Annual Report

2024-25

Southern Grampians
SHIRE COUNCIL

Acknowledgement of Traditional Owners

Southern Grampians Shire Council acknowledges that our Shire is on the traditional lands of the Gunditjmara, Tjap Wurrung, Jardwadjali and Buandig people.

We recognise the important ongoing role that Aboriginal and Torres Strait Islander people have in our community and pay our respects to their Elders, past, present and emerging.

Southern Grampians
SHIRE COUNCIL

2024 — 2025

SOUTHERN
GRAMPIANS
SHIRE COUNCIL

Contents

About this *report*

Southern Grampians Shire Council is pleased to present the 2024/25 Annual Report to our community. This report provides a comprehensive account of Council's achievements for the past year, together with challenges and aspirations for the future.

It details our performance against our commitments as set out in the Council Plan 2021-25 and provides an analysis of our financial performance. This report also demonstrates the breadth of our operations and the diversity of services delivered daily to the Southern Grampians community.

We hope you enjoy reading about the journey of Southern Grampians Shire during the financial year of 2024/25.

Where to get a copy

To obtain a hardcopy of the Annual Report, please contact Council's Brown Street Customer Service Centre on the details below.

The content of this Annual Report is reviewed each year and your feedback is invited and can be completed via email to *council@sthgrampians.vic.gov.au* or by a letter addressed to:

The Chief Executive Officer
Southern Grampians Shire Council
Locked Bag 685, Hamilton VIC 3300

Council offices

Brown Street Business Centre
111 Brown Street, Hamilton
Phone: (03) 5573 0444

Market Place Office
1 Market Place, Hamilton
Phone: (03) 5573 0256

Email: council@sthgrampians.vic.gov.au
Web: www.sthgrampians.vic.gov.au
Postal address: Locked Bag 685, Hamilton VIC 3000

Southern Grampians *Shire* profile

With a landscape dominated by the spectacular Grampians mountain range, ancient volcanoes, tranquil rivers and waterfalls and undulating pastoral land dotted with majestic red gums, the Southern Grampians spans the heart of Victoria's renowned 'Western District'. The Shire is located 290 kilometres west of Melbourne and 500 kilometres south-east of Adelaide.

With a population of approximately 16,000, Southern Grampians covers an area of 6,655 square kilometres. Hamilton is the main retail and service centre supported by the smaller towns of Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst, and Tarrington.

Agriculture, with its associated industries, is the largest employment sector with this intensive agricultural production contributing significantly to the Victorian and Australian economies. Processing, manufacturing, research and development, engineering, retail, tourism, aged and health care services, and education are also important employment sectors across the Shire.

The Southern Grampians Shire has a strong sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire municipality and Council will continue to encourage and acknowledge the community interest in the development of our Shire.

Our *Shire*

6652 km²

Area

2.9%

Unemployment rate

$48,510

Median total income

Population	Estimated residential	16,525
Est. Aboriginal and Torres Strait Islander population		452

