budget \$1,421,205 Actual \$818,890).	Incomplete
Installation of bus shelters (Budget \$110,000 Actual \$0).	Incomplete
Swan Hill Aerodrome lighting and runway reconstruction (Budget \$2,443,000 Actual \$1,999,503).	Complete
Ronald Street sub-division to increase housing supply (Budget \$1,750,000 Actual \$831,340).	Incomplete
Deliver the roadside weeds and pest management program (Budget \$75,000 Actual \$75,000).	Complete
Develop a waste education program and supporting website (Budget \$27,000 Actual \$0).	Incomplete
Undertake capping works at the Swan Hill Landfill (Budget \$150,000 Actual \$26,240).	Incomplete
Replace a section of the boundary fence at the Swan Hill Landfill (Budget \$21,700 Actual \$0).	Incomplete
Tower Hill residential estate development (Budget \$1,644,230 Actual \$1,198,844).	Complete
Catalina Museum carpark upgrade (Budget \$570,000 Actual \$224,133)	Incomplete
Swan Hill Leisure Centre Gym expansion (Budget \$150,000 Actual \$3,785)	Incomplete
Riverside Park irrigation and pump shed upgrade (Budget \$500,000 Actual \$356,485)	Incomplete
Refurbishment of the Swan Hill Indoor Sports Stadium basketball equipment (Budget \$100,000 Actual \$79,462)	Complete

OUR PERFORMANCE

Services funded in 2021/22 Budget

The following statement provides information in relation to the services funded in the 2021/22 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget
		<u>Actual</u> Variance \$000 (Income to Council) / Cost to Council
		(17)
Caravan parks	Provide and maintain caravan park facilities to a standard that promotes local tourism and supports a high quality of life.	<u>(4)</u> 13
Livestock exchange	Provide a livestock selling facility and associated services to primary producers, purchasers and stock agents.	(132) <u>123</u> 255
Leisure centres	A wide range of programs and services giving the community a chance to participate in cultural, health, education, and leisure activities that contribute to the community's general wellbeing.	1,216 <u>862</u> (354)
Amenity and safety	Provide the community with well-maintained public areas with a focus on community access and safety. Maintain urban streets and public areas, including footpaths, in a clean and litter-free state and provide access to public conveniences and lighting of public areas. Provide and maintain efficient and effective open and underground drainage systems.	3,310 <u>3,364</u> 54
Community buildings	Maintain and renew community buildings and facilities, including community centres, public halls and pre-schools.	1,391 <u>778</u> (613)
Infrastructure planning and management	Provide for the planning, design and project management of Council's capital works program, and manage Council's plant and fleet assets and depot operations.	2,166 <u>2,677</u> 511

Service Area	Description of services provided	Budget
		Actual Variance \$000 (Income to Council) / Cost to Council
Recreation	Maintain Council's parks, reserves, playgrounds and streetscapes in a functional and visually pleasing landscape.	2,978
		<u>3,219</u> 241
Swimming pools	Provide quality, accessible aquatic facilities that support a high quality of life for residents and visitors.	570
		<u>586</u> 16
Traffic and transportation services	Manage Council's roads and associated infrastructure assets. Ongoing maintenance and renewal work to municipal infrastructure assets including sealed roads, unsealed roads, footpaths and aerodromes.	6,785
		<u>4,229</u> (2,556)
Environmental management	Advocate for, and assist to deliver environmental projects as part of Council's aim to become more sustainable in both built and natural environments.	294
		<u>280</u> (14)
Waste management	Provide waste collection services, including kerbside collection of garbage, hard waste and green waste from households and some commercial properties. This service area aims to operate at a surplus in order to make provision for future waste management service and compliance costs, including the construction of new cells and compliance with environmental protection guidelines.	131
		<u>(478)</u> (609)

OUR PERFORMANCE

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Result 2022 column colour	Reason
	Within expected range
	Outside of expected range
	Retired indicator

Service/Indicator/ Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Aquatic Facilities Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1	0.6	0.4	1.0	During 2020/21 opening days and hours were limited due to COVID-19 restrictions. This impacted the ability of our Public Health staff to complete inspections at all aquatic facilities. In 2021/22 COVID-19 restrictions were eased which allowed all aquatic facilities to receive an inspection.
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.57	4.56	3.43	5.58	Increase in utilisation of aquatic facilities in 2021/2022 is due to the previous year being effected by several COVID-19 shut down periods.
Service cost <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to the aquatic facilities]	-	\$13.69	\$18.56	\$14.91	Decrease in cost per visits is due to the increase in utilisation of aquatic facilities in 2021/2022 I after the previous year being effected by several COVID-19 shut down periods.
Service standard <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	-	-	-	Indicator retired in 2020.
Service cost <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$7.13	-	-	-	Indicator retired in 2020

Further information can be found at <https://knowyourcouncil.vic.gov.au/>

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Animal Management Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	2.0	1.47	1.07	1.20	This response time falls well within the expected range. Council always ensures to respond promptly.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	21.88%	22.22%	28.03%	26.90%	
Service standard <i>Animals rehomed</i> [Number of animals rehomed/ Number of animals collected] x100	-	67.27%	67.42%	69.31%	
Service cost <i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	-	\$10.01	\$10.30	\$18.38	New Indicator in 2020. Cost of the animal management program has not increased significantly; this increase has occurred due to the income component of the budget being included in the calculations for previous years figure.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Total number of animal management prosecutions] x 100	-	0	100%	0	New Indicator in 2020. There were no animal management prosecutions in 2021/22.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$69.73	-	-	-	Indicator retired in 2020.

OUR PERFORMANCE

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Food safety Timeliness <i>The time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.10	1.80	1.90	2.56	This response time falls well within the expected range. Council always ensures to respond promptly.
Service standard <i>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] x 100	93.17%	84.97%	28.07%	79.63%	More food premises were open during 2021 following COVID-19 restrictions allowing officers to conduct more assessments.
Service cost <i>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]	\$455.11	\$488.61	\$510.35	\$513.99	
Health and safety <i>Critical and major non-compliance outcome 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]	81.25%	100.00%	66.67%	40.00%	Staff shortages at critical times led to some non-compliance not being followed up immediately, these are to be reviewed in 2022.

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Roads Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	5.54	6.87	6.76	5.96	Council's sealed road length has increased as the Register of Public Roads has been updated to include Dual Carriageways and slip lanes as separate roads. Sealed roads increased from 881km to 957km. The number of requests was similar to previous years.
Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local road] x100	98.76%	99.28%	99.28%	99.37%	
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$25.14	\$30.75	\$33.26	\$59.36	In 2021/2022 Road reconstructions were remote roads with higher transport costs for material as compared to previous years.
Service cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.84	\$4.98	\$5.58	\$4.80	In 2021/2022 an increased focus on rural roads resealing has resulted in large scale sealing works and associated costs savings as compared to shorter segments urban roads.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	46	44	52	51	

OUR PERFORMANCE

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000	30.88	28.37	112.19	118.16	The financial year of 2021/2022 has seen a substantial increase to requests being made to Council for the replacement of damaged bins, upsizing of the kerbside bin service and for general enquiries.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	2.37	1.76	5.78	3.99	Council has worked successfully with its Kerbside Waste Collection Contractor over the previous 12 months to ensure improvements were made to the level of service being provided to Council's residents.
Service cost <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$57.09	\$81.12	\$86.91	\$93.39	
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$28.49	\$42.38	\$78.51	\$80.40	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	30.26%	27.67%	29.51%	30.92%	This financial year there has been a slight decrease in the tonnages of kerbside collected commingled recycling and general household waste. Conversely there has been an increase to the tonnages of kerbside collected garden organics. This can be attributed to the increased uptake by households of Councils opt in kerbside garden organics collection service.

Strategic Pillar 2: Prosperity

Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed >> In progress/continuing in 2022/23 - Carried over to 2022/23

Council Plan Initiative	Action	Status
Support our key industries	Develop an Economic recovery plan in response to COVID-19	-
Encourage the growth and development of our economy	Continue to support existing businesses to grow through the implementation of the Better Approvals process	>>
	Actively pursue the establishment of a Designated Area Migration Agreement (DAMA)	>>
Assets for our current and future needs	Deliver and review Council's capital works program and Major Projects Plan each year	>>
	Review current assets and identify future needs - create a program to bridge the gap and identify funding requirements	>>
	Continue to plan and seek funding to implement the development of community infrastructure	>>



OUR PERFORMANCE

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 Budget.

Major Initiative	Progress
Provide seed funding for economic development initiatives as identified in the Economic Development Strategy (Budget \$108,000 Actual \$13,714).	Incomplete
Deliver the Empower Youth Initiative (Budget \$288,380 Actual \$187,245)	Complete



Services funded in 2021/22 Budget

The following statement provides information in relation to the services funded in the 2021/22 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget
		Actual Variance \$000 (Income to Council) / Cost to Council
Building and planning statutory services	Provide statutory planning services including processing all planning applications, providing advice and making decisions about development proposals that require a planning permit. Represent Council at the Victorian Civil and Administrative Tribunal where necessary. Monitor Council's Planning Scheme and prepare major policy documents shaping the future of the municipality. Provide statutory building services to the community, including processing building permits, emergency management responsibilities, fire safety inspections, swimming pool barrier audits and complaints, and illegal building works investigations.	410 <u>337</u> (73)
Economic development	Assist the organisation with economic development to facilitate an environment that is conducive to a sustainable and growing local business sector, and provide opportunities for local residents to improve their skill levels and access employment.	3,171 <u>(62)</u> (3,233)
Pioneer Settlement	Care for and conserve the Pioneer Settlement and its collection. Market and promote the Settlement as a tourist destination, provide quality visitor programs and promote the sale of merchandise as an additional source of income.	887 <u>529</u> (358)
Public health and regulatory services	Co-ordinate food safety, immunisations and management of public health concerns to ensure an acceptable state of physical, mental and social wellbeing is maintained within the community. This service also provides staff at school crossings throughout the municipality, animal management services, parking control and enforcement and provides education, regulation and enforcement of the general Local Law and relevant state legislation.	711 <u>746</u> 35

OUR PERFORMANCE

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Statutory Planning Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	47	49	41	79	The statutory planning department has had two long term vacancies leaving all planning applications to one planner.
Service standard <i>Planning applications decided within required timeframes</i> [Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x 100	82.63%	85.53%	96.39%	71.28%	The statutory planning department has had two long term vacancies leaving all planning applications to one planner.
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$2,540.06	\$3,417.33	\$2,675.24	\$3,217.67	Council encountered difficulties in the recruitment of several planning department staff, including a manager, and was required to engage contractors to undertake these roles, thereby leading to increased costs.
Decision making <i>Council's planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0	0	0	0	In 2021/2022 one planning application was referred to VCAT and Council's decision was not upheld. Previous years have had no planning applications go to VCAT.

Further information can be found at <https://knowyourcouncil.vic.gov.au/>

Community funding

Swan Hill Rural City Council recognises, respects and values the contribution that community, sporting and not-for-profit organisations make within our community. One of the ways Council does this is through the annual Community Grants program. Recipients of the 2021/22 Community Grants are detailed in the tables that follow:

Community Development Fund

The Community Development Fund offers up to \$5,000 to suitable community groups and organisations. Funding may be given for projects including minor repairs or upgrades to community facilities; water conservation and environmental innovations; OHS or risk management issues; new equipment; new programs or activities; local festivals and events with wide community benefit; and protection, conservation and restoration of heritage items and assets.

Organisation	Approved amount	Project description
Robinvale Lawn Tennis Club	\$5,000.00	Replacement of irrigation pump.
Ultima Progress Association Inc.	\$1,746.00	Install roof insulation at the RTC Café Ultima.
Pioneer Country Quarter Horse Association Inc.	\$5,000.00	Replace old fence line at EF Butler Reserve.
Swan Hill Little Athletics Club	\$1,372.00	Construction of a new discus ring at Ken Harrison Reserve.
Nyah District Community Pool	\$531.87	Purchase of PPE kit and associated safety/OHS equipment.
Swan Hill Racecourse Bowls Club	\$2,500.00	Construction of new shade structures.
Nyah District Bowling Club Inc.	\$5,000.00	Undertake repairs to greens, purchase rookie bowls for juniors and carpet clubrooms.
Robinswood Homestead Association	\$2,000.00	Purchase of lawn mower for Robinswood Homestead.
Robinvale / Swan Hill Rifle Club Inc.	\$5,000.00	Construction of an all access toilet amenity.
Robinvale Dragon Boat Club	\$2,100.00	Purchase of new light weight paddles.
Swan Hill Motor Racing Club Inc.	\$3,852.00	Purchase of fire safety suits and extinguishers.
Swan Hill Neighbourhood House Inc.	\$5,000.00	Purchase tools/equipment and install cooking and TV equipment to facilitate the Men's Shed / Repair Café.
Swan Hill Table Tennis Association	\$4,881.45	Purchase new tables and nets.
1 st Lake Boga Sea Scouts	\$1,500.00	Purchase gazebo structure, wall panels and sand bags.

OUR PERFORMANCE

Community Development Fund cont...

Organisation	Approved amount	Project description
Speewa Heritage Collectors Club Inc.	\$2,000.00	Purchase of tools/equipment to support local projects and learning new skills
Lakers Cricket Club	\$5,000.00	Construction of new cricket nets at Lake Boga
Manangatang Recreation Reserve Committee of Management Inc.	\$5,000.00	Restumping of canteen building
Mid Murray Pistol Club	\$2,500.00	Purchase new targets
Lake Boga Sports Club	\$5,000.00	New floor covering for the home change rooms and social areas
Swan Hill Soccer League Inc.	\$2,101.00	Purchase new line marking machine
Robinvale Pistol Club	\$3,900.00	Install insulation to clubroom walls and roof
Swan Hill Theatre Group	\$4,000.00	Purchase new microphones, lights and other equipment



Event Support Fund

The Event Support Fund provides grants and logistical support to community groups and event organisers to develop new events, or existing events that provide significant economic and/or social benefit to the region.

A total of 27 applications were received, 22 of these applications were allocated funding (cash and logistical support) to the value of \$62,299.25.

The COVID-19 pandemic has had a significant impact on regional events, community groups and event organisations. Events that received funding in the 2019/20 round that were cancelled or postponed due to COVID-19 were able to rollover their funding to the 2020/21 financial year. Those organisations that incurred pre-planning expenses were allowed to acquit part or all of their sponsorship, conditional upon evidence of receipts. Those that partially acquitted their sponsorship were able to apply for additional funds in the 2020/21 round. A couple of events originally from the 2019/20 round and many events from the 2020/21 rounds, which were still unable to take place, were rolled over to 2021/22.

Event	Logistical support	Total Value of the Grant Approved (cash and if any logistical support)	Cash Sponsorship acquitted and received by the applicant 2021/22
Robinvale/Swan Hill Rifle Club Prize Meeting 2022	SHRCC banner use and listing on the Swan Hill calendar of events.	\$2,000	\$2,000
2022 Robinvale Euston Ski Race	Robinvale Community Arts Centre Venue Hire.	\$5,000	\$3,500
Mamma Mia Stage Production Swan Hill		\$5,000	\$5,000
Robinvale Euston Suicide Prevention Network Food Truck Festival	Some fencing, signage and venue hire.	\$4,000	\$3,000
Swan Hill Film Festival		\$2,000	\$2,000 Approved for rollover into 22/23
Swan Hill Show	Toilet paper, traffic management (sign preparation, setup, collection & pack-up including labour), grounds preparation and incidentals.	\$6,500	\$5,000 Approved for rollover into 22/23
Cinema Pop Up - Swan Hill	Swan Hill Showgrounds Venue Hire (includes toilet cleaning), Places of Public Entertainment (POPE) Permit, all-accessible toilet, signage, some fencing (TBC).	\$3,299.25	
33rd Anniversary 2 day shoot		\$2,000	\$2,000

OUR PERFORMANCE

Event Support Fund cont...

Event	Logistical support	Total Value of the Grant Approved (cash and if any logistical support)	Cash Sponsorship acquitted and received by the applicant 2021/22
Easter Market Day	Traffic management (signage, labour, traffic management plan) and temporary fencing.	\$1,500	
Woorinen WinterFest		\$3,000	\$3,000
Bogan Bingo		\$2,000	\$2,000 Approved for rollover into 22/23
The Mallee - Through my eyes		\$2,000	\$2,000
Swan Hill Market Day	Traffic management (signage, labour, traffic management plan) and temporary fencing.	\$1,500	
Swan Hill Badminton Veterans Tournament 2022		\$1,500	\$1,500
The Robinvale and Euston Lantern Festival	Traffic management (signage, labour, traffic management plan) and some temporary fencing.	\$5,000	\$3,500 Approved for rollover into 22/23
Lake Boga Yacht Club Easter Regatta 2022		\$1,000	\$1,000
Robinvale Lawn Tennis Club Easter Tournament 2022		\$1,500	\$1,500
Massive Murray Paddle		\$2,000	\$2,000
Robinvale Euston Business Association's Twilight Christmas Carnival	Traffic management (signage, labour, traffic management plan) and some temporary fencing.	\$5,000	\$3,500
Autumn Bowls Carnival		\$3,000	\$3,000
Australian Seniors Tennis Championship		\$40,000	Approved for rollover into 22/23

Event Support Fund cont...