2.8 persons

Average family size

11,176

Rateable properties

Biggest employer – sheep farming

7.7 °C

Average min temperature - Hamilton

19.2 °C

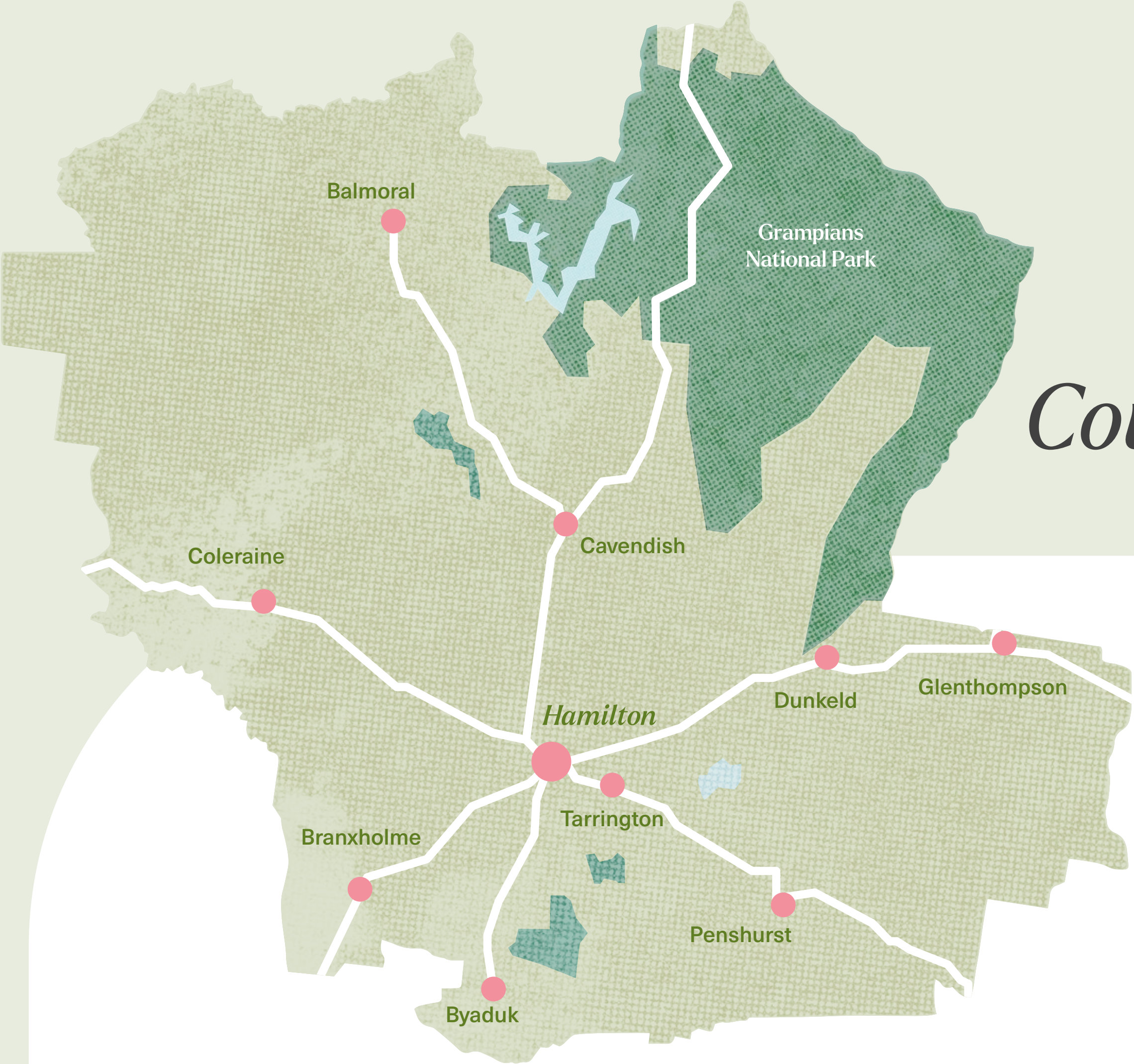
Average max temperature - Hamilton

619.3mm

Average annual rainfall - Hamilton

(Sources: 2021 census, Bureau of Meteorology)

Our *Council*



Values:

Raise the bar

Create brilliance together

Dream boldy, change bravely

Integrity in every step

Vision

In 2041, Southern Grampians is a growing, inclusive and connected community, working together to foster an active, innovative and sustainable future.

Our *Services*

Council is responsible for delivering more than 70 services to the Southern Grampians community.

This includes everything from family and children's services, recreation management, community facilities, waste management, roads management and community building; to business development, planning for appropriate development asset management, major infrastructure projects and ensuring accountability for Council's budget.

As well as implementing various Commonwealth and State Government programs, Council also provides a range of discretionary services in response to local community needs.

To best use limited resources to provide effective local government and services for the community, Council undertakes extensive strategic planning across all areas of service delivery. The result is a multitude of plans and strategies, usually prepared in consultation with the community. Some are required by legislation or a funding agreement, others are initiatives of Council. These might have quite different purposes or subjects, for example, focusing on a population group such as cultural diversity, positive ageing or youth plan, or focusing on specific services such as leisure, recreation or economic development.

This broad range of community services and infrastructure for residents, supports the wellbeing and prosperity of our community. Council's vision, strategic objectives, and strategies to further improve services and facilities are described in our Council Plan, the Annual Budget, the Long-Term Financial Plan, the Asset Management Plan, the Strategic Resource Plan and reported upon in this document.

A snapshot of the services provided by Council and their costs are shown opposite.