Swan Hill Things with Strings Festival	Traffic management and provision of signage - across 3 days.	\$6,000	19/20 grant expired
RACV 2020 National Veteran Vehicle Rally	Venue hire, traffic management, administration, Pioneer Settlement costs and bin provision	\$8,000	\$3,000 Event cancelled but were able to claim planning expenses.
TREE Multi-Fest	Traffic management and signage	\$2,000	19/20 grant expired
Life Explosion Free Community Day		\$500	19/20 grant expired
Swan Hill Food Truck Festival 2021	Toilet cleaning, waste removal, traffic management and signage, Riverside Park venue hire and the POPE permit.	\$2,000	20/21 grant expired
Young Professional Networking Event		\$500	Event occurred and evaluation received around end of June 2022. Payment to be finalized 22/23.
Annual Rally – Display of historical collections and items		\$1,000	Approved for rollover into 22/23.
Swan Hill Region Food and Wine Festival	Pioneer Settlement Venue Hire	\$7,000	\$2,000
Come and Try Sports Day		\$1,000	20/21 grant expired
Swan Hill Junior Invitational Basketball Tournament	Venue hire for the Council Stadium's and Pioneer Settlement Lodges to accommodate referees for the weekend	\$5,000	20/21 grant expired
Blue Pearl Classic		\$2,500	\$2,500
Nyah District Christmas Carnival		\$3,000	\$3,000
Music Concert		\$1,000	\$1,000
Understanding Water – Life Blood of the Murray Darling		\$1,727	Approved for rollover 22/23 (\$727 already journalled)
NAB League Match - Bendigo Pioneers v Calder Cannons		\$3,000	\$3,000

OUR PERFORMANCE

Local Entertainment Grants

In response to the impacts of COVID-19, during February 2021 Council introduced the Local Entertainment Grants to offer businesses the opportunity to apply for up to 2 grants, of up to \$500 each; to pay for entertainment within their premises. It is hoped that these grants have and will help strengthen business in the short-term by encouraging patronage. This grant program was not fully exhausted but has now closed due to a lengthy application period. Outstanding grants were allowed an extension beyond the 31 December 2021 and any remaining have been rolled over into 22/23 to allow business to still benefit. The Local Entertainment Grant component of the Event Support Fund had an allocation of \$25,000. If the entertainment cannot take place as stipulated in the Local Entertainment Grants application, the applicant needs to update Council on any changes. This will enable Council to determine the outcome of the funding. The below table notes a record of grants processed throughout the 21/22 FY and rolled over into the 22/23 FY. In FY 20/21 the Event Support Fund rolled over 12 Local Entertainment Grants into FY 21/22, to the value of \$10,000.

Applicant	Approved amount	Total value acquitted
Robinvale Wines	\$1,000	Entertainment held, to be paid 22/23.
Peachy's Bar	\$1,000	Rolled over 22/23
Swan Hill Football Netball Club	\$1,000	\$500 in 20/21 Part 2 to be acquitted in 22/23.
Manangatang Hotel	\$1,000	Rolled over 22/23
Spoons Riverside/Swan Hill Club	\$1,000	Rolled over 22/23
Swan Hill Jockey Club	\$1,000	\$1,000
Lake Boga Bowling Club	\$1,000	\$750
Manangatang Racecourse	\$500	Rolled over 22/23
Robinvale Lawn Tennis Club	\$500	Rolled over 22/23
Tyntynder Football Netball Club	\$1,000	1 x entertainment held. Rolled over and to be paid 22/23
Swan Hill Neighbourhood House Inc.	\$500	\$500
Jack Bar and Bistro	\$1,000	Rolled over 22/23

Strategic Pillar 3: Harmony

Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed >> In progress/continuing in 2022/23 - Carried over to 2022/23

Council Plan Initiative	Action	Status
Our elderly and vulnerable are cared for	Review Community Access and Inclusion Strategy (CAIS).	>>
All members of our Communities are supported	Work in partnership with local agencies to prevent all forms of Family Violence.	>>
	Develop and implement a Gender Equality Action Plan (GEAP)	✓
	Ensure that we consider people of all abilities in the development of infrastructure and events	>>
Encourage and support community leadership	Continue to offer Aboriginal scholarships and leadership opportunities	>>
	Continue to assist to develop Our Place identifying an Aboriginal language name and business model	>>
Celebration and recognition of Aboriginal and Torres Strait history and culture	Formal inclusion of Aboriginal and Torres Strait Islander input in Art Gallery programming and cultural activities	✓
	Support Aboriginal and Torres Strait Islander days of significance	✓

OUR PERFORMANCE

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 Budget

Major Initiative	Progress
Art Gallery National Print and Drawing Awards (Budget \$31,000 Actual \$3,360)	Incomplete – biennial event commences September 2022
Art Gallery and interpretive centre development – Our Region Our Rivers funding (Budget \$6,206,940 Actual \$140,580).	Incomplete
Art Gallery and interpretive centre – Monash Avenue carparking and footpaths (Budget \$1,597,500 Actual \$47,690).	Incomplete

Services funded in 2021/22 Budget

Service Area	Description of services provided	Budget Actual Variance \$000 (Income to Council) / Cost to Council
Aged and disability services	A range of home and community care services for the aged and people with a disability including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen clubs.	(79) (82) (3)
Family and children services	Family oriented support services including pre-schools, maternal and child health, youth services, out of school hours, and holiday programs.	1,118 817 (301)
Community development	Effective and ongoing liaison with, and support to, community and recreation groups. Support for the development and implementation of Community Plans and liaison with our Indigenous community.	1,065 1,690 625
Cultural services	Performing arts, art gallery and library services. A customer-focused service that caters for the cultural, educational and recreational needs of residents, while offering a place for the community to meet, relax and enjoy the facilities and services. Includes the operation and maintenance of the Swan Hill Town Hall and Performing Arts Centre.	1,737 1,463 (274)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Libraries					
Utilisation <i>Physical library collection usage</i> [Number of physical library collection item loans / Number of physical library collection items]	1.61	1.24	0.89	0.97	In 2021/2022 the library branches were only closed to the public for 29 days thus increasing public access to borrowing from the collection during 2021/2022.
Resource standard <i>Recently purchased library collection</i> [Number of library collection items purchased in the last five years / Number of library collection items] x 100	54.28%	48.61%	43.45%	41.20%	
Participation <i>Active library borrowers</i> [The sum of the number of active library borrowers in the last 3 financial years / the sum of the Municipal population in the last 3 financial years] x 100	16.90%	16.28%	14.52%	13.35%	Library closures and COVID-19 restrictions have had an impact on the number of active library users. The mobile library was unable to visit a number of stops such as preschools and schools for many months during the 2021/2022 period.
Service cost <i>Cost of library service</i> [Direct cost of library service / population]	-	\$46.96	\$44.18	\$50.14	New Indicator in 2020. Costs of 2021/22 have increased due to annual rising costs. This is well within the expected
Service cost <i>Cost of library service</i> [Direct cost of library service / Number of visits]	\$14.21	-	-	-	Indicator retired in 2020.

Further information can be found at <https://knowyourcouncil.vic.gov.au/>

OUR PERFORMANCE

Service Performance Indicators

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Maternal Child Health (MCH)					
Service standard	100.00%	102.13%	102.21%	102.01%	
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service / Number of birth notifications received] x 100					
Service cost					
<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$81.12	\$91.19	\$109.86	\$121.52	Costs for 2021/22 increased with the lease and set up of a new Enhanced Maternal and Child Health space to accommodate growing staff.
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.14%	75.04%	80.05%	82.74%	
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	60.08%	66.20%	76.26%	77.50%	
Satisfaction					
<i>Participation in 4-week key age and stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received]	-	96.65%	94.01%	95.99%	New Indicator in 2020.
Satisfaction					
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x 100	94.90%	-	-	-	Indicator retired in 2020.

Strategic Pillar 4: Leadership

Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed >> In progress/continuing in 2021/22 - Carried over to 2021/22

Council Plan Initiative	Action	Status
Well managed resources for a sustainable future	Invest in the development of employees to enable a highly skilled and engaged workforce	>>
	Develop and implement a Workforce Development Plan	✓
Provide robust governance and effective leadership	Implement a Project Management Framework and system	>>
	Develop and implement a Strategic Asset Management plan and supporting Asset Management plans	✓
	Provide Councillors with professional development and support to ensure effective governance	>>
	Work with Town Representative groups to better plan and deliver projects	>>
Sound, sustainable: <ul style="list-style-type: none"> Financial management Excellence in service delivery Strategic planning 	Deliver projects on time, on budget and within scope	>>
	Working to budget and ensure future planning to meet financial needs	✓
Effective and authentic engagement with our community	Review our use of social media platforms across Council with a view of increasing Council's exposure and ensuring consistent moderation	>>
Visible presence in our community	Continue quarterly Coffee with a Councillor around the municipality	>>
	Create a culture where staff are ambassadors for the Council	>>
Create meaningful partnerships across our communities	Continue involvement in community groups	>>
	Continue to support and work with Swan Hill Incorporated	>>
Strong relationship with State and Federal governments to influence advocacy and funding opportunities	Continue to advocate on the following issues: <ul style="list-style-type: none"> Improved Healthcare for our people, including a new hospital for Swan Hill A new Murray River Bridge at Swan Hill Complete the Murray Basin Rail Project Housing and enabling infrastructure Better use of environmental water and the development of a plan specific to the Murray River between Swan Hill and Robinvale	>>
	Review Council's advocacy strategy on an annual basis	>>
Working together in promotion of the municipality	Positively promote our region as a great place	>>
	Continue to work with Murray River Tourism and Swan Hill Incorporated to promote the municipality	>>

OUR PERFORMANCE

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2021/22 Budget

Major Initiative	Progress
Municipal Office alterations (Budget \$37,000 Actual \$0).	Incomplete
Further develop Council IT processes as identified in the IT Strategy (Budget \$120,000 Actual \$86,785).	Incomplete
Scanning of building and planning files (Budget \$65,750 Actual \$39,890).	Incomplete

Services funded in 2021/22 Budget

The following statement provides information in relation to the services funded in the 2021/22 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget Actual Variance \$000 (Income to Council) / Cost to Council
Councillors and corporate management	Governance includes the Mayor, Councillors, Chief Executive Officer, Executive Leadership Team and associated support, which cannot easily be attributed to the direct service provision areas.	2,190 <u>2,050</u> (140)
Community relationships	Proactively communicate Council decisions, programs and events to the community using a range of methods, and assist the organisation to respond to community issues as they arise.	345 <u>282</u> (63)
Management of resources	Manage Council's offices along with human and financial resources to effectively and efficiently fulfil Council objectives. This includes rate raising and collection, customer service, human resource management, depot and office site management, Council finances, information technology and records management.	(21,954) <u>(23,994)</u> (2,040)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2019	Result 2020	Result 2021	Result 2022	Material Variation
Governance Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors] x 100	5.56%	4.37%	4.04%	4.93%	This falls well within the expected range and is determined by the nature of the decisions being made.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	54	52	51	48	
Attendance <i>Councillor attendance at Council Meetings</i> [The sum of the number of Councillors who attended each Council Meeting / (Number of council meetings) x (Number of Councillors elected at the last Council general election)] x 100	96.64%	95.92%	94.44%	90.00%	
Service cost <i>Cost of elected representation</i> [Direct cost of the Governance service / Number of Councillors elected at the last Council general election]	\$43,621	\$43,914	\$43,117	\$52,315	Cost increased in 2021/22 due to CEO recruitment process being required during this reporting period and an increase in Councillor allowances.
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	51	45	48	45	

Further information can be found at <https://knowyourcouncil.vic.gov.au/>



Part six

Corporate Governance

Governance

Swan Hill Rural City Council is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

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

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

Local Government Act 2020 Implementation

The *Local Government Act 2020* received Royal Assent on 24 March 2020 and takes effect in four stages: 6 April, 1 May, 24 October and 1 July 2021.

Council has implemented all stages, with the following requirements being completed:

- | | |
|---|--|
| • Governance Rules | • Annual Budget |
| • Election Period Policy | • Revenue and Rating Plan |
| • Council Expenses Policy | • Financial policies |
| • Committees (Delegated and Community Asset) | • Financial Plan |
| • Audit and Risk Committee | • Community Vision and Council Plan |
| • Audit and Risk Committee Charter | • Audit and Risk Committee annual assessment |
| • Public Transparency Policy | • Staff Code of Conduct |
| • Mandatory Candidate Training | • CEO Employment and Remuneration Policy |
| • Personal Interest Returns (Initial and Biannual) | • Procurement Policy |
| • Summary of Personal Interests | • Recruitment Policy |
| • Councillor Induction Training | • Workforce Plan |
| • Councillor Code of Conduct | • Complaints Policy |
| • Community Engagement Policy | • Asset Plan |
| • Gifts, Benefits and Hospitality Policy (Councillor Gifts Policy / Staff Gifts Policy) | |

Council's Governance team attended workshops and training facilitated by the Municipal Association of Victoria (MAV), Victoria Local Government Authority (VLGA) and Local Government Victoria (LGV) to effectively implement all stages of the Local Government Act to schedule.

CORPORATE GOVERNANCE

Meetings of Council

Council conducts open public meetings on the third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question of Council, make a submission or speak to an item.

For the 2021/22 year, Council held the following meetings:

- 12 Scheduled Council Meetings
- 8 Unscheduled Council Meetings

Below are the dates and locations of the Scheduled Council Meetings held in 2021/22:

Month	Location	Month	Location
20 July 2021	Virtual	15 February 2022	Swan Hill
17 August 2021	Swan Hill	22 February 2022	Swan Hill
21 September 2021	Swan Hill	15 March 2022	Swan Hill
19 October 2021	Swan Hill	19 April 2022	Swan Hill
16 November 2021	Swan Hill	17 May 2022	Swan Hill
21 December 2021	Swan Hill	14 June 2022	Swan Hill

Councillor attendance at Council meetings

The following table provides a summary of Councillor attendance at Council Meetings and Unscheduled Council Meetings for the 2021/22 financial year.

Councillor	Scheduled Council Meetings	Scheduled Council Meetings	Unscheduled Council Meetings	Unscheduled Council Meetings
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Les McPhee	12	12	8	7
Cr Ann Young	11	11	8	8
Cr Bill Moar	12	12	8	7
Cr Stuart King	9	9	5	5
Cr Chris Jeffery	12	9	8	3
Cr Jade Benham	12	12	8	8
Cr Nicole McKay	12	9	8	7

Delegated committees

The *Local Government Act* allows councils to establish one or more delegated committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

Council currently has no delegated committees established.

Council representation on other committees

Councillors are representatives on Delegated Committees of Council, as well as other external committees, associations and groups.

Cr Bill Moar

- Loddon Mallee Waste and Resource Recovery Board
- Joint Bridge Committee
- Swan Hill Regional Livestock Exchange
- Agribusiness Advisory Committee
- Central Victorian Greenhouse Alliance

Cr Jade Benham

- Chief Executive Officer Employment and Remuneration Committee
- Municipal Association of Victoria (sub delegate)
- Community Development Fund
- Murray River Group of Councils
- Event Support Fund

Cr Ann Young

- Chief Executive Officer Employment and Remuneration Committee
- Swan Hill Regional Art Gallery Advisory Committee
- Swan Hill Inc (sub-delegate)

Cr Chris Jeffery

- Indoor Sports Stadium Advocacy Committee
- Swan Hill Leisure Centre Committee of Management (sub-delegate)
- Lake Boga Land on Water Committee of Management

Cr Les McPhee

- Chief Executive Officer Employment and Remuneration Committee
- Municipal Association of Victoria
- Joint Bridge Committee
- North West Municipalities Association
- Audit and Risk Committee

Cr Nicole McKay

- Event Support Fund
- Swan Hill Regional Art Gallery Advisory Committee (sub-delegate)
- Swan Hill Inc
- Community Development Fund
- Audit and Risk Committee

Cr Stuart King

- Swan Hill Leisure Centre Committee of Management
- Swan Hill Motorplex

CORPORATE GOVERNANCE

Conflict of interest

During the course of dealing with matters that come before Council for decision, individual Councillors and members of staff might find that they, or their immediate family, have a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both Councillors and staff are required to declare and document their interest in a matter. Where Councillors have declared an interest, they take no part in the decision-making process.

During 2021/22, 5 conflicts of interest were declared at Council and Delegated Committee meetings.

Copies of the document Conflict of Interest: A Guide for Councillors, October 2012, published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Code of Conduct

The *Local Government Act 2020* requires councils to review and adopt the Councillor Code of Conduct within 4 months after each general election. Swan Hill Rural City Council's Councillor Code of Conduct was reviewed and adopted on 23 February 2021.

After the review on 23 February 2021, Councillors signed the Code of Conduct declarations.

A copy of the code is available at www.swanhill.vic.gov.au/about/overview/policies

Councillor allowances

In accordance with Section 39 of the *Local Government Act 2020*, 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. In this instance Swan Hill Rural City Council is recognised as a category two council.

For the period 1 July 2021 to 17 December 2021, the Councillor annual allowance for a category 2 council (as defined by the Act) was up to \$26,245 per annum and the allowance for the Mayor was up to \$81,204 per annum. For the period 18 December 2021 to 30 June 2022, the Councillor annual allowance for a category 2 council increased to \$30,024 per annum and the allowance for the Mayor increased to \$96,470 per annum. Superannuation at 10.0% is paid in addition to the allowance.

The following table contains details of current allowances (inclusive superannuation) fixed for the Mayor and Councillors during the year.

Councillor	Allowance
Cr Jade Benham (Mayor)	\$68,803.36
Cr Bill Moar	\$56,195.12
Cr Les McPhee	\$28,447.13
Cr Ann Young	\$29,088.53
Cr Chris Jeffery	\$29,088.53
Cr Nicole McKay	\$29,088.53
Cr Stuart King	\$22,150.93

Councillor expenses

In accordance with Section 40 of the *Local Government Act 2020*, 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 the Council.

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

Councillor	Travel	Car Mileage	Childcare	Information and Communication	Conference and Training	Total
Cr Jade Benham	\$3,348.31	\$5,577.77	-	\$876.00	\$846.21	\$10,648.29
Cr Bill Moar	-	\$570.17	-	\$876.00	-	\$1,446.17
Cr Les McPhee	-	\$878.40	-	\$2,226.27	-	\$3,104.67
Cr Ann Young	-	\$583.20	-	\$642.09	\$1,264.67	\$2,489.96
Cr Chris Jeffery	-	-	-	\$876.00	-	\$876.00
Cr Nicole McKay	\$236.64	-	-	\$792.00	-	\$1,028.64
Cr Stuart King	-	-	-	\$792.00	-	\$792.00

Note: No expenses were paid by Council, including reimbursements, to members of Council Committees during the 2021/22 year.



CORPORATE GOVERNANCE

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework.

Having strong governance and management frameworks leads to better decision making by Council.

The *Local Government 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 this section. The following items have been highlighted as important components of the management framework.

Audit and Risk committee

The Audit and Risk Committee is an independent Advisory Committee to Council and is formed under Section 53 of the *Local Government Act 2020*.

The primary objective of the Audit and Risk Committee is to assist Council in the effective conduct of its responsibilities for:

- Enhancing the credibility and objectivity of internal and external financial reporting
- Effective management of financial processes, to ensure integrity and transparency
- Effective management of risks and the protection of Council assets
- Compliance with laws and regulations as well as use of best practice guidelines
- The effectiveness of the internal audit function
- The provision of an effective means of communication between the external auditor, internal auditor, management and the Council
- Facilitating the organisation's ethical development
- Maintaining a reliable system of internal controls

Audit and Risk Committee Members

The Audit and Risk Committee consists of five members, three of whom are independent experts in a range of areas including financial management, business, and project management.

The members of the committee during the 2021/22 financial year were:

Warren Pollock (Chairman) – fourth term appointment expires 30 September 2022.

Rod Saville – third term appointment expired 18 November 2021, independent representative position vacant for the December 2021 meeting.

Greg Kuchel – appointed for three years, first term expires 18 November 2024.

Bradley Hutchinson – appointed for three years, first term expires 6 April 2025.

Cr Les McPhee – appointed for two years at the Council Meeting in December 2019, term expires 24 November 2022.

Cr Jade Benham – appointed for two years at the Council Meeting in November 2020, term expires 24 November 2022. Attended September 2021 meeting only, due to mayoral appointment.

Cr Nicole McKay – appointed for the remainder of Cr Jade Benham's term.

The following table contains details of attendance at Audit and Risk Committee meetings during 2021/22:

Member	Eligible to attend	Attended
Warren Pollock, Independent member and Chairman	4	4
Rod Saville, Independent member	1	1
Rosanne Kava, Independent member	1	1
Greg Kuchel, Independent member	3	3
Bradley Hutchinson, Independent member	2	2
Les McPhee, Councillor	4	2
Jade Benham, Councillor	1	1
Nicole McKay, Councillor	2	1

CORPORATE GOVERNANCE

Internal Audit

Council's internal audit function is externally resourced to provide independent and objective assurance that appropriate processes and controls are in place across Council.

A three-year risk-based Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the nominated areas.

The review process considers Council's risk framework, the Council Plan, the impact of any change on our operations, systems or the business environment, prior audit coverage and outcomes, and relies heavily on management directional input. The SIAP is revised and approved by the Audit Committee annually.

The Internal Auditor attends Audit Committee meetings to report on the status of the SIAP and to present findings of completed reviews.

The responsible Director and Manager for each area reviewed is required to attend the Audit Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated.

Recommendations are assigned to responsible managers and tracked through the Audit Committee agenda until all recommendations have been completed.

Quality assurance is measured through completion of the review recommendations and completion of the nominated annual SIAP reviews.

The SIAP for 2021/22 was completed with the following reviews conducted:

- Asset Management
- Contractor Management

In order to attain a wider review of internal audit coverage, a mix of 'detailed' and 'insight' reviews are identified.

'Detailed' reviews typically include walk throughs, identification of key controls and sample testing of key controls to form a conclusion, resulting in a detailed report.

'Insight' reviews are high level discussions with those officers responsible for managing the area of focus, resulting in a brief report of observations and insights.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2021/22 year the annual external audit of Council's Financial Reports and Performance Statement was conducted by the Victorian Auditor-General's representative, Dannielle MacKenzie of Crowe (Albury).

The external auditors attend Audit and Risk Committee meetings to present the annual audit strategy and independent audit reports.

The external audit management letters and responses are also provided and discussed with the Audit and Risk Committee.



Risk Management

Council's Risk Management Committee consists of members from all levels of the organisations. The Committee meets on a quarterly basis to review operational and strategic risks and provide information to the Audit and Risk Committee.

Council's Risk Management Policy and Framework provides an integrated and consistent approach to risk management to ensure that risks are identified and addressed during planning, decision-making and everyday operations.

This year Council has continued to implement our Risk Management Framework, processes and systems which has further strengthened our ability to respond to changes in existing risks as well as respond to new risks that have been introduced through the increasing complex external environment, with particular focus on the areas outlined below:

- **COVID-19 pandemic** - Risks emerging from changing restrictions, supply chain disruptions and remote working by staff, were identified, assessed and managed
- **Cybersecurity** - Council continued to invest in our cyber security risk management program to ensure we are prepared to respond to the increasing sophistication and frequency of external cyberattacks
- **Integrity, ethics and culture** - Council continues to make improvements to Council's fraud and corruption control framework
- **Insurance** - Council continues to monitor its increasing insurance renewals which is a result of the industry being impacted by events both national and international.

CORPORATE GOVERNANCE

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)	Adopted in accordance with section 55 of the Act: 15 March 2022
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 15 March 2022
3. Financial Plan (plan under section 91 of the Act outlining the financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act: Date of adoption: 20 July 2021
4. Asset Plan (plan that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance of section 92 of the Act: Date of adoption: 14 June 2022
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance of section 93 of the Act: Date of adoption: 15 June 2021
6. Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act. Date of adoption: 14 June 2022
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of commencement of current policy: 16 July 2019
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of commencement of current policy: 16 March 2021

Governance and Management Checklist cont...

Governance and Management Items	Assessment
<p>9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)</p>	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>. Date of preparation: 21 July 2020</p>
<p>10. Procurement Policy (policy under section 108 the <i>Local Government Act 2020</i> outlining the principles, processes and procedures that will apply to the purchase of goods, services by the Council)</p>	<p>Adopted in accordance of section 108 of the Act: Date of adoption: 21 December 2021</p>
<p>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)</p>	<p>Date of adoption of current plan: 15 March 2021</p>
<p>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)</p>	<p>Date of operation of current plan: 22 March 2021</p>
<p>13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Framework Date of operation of current framework: 18 January 2021</p>
<p>14. Audit and Risk Committee (see sections 53 and 54 of the Act)</p>	<p>Audit Committee established 10 January 1998 Audit and Risk Committee established under the <i>Local Government Act 2020</i> 18 August 2020</p>
<p>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)</p>	<p>Engaged RSM Date of engagement of current provider: 1 July 2013 - Initial 11 July 2018 - Re-appointed</p>
<p>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 Act)</p>	<p>Framework Date of operation of current framework: 12 April 2016</p>

CORPORATE GOVERNANCE

Governance and Management Items	Assessment
<p>17. Council Plan Reporting</p> <p>(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 reporting year)</p>	<p>Report</p> <p>Reported to Council on:</p> <p>Qtr 1: 26/10/2021 - Council Plan adopted</p> <p>Qtr 2: 15/02/2022</p> <p>Qtr 3: 19/04/2022</p> <p>Qtr 4: 19/07/2022</p>
<p>18. Financial Reporting</p> <p>(quarterly statements to Council under section 138(1) of the Local Government Act 1989, comparing actual budgeted results and an explanation of any material variations.)</p>	<p>Reports presented to Council in accordance with section 138(1) of the Act.</p> <p>Date statements presented:</p> <p>June 2021 Quarter – 21/9/2021</p> <p>September 2021 Quarter – 19/10/2021</p> <p>December 2021 Quarter – 15/2/2022</p> <p>March 2022 Quarter – 17/5/2022</p>
<p>19. Risk Reporting</p> <p>(six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports</p> <p>Date of reports:</p> <p>9 September 2021, 9 December 2021, 7 April 2022, 9 June 2022</p>
<p>20. Performance Reporting</p> <p>(six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Council reports annually</p> <p>Date statement presented:</p> <p>In the Annual Report 2020</p> <p>19 October 2021</p>
<p>21. Annual Report</p> <p>(annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at meeting of the Council in accordance with section 134 of the Act:</p> <p>Date of consideration:</p> <p>19 October 2021</p>
<p>22. Councillor Code of Conduct</p> <p>(Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)</p>	<p>Reviewed and adopted in accordance with section 139 of the Act.</p> <p>Date reviewed:</p> <p>23 February 2021</p>

Governance and Management Items	Assessment
<p>23. Delegations (a document 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)</p>	<p>Reviewed in accordance with section 11(7) of the Act and in a register in accordance with sections 11(8) and 47(7) of the Act Date of review: 19 April 2022</p>
<p>24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)</p>	<p>Governance Rules adopted in accordance with section 60 of the Act. Date Governance rules adopted: 18 August 2020</p>

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



Scott Barber
 Chief Executive Officer
 Dated: 25 October 2022



Cr William Moar
 Acting Mayor
 Dated: 25 October 2022

Statutory information

Documents available for public inspection

Council's public transparency policy now provides details of how and what Council information is available to the public. This policy is available on Council's website.

Council's website contains a wide array of Council information including all policies, plans and reports required under the *Local Government Act 2020* and any other Act.

An extensive list of publicly available information is provided in Council's Part II Statement provided under the *Freedom of Information Act 1982*. This statement is also available on Council's website and is required to be updated annually.

Carers Recognition Act 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive Council services, and to the wider community by providing links to State Government resource materials on Council's website and providing information to organisations represented in Council networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers are informed about the principles and obligations under the Act by including information on the care relationship in Council induction and training programs for staff working in Community Care Services, and induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Contracts

July - November 2021

Prior to the adoption of the Council Procurement Policy under section 108 of the Local Government Act 2020 in December 2021, council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Local Government Act 1989. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without first engaging in a competitive process.

CORPORATE GOVERNANCE

December 2021 - July 2022

After the adoption of the Procurement Policy under section 108 of the Local Government Act 2020 council did not enter into any contracts for works valued at \$200,000 or more without first engaging in a competitive process.

During this period Council entered into the following contracts valued above the contract value at which the Council must invite a tender or seek an expression of interest under its Procurement Policy:

Contract Type	Description	Contract Value
Capital Works	Anzac Road Reconstruction	\$284,995.40
Supply of Services	McCallum Street Shared Path Construction	\$386,299.70
Supply of Services	Swan Hill Leisure Centre Pool Plant Equipment	\$400,109.80
Capital Works	Catalina Flying Boat Museum Carpark Upgrade	\$443,628.74
Supply of Services	Swan Hill Pioneer Settlement Activation	\$513,050.00
Capital Works	Monash Drive Carpark Reconstruction	\$697,142.33
Supply of Services	Waste Management Services Swan Hill, Robinvale	\$864,000.00
Supply of Services	Swan Hill Leisure Centre Dry Fitness Room	\$939,059.09
Supply of Services	Kerbside Waste Collection and Disposal	\$1,371,107.30
Capital Works	Robinvale Leisure Centre Expansion	\$3,196,976.50

*There was one contract for services entered into in the previous year which ended in 2021/22 that had been through a competitive recruitment process not a tender process.

Service Performance Principles

From April 2020 s106 Service Performance Principles of the *Local Government Act 2020* came into effect. This involves the setting of Quality and Cost Standards for Council services and annual reporting against these standards to the community.

The Local Government Act 2020 requires Council to review its operations to ensure that the services provided to the community represent 'Good Value'.

The following are the service performance principles:

- a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;
- b) services should be accessible to the members of the municipal community for whom the services are intended;
- c) quality and costs standards for services set by the Council should provide good value to the municipal community;
- d) a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;
- e) service delivery must include a fair and effective process for considering and responding to complaints about service provision.

Road Management Act 2004

Council, as a road authority, is required under section 22 of the *Road Management Act 2004* to publish a copy or summary of any direction received from the Minister in its Annual Report. No directions were received from the Minister in 2021/22.

Domestic Animal Act 1994

In accordance with the Domestic Animals Act 1994 section 68a, council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the Annual Report. Council adopted the Domestic Animal Management Plan 2022–2025 in November 2021. The new plan was developed through consultation with the community and key stakeholders including veterinarians, animal businesses and other service providers.

Community Access and Inclusion Strategy

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan and it must report on the implementation of the Disability Action Plan in its Annual Report. Council adopted its Community Access and Inclusion Strategy (CAIS) with an accompanying implementation plan in December 2017. Council will now review and develop a new CAIS in consultation with stakeholders and the community.

The four key objectives of the CAIS are to:

- Reduce barriers to Council services, programs and facilities for people with a disability.
- Reduce barriers to people with a disability obtaining and maintaining employment.
- Increase inclusion and participation in the community for people with a disability.
- Improve community attitudes and perceptions that discriminate against people with a disability.

Public Interest Disclosure Act

The *Public Interest Disclosures Act 2012* commenced on 6 April 2020 and is a rebranding and expansion of the previous *Protected Disclosures Act 2012*.

Council has developed procedures that provide for the making of disclosures. The procedures encourage the disclosure of improper conduct undertaken by Council or its employees, provide protections for the person making a disclosure, and require the reporting of assessable disclosures to the Independent Broad-based Anti-corruption Commission (IBAC).

Council takes its role and responsibilities under the Act very seriously. Public Interest Disclosure procedures also form part of the staff induction process.

Staff and members of the public are encouraged to report matters to the public interest disclosures co-ordinator, if they believe on reasonable grounds that improper conduct or detrimental action has occurred or is occurring.

No reportable matters were received in the 2021/22 financial year.

Freedom of Information Act 1982

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents.

The Act establishes a legally enforceable right for the community to request information, in document form, held by Council.

The Act has four principles:

1. The public has a right of access to documents subject to certain exceptions or exemptions.
2. Local Governments are required to publish information on the documents they hold.
3. Individuals may request that inaccurate, incomplete, out-of-date or misleading information about themselves be amended.
4. Individuals may appeal against a decision not to give access to the document(s) or not to amend personal information.

Written requests for documents must be addressed to Council's Freedom of Information Officer and should be accompanied by an application fee of \$30.60 (2022/23).