For every $100 of Rates, this is where it goes:

$0.34 Planning and Environment	$3.31 Community Services	$30.08 Capital Works
$1.53 Economic Development and Tourism	$27.06 Infrastructure and Emergency Management	$7.43 Governance and Corporate Services
$2.47 Business Enterprises	$9.73 Leisure Services	$1.69 Community Development
$4.33 Regulatory Services	$7.01 Waste Services	$5.02 Cultural Services

Mayor's *Report*

Cr Dennis Heslin
Mayor

My first few months as the Mayor of the Southern Grampians Shire Council has been challenging, eye opening and rewarding in equal measures. As a relative newcomer to the area, there was a huge amount for me to learn to ensure that I was giving the people of this Shire the representation they deserve. In this, I have received support from fellow Councillors, the outgoing Mayor David Robertson, the CEO, our directors and staff right across Council.

Our new Council is a true representation of our Shire. We are seven people, unlikely to have met under other circumstances, from different backgrounds, industries, viewpoints and attitudes. We have worked very hard to find common ground and learned to listen to one another with attention and respect. Each Councillor wants to make this a better place to live, to work and to raise a family.

Our Shire finds itself at a historical intersection. After decades of stagnating population growth, the only way for the Southern Grampians to grow is to evolve. If we want young people to come to our Shire, if we want to attract exciting businesses, and if we want to fill local establishments with tourists exploring our way of life, we need to offer more.

Following years of planning, we are finally kickstarting a number of intergenerational projects aimed at revitalising our region and diversifying our economy. We are an agricultural Shire and that in many ways defines us, but what that means is that when the agricultural sector suffers, as it has done recently, we all feel the pinch. Projects like the Hamilton CBD Revitalisation, the New Hamilton Gallery and the New Community Hub will transform our region, bring fresh faces and new talent to the area and enhance the home we already love.

We have ticked off some major projects in recent times that have already contributed to the changing face of the region. The new and much improved Melville Oval was opened to the public in April and we've seen crowds filing in, enjoying this premium facility. Pedrina Park has had a tremendous amount of work done to live up to the expectations of our sports-mad community. We have a new pump track at the skate park, solar lights to illuminate Lake Hamilton, new playground equipment, more all-access facilities and improved infrastructure. The Winter break saw Council put on the largest school holiday program in our history which focused on free activities for everyone. We're consulting with the community in new ways and trying to bring residents into decision making as much as possible.

A huge highlight for Council and the region as a whole was the delivery of another successful community grants program. An incredible $300,000 was allocated to community clubs and organisations for a wide range of purposes, from events to renovations and everything in between. We will continue to provide grants like this to the community which is one of our most successful and impactful programs.

This has also been a hugely challenging year for a new Council. Almost as soon as the dust settled from

the elections, bushfires burnt across our beautiful Grampians region. I can't express my gratitude enough to the CFA, the State Government, the hundreds and hundreds of volunteers and our own Council staff for everything they did to keep us safe. Anyone who saw the scale of the fires knows what it took to bring them under control. That hard work, selflessness and bravery are appreciated and recognised by everyone in this community. On top of the bushfires, the drought that afflicted the Southwest continued and just when our primary producers thought they could take no more, the Emergency Services Volunteer Fund reared its head. Council has been a loud advocate against this Fund. We know it is an untenable burden for many and will continue to be one of our top issues going into the new financial year.

As a Council we are committed to improving the quality of lives across the Southern Grampians. Take a minute to read through the latest Annual Report and see for yourself the work Council has been committed to achieving for our community.

CEO's *Report*

Welcome to our Annual Report for 2024/25, a timely opportunity for me to reflect on what has been a particularly remarkable year at Council. There have been some big wins, some major challenges and a community spirit that carried us all through. This marks my third full year in the position of CEO, a position I am honoured to hold and one that I approach with pride and a deeply felt sense of responsibility.

This has been a year of extremes for us here in the Southern Grampians. We've made huge strides in delivering key projects such as the beautiful new Melville Oval. The ambitious plans have finally turned into a sleek, modern sporting precinct that supports local clubs and athletes, while heralding a new era for community wellbeing, tourism and investment.

Throughout the region, we've made tremendous headway across our infrastructure agenda. We created concept designs for the New Hamilton Gallery in partnership with community voices, work has begun on plans for a new Hamilton CBD streetscape, with designs shaped by local input and a clear focus on future-proofing our town centre. We've provided improved sporting facilities, safer streets and new ways to attract tourists. Perhaps most significantly for our long-term health and sustainability (and a huge tick for a budget enthusiast like myself) we adopted a balanced, future-focused 10-year financial plan.