A request must specify the document(s) required or if unable to do so, give sufficient detail to enable the relevant document(s) to be located, the form of access required and include the applicant's contact details.

In December 2019, the Victorian Information Commissioner issued Professional Standards relating to the conduct of an agency in performing its functions under the Act, and the administration and operation of the Act by an agency.

Council received three requests in 2021/22 and two requests were carried over from 2020/21. Two requests were released in-part for 2021/22, two requests were denied in-full and one carried forward to 2022/23.

	Number of requests	Fees and charges	Costs
2021/22	3	\$155	\$939
2020/21	8	\$287	\$5,125
2019/20	3	\$114	\$1,100
2018/19	3	\$87	\$6,250
2017/18	4	\$114	\$1,928

Privacy and Data Protection Act 2014

Council respects the privacy of its citizens, ratepayers and clients. Council is committed to the privacy principles prescribed by the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*.

Council has adopted a Privacy Policy that addresses the requirements of both Acts. A copy of the policy is available at the Council offices during business hours and at Council's website www.swanhill.vic.gov.au.

Council received no privacy complaints in the 2021/22 financial year.

Food Act Ministerial Direction

In accordance with 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 in the 2021/22 financial year.

Local Laws

Council has the following Local Laws in place:

Local Law	Date adopted	Date operational
Community Local Law No. 2	16 May 2017	2 June 2017
Regional Livestock Exchange Local Law 2021	16 November 2021	16 November 2021

Policies, strategies and plans

As representatives of the community, Council develops the policies that guide and inform of Council activity. The following policies, strategies and plans were reviewed and/or adopted in 2021/22.

Policy/Strategy/Plan	Date reviewed/adopted
Fencing Contributions Policy	17 August 2021
Youth Engagement Policy	17 August 2021
Councillor and Staff Interactions Policy	17 August 2021
Child Safe Standards Policy	21 September 2021
Community Vision and Council Plan 2021-2025	26 October 2021
Debt Collection Policy	16 November 2021
Domestic Animal Management Plan 2022-2025	16 November 2021
Asset Disposal Policy	21 December 2021
Memorials Policy	21 December 2021
CEO Employment and Remunerations Policy	21 December 2021
Procurement Policy	21 December 2021
Public Transparency Policy	15 February 2022
Social Media Policy	15 February 2022
Community and Event Grants Policy	15 March 2022
Public Art Policy	15 March 2022
Community Engagement Policy	15 March 2022
Civic Receptions, Receptions and the Provision of Hospitality Policy	15 March 2022
Travel by Councillors Policy	15 March 2022
Strategic Asset Management Plan	14 June 2022
Electronic Approval Process Policy	14 June 2022





Part seven

Performance Statement

Description of municipality

Swan Hill Rural City Council covers 6,116 square kilometres and is home to 20,159 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Beverford, Woorinen, Ultima, Manangatang and Boundary Bend.

The Swan Hill municipality has experienced significant growth over the past decade, led by the expansion of horticultural/agricultural practices and supported by an innovative manufacturing sector.

This success is depicted by the fact that the region is Australia's largest producer of table grapes, pistachios and olives, responsible for one quarter of all carrots nationwide, a top contributor to the stone fruit industry and accounts for approximately 70 percent of Australia's Almonds and Olive Oil production.

Almost 22 per cent of the total economic output from the region comes from agricultural production.

Irrigated farming (including stone fruit, grapes, nuts, olives and vegetable production) accounts for over 15 per cent of the total economic output for the municipality, while traditional livestock and broadacre farming accounts for almost 5 per cent. More than 17 per cent of all jobs in the city are directly related to agriculture. Additionally food manufacturing (processing) accounts for almost 9 per cent of the municipality's economic output.

Located along the Murray River, tourism plays an important role in our region's* economy. Our climate and natural beauty attract around 574,000 visitors each year as reported in the Murray Regional Tourism (MRT) Snapshot Report- December 2021.

Operational summary

A number of different and varying circumstances has influenced the performance results for this year.

The coronavirus pandemic (COVID-19) restrictions have affected our ability to provide business 'as usual' (see commentary under COVID-19).

The Comprehensive Income Statement reports a surplus of \$12.7m. This includes depreciation and other non-monetary contributions, but excludes capital payments of \$16.2m and loan repayments of \$5.2m.

Our operating and capital revenue returned to what would be considered a more normal level of funding this year, following significant increases in the 2021 year as a result of economic stimulus funding received by Council following years of drought and ongoing business disruption caused by the pandemic. A number of these projects were carried forward into the 2022 year Council has endeavored to complete these projects as soon as possible. Many of these projects have been funded by the Local Roads and Community Infrastructure round of funding of which Council received \$1.5m.

Another impact increasing our operational revenue and expenses relates to Council's lead role in administering a Commonwealth Regional Growth Fund on behalf of six partner councils. Our operational income and expenditure includes \$2.6m from this arrangement in 2022.

Council has also been active in residential land development at Tower Hill Estate in Swan Hill; selling all available allotments (\$2.0m). The development continues to be cash-flow positive, and provide a return on investment of \$330k.

COVID-19

The COVID-19 pandemic has impacted everyone in our community - including front-line workers who deliver our services.

To keep everyone safe, some Council services such as tourism venues, performing arts and library were closed at various times throughout the year. Fortunately, some of the restrictions placed on our services have not been as restrictive as the prior year.

Some of the actions in this report have been impacted by the COVID-19 pandemic in some way, mostly as the result of some operations being closed and scheduled community events being cancelled. However, a significant amount of actions and services were able to continue as Council worked around the restrictions in place and attempted to continue to provide services in a safe and responsible manner.

*Swan Hill Region includes the Swan Hill Rural City, Gannawarra Shire and Balranald Shire

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

Service/indicator/ measure	Results				Material variations
	2019	2020	2021	2022	
Population					
<i>Expenses per head of municipal population</i> [Total expenses/ Municipal population]	\$2,156.36	\$2,362.58	\$2,525.03	\$2,604.00	Declining population and increased operational expenses result in this indicator slowly increasing over the past four years.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure/ Municipal population]	\$18,969.90	\$20,331.95	\$20,751.24	\$24,532.17	As the population of our municipality decreases and the value of our infrastructure assets increase, the value of infrastructure per head of population continues to rise.
<i>Population density per length of road</i> [Municipal population/ Kilometres of local roads]	5.92	5.65	5.62	6.45	The 2022 reduction in population of 375 and the reduced total length of roads of 531Km results in an increase of 0.83Km per head of population.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue/ Municipal population]	\$1,776.90	\$1,763.31	\$1,902.26	\$1,939.98	The past two years Council have sold further stages at the Tower Hill Estate that have been significantly higher than prior years. Sales of \$2.9M (2021) and \$2M (2022), comparing to \$1M in prior years has significantly contributed to the increase in this indicator.

Sustainable Capacity Indicators cont...

Service/indicator/ measure	Results				Material variations
	2019	2020	2021	2022	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants/Municipal population]	\$526.64	\$569.62	\$586.59	\$677.71	In prior years Council had been in receipt of 50% of the forthcoming years Victorian Grants Commission allocation in June. For the 2022 year Council was prepaid 75% of its 2023 allocation in April, therefore increasing this ratio compared to prior years.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic disadvantage by decile]	2.00	2.00	2.00	2.00	No material variation
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	New in 2020	10.81%	14.40%	21.16%	Council has an ageing workforce. COVID-19 has had an impact on number of resignations and there has been a higher rate of internal movement during 2021/22 which resulted in a higher turnover.

Sustainable Capacity Indicator definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council.

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

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

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

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

Service Performance Indicators

PERFORMANCE STATEMENT

Service/indicator/measure	Results				Material variations
	2019	2020	2021	2022	
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.57	4.56	3.43	5.58	Increase in utilisation of aquatic facilities in 2021/22 is due to the previous year being affected by several COVID-19 shut down periods.
Animal management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Number of animal management prosecutions] x 100	New in 2020	0.00%	100.00%	0.00%	There were no animal management prosecutions in 2021/22.
Food and safety					
Health and safety					
<i>Critical and major non-compliance outcome 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] x 100	81.25%	100.00%	66.67%	40.00%	Staff shortages at critical times led to some non-compliance not being followed up immediately, these are to be reviewed in 2022.
Governance					
Satisfaction					
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	51	45	48	45	No material variation

Service Performance Indicators cont...

Service/indicator/measure	Results				Material variations
	2019	2020	2021	2022	
Libraries					
Participation					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / the sum of the population for the last three years] x 100	16.90%	16.28%	14.52%	13.35%	Library closures and COVID-19 restrictions have had an impact on the number of active library users. The mobile library was unable to visit a number of stops such as preschools and schools for many months during the 2021/22 period.
Maternal and Child Health					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.14%	75.04%	80.05%	82.74%	No material variation
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	60.08%	66.20%	76.26%	77.50%	No material variation
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	46	44	52	51	No material variation

PERFORMANCE STATEMENT

Service/indicator/measure	Results				Material variations
	2019	2020	2021	2022	
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	0.00%	0.00%	0.00%	0.00%	In 2021/22 one planning application was referred to VCAT and Council's decision was not upheld. Previous years have had no planning applications go to VCAT.
Waste collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	30.26%	27.67%	29.51%	30.92%	There has been a slight decrease in the tonnages of kerbside collected commingled recycling and general household waste and an increase in the tonnages of kerbside collected garden organics.

Service Performance Indicator definitions

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

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

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

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

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council

by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health.

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

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

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

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

"population" means the resident population estimated by council.

Financial Performance Indicators

Dimension/ indicator/measure	Results					Forecasts					Material variations	
	2019	2020	2021	2022	2023	2024	2025	2026				
Efficiency												There is minimal movement in this ratio with yearly movements around 1%. There is however a 4% increase in 2023/24 due to the introduction of the FOGO waste system and the associated increase in costs related to this service.
Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$3,727.22	\$4,051.22	\$4,276.56	\$4,309.14	\$4,237.75	\$4,406.29	\$4,450.89	\$4,496.97				
Revenue level Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	-	\$2,028.86	\$2,060.62	\$2,113.86	\$2,162.25	\$2,227.36	\$2,285.17	\$2,342.57				The average rates and charges per assessment is forecast to increase on average by 2.4% between 2022 and 2026. This is influenced by developments within the municipality, increases in rateable assessments and annual rate increases.

PERFORMANCE STATEMENT

Dimension/ indicator/ measure	Results					Forecasts				Material variations
	2019	2020	2021	2022	2023	2024	2025	2026		
Liquidity	380.53%	372.96%	388.38%	417.80%	290.26%	321.61%	312.11%	322.48%		Council is holding unspent cash primarily from government stimulus programs which have improved our liquidity. The ratio will decrease over coming years as stimulus monies is spent in accordance with grant conditions in 2023 and other projects delayed due to these stimulus programs are then undertaken.
Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100										
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	271.46%	267.21%	266.18%	269.50%	249.60%	275.24%	\$265.03%	275.28%		Unrestricted cash levels continue to remain constant over the forecast years.

Financial Performance Indicators cont...

Dimension/indicator/ measure	Results					Forecasts				Material variations
	2019	2020	2021	2022	2023	2024	2025	2026		
Obligations	28.99%	28.35%	27.00%	8.81%	7.72%	6.52%	5.34%	2.89%		
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100										Council repaid an interest only loan of \$4.795M in 2021/22 and has no further borrowings forecast. This ratio will continue to reduce until all loans are paid out in 2030/31.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.03%	3.01%	3.08%	17.93%	1.12%	1.06%	1.01%	2.42%		Council repaid an interest only loan of \$4.795M in 2021/22. This is a significant variance to past and future years results as Council has not had an interest only loan of this size previously. Council has another interest only loan of \$500K due for repayment in 2026 which explains the percentage movement in that year.

PERFORMANCE STATEMENT

Dimension/indicator/ measure	Results					Forecasts					Material variations	
	2019	2020	2021	2022	2023	2024	2025	2026				
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	23.82%	25.82%	11.54%	14.70%	9.16%	8.37%	6.14%	5.28%				Council has continued its plan of no future borrowings from the 2021 year, therefore this ratio will continue to reduce until all loans are repaid in full in the 2030/31 year. The increase in 2022 is the result of an adjustment to our landfill remediation provision following a revision of our remediation requirements and costings for the Swan Hill Landfill site.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	-	93.29%	101.54%	95.15%	122.19%	83.68%	71.61%	91.33%				Delays in a number of capital renewal projects in 2022 had an impact on the reduced ratio. Future years will see this ratio fluctuate dependant upon projects scheduled in our capital works plan and whether they are renewal/upgrade or new assets. Significant new assets within the year reduce available funding for renewal/upgrade projects.

Financial Performance Indicators cont...

Dimension/indicator/ measure	Results					Forecasts				Material variations
	2019	2020	2021	2022	2023	2024	2025	2026		
Operating position	8.38%	5.01%	12.71%	6.32%	6.47%	1.84%	2.27%	2.34%		The 2020/21 year included a significant value of grant funding for Economic Stimulus purposes to assist the economy from the effects of the COVID-19 pandemic. As these funds have not continued to be received this result returns to a more normal level.
Adjusted underlying result										
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100										
Stability	55.93%	54.30%	48.54%	53.06%	55.15%	57.83%	59.89%	60.84%		The 2020/21 result included an increase in the level of non-recurrent operating grants to the value of \$5.1M. These were received for a number of economic stimulus programs. The 2021/22 year has returned to a more normal level of grant funding and the movements for the forecast years are between 1%-3%.
Rates concentration										
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100										

PERFORMANCE STATEMENT

Dimension/ indicator/measure	Results					Forecasts				
	2019	2020	2021	2022	2023	2024	2025	2026	Material variations	
Rates effort <i>Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.69%	0.65%	0.64%	0.62%	0.62%	0.63%	0.65%	0.66%	This indicator maintains a very steady level of rates as a percentage of property values.	

Former Indicators

Service/indicator/measure	Results		
	2018	2019	2020
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2	0	Retired in 2020.
Efficiency			
Revenue level			
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,636.84	\$1,690.08	Retired in 2020.
Obligations			
Asset renewal			
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	90.90%	116.77%	Retired in 2020.

Financial Performance Indicator definitions

"adjusted underlying revenue" means total income other than:

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- contributions to fund capital expenditure from sources other than those referred to above.

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

"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.

PERFORMANCE STATEMENT

Other information

1. Basis of preparation

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

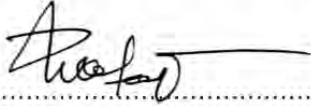
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

The forecast figures included in the performance statement are those adopted by Council in its financial plan on 20 July 2021 and which forms part of the Council Plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting Council.

Certification of the performance statement

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



.....
Bhan Pratap FCPA
Principal Accounting Officer

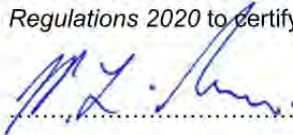
Dated: 20 September 2022

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

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

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

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



.....
William Moar
Councillor (Acting Mayor)

Dated: 20 September 2022



.....
Les McPhee
Councillor

Dated: 20 September 2022



.....
Scott Barber
Chief Executive Officer

Dated: 20 September 2022

PERFORMANCE STATEMENT

Auditor General's Report - Performance Statement



Independent Auditor's Report

To the Councillors of Swan Hill Rural City Council

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

Level 31 / 35 Collins Street, Melbourne Vic 3000
 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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

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

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

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

MELBOURNE
13 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

PERFORMANCE STATEMENT

Appendices

Donations and contributions

Organisation	Purpose	Amount
1st Lake Boga Sea Scouts	Contribution	\$1,500
Australia Day	Contribution	\$4,049
Central Murray Osteopathy	Contribution	\$500
Central Victoria Australian Football Commission Ltd	Contribution	\$3,000
Fight Cancer Foundation Limited	Contribution	\$2,000
Lake Boga Bowling Club Inc	Contribution	\$750
Lake Boga Football Netball Club	Contribution	\$5,000
Lake Boga Yacht Club Inc	Contribution	\$1,000
Lakers Cricket Club Inc	Contribution	\$5,000
Lead Loddon Murray Inc	Support	\$7,000
Lions Club of Lake Boga Inc	Contribution	\$2,000
Manangatang Improvement Group	Contribution	\$2,000
Manangatang Recreation Reserve Committee	Contribution	\$15,000
Massive Murray Paddle	Contribution	\$2,000
Mid Murray Pistol Club Inc	Contribution	\$2,500
Mildura Dragon Boat Club	Contribution	\$2,100
Nyah District Bowling Club Inc	Contribution	\$5,000
Nyah District Christmas Carnival Committee	Contribution	\$3,000
Nyah District Pony Club Inc	Contribution	\$5,000
Nyah District Pool Committee Inc	Contribution	\$532
Pioneer Country Quarter Horse Association Inc	Contribution	\$5,000
Pop up Cinema	Support	\$3,239
Refugee Health Nurse	Support	\$46
Riding for the Disabled Association of Victoria	Contribution	\$5,000
Robinswood Homestead Association	Contribution	\$2,000
Robinvale Euston Business Association Inc	Contribution	\$3,500
Robinvale Euston Ski Race	Support	\$3,842
Robinvale Euston Suicide Prevention Network	Support	\$269

Organisation	Purpose	Amount
Robinvale Lawn Tennis Club Inc	Contribution	\$6,500
Robinvale Network House	Contribution	\$7,500
Robinvale Pistol Club	Contribution	\$3,900
Robinvale Remembrance Day Service at Cenotaph	Support	\$27
Robinvale Rifle Club Inc	Contribution	\$7,000
Robinvale Villers-Bretonneux Association	Contribution	\$3,000
Speewa Heritage Collectors Club Inc	Contribution	\$2,000
Swan Hill & District Campdraft Club Inc	Contribution	\$3,000
Swan Hill Badminton Association	Contribution	\$1,500
Swan Hill Bowls Club Inc	Contribution	\$3,000
Swan Hill District Agricultural & Pastoral Society Inc	Contribution	\$5,000
Swan Hill Field & Game	Contribution	\$2,000
Swan Hill Food & Wine Festival	Support	\$5,000
Swan Hill Incorporated	Contribution	\$2,000
Swan Hill Jockey Club	Contribution	\$1,000
Swan Hill Little Athletics Centre	Contribution	\$1,372
Swan Hill Market Day	Support	\$828
Swan Hill Motor Racing Club	Contribution	\$3,852
Swan Hill Neighbourhood House Inc	Contribution	\$5,500
Swan Hill Racecourse Bowls Club Inc	Contribution	\$2,500
Swan Hill Soccer League	Contribution	\$2,100
Swan Hill Table Tennis Association	Contribution	\$4,881
Swan Hill Theatre Group Co-Operative Ltd	Contribution	\$9,000
Swan Hill Trotting Club Inc	Contribution	\$2,500
Ultima Progress Association	Contribution	\$1,746
Veteran Car Club of Australia (Vic) Inc	Contribution	\$3,000
Woorinen & District Progress Association Inc	Contribution	\$3,000
Youth Endeavour Scholarship	Support	\$500

PERFORMANCE STATEMENT

Appendix 2: Organisations of which

Organisation	Amount
Australasian Fleet Managers Association	\$454
Australian Airports Association	\$1,446
Australian Livestock Markets Association	\$1,009
Australian Livestock Saleyards Association Inc	\$1,950
Australian Museums & Galleries Association Victoria	\$273
Central Murray Regional Transport	\$4,000
Central Victorian Greenhouse Alliance	\$12,750
Engineering NZ Chartered Membership	\$891
Institute of Public Works Engineering Australasia Limited	\$1,540
LGPro Membership	\$2,627
Local Government Infrastructure Design Association	\$500
Municipal Association of Victoria	\$29,725
Murray River Group of Councils	\$7,822
Murray River Regional Tourism Limited	\$27,201
National Saleyards Quality Assurance	\$550
North West Municipalities Association	\$1,000
Project Management Institute	\$317
Print Council Of Australia	\$105
Public Galleries Association of Victoria	\$848
Public Libraries Victoria Network	\$1,929
Rail Freight Alliance	\$3,220
Rural Councils Victoria Inc	\$3,000
Victorian Association of Performing Arts Centres	\$1,427
Victorian Maternal Child and Health	\$75
Victorian Tourism Industry Limited	\$1,173



General Purpose Financial Statements

FINANCIAL STATEMENT

Understanding the Financial Statements

Introduction

The financial report is a key report by the Swan Hill Rural City Council. It shows how Council performed financially during the 2021/22 financial year and the overall position at the end of the financial year (30 June 2022).

Council presents its financial report in accordance with the Australian Accounting Standards.

Particular terms required by the standards might not be familiar to some readers. Council is committed to accountability and it is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the report and the notes. There are five statements and 10 notes. These are prepared by Council staff, examined by the Audit and Risk Committee and Council, and are 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 the make-up of values contained in the statements.

1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

The statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation, or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets that are used to deliver Council services.

These assets are depreciated over the life of the asset or as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the statement but, as indicated above, are depreciated as they are used.

The statement is prepared on an accrual basis. This means that generally all income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

2. Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial position as at 30 June 2022. It shows what the Council owns as assets and what it owes as liabilities.

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

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that will fall due or be consumed in the next 12 months. The components of the Balance Sheet are described on the following page.

Current and non-current assets

- Cash includes cash and cash equivalents i.e. cash held in the bank, petty cash and term deposits.
- Receivables are monies owed to Council by ratepayers and other debtors.
- Other assets include income earned but not yet received 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 which have been invested in by Council over many years.

Current and non-current liabilities

- Payables are those to whom Council owes money as at 30 June 2022.
- Provisions include employee benefits, which is the accounting term for accrued long service and annual leave. Landfill restoration works are also grouped under provisions.
- Interest bearing loans and borrowings, which are repaid over a set period of time, finance leases that are leases of assets where ownership of the asset is transferred to the Council.

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 2022. The net value of the 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.
- Accumulated surplus is the value of all net assets accumulated over time, including other reserve allocations for specific projects.

3. Statement of Changes in Equity

During the course of the year, the value of total ratepayers equity as set out in the Balance Sheet changes. This statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The surplus/(deficit) for the year from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- Revaluation of assets; takes on a regular schedule basis on average every three years. It also occurs when existing assets are taken up in the books for the first time.

4. 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 the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

Cash flow operating activities

- Receipts – all cash received into Council's bank account from ratepayers and others that owed money to Council. Receipts also include the interest earned from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments – all cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

FINANCIAL STATEMENT

Cash flow from investing activities

The accounting term investing activities relates to payments for the acquisition and creation of assets, such as new plant, roads and other long-term revenue producing assets, and the proceeds from the sale of assets such as plant and land.

Cash flow from financing activities

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

5. Statement of Capital Works

Each year a significant portion of Council budget gets allocated to Capital Works projects. This Statement aims to give readers an understanding of what capital works assets have been built, upgraded or renewed throughout the financial year.

This Statement is broken down by asset category to provide further information as to what asset category these funds have been spent.

Notes to the Accounts

The notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader 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 within the notes. The notes give details behind many of the summary figures contained in the statements. The 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 Statement of Capital Works.

Where Council wishes to disclose other information that cannot be incorporated onto the face of the Statements, this is shown in the notes.

The notes also include a comparison to budget (note 1). This note reports on the actual performance of Council to its adopted budget, and provides commentary to all material variances.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

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 that, in 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 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 Audit Report is the external and independent opinion on the financial statements. It provides the reader with a totally independent opinion on the financial statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial statements.

Swan Hill Rural City Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2022



Swan Hill Rural City Council

2021/2022 Financial Report

Annual Financial Report

for the year ended 30 June 2022

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for the year ended 30 June 2022

Certification of the Financial Statements

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



Bhan Pratap FCPA
Principal Accounting Officer
Date: 20 September 2022
Swan Hill Rural City Council

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

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

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



Mr William Moar
Councillor (Acting Mayor)
Date: 20 September 2022
Swan Hill Rural City Council



Mr Les McPhee
Councillor
Date: 20 September 2022
Swan Hill Rural City Council



Mr Scott Barber
Chief Executive Officer
Date: 20 September 2022
Swan Hill Rural City Council

Independent Auditor's Report

To the Councillors of Swan Hill Rural City Council

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
13 October 2022


Travis Derricott
as delegate for the Auditor-General of Victoria

Swan Hill Rural City Council

2021/2022 Financial Report

Annual Financial Report

for the year ended 30 June 2022

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across Victoria are required to present a set of audited financial statements to their council and community.

What you will find in the Report

The financial report set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2022.

The format of the financial report is standard across all Victorian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

About the Certification of the Financial Statements

The financial statements must be certified by senior staff and Councillors as "presenting fairly" the Council's financial results for the year as well as Council's financial position, and are required to be adopted by Council - ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. Comprehensive Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

Includes other comprehensive income which primarily records changes in the fair values of Council's property, infrastructure, plant and equipment.

2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

3. Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Statement of Capital Works

This statement details all amounts expended by Council on capital works.

About the Notes to the Financial Report

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the Victorian Auditor General's office.

The auditor provides an audit report which gives an opinion on whether the financial statements present fairly the Council's financial performance and position.

Who uses the Financial Report?

The financial report is a publicly available document and is used by (but not limited to) Councillors, residents and ratepayers, employees, suppliers, contractors, customers, Local Government Victoria, state and federal governments, and financiers including banks and other financial institutions.

The financial statements must be presented at a Council meeting no later than 1 month after submitting the annual report to the Minister.

Swan Hill Rural City Council

2021/2022 Financial Report

Comprehensive Income Statement
for the year ended 30 June 2022

	Notes	2022 \$ '000	Restated 2021 \$ '000
Income			
Rates and charges	3.1	30,101	29,200
Statutory fees and fines	3.2	1,077	1,106
User fees	3.3	4,156	4,002
Grants - operating	3.4,10.1	15,307	17,896
Grants - capital	3.4,10.1	10,452	7,084
Contributions - monetary	3.5	295	342
Contributions - non monetary	3.5	39	10
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	211	554
Other income	3.7	3,563	4,199
Total income		65,201	64,393
Expenses			
Employee costs	4.1	20,468	20,083
Materials and services	4.2	20,614	19,710
Depreciation	4.3	9,911	9,756
Amortisation - Right of use assets	4.4	424	406
Bad and doubtful debts	4.5	70	6
Borrowing costs	4.6	163	322
Finance Costs - Leases	4.7	24	27
Other expenses	4.8	820	1,539
Total expenses		52,494	51,849
Surplus/(deficit) for the year		12,707	12,544
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	69,524	1,925
Total other comprehensive income		69,524	1,925
Total comprehensive result		82,231	14,469

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

Swan Hill Rural City Council

2021/2022 Financial Report

Balance Sheet

as at 30 June 2022

	Notes	2022 \$ '000	Restated 2021 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	10,590	18,698
Trade and other receivables	5.1	3,936	3,352
Other financial assets	5.1	40,554	32,954
Inventories	5.2	231	93
Other assets	5.2	319	165
Total current assets		55,630	55,262
Non-current assets			
Trade and other receivables	5.1	—	13
Property, infrastructure, plant and equipment	6.1	571,739	496,804
Right-of-use assets	5.8	408	444
Intangible assets	5.2	3,840	3,072
Other assets	5.2	50	50
Total non-current assets		576,037	500,383
Total assets		631,667	555,645
Liabilities			
Current liabilities			
Trade and other payables	5.3	3,025	3,265
Trust funds and deposits	5.3	468	284
Unearned income/revenue	5.3,10.1	4,276	6,545
Provisions	5.5	5,016	5,233
Interest-bearing liabilities	5.4	271	5,168
Lease liabilities	5.8(b)	259	269
Total current liabilities		13,315	20,764
Non-current liabilities			
Provisions	5.5	3,234	1,674
Interest-bearing liabilities	5.4	2,347	2,618
Lease liabilities	5.8(b)	167	216
Total non-current liabilities		5,748	4,508
Total liabilities		19,063	25,272
Net assets		612,604	530,373
Equity			
Accumulated surplus		331,162	318,455
Reserves	9.1	281,442	211,918
Total Equity		612,604	530,373

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

Swan Hill Rural City Council

2021/2022 Financial Report

Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000
2022				
Balance at beginning of the financial year	10.1	530,373	318,455	211,918
Surplus/(deficit) for the year		12,707	12,707	–
Other comprehensive income				
Net asset revaluation increment/(decrement)	6.1	69,524	–	69,524
Other comprehensive income		69,524	–	69,524
Total comprehensive income		82,231	12,707	69,524
Balance at end of the financial year		612,604	331,162	281,442
2021 Restated				
Balance at beginning of the financial year	10.1	515,904	305,911	209,993
Surplus/(deficit) for the year		12,544	12,544	–
Other comprehensive income				
Net asset revaluation increment/(decrement)	6.1	1,925	–	1,925
Other comprehensive income		1,925	–	1,925
Total comprehensive income		14,469	12,544	1,925
Balance at end of the financial year		530,373	318,455	211,918

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

Swan Hill Rural City Council

2021/2022 Financial Report

Statement of Cash Flows

for the year ended 30 June 2022

		2022	2021
	Notes	Inflows/ (Outflows) \$ '000	Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		29,336	29,152
Statutory fees and fines		1,077	1,106
User fees		4,165	4,000
Grants - operating		17,043	17,417
Grants - capital		6,438	11,888
Contributions - monetary		295	342
Interest received		452	433
Trust funds and deposits taken		184	(8)
Other receipts		3,167	5,163
Net GST refund/(payment)		2,664	2,320
Employee costs		(20,274)	(20,155)
Materials and services		(21,116)	(19,345)
Other payments		(2,201)	(3,522)
Net cash provided by/(used in) operating activities	9.2	21,230	28,791
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(16,241)	(14,586)
Proceeds from sale of property, infrastructure, plant and equipment		305	577
Payments for investments		(7,600)	(6,625)
Net cash provided by/(used in) investing activities		(23,536)	(20,634)
Cash flows from financing activities			
Finance costs		(163)	(322)
Proceeds from borrowings		-	500
Repayment of borrowings		(5,168)	(565)
Interest paid - lease liability		(24)	(27)
Repayment of lease liabilities		(447)	(426)
Net cash flow provided by/(used in) financing activities		(5,802)	(840)
Net Increase (decrease) in cash and cash equivalents		(8,108)	7,317
Cash and cash equivalents at the beginning of the financial year		18,698	11,381
Cash and cash equivalents at the end of the financial year		10,590	18,698
Financing arrangements	5.6	2,818	7,986
Restrictions on cash assets	5.1	468	284

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

Swan Hill Rural City Council

2021/2022 Financial Report

Statement of Capital Works

for the year ended 30 June 2022

	2022	2021
	\$ '000	\$ '000
Property		
Land	1,298	461
Total land	<u>1,298</u>	<u>461</u>
Buildings	2,317	1,775
Total buildings	<u>2,317</u>	<u>1,775</u>
Total property	<u>3,615</u>	<u>2,236</u>
Plant and equipment		
Plant, machinery and equipment	1,688	958
Fixtures, fittings and furniture	19	168
Computers and telecommunications	61	124
Library books	131	103
Artworks	12	7
Total plant and equipment	<u>1,911</u>	<u>1,360</u>
Infrastructure		
Sealed Roads	5,313	4,978
Unsealed Roads	2,165	1,554
Footpaths and cycleways	781	160
Drainage	1,133	876
Recreational, leisure and community facilities	38	1,648
Waste management	25	-
Parks, open space and streetscapes	1,106	505
Other infrastructure	110	1,199
Total infrastructure	<u>10,671</u>	<u>10,920</u>
Total capital works expenditure	<u>16,197</u>	<u>14,516</u>
Represented by:		
New asset expenditure	6,767	4,610
Asset renewal expenditure	7,807	8,949
Asset upgrade expenditure	1,623	957
Total capital works expenditure	<u>16,197</u>	<u>14,516</u>

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

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Overview

Introduction

The Swan Hill Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 45 Splatt St Swan Hill.

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 Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1.)
- 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)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

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

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Overview (continued)

(b) Impact of Covid-19

The Coronavirus (Covid-19) was declared a world-wide pandemic by the World Health Organisation in March 2020. Covid-19 and the highly infectious delta variant has continued to plague the Australian and local economy.

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations.

At the date of preparation of these financial statements, the impact of the coronavirus pandemic remains ongoing, however lockdowns and restrictions haven't been in place for some time and we look to return to some form of normal while learning to live with the issues created by the virus.

Throughout 2021/22 Council continued to receive further economic support with funding for programs including Local Roads and Community Infrastructure, that aim to assist with the economic recovery from the pandemic.