We have experienced some serious difficulties. First and foremost were the devastating bushfires that ravaged the Grampians over the Christmas period. Yet in the smoke and the chaos, I witnessed the most powerful demonstrations of community spirit. Local residents, farmers, emergency services, Council staff and even people from all across the State gave up their Christmas, left their farms, businesses and families behind and threw themselves into the recovery efforts. To everyone who helped our community during this time, who stepped up and played a part, thank you.

Amidst all of this activity, the drought that has afflicted our region continued to weigh heavily. By the time June rolled around, some rains had come but for many farms it was too late. Council has advocated on behalf of farmers during this brutal drought. From videos showcasing locals' drought affected farms to our Farmers Forum, we distributed laundromat vouchers, opened amenities for those conserving water and lobbied politicians on behalf of our residents. Before we were even through the drought, we learned of the Emergency Services Volunteer Fund (ESVF) which unfairly targeted farmers and rural households, placing an inordinate amount of pressure on people already struggling. Council has been unwavering in its opposition to the ESVF. While we remain resolute in our support for emergency services and the incredible volunteers who underpin them, we believe this levy is fundamentally inequitable.

Our advocacy has been strong and visible. We've joined in on protests, participated in cross-Council campaigns, and demanded the State Government reconsider this flawed approach which we will continue to do well into the next financial year.

Finally, I would like to extend my thanks to the Councillors for their hard work, whose vision, collaborative attitude and fresh ideas are steering the Shire in a very positive direction. I want to express my gratitude as well to the Council staff for their professionalism, knowledge and passion for the community. I invite you to read through our 2024/25 Annual Report and share in some of the improvements that have been made to boost the liveability of our community.

Tony Doyle
Chief Executive Officer

FAST FACTS

178,474 *visits to shire pools*

90 *animals reclaimed from pound*

87 *animals rehomed from pound*

82,361 *items borrowed from the library*

5,149 *tickets sold at the Hamilton Performing Arts Centre*

7,063 *Properties serviced for kerbside recycling bin collection*

16,021 *tickets sold at the Hamilton Cinema*

648 *children enrolled in the Maternal Child Health Service*

130 *planning permit applications received*

7,073 *Properties serviced for kerbside rubbish bin collection*

Year at a *glance*

Southern Grampians Shire Council's performance reporting is based on five Strategic Objectives that are outlined in the Southern Grampians Shire Council Plan 2021-2025. Each Strategic Objective has a set of strategies that we want to achieve and how we will achieve them, which guides our actions during the year.

These highlights contain a snapshot of our performance for the year for each Strategic Objective with more detailed information from pages 44 to 75. The Southern Grampians Shire Council Plan 2021-2025 is available on our website www.sthgrampians.vic.gov.au.

1. Strategic objective one:

Support our *community*

An empowered community that is healthy, inclusive, and connected.

Highlights

- Commenced engagement with community and development of the new Council Plan.
- Celebrated National Reconciliation Week supporting local schools with the inaugural Southern Grampians Schools Reconciliation Walk finishing with community morning tea at Melville Oval. Council also hosted a number of events including special movie screenings at the Hamilton Cinema and cultural Basket Weaving.
- Created opportunities for local youth with a range of Council and FreeZA supported events including pool parties, workshops, as well as the facilitation of a large number of school holiday events held across all Southern Grampians services. Council also launched a new social media channel for youth – Youth Southern Grampians, and released the Youth Survey.
- Completed the Pump Track at the Hamilton Skate Park.
- Celebrated and supported a number of key days and initiatives including IDAHOBIT Day, Seniors Festival, International Day for People with a Disability, Harmony Day, and National Volunteers Week.
- Opened Hamilton Gallery's Creator Lab for youth to develop art and culture opportunities in the Southern Grampians.
- Hamilton Performing Arts Centre hosted the Jam – a youth music event.
- Partnered with Rotary and local organisations against domestic violence with the walk against DV.
- Hosted the 2025 New Residents Function with over 40 people attending
- Released a new Hamilton Cinema website allowing patrons to purchase tickets online.
- Supported two Southern Grampians women to participate in the Rural Women Lead program.
- Delivered $300,000 in funding to community groups through our Community Partnership Grants program contributing to community projects.
- HILAC promoted healthy lifestyles taking yoga classes to the park in Hamilton and Dunkeld.
- HILAC introduced a perpetual swim school to continue swimming lessons throughout school holidays.
- Celebrated outstanding efforts from the community with Australia Day Awards.
- Encouraged reading and literacy through events held at the Hamilton Library including author chats, the Big Summer Read, writing workshops, book week celebrations, listening events and the launch of a new program Giggles and Games for seniors.
- Revitalised Corriedale Lane with seating and mural to add to CBD beautification works.
- Welcomed 38 new citizens from the Philippines, India, New Zealand, Thailand, Germany, Italy, Saudi Arabia, Ireland, Sri Lanka, United Arab Emirates, Hong Kong and Nepal.