Covid-19, as well as measures including government directives to slow the spread of the virus in Australia, have impacted Council operations in the following areas:

- The leisure centre facilities, library, art gallery, town hall and public halls, community centres, municipal offices and the Pioneer Settlement (museum) were closed to the public during various parts of 2021/22. These closures resulted in a redeployment of Council staff from closed facilities to other Council roles and lead to a number of unavoidable and unfortunate stand-downs. User charge based items such as parking meters and associated fines have also reduced due to the stay at home measures. Closure of some of Council's facilities and reduction in user fees and charges has resulted in a continued decrease in Council's revenue and decrease in employment and other costs.
- Many major operational projects and budgeted capital expenditure projects have been delayed due to difficulties in recruiting staff and engaging contractors.
- Building activity continued to remain strong in 2021/22 continuing on from the increase in activity from the prior year. This resulted in additional revenue from building and planning fees.
- The Pioneer Settlement was closed for 43 days during 2021/22 due to the pandemic. These closures significantly impacted the revenue of the tourist attraction. For the periods the Pioneer Settlement was able to operate there was very good attendance at the attraction, so once restrictions begin to lift we hope to see good patronage and an increase in revenue.

The above impacts on the financial statements for the year ended 30 June 2022, have led to a reduction in income and expenditure in many areas, but has not resulted in a negative impact to Council's 30 June 2022 financial result.

Given the dynamic and evolving nature of Covid-19, recent experience of the economic and financial impacts of the pandemic have not adversely affected our financial position. Changes to the estimates and judgements that have been applied in the measurement of assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that exists at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future periods.

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2.1. Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

	Budget 2022 \$ '000	Actual 2022 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income and expenditure					
Income					
Rates and charges	30,022	30,101	79	0%	
Statutory fees and fines	1,045	1,077	32	3%	
User fees	4,539	4,156	(383)	(8)%	
Grants - operating	11,565	15,307	3,742	32%	1
Grants - capital	11,281	10,452	(829)	(7)%	
Contributions - monetary	255	295	40	16%	2
Contributions - non monetary	–	39	39	∞	3
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	332	211	(121)	(36)%	4
Other income	3,335	3,563	228	7%	
Total income	62,374	65,201	2,827	5%	
Expenses					
Employee costs	21,407	20,468	939	4%	
Materials and services	17,386	20,614	(3,228)	(19)%	5
Depreciation	11,183	9,911	1,272	11%	6
Amortisation - right of use assets	240	424	(184)	(77)%	7
Bad and doubtful debts	2	70	(68)	(3,400)%	8
Borrowing costs	198	163	35	18%	9
Finance costs - leases	18	24	(6)	(33)%	10
Other expenses	1,200	820	380	32%	11
Total expenses	51,634	52,494	(860)	(2)%	
Surplus/(deficit) for the year	10,740	12,707	1,967	18%	

continued on next page ...

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2.1. Performance against budget (continued)

(i) Explanation of material variations

Variance	Explanation
Ref	

- | | |
|-----|--|
| 1. | This variance relates to additional funds received for the Our Region Our Rivers project. These funds were received by Council and passed on to partner Councils as their projects were completed. |
| 2. | User group contributions budgeted for in 2020/21 were received in 2021/22. |
| 3. | Council received Artworks donated to the Gallery Collection. Donation of assets is not budgeted for. |
| 4. | The written down value of plant and equipment was higher than forecast. The majority of plant and equipment renewed during 2021/22 had not been fully depreciated. |
| 5. | The majority of this variance (\$2,465,000) relates to works budgeted as capital expenditure, but deemed not to meet capitalisation thresholds and requirements and was therefore expensed. The variance is also affected by an increase in the Landfill provision of (\$1,441,000). |
| 6. | Budget forecast higher levels of capital works being completed during the 2021/22 financial year. |
| 7. | The increase in amortisation is attributed to new leases for the Swan Hill Regional Information Centre and Maternal and Child Health Centre during this financial year. |
| 8. | An increased provision is required due to an increase in trade and other receivables. |
| 9. | Actual borrowing costs included \$29,000 of accrual reversal from 2020/21. |
| 10. | Finance costs increased due to the new leases for the Swan Hill Regional Information Centre and Maternal and Child Health Centre. |
| 11. | The budget allows for the full value of operating lease costs and doesn't factor in the unwinding of the lease liability. |

continued on next page ...

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2.1. Performance against budget (continued)

	Budget 2022 \$ '000	Actual 2022 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	3,409	1,298	(2,111)	(62)%	1
Total land	3,409	1,298	(2,111)	(62)%	
Buildings	8,511	2,317	(6,194)	(73)%	2
Total buildings	8,511	2,317	(6,194)	(73)%	
Total property	11,920	3,615	(8,305)	(70)%	
Plant and equipment & Culture and heritage					
Plant, machinery and equipment	1,414	1,688	274	19%	3
Fixtures, fittings and furniture	63	19	(44)	(70)%	4
Computers and telecommunications	250	61	(189)	(76)%	5
Library books	155	131	(24)	(15)%	6
Artworks	–	12	12	∞	7
Total plant and equipment & Culture and heritage	1,882	1,911	29	2%	
Infrastructure					
Sealed Roads	6,613	5,313	(1,300)	(20)%	8
Unsealed Roads	1,295	2,165	870	67%	9
Footpaths and cycleways	115	781	666	579%	10
Drainage	121	1,133	1,012	836%	11
Recreational, leisure and community facilities	175	38	(137)	(78)%	12
Waste management	22	25	3	14%	13
Parks, open space and streetscapes	1,134	1,106	(28)	(2)%	
Other infrastructure	3,078	110	(2,968)	(96)%	14
Total infrastructure	12,553	10,671	(1,882)	(15)%	
Total capital works expenditure	26,355	16,197	(10,158)	(39)%	
Represented by:					
New asset expenditure	14,017	6,767	(7,250)	(52)%	
Asset renewal expenditure	11,055	7,807	(3,248)	(29)%	
Asset upgrade expenditure	1,283	1,623	340	27%	
Total capital works expenditure	26,355	16,197	(10,158)	(39)%	

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 2.1. Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	The budget allowed (\$1,659,000) for the development of Tower Hill. The funds were spent and the works capitalised as drainage and sealed roads. The budget also included works on Robinvale Housing Strategy of \$1,750,000, of this \$830,000 was spent to 30 June 2022.
2.	The budget allowed (\$6,207,000) for the Our Place building, with only design and consultation works being undertaken to date.
3.	A grant of \$267,000 was received in 2020/21 for the purchase of a new Library van, the variance is due to the expenditure relating to the Library van purchase.
4.	The budget included the fit out of Robinvale Library, these works were expensed due to being under capitalisation thresholds. Actual expenditure relates to renewal of the IT server room air-conditioning.
5.	The budget included \$120,000 to implement recommendations of the IT Strategy, \$68,000 of this remains unspent and will be carried forward into 2022/23. Expenditure of \$146,000 was expensed due to being below capitalisation thresholds.
6.	Purchases made to provide non-book material for the new Library in Robinvale were made from the library collection capital purchases budget. These were expensed to 'materials and services', as they could not be capitalised in accordance with our asset recognition thresholds and useful life criteria.
7.	Council was able to purchase a number of works funded by donations to the Art Gallery acquisitions trust.
8.	Sealed roads budget included \$1,598,000 for carparking at the Art Gallery, which was not complete at the end of the financial year.
9.	This variance is due to \$1,078,000 of Aerodrome runway works being capitalised to unsealed roads.
10.	The majority of this variance relates to expenditure for McCallum Street footpath of \$360,000, Anniversary Drive \$108,000 and Campbell Street Reconstruction of \$110,000.
11.	The majority of the variance relates to works completed on Robinvale Town Levee of \$663,000 and drainage works at Tower Hill of \$360,000.
12.	The budget includes \$125,000 for Swan Hill Outdoor Pool preliminary designs of which \$24,000 has been spent. The Robinvale Recreation Reserve change rooms are now complete.
13.	Waste Management expenditure relates to preliminary works on the Ultima Compost Facility establishment. The budgeted Swan Hill Landfill boundary fence replacement is not yet complete.
14.	Other Infrastructure budgeted included \$2,443,000 for the Swan Hill Aerodrome Reconstruction and \$375,000 for the Vibrant Villages project. Aerodrome works were capitalised to sealed and unsealed roads, and the majority of Vibrant Villages works were expensed due to being under capitalisation thresholds.

Swan Hill Rural City Council

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 2.2. Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Economic growth

Economic growth will encourage new business development, provide support for business expansion and will continuously seek to help our existing businesses to prosper. This function provides, building and planning statutory services, management of caravan parks, economic development programs, regulatory services and parking control, management of the Pioneer Settlement and regional visitor information centre.

Community enrichment

Community enrichment function will provide a range of services to individuals and to the broader community that assist all in our community to live healthy, fulfilling lives. We will embrace our role as a regional centre by providing a range of cultural opportunities. The community enrichment function includes aged care services, maternal and child health, after school and vacation programs, libraries, art gallery and performing arts.

Infrastructure

Infrastructure will provide and maintain publicly accessible infrastructure that is appropriate for the community's needs in the most effective and efficient manner possible. The infrastructure function is responsible for constructing new infrastructure and maintaining existing infrastructure across the municipality.

Governance and leadership

Governance and leadership provides efficient, effective and proactive support services across Council to enable the delivery of policy commitments, Council vision and mission. The function will plan for our municipality's long term growth and development by committing to a robust program of strategic planning while representing our community's interests and conducting our affairs openly and with integrity, reflecting the high levels of governance our community expects.

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

Functions/activities	Income \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income \$ '000	Total assets \$ '000
2022					
Economic Growth	15,189	14,645	544	11,141	9,217
Community enrichment	5,079	8,095	(3,016)	3,716	2,781
Infrastructure	13,899	19,857	(5,958)	6,911	563,060
Governance and leadership	31,034	9,897	21,137	3,991	56,609
Total functions and activities	65,201	52,494	12,707	25,759	631,667
2021 Restated					
Economic Growth	11,231	16,848	(5,617)	7,970	9,314
Community enrichment	4,409	6,933	(2,524)	3,715	2,746
Infrastructure	11,941	20,403	(8,462)	7,883	486,774
Governance and leadership	36,812	7,665	29,147	5,412	56,811
Total functions and activities	64,393	51,849	12,544	24,980	555,645

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services

	2022	2021
	\$ '000	\$ '000

3.1 Rates and charges

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the value of its land, buildings and improvements.

The valuation base used to calculate general rates for 2021/22 was \$4,756 million (2020/21 \$4,437 million).

Residential	11,052	10,724
Commercial	1,638	1,555
Industrial	879	913
Farm/rural	11,998	11,853
Supplementary rates and rate adjustments	192	71
Garbage charge	3,680	3,545
Special Marketing Rates	370	366
Rate agreements - Electricity Industry Act	296	291
Abandonments	(18)	(15)
Other	14	(103)
Total rates and charges	30,101	29,200

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

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.

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

	2022 \$ '000	2021 \$ '000
3.2 Statutory fees and fines		
Infringements and costs	65	39
Building and planning fees	676	750
Animal registration and release fees	160	163
Health registration fees	99	91
Other fees and fines	77	63
Total statutory fees and fines	1,077	1,106

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	760	695
Administration fees	134	151
Child care/children's programs	120	105
Parking	177	144
Sales - Admissions	1,239	896
Sales - merchandising, catering, other sales	446	379
Hire & Leasing fees	637	531
Livestock Exchange	429	552
Other fees and charges	214	549
Total user fees	4,156	4,002
User fees by timing of revenue recognition		
User fees recognised over time	637	531
User fees recognised at a point in time	3,519	3,471
Total user fees	4,156	4,002

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.

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

	2022	Restated
	\$ '000	2021
		\$ '000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	17,439	15,909
State funded grants	8,320	9,071
Total grants received	25,759	24,980

(a) Operating Grants**Recurrent - Commonwealth Government**

Financial Assistance Grants - general purpose	6,613	5,001
Financial Assistance Grants - local roads	2,889	2,350
Out of school hours care	246	242
Home and community care	1,537	1,507

Recurrent - State Government

Public health	64	22
Art Gallery and performing arts	150	150
School crossing supervisors	49	48
Libraries	214	207
Maternal and child health	408	236
Other	120	131
Total recurrent operating grants	12,290	9,894

Non-recurrent - Commonwealth Government

Our Region Our Rivers	911	3,461
Home & community care	108	239

Non-recurrent - State Government

Community projects	327	285
Environmental protection	163	245
Waste management	64	-
Cultural heritage	296	128
Libraries	12	16
Economic development	520	807
Home & community care	-	134
Family and children	481	848
Working for Victoria Jobs program	-	1,611
Employment subsidies	75	75
Information technology	-	100
Other	60	53
Total non-recurrent operating grants	3,017	8,002

Total operating grants

	15,307	17,896
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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

	2022	Restated
	\$ '000	2021 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,372	1,849
Total recurrent capital grants	1,372	1,849
Non-recurrent - Commonwealth Government		
Our Region Our Rivers	630	553
Local roads and community infrastructure program	2,173	557
Aerodrome	960	150
Non-recurrent - State Government		
Buildings	2,607	788
Roads	128	1,248
Plant, machinery and equipment	-	267
Drainage	224	123
Footpaths	-	150
Parks playgrounds and street beautification	1,302	1,153
Art and heritage	7	7
Waste management	40	-
Livestock exchange	3	21
Recreation, leisure and community facilities	691	140
Other	315	78
Total non-recurrent capital grants	9,080	5,235
Total capital grants	10,452	7,084

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

Balance at start of year	31	3,845
Received during the financial year and remained unspent at balance date	9,140	4,084
Received in prior years and spent during the financial year	(7,404)	(7,898)
Balance at year end	1,767	31

Capital

Balance at start of year	6,504	2,739
Received during the financial year and remained unspent at balance date	2,150	6,282
Received in prior years and spent during the financial year	(6,164)	(2,517)
Balance at year end	2,490	6,504

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

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

	2022	Restated 2021
	\$ '000	\$ '000

(d) Recognition of grant income

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

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

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

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

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

General purpose	6,613	5,001
Specific purpose grants to acquire non-financial assets	10,452	13,588
Other specific purpose grants	6,927	6,391

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	1,767	–
	<u>25,759</u>	<u>24,980</u>

(*) 2022, 75% of the 2022/23 allocation was received prior to June 30 (2021, 50% of the 2021/22 allocation received prior to June 30)

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

	2022 \$ '000	2021 \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	295	342
Total monetary contributions	295	342
Non-monetary contributions		
Non-monetary	39	10
Total non-monetary contributions	39	10
Total contributions	334	352
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Library Books	4	1
Artworks	35	9
Total non-monetary contributions	39	10

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

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

Property, infrastructure, plant and equipment		
Proceeds of sale	305	577
Written down value of assets disposed	(94)	(23)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	211	554
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	211	554

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	452	433
Reimbursements	769	552
Tower Hill land sales	2,018	2,955
Less - Tower Hill costs of goods sold	-	(56)
Revenue from volunteer services	174	242
Other	150	73
Total other income	3,563	4,199

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.

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. The cost of delivering services

	2022	2021
	\$ '000	\$ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	15,796	15,150
WorkCover	1,113	485
Superannuation	1,986	1,752
Fringe benefits tax	31	29
Agency staff	969	1,898
Long service leave	320	511
Staff training	135	153
Other	118	105
Total employee costs	20,468	20,083

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	103	138
	103	138

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,828	1,589
	1,828	1,589

Total superannuation costs

	1,931	1,727
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Refer to Note 9.3. for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract payments	10,297	6,561
Building maintenance	734	745
General maintenance	1,644	2,306
Utilities	1,208	1,243
Office administration	656	542
Information technology	628	721
Insurance	987	934
Consultants	689	612
Community grants sponsorship and contributions	2,046	4,631
Volunteer services - cost of service	174	242
Other	1,551	1,173
Total materials and services	20,614	19,710

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

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. The cost of delivering services (continued)

	2022 \$ '000	2021 \$ '000
4.3 Depreciation		
Property		
Buildings - specialised	1,252	1,220
Buildings - non specialised	78	78
Total depreciation - property	1,330	1,298
Plant and equipment		
Plant machinery and equipment	892	838
Fixtures fittings and furniture	321	322
Computers and telecomms	95	121
Artworks	18	18
Library Collection	128	131
Pioneer Settlement vehicles & vessels	58	49
Pioneer Settlement site exhibits	26	21
Pioneer Settlement buildings	11	11
Total depreciation - plant and equipment	1,549	1,511
Infrastructure		
Footpaths and cycleways	390	388
Drainage	596	594
Recreational, leisure and community	368	289
Waste management	97	231
Parks open spaces and streetscapes	345	328
Sealed roads	3,644	3,546
Unsealed roads	1,363	1,358
Other infrastructure	229	213
Total depreciation - infrastructure	7,032	6,947
Total depreciation	9,911	9,756

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

4.4 Amortisation - Right of use assets

Property	424	406
Total Amortisation - Right of use assets	424	406

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. The cost of delivering services (continued)

	2022 \$ '000	2021 \$ '000
4.5 Bad and doubtful debts		
Parking fine debtors	48	(9)
Rates debtors	20	15
Other debtors	2	–
Total bad and doubtful debts	70	6
Movement in provisions for doubtful debts		
Balance at the beginning of the year	278	276
New provisions recognised during the year	60	2
Amounts already provided for and written off as uncollectible	(10)	(7)
Amounts provided for but recovered during the year	10	7
Balance at end of year	338	278

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.