2. Strategic objective two:

Grow our regional *economy*

A growing and diverse local and regional economy that supports our local businesses.

Highlights

- Hosted a number of successful exhibitions at the Hamilton Gallery including the Children's Symposium.
- Continued Christmas campaigns around the Southern Grampians to encourage residents to shop local with an online video campaign, the Christmas Window Display Competition, Santa's Wonderland in the Hub and Busking.
- Supported local businesses through business workshops and social media training opportunities.
- Launched the first Business Facade Improvement Program for Southern Grampians businesses.
- Council endorsed preferred developer for sale of the Lakes Edge Land Release.
- Undertook community engagement for the CBD Streetscape project including EOI for project advisory group.
- Completed co-design phase for concept designs for the new Hamilton Gallery.
- Completed a tourism campaign to return visitors to the Southern Grampians part of the Grampians National Park after bushfire closures.
- Dunkeld was nominated and revealed as a finalist in Tiny Tourism Towns.

3. Strategic objective three:

Maintain and renew our *infrastructure*

Provide access to a high-quality built environment and infrastructure that meets community needs.

Highlights

- Worked towards an ambitious $20.624 million Capital Works program.
- Completed the Melville Oval Redevelopment project including the irrigation and reseeding of the oval.
- Continued the Cox Street Redevelopment Project completing landscaping and footpaths.
- Commenced community engagement and development for new Cavendish and Coleraine Structure Pans.
- Commenced community engagement and development for the revised Road Management Plan.
- Completed installation of new pedestrian crossing at Brown Street located between Council office buildings and Coles.
- Completed major road upgrades including Victoria Point Road, Gallie Road and Hamilton-Chatsworth Road.
- Completed road resheets including Krumnow Lane, N Minus Road, Skene Homestead Road and part of Old Ararat Road.
- Completed 113 road reseals equalling to 67 kilometres.
- Worked with and supported Better Together Inc to install new all abilities play equipment at the Lakes Edge Adventure playground.
- Made improvements to the Coleraine Rail Trail.
- Undertook repairs to the Hamilton Outdoor Swimming Pool including shell repairs, updates to access ramp, and new epoxy paint.
- Upgraded Kent Manor drainage with installation of a new culvert and drainage improvement works to mitigate flooding.
- Installed new stage lighting at the Hamilton Performing Arts Centre.
- Completed road safety improvements across the Southern Grampians.
- Completed upgrades to Pedrina Park carpark and drainage of soccer pitch.
- Completed roof repairs as well as heating and cooling at the Coleraine Mechanics Institute.
- HRLX cattle yard upgrade.
- Completed the Nigretta Stairs replacement project.
- Completed the Pedrina Park cricket net project.
- Completed the Solar Lights project at Lake Hamilton.

4. Strategic objective four:

Protect our natural *environment*

Act as community leaders to promote and enhance a clean, green and sustainable environment.

Highlights

- Committed the development of onsite FOGO processing facility at the Hamilton Transfer Station.
- Adopted the Sustainability Strategy.
- Completed community waste education program "Small Acts – Big Impact" delivering magnets to all households, radio advertising, a social campaign as well as print media to help educate residents on what can be recycled.
- Completed the inaugural Sustainable Schools Competition with local secondary school participation.
- Held successful hay bale twine collection at the Hamilton Transfer Station as well as a cardboard collection trial.
- Trial use of crumbed rubber which achieved a 60% reduction in carbon emissions.
- Continued the spring program of weekly FOGO kerbside collection.
- Completed a waste audit to better understand resident waste disposal habits.
- Completed construction of concrete bunkers and netting to capture wind-blown litter at the Hamilton Transfer Station.

5. Strategic objective five:

Provide strong governance *and leadership*

Strong Leadership, good governance and effective service delivery.

Highlights

- Secured $2 million from the Victorian Government's Safer Local Roads and Streets Program to improve infrastructure in the region.
- Secured $5 million from the Federal Governments Regional Precincts and Partnerships Program to support the design of intergenerational projects including the new Hamilton Gallery, CBD Streetscape and Community Hub.
- Advocated for better drought supports for farmers with online campaign championed by local farmers to show drought impacts within the Southern Grampians. This also included offering practical supports to farmers doing it tough including laundromat vouchers, free waste drop-off at transfer stations, and the opening shower facilities at Pedrina Park and Lake Hamilton. Council also hosted a farmer forum to hear directly from farmers and plan future advocacy work. Provided community connections to support local farmers experiencing drought impacts.
- Developed new advocacy priorities including addressing childcare shortages within the Shire, the development of a new Community Hub, the CBD Streetscape Project, the new Hamilton Gallery, road improvements, improvements to the Hamilton Hospital Emergency Department and more.
- Tabled advocacy priorities with State and Federal politicians for improved access and funding opportunities within the Southern Grampians.
- Continued to advocate for better child care options across the Southern Grampians.

Year at a *glance* summary

Challenges of the year

- Severe drought continued to impact the Southern Grampians and western Victoria.
- Bushfires burned approximately 90,000 hectares within the Grampians with communities receiving little funding support from the State Government for recovery.
- Rate cap of 3.0%, with higher inflation representing a substantial gap between Council's ability to raise revenue and its cost to operate.
- Securing State and Federal Funding for key priorities projects in a financially restrained economy.

Future outlook

- Detailed design of a new Community Hub, new Library, Digital Hub, and new government space.
- Hamilton CBD streetscape planning and design.
- Detailed designs of the New Hamilton Gallery.

Economic factors

There are some issues facing Council, which present an ongoing challenge. These include:

- Construction costs, a significant part of every Council budget, have been rising by a significantly higher rate than inflation.
- Continuing escalation of costs in relation to the maintenance and renewal of Council's ageing infrastructure assets.
- Continuing escalation of utility costs essential for carrying out services (water, power, gas, communications and insurances).
- Continuing increases in the demand and associated costs to improve waste management service levels (Landfills, Transfer Stations and Refuse/Recycling collections) along with imposition of strict guidelines from government in regard to management practices.
- Increasing occurrence of natural disasters impacting on local economies.

Financial *Summary*

Introduction

The Council Plan 2021-25 outlines how Council's key objectives will be resourced.

The key objectives of this Plan are:

- Maintain the existing range and level of service provision and improve the understanding of the range and levels of service provided.
- Maintain a viable cash position, ensuring Council remains financially sustainable in the long-term.
- Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income within the 10 year timeframe of the long term financial plan.
- Maintain debt at a low to moderate level to allow capacity to fund future infrastructure.
- Continue to pursue grant funding for strategic projects from the State and Federal government.
- Provide for rate increases that work towards reaching a funding level for renewal demand being invested at 100 percent.

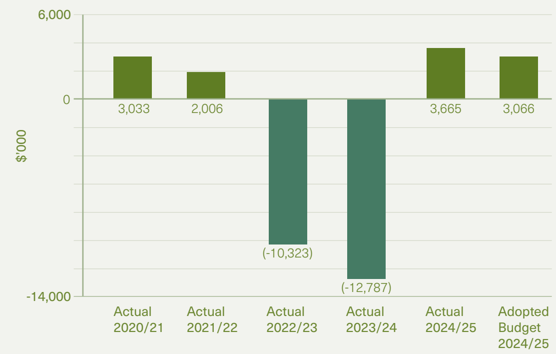
Financial Results at a glance

- Operating Expenditure - $55.001 million
- Capital Works Program Delivered - $23.180 million
- Rates and Charges - $24.553 million
- Operating surplus - $3.665 million
- Net Funds Available - $4.703 million
- Working Capital - $1.55 of current assets for every $1.00 of current liabilities
- Debt increase of $5.511 from $1.251 million to $6.762 million

Net Operating Result

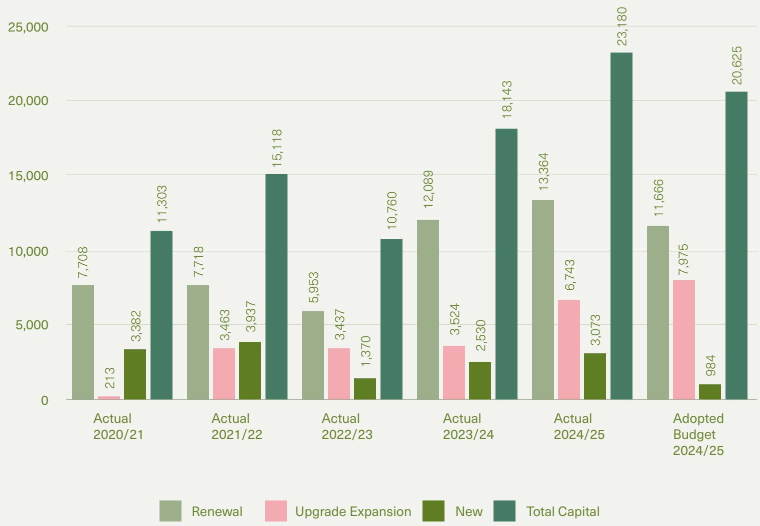
The operating surplus in 2024/25 was $3.665 million compared to a budgeted surplus of $3.066 million.