4.6 Borrowing costs

Interest - Borrowings	163	322
Total borrowing costs	163	322

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

4.7 Finance Costs - Leases

Interest - Lease Liabilities	24	27
Total finance costs	24	27

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 4. The cost of delivering services (continued)

	2022 \$ '000	2021 \$ '000
4.8 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	60	55
Auditors' remuneration - Internal Audit	16	30
Councillors' allowances	267	239
Assets written-off / impaired	96	690
Operating lease rentals	27	23
Vehicle registrations	83	90
Bank Charges	55	55
Legal Costs	98	214
Fire Services Levy	65	61
Others	53	82
Total other expenses	820	1,539

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position

	Note	2022 \$ '000	2021 \$ '000
5.1 Financial assets			
(a) Cash and cash equivalents			
Current			
Cash on hand		13	12
Cash at bank		7,536	12,583
Term deposits		3,041	6,103
Total current cash and cash equivalents		10,590	18,698
(b) Other financial assets			
Current			
Term deposits - current		40,554	32,954
Total current other financial assets		40,554	32,954
Total current financial assets		51,144	51,652
External restrictions			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust funds and deposits	5.3	468	284
Total restricted funds		468	284
Total unrestricted cash and cash equivalents		10,122	18,414
Intended allocations			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Unspent conditional grants received		14,792	13,493
Cash held to fund carried forward capital works		13,641	11,559
Total funds subject to intended allocations		28,433	25,052

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

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

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

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	2,515	1,750
Infringement debtors	336	292
Private scheme debtors	4	4
Net GST receivable	368	423
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	48	37
Other debtors	1,003	1,124
<i>Provisions for doubtful debts</i>		
Provision for doubtful debts - rates debtors	(75)	(60)
Provision for doubtful debts - infringements	(254)	(214)
Provision for doubtful debts - other debtors	(9)	(4)
Total current trade and other receivables	3,936	3,352
Non-Current		
<i>Non-statutory receivables</i>		
Loans and advances to community organisations	-	13
Total non-current trade and other receivables	-	13
Total trade and other receivables	3,936	3,365

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.

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
(d) Ageing of receivables		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	130	941
Past due between 31 and 180 days	629	69
Past due between 181 and 365 days	137	22
Past due by more than 1 year	149	158
Total trade and other receivables	1,045	1,190

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$8,741 (2021: \$3,846) were impaired. The amount of the provision raised against these debtors was \$8,741 (2021: \$3,846). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by more than 1 year	9	4
Total trade and other receivables	9	4

Swan Hill Rural City Council

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
5.2 Non-financial assets		
(a) Inventories		
Current		
Inventories held for distribution	152	15
Inventories held for sale	35	34
Tower Hill Estate	44	44
Total current inventories	231	93

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

Current		
Prepayments	125	74
Accrued income	159	91
Other	35	–
Total current other assets	319	165
Non-current		
Other	50	50
Total non-current other assets	50	50

(c) Intangible assets

Water rights	3,840	3,072
Total intangible assets	3,840	3,072

	Water Rights \$ '000
Gross Carrying Amount	
Balance at 1 July 2021	3,072
Asset revaluations	768
Balance at 30 June 2022	3,840
Net book value at 30 June 2021	3,072
Net book value at 30 June 2022	3,840

Water rights are valued at current market rates. The valuation is based on market transactions being the trading of water shares within the relevant water trading region. Prices are sourced from the Victorian Water Register for water traded within trading zone 7 VIC Murray - Barmah to SA.

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
5.3 Payables, trust funds and deposits and unearned income/revenue		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	380	693
Salaries and wages	941	840
Accrued expenses	1,704	1,732
Total current trade and other payables	3,025	3,265
(b) Trust funds and deposits		
Current		
Refundable deposits	150	108
Fire services property levy	-	14
Retention amounts	318	162
Total current trust funds and deposits	468	284
(c) Unearned income/revenue		
		Restated 2021 \$'000
Current		
Grants received in advance:		
Grants received in advance - operating	1,767	31
Grants received in advance - capital	2,490	6,504
Total grants received in advance	4,257	6,535
User fees received in advance:		
Other	19	10
Total user fees received in advance	19	10
Total unearned income/revenue	4,276	6,545

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grant income payable to external partner Council's and capital works projects. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Purpose and nature of items

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 services property Levy - Council is the collection agent for fire services property 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.

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
5.4 Interest-bearing liabilities		
Current		
Other borrowings - secured	271	5,168
	<u>271</u>	<u>5,168</u>
Non-current		
Other borrowings - secured	2,347	2,618
	<u>2,347</u>	<u>2,618</u>
Total	<u>2,618</u>	<u>7,786</u>

Borrowings are secured by Swan Hill Rural City Council General Rates.

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

Not later than one year	271	5,168
Later than one year and not later than five years	1,988	2,063
Later than five years	359	555
	<u>2,618</u>	<u>7,786</u>

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.

Swan Hill Rural City Council

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for the year ended 30 June 2022

Note 5. Our financial position (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2022			
Balance at the beginning of the financial year	5,349	1,558	6,907
Additional provisions	1,134	1,442	2,576
Amounts used	(1,471)	-	(1,471)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	144	94	238
Balance at the end of the financial year	5,156	3,094	8,250
2021			
Balance at the beginning of the financial year	5,362	1,452	6,814
Additional provisions	1,058	44	1,102
Amounts used	(1,091)	-	(1,091)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	20	62	82
Balance at the end of the financial year	5,349	1,558	6,907

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,280	1,252
Long service leave	283	71
	<u>1,563</u>	<u>1,323</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	315	330
Long service leave	3,138	3,510
	<u>3,453</u>	<u>3,840</u>
Total current employee provisions	<u>5,016</u>	<u>5,163</u>
Non-Current		
Long service leave	140	186
Total Non-Current Employee Provisions	<u>140</u>	<u>186</u>
Aggregate Carrying Amount of Employee Provisions:		
Current	5,016	5,163
Non-current	140	186
Total Aggregate Carrying Amount of Employee Provisions	<u>5,156</u>	<u>5,349</u>

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

Annual leave

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

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

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

Long service leave

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

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022 \$ '000	2021 \$ '000
(b) Landfill restoration		
Current		
Current	–	70
Total current	–	70
Non-current		
Non-current	3,094	1,488
Total non-current	3,094	1,488

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

Key assumptions:

- discount rate	3.16%	1.80%
- index rate	6.10%	2.88%

Total provisions**Current**

Employee provisions	5,016	5,163
Landfill restoration	–	70
Total current provisions	5,016	5,233

Non-current

Employee provisions	140	186
Landfill restoration	3,094	1,488
Total non-current provisions	3,234	1,674

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

Credit card facilities	200	200
Loans and borrowings	2,618	7,786
Total Facilities	2,818	7,986
Used facilities	2,650	7,809
Used facilities	2,650	7,809
Unused facilities	168	177

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
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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.

2022

Operating

Building and property maintenance	496	–	–	–	496
Cleaning - council buildings, public toilets, barbeques	226	–	–	–	226
Licenses	83	–	–	–	83
Management & operations of the PS Pyap	621	–	–	–	621
Materials and supplies	1,060	25	22	4	1,111
Office equipment and supplies	72	–	–	–	72
Other Infrastructure	24	–	–	–	24
Professional services	2,688	–	–	–	2,688
Recreation, leisure and community facilities	–	–	–	–	–
Uniforms	23	–	–	–	23
Waste management operation and kerbside collection	2,301	–	–	–	2,301
Total	7,594	25	22	4	7,645

Capital

Buildings	5,100	–	–	–	5,100
Cultural and heritage	887	–	–	–	887
Drainage	319	–	–	–	319
Footpaths	163	–	–	–	163
Land	32	–	–	–	32
Other infrastructure	7,026	151	–	–	7,177
Materials and supplies	539	–	–	–	539
Parks and open spaces	641	–	–	–	641
Plant & equipment	543	–	–	–	543
Professional services	5	–	–	–	5
Recreation and leisure assets	5,179	–	–	–	5,179
Sealed roads	1,149	–	–	–	1,149
Total	21,583	151	–	–	21,734

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2021					
Operating					
Building and property maintenance	200	–	–	–	200
Cleaning - council buildings, public toilets, barbeques	212	–	–	–	212
Licenses	151	–	–	–	151
Management & operations of the PS Pyap	195	16	–	–	211
Materials and supplies	1,661	–	–	–	1,661
Office equipment and supplies	91	32	4	–	127
Other Infrastructure	–	–	–	–	–
Professional services	1,597	19	–	–	1,616
Recreation, leisure and community facilities	532	–	–	–	532
Uniforms	39	–	–	–	39
Waste management operation and kerbside collection	3,025	–	–	–	3,025
Total	7,703	67	4	–	7,774
Capital					
Buildings	137	–	–	–	137
Cultural and heritage	–	–	–	–	–
Drainage	145	–	–	–	145
Footpaths	48	–	–	–	48
Land	–	–	–	–	–
Other infrastructure	3,366	–	–	–	3,366
Materials and supplies	–	–	–	–	–
Parks and open spaces	546	133	–	–	679
Plant & equipment	419	–	–	–	419
Professional services	–	–	–	–	–
Recreation and leisure assets	1,059	–	–	–	1,059
Sealed roads	4,512	673	–	–	5,185
Total	10,232	806	–	–	11,038

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

	2022	2021
	\$ '000	\$ '000

(b) Operating lease receivables**Operating lease receivables**

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:

Not later than one year	448	380
Later than one year and not later than five years	1,250	1,238
Later than five years	671	636
	2,369	2,254

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

Council has a number of Peppercorn Leases for parcels of crown land or land controlled by other entities. The leases of land are used to provide open space and recreation areas to residents along with a major tourist attraction in the area in known as the Pioneer Settlement.

Details of Peppercorn Leases held by Council are as follows:

Land Details	Remaining Term of Lease	\$ Per Annum
Crown Land - Pioneer Settlement	26 years	\$0
Lake Boga Boat Ramps and Jetty	3 years	\$1
Various parcels of VicTrack Land (parks & reserves)	Various terms	\$1 each

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Our financial position (continued)

(a) Right-of-Use Assets

	Property \$ '000	Total \$ '000
2022		
Balance at 1 July	444	444
Additions	388	388
Amortisation charge	(424)	(424)
Balance at 30 June	408	408
2021		
Balance at 1 July	851	851
Additions	-	-
Amortisation charge	(407)	(407)
Balance at 30 June	444	444
	2022	2021
	\$ '000	\$ '000

(b) Lease Liabilities

Maturity analysis - contractual undiscounted cash flows		
Less than one year	264	253
One to five years	154	199
More than five years	29	41
Total undiscounted lease liabilities as at 30 June:	447	493
Lease liabilities included in the Balance Sheet at 30 June:		
Current	259	269
Non-current	167	216
Total lease liabilities	426	485

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 \$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:

Leases of low value assets	-	1
Total	-	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	1
Later than five years	2	2
Later than one year but not later than five years	3	3
Total lease commitments	6	6

Swan Hill Rural City Council
 Notes to the Financial Statements
 for the year ended 30 June 2022
 Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount
	30 June 2021								30 June 2022
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Property	119,772	1,257	-	6,349	(1,330)	(22)	-	528	126,554
Plant and equipment/Culture and heritage assets	17,423	1,303	39	-	(1,549)	(96)	-	-	17,120
Infrastructure	354,622	8,034	-	62,407	(7,032)	(23)	-	2,740	420,748
Work in progress	4,987	5,602	-	-	-	-	(4)	(3,268)	7,317
Total	496,804	16,196	39	68,756	(9,911)	(141)	(4)	-	571,739
Summary of Work in Progress									
Property					Opening WIP				Closing WIP
Plant and equipment					\$ '000	Additions	Write-off	Transfers	\$ '000
Infrastructure					1,832	2,358	-	(528)	3,662
					12	607	-	-	619
					3,143	2,637	(4)	(2,740)	3,036
Total					4,987	5,602	(4)	(3,268)	7,317

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements
for the year ended 30 June 2022

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Total land and land improvements \$ '000	Buildings specialised \$ '000	Buildings non specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
At fair value 1 July 2021	64,398	6,300	70,698	104,136	4,436	108,572	1,832	181,102
Accumulated depreciation at 1 July 2021	-	-	-	(59,340)	(158)	(59,498)	-	(59,498)
Carrying amount - 1 July 2021	64,398	6,300	70,698	44,796	4,278	49,074	1,832	121,604
Movements in fair value								
Additions	9	-	9	1,248	-	1,248	2,358	3,615
Revaluation	4,981	1,368	6,349	-	-	-	-	6,349
Disposal	-	-	-	(261)	-	(261)	-	(261)
Transfers	139	-	139	389	-	389	(528)	-
Total movements in fair value	5,129	1,368	6,497	1,376	-	1,376	1,830	9,703
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(1,252)	(78)	(1,330)	-	(1,330)
Accumulated depreciation of disposals	-	-	-	239	-	239	-	239
Total movements in accumulated depreciation	-	-	-	(1,013)	(78)	(1,091)	-	(1,091)
At fair value 30 June 2022	69,527	7,668	77,195	105,512	4,436	109,948	3,662	190,805
Accumulated depreciation at 30 June 2022	-	-	-	(60,353)	(236)	(60,589)	-	(60,589)
Carrying amount - 30 June 2022	69,527	7,668	77,195	45,159	4,200	49,359	3,662	130,216

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements
for the year ended 30 June 2022

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures and furniture \$ '000	Computers and telecomms \$ '000	Artworks \$ '000	Library Collection \$ '000	Pioneer Settlement vehicles & vessels \$ '000	Pioneer Settlement site exhibits \$ '000	Pioneer Settlement buildings \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment/ culture and heritage assets \$ '000
At fair value 1 July 2021	12,383	4,441	1,201	1,785	2,122	5,730	2,607	7,814	38,083	12	38,095
Accumulated depreciation at 1 July 2021	(8,186)	(2,792)	(962)	(52)	(1,498)	-	-	(7,170)	(20,660)	-	(20,660)
Carrying amount - 1 July 2021	4,197	1,649	239	1,733	624	5,730	2,607	644	17,423	12	17,435
Movements in fair value											
Additions	1,081	19	61	11	131	-	-	-	1,303	607	1,910
Contributions	-	-	-	35	4	-	-	-	39	-	39
Disposal	(658)	-	(62)	(2)	(64)	-	-	-	(786)	-	(786)
Total movements in fair value	423	19	(1)	44	71	-	-	-	556	607	1,163
Movements in accumulated depreciation											
Depreciation and amortisation	(892)	(321)	(95)	(18)	(128)	(58)	(26)	(11)	(1,549)	-	(1,549)
Accumulated depreciation of disposals	564	-	62	-	64	-	-	-	690	-	690
Total movements in accumulated depreciation	(328)	(321)	(33)	(18)	(64)	(58)	(26)	(11)	(859)	-	(859)
At fair value 30 June 2022	12,806	4,460	1,200	1,829	2,193	5,730	2,607	7,814	38,639	619	39,258
Accumulated depreciation at 30 June 2022	(8,514)	(3,113)	(995)	(70)	(1,562)	(58)	(26)	(7,181)	(21,519)	-	(21,519)
Carrying amount - 30 June 2022	4,292	1,347	205	1,759	631	5,672	2,581	633	17,120	619	17,739

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2021/2022 Financial Report

Notes to the Financial Statements
for the year ended 30 June 2022

Note 6. Assets we manage (continued)