This result is mainly due to variance in operating and capital grant revenue. Operating grants had a variance of $5.775 million due to timing of payment of Financial Assistance Grants received in advance for the 2025/26 financial year. Capital grants were above budget by $5.290 million and was due to variance in timing of grants received with funds budgeted in previous financial year but received in 2024/25.



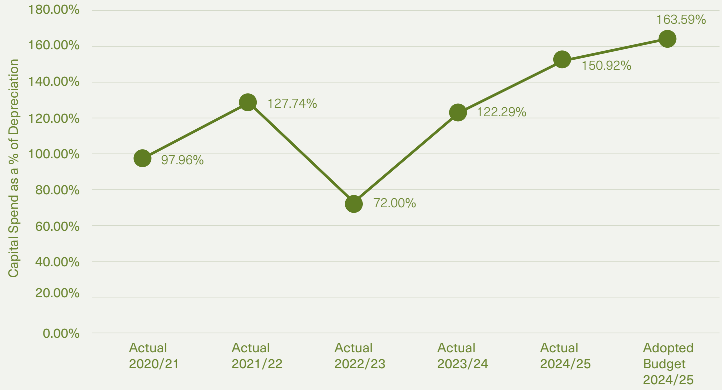
Sustainable Capital Expenditure

Council continues to invest in renewing and revitalising its assets. Council spent $23.180 million on capital works in 2024/25 with an average spend in excess of $15 million for the past five years. Of this amount Council spent 60 percent of capital expenditure on the renewal of assets with the remaining capital funds being expended on the upgrade/ expansion of existing assets or new assets.



Ratio of Capital Expenditure to Depreciation

A ratio of capital expenditure to depreciation of greater than one hundred percent indicates that Council is spending more on replacing assets than it is consuming them during the period. Council achieved a ratio of 151 percent for 2024/25. However, it should be noted some of the works completed are for new assets which will increase the level of depreciation into the future. Council also carried out a revaluation and condition assessment of a significant proportion of its asset base which will result in changes to depreciation in the coming years.



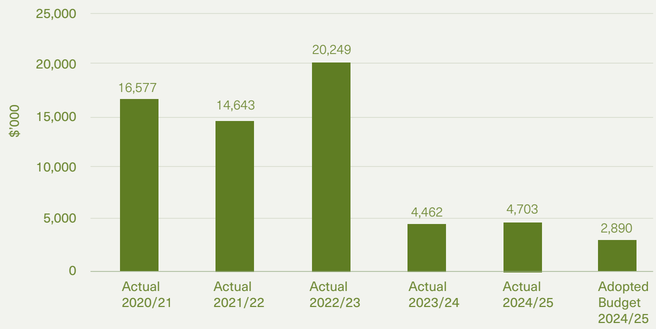
Working Capital

This graph indicates Council's ability to meet its short-term commitments with its short-term assets.

Council ended the year with a ratio of 1.55:1 which means for every $1 of short-term liability, Council has $1.55 of current assets. Future working capital ratios are predicted to enable Council to meet its commitments as they fall due.

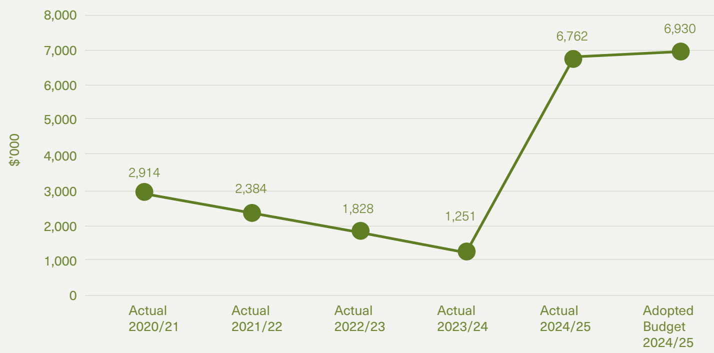
Net Funds Available

Net Funds Available is the remaining cash after all current liabilities and restricted cash holdings have been met. Restricted cash includes specific purpose reserves, trust and deposit accounts.



Debt Levels

Council has increased debt by $5.511 million in 2024/25. Council has a policy to only borrow for intergenerational assets, where business case analysis deems this to be the most prudent financial choice for funding the asset. Council's long-term financial plan includes assumptions about future borrowings including a further loan of $5 million in the 2025/26 financial year.

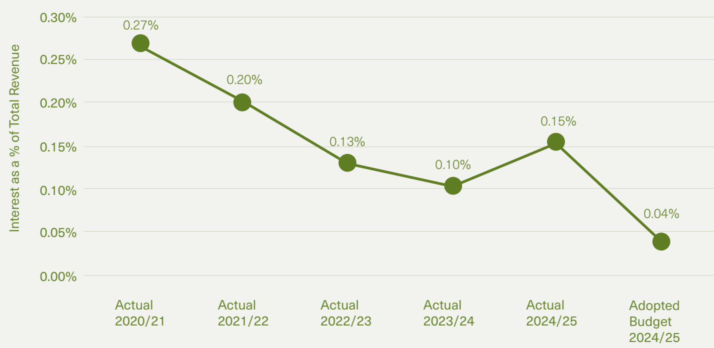


Debt Servicing Levels

For the past five years Council has maintained a debt servicing ratio of less than one percent. This means that less than one percent of total revenue is used for interest payments relating to the consumption of debt.

Council's Debt Commitment Ratio - which is total debt redemption as a percentage of annual rate revenue is 0.37 percent (0.15 percent of total revenue) for 2024/25.

These ratios indicate Council is in a sound financial position to borrow further funds.



Understanding these accounts

The Financial Statements have been prepared in accordance with the *Local Government Act 2020,* the Local Government (Planning and Reporting) Regulations 2020, Australian Accounting Standards and authoritive pronouncements of the Australian Accounting Standards Board. The Financial Statements have been prepared on the basis of historical costs, except where specifically stated otherwise. They have also been prepared on an accruals and ongoing concern basis.

The statements are audited by the Victorian Auditor-General's agent before being approved in principle by Council's Audit & Risk Committee and Council itself. The Financial Statements are then forwarded to the Auditor-General for final approval.

For this financial year Council has received a clear audit of its Financial Statements. The Financial Statements are comprised of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes to and forming part of the Statements. These Statements compare the previous year's results with the current year.

Financial Overview

Council's audited 2024/25 Financial Statements are included from page 89-94 of this report. Council continues to be in a sound financial position with an operating surplus of $3.066 million, however cash reserves have been utilised for the extensive capital works program.

Council has a working capital ratio of 1.55:1 this year (2023/24 2.52:1). The Working Capital Ratio assesses Council's ability to meet current commitments and means that Council has $1.55 of cash and current assets for every $1.00 of current liabilities.

Unrestricted cash on hand at 30 June 2025 was $4.703 million which includes investments of $2.60 million for payment of long service leave entitlements, $1.1 million for the future provision of landfill remediation. Restricted cash of $0.773 million is for specific reserve funds and trust deposits. Borrowings outstanding at 30 June 2025 totalled $6.762 million. Trade and other payables was $4.887 million. Council had a net overall cash inflow for the year of $3.363 million with a net cash inflow of $17.406 million from Operating Activities compared to a budget inflow of $11.072 million for the financial year.

Rating

Rates and Charges provided 42 percent of Council's total operating revenue in 2024/25. Council's rating strategy seeks to ensure consistency and equity in the levying of rates and charges. Differential rates are levied on the capital improved valuation of all rateable land to reflect the different standard, range and access to municipal services available to residents and ratepayers in the different areas of the Shire. The differential rating is based on a 60/40 ratio being that 60% of rates revenue will come from locations outside of Hamilton city and 40% of rate revenue from Hamilton city locations.

Looking ahead

The Council, in developing its financial strategy, has taken a long-term view to budgeting and planning. The preparation of the Long Term Financial Plan includes a number of assumptions, which are reviewed annually and updated to reflect new or revised circumstances. In preparing its long-term financial plan, a number of internal and external influences impact on the capacity of Council to fund ongoing capital needs including increasing costs associated with the maintenance and renewal of Council's ageing infrastructure