	Sealed roads \$ '000	Unsealed roads \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recreational, leisure and community \$ '000	Waste management \$ '000	Parks open spaces and streetscapes \$ '000	Other infrastructure \$ '000	Total \$ '000	Work in progress \$ '000	Total Infrastructure \$ '000
Infrastructure											
At fair value 1 July 2021	259,995	104,350	31,103	56,348	18,493	6,819	12,629	13,786	503,523	3,143	506,666
Accumulated depreciation at 1 July 2021	(84,385)	(11,940)	(10,309)	(20,480)	(5,952)	(6,528)	(5,582)	(3,725)	(148,901)	-	(148,901)
Carrying amount - 1 July 2021	175,610	92,410	20,794	35,868	12,541	291	7,047	10,061	354,622	3,143	357,765
Movements in fair value											
Additions	3,916	2,021	319	1,110	38	-	629	1	8,034	2,637	10,671
Revaluation	62,760	8,891	1,012	-	-	-	-	-	72,663	-	72,663
Disposal	-	-	-	(37)	-	-	-	-	(37)	(4)	(37)
Write-off	-	-	-	-	-	-	-	-	-	(4)	(4)
Transfers	1,476	29	3	1,070	5	-	157	-	2,740	(2,740)	-
Total movements in fair value	68,152	10,941	1,334	2,143	43	-	786	1	83,400	(107)	83,293
Movements in accumulated depreciation											
Depreciation and amortisation	(3,644)	(1,363)	(390)	(596)	(368)	(97)	(345)	(229)	(7,032)	-	(7,032)
Accumulated depreciation of disposals	-	-	-	14	-	-	-	-	14	-	14
Revaluation	(4,430)	(1,320)	(4,506)	-	-	-	-	-	(10,256)	-	(10,256)
Total movements in accumulated depreciation	(8,074)	(2,683)	(4,896)	(582)	(368)	(97)	(345)	(229)	(17,274)	-	(17,274)
At fair value 30 June 2022	328,147	115,291	32,437	58,491	18,536	6,819	13,415	13,787	586,923	3,036	589,959
Accumulated depreciation at 30 June 2022	(92,459)	(14,623)	(15,205)	(21,062)	(6,320)	(6,625)	(5,927)	(3,954)	(166,175)	-	(166,175)
Carrying amount - 30 June 2022	235,688	100,668	17,232	37,429	12,216	194	7,488	9,833	420,748	3,036	423,784

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Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 6. Assets we manage (continued)

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 years	Threshold Limit \$ '000
Land and land improvements		
Buildings		
buildings	30 to 100 years	10
building improvements	30 to 100 years	10
leasehold improvements	5 to 15 years	10
Plant and Equipment		
plant machinery and equipment		
large plant	10 years	3
small plant	2 years	3
fixtures, fittings and furniture	5 years	3
computers and telecommunications	3 to 5 years	2
Cultural and heritage		
Artworks	100 years	–
Library Collection	5 to 100 years	–
Pioneer Settlement vehicles & vessels	100 years	5
Pioneer Settlement site exhibits	100 years	5
Pioneer Settlement buildings	100 years	10
Infrastructure		
sealed road formation	-	10
sealed road pavements	60 to 100 years	10
sealed road seals	15 to 80 years	10
road ancillary assets	20 to 25 years	10
unsealed road natural surface	-	10
unsealed road gravel surface	30 years	10
kerb and channel	25 to 50 years	10
footpaths and cycleways	20 to 100 years	10
drainage	20 to 100 years	10
recreation, leisure and community facilities	10 to 90 years	10
waste management	10 years	10
parks, open space and streetscapes	10 to 60 years	10
other infrastructure	10 to 150 years	10

Land under roads

Council recognises land under roads it controls at fair value.

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 6. Assets we manage (continued)

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 15 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Benjamin Sawyer AAPI Reg. 63163. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The land and buildings were subject to full independent valuation in 2020 by our accredited independent valuer. The valuation was performed during the Covid-19 pandemic, with limited market activity and low sales volumes. While the valuer's independent valuation report did not indicate impairment of land and buildings, it does present estimation uncertainty regarding the valuation of land and buildings by acknowledging that past cycles indicate a lag for property markets to react to economic events, and that the extent of any decline in value is presently uncertain, and may depend on the length of the Covid-19 pandemic. Also, there is not yet any comparable market evidence available to determine what, if any, impact the current Covid-19 pandemic may have on the value or marketability of the subject property, particularly in the short and medium terms.

Council performed an indexation assessment using the Valuer General indices on the land and building assets as at 30 June 2022. The indexation assessment resulted in a material movement in land of \$6.35m being recognised in the financial statements and an immaterial movement in buildings of \$3.16m. A full independent valuation of land and building asset categories will be performed by an accredited independent valuer in 2023.

The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). Refer to Significant accounting policies under Overview section and Note 8.4 for further information on fair value measurement.

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

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

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Notes to the Financial Statements
for the year ended 30 June 2022

Note 6. Assets we manage (continued)

	Level 1 2022 \$ '000	Level 2 2022 \$ '000	Level 3 2022 \$ '000	Date of valuation
Land	-	7,668	-	30/06/2022
Specialised land	-	-	69,527	30/06/2022
Buildings	-	4,200	-	30/06/2020
Building - specialised	-	-	45,159	30/06/2020
Total	-	11,868	114,686	

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance by applying the most recent unit rates as calculated from a sample of internal and external projects.

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

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

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

	Level 1 2022 \$ '000	Level 2 2022 \$ '000	Level 3 2022 \$ '000	Date of valuation
Sealed roads	-	-	235,688	30/06/2022
Unsealed roads	-	-	100,668	30/06/2022
Footpaths and cycleways	-	-	17,232	30/06/2022
Drainage	-	-	37,429	30/06/2020
Recreational, leisure & community facilities	-	-	12,216	30/06/2020
Waste management	-	-	194	30/06/2021
Parks, open space & streetscapes	-	-	7,488	30/06/2020
Other Infrastructure	-	-	9,833	30/06/2020

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

	Level 1 2022 \$ '000	Level 2 2022 \$ '000	Level 3 2022 \$ '000	Date of valuation
Artworks	-	-	1,759	30/06/2018
Pioneer Settlement vehicles and vessels	-	-	5,672	30/06/2021
Pioneer Settlement site exhibits	-	-	2,581	30/06/2021
Pioneer Settlement buildings	-	-	633	30/06/2020
Total	-	-	431,393	

*Valuation of cultural and heritage assets**Artworks*

Valuation of artwork assets has been determined in accordance with an independent valuation undertaken by Warren Joel Auction and Valuation Services. The effective date of the valuation was 30 June 2018. Valuation of the assets was determined by analysing comparable sales of an artist's work, knowledge of the collections history and condition of the collection.

Pioneer Settlement

Valuation of Pioneer Settlement vehicles and vessels and site exhibit assets was conducted by qualified independent valuer Mr David Freeman, member of Auctioneers and Valuers Association of Australia, and Chief Executive Officer of Amanda Adams Auctions, Bulleen, Victoria. The valuation is based on average market realisation prices that should be obtained if the items were sold via private treaty or auction sales. The effective date of the valuation is 30 June 2021.

Valuation of Pioneer Settlement buildings were undertaken by qualified independent valuer, Benjamin Sawyer AAPI Reg. 63163 as at 30 June 2020.

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for the year ended 30 June 2022

Note 6. Assets we manage (continued)

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

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 25% and 75% for specialised land and between 85% and 95% for land under roads. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.10 and \$450 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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 0 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Artwork assets are valued based on the market based direct comparison approach. Significant unobservable inputs include the rarity of the item, historical significance and the history of the artist. If there are events that determine certain pieces of the collection to be of historical significance, if the artist has works that have increased in popularity or the item is considered to be rare and in demand, this would result in a higher fair value.

Pioneer Settlement vehicles and vessels and site exhibit assets are valued based on the market based direct comparison approach. Significant unobservable inputs include the rarity of the item and historical significance. If there are events that determine certain pieces of the collection to be of historical significance or the item is considered to be rare and in demand, this would result in a higher fair value.

Pioneer Settlement 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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 54 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 their useful lives.

Reconciliation of specialised land

	2022 \$ '000	2021 \$ '000
Land under roads	43,158	42,312
Parks and reserves	16,725	13,997
Crown Land	9,644	8,106
Total specialised land	69,527	64,415

(c) Community Asset Committee

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

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Swan Hill Rural City Council is a single entity.

Subsidiaries and Associates

Council has no interests in subsidiaries and associates.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Mayor Jade Benham	19/03/2019 to 30/06/2022
	Deputy Mayor Bill Moar	15/11/2016 to 30/06/2022
	Cr Les McPhee	08/12/2008 to 30/06/2022
	Cr Ann Young	15/11/2016 to 30/06/2022
	Cr Chris Jeffery	15/11/2016 to 30/06/2022
	Cr Nicole McKay	16/04/2019 to 30/06/2022
	Cr Stuart King	17/11/2020 to 30/06/2022
Chief Executive Officer	Mr John McLinden	21/03/2016 to 05/11/2021
	Ms Rosanne Kava (Acting)	22/11/2021 to 06/06/2022
	Mr Scott Barber	06/06/2022 to 30/06/2022
Directors	Mr Bruce Myers (Community and Cultural Services)	28/02/1994 to 30/06/2022
	Ms Heather Green (Planning and Development)	03/07/2017 to 30/06/2022
	Ms Svetla Petkova (Infrastructure)	11/12/2017 to 30/06/2022
	Mr Joel Lieschke (Corporate Services)	19/10/2020 to 13/01/2022
	Ms Helen Morris (Acting Corporate Services)	17/01/2022 to 30/06/2022

	2022	2021
	No.	No.
Total Number of Councillors	7	8
Total of Chief Executive Officer and other Key Management Personnel	8	6
Total Number of Key Management Personnel	15	14
	2022	2021
	\$ '000	\$ '000

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	1,487	1,237
Long-term benefits	45	80

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. People and relationships (continued)

	2022 \$ '000	2021 \$ '000
Post employment benefits	113	99
Total	1,645	1,416

	2022 No.	2021 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	-	1
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	5	4
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	1	1
\$80,000 - \$89,999	1	1
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	-	1
\$180,000 - \$189,999	1	-
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	-	2
\$220,000 - \$229,999	2	-
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	-	1
	15	14

(d) Senior Officer Remuneration

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

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

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

	2022 No.	2021 No.
Income Range:		
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	-	3
\$170,000 - \$179,999	2	3
\$180,000 - \$189,999	1	-
	4	7

	2022 \$ '000	2021 \$ '000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	687	1,181

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

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

Cr Stuart King	Swan Hill Hire - \$63,681 Plant and equipment hire. Cr King has a controlling interest in Swan Hill Hire.
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(b) Outstanding balances with related parties

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

2022 = Nil

2021 = Nil

(c) Loans to/from related parties

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

2022 = Nil

2021 = 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:

2022 = Nil

2021 = Nil

Swan Hill Rural City Council

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for the year ended 30 June 2022

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 (2020/21 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$78,806.

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council has a provision in place for these remediation works.

Liability Mutual Insurance

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

MAV Workcare

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

(c) Guarantees for loans to other entities

Council is not the guarantor for any loans.

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.

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 8. Managing uncertainties

8.2 Change in accounting standards

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

Interest rate movements have significantly affected the return expected on invested funds during the year. This impacted the surplus by \$420,000.

(c) Credit risk

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

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

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2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 8. Managing uncertainties (continued)

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 provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

- 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(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

Swan Hill Rural City Council

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 8. Managing uncertainties (continued)

(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 + 2.00% and + 0.50% in market interest rates (AUD) from year-end rates of 0.10%.

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

8.4 Fair value measurement

Fair Value Hierarchy

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Revaluation

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

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

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 8. Managing uncertainties (continued)

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

There have been no significant events occurring after the balance date which may affect the Council's operations or the results of those operations, except for noting that the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date.

Swan Hill Rural City Council

2021/2022 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2022			
Property			
Land - specialised	–	4,981	4,981
Land - non specialised	–	1,368	1,368
Land and land improvements	25,415	–	25,415
Buildings	29,320	–	29,320
	<u>54,735</u>	<u>6,349</u>	<u>61,084</u>
Culture and heritage assets			
Pioneer Settlement vehicles & vessels	1,674	–	1,674
Pioneer Settlement site exhibits	1,390	–	1,390
Artworks	1,635	–	1,635
Pioneer Settlement buildings	4,002	–	4,002
Water rights	2,429	767	3,196
	<u>11,130</u>	<u>767</u>	<u>11,897</u>
Infrastructure			
Footpaths and cycleways	15,283	(3,494)	11,789
Drainage	17,723	–	17,723
Recreational, leisure and community facilities	7,374	–	7,374
Waste management	102	–	102
Parks, open space and streetscapes	2,831	–	2,831
Sealed roads	83,561	58,330	141,891
Unsealed roads	15,976	7,571	23,547
Other infrastructure	3,204	–	3,204
	<u>146,054</u>	<u>62,407</u>	<u>208,461</u>
Total asset revaluation reserves	<u>211,919</u>	<u>69,523</u>	<u>281,442</u>

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Balance at end of reporting period \$ '000
2021			
Property			
Land and land improvements	25,415	–	25,415
Buildings	29,320	–	29,320
	<u>54,735</u>	<u>–</u>	<u>54,735</u>
Culture and heritage assets			
Pioneer Settlement vehicles & vessels	517	1,157	1,674
Pioneer Settlement site exhibits	724	666	1,390
Artworks	1,635	–	1,635
Pioneer Settlement buildings	4,002	–	4,002
Water rights	2,429	–	2,429
	<u>9,307</u>	<u>1,823</u>	<u>11,130</u>
Infrastructure			
Footpaths and cycleways	15,283	–	15,283
Drainage	17,723	–	17,723
Recreational, leisure and community facilities	7,374	–	7,374
Waste management	–	102	102
Parks, open space and streetscapes	2,831	–	2,831
Sealed roads	83,561	–	83,561
Unsealed roads	15,976	–	15,976
Other infrastructure	3,204	–	3,204
	<u>145,952</u>	<u>102</u>	<u>146,054</u>
Total asset revaluation reserves	<u>209,994</u>	<u>1,925</u>	<u>211,919</u>

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

Swan Hill Rural City Council

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Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Other matters (continued)

	2022	Restated
	\$ '000	2021 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	12,707	12,544
Depreciation/amortisation	10,335	10,162
Impairment losses	96	690
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(211)	(554)
Contributions - non monetary assets	(39)	(10)
Amounts disclosed in financing activities	187	349
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(571)	271
(Increase)/decrease in inventories	(138)	78
(Increase)/decrease in prepayments	(51)	25
Increase/(decrease) in accrued income	(68)	64
Increase/(decrease) in other assets	(35)	-
Increase/(decrease) in trade and other payables	(240)	764
Increase/(decrease) in provisions	1,343	93
(Decrease)/increase in other liabilities	184	(8)
Increase/(decrease) in unearned income/revenue	(2,269)	4,323
Net cash provided by/(used in) operating activities	21,230	28,791

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding Arrangements

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

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

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for the year ended 30 June 2022

Note 9. Other matters (continued)

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

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

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

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

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

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

The 2021 interim actuarial investigation surplus amounts

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

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for the year ended 30 June 2022

Note 9. Other matters (continued)

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

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

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

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

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

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

The 2022 interim actuarial investigation

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

Superannuation contributions

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

Scheme	Type of scheme	Rate	2022 \$ '000	2021 \$ '000
Vision Super	Defined benefit	10.0% (2021: 9.5%)	103	138
Vision Super	Accumulation fund	10.0% (2021: 9.5%)	1,828	1,589

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for the year ended 30 June 2022

Note 10. Errors and changes in accounting estimates

10.1 Correction of error/s relating to a previous reporting period – retrospective

In accordance with AASB 15 Revenue from Contracts with Customers, grant revenue is recognised as contractual performance obligations are satisfied. In comparison, capital grant revenue under AASB 1058 Income of Not-for-Profit-Entities, is generally recognised as the capital project is completed. In the 2021 financial year Council applied AASB 15 to all grant revenue and recognised grant income as received, in line with performance obligations.

Due to inconsistencies in the application of AASB 15 and AASB 1058 the Australian Accounting Standards Board provided guidance in March 2022. In response, Council have determined that liabilities were understated, resulting in overstated grant revenue and equity in 2021.

	30 June 2021 As previously stated \$'000	Correction increase/(decrease) \$'000	30 June 2021 Restated \$'000
Comprehensive income statement			
Income			
Grants - operating	17,927	(31)	17,896
Grants – capital	13,588	(6,504)	7,084
Total income	70,928	(6,535)	64,393
Surplus/(deficit) for the year	19,079	(6,535)	12,544
Total comprehensive result	21,004	(6,535)	14,469
Balance Sheet			
Current Liabilities			
Unearned income/revenue	10	6,535	6,545
Total current liabilities	14,229	6,535	20,764
Total liabilities	18,737	6,535	25,272
Net assets	536,908	(6,535)	530,373
Equity			
Accumulated surplus	324,990	(6,535)	318,455
Total Equity	536,908	(6,535)	530,373
Statement of changes in equity			
Surplus/(deficit) for the year	19,079	(6,535)	12,544
Total equity	536,908	(6,535)	530,373

There being no further business the Acting Mayor, Councillor Bill Moar closed the meeting at 1.06pm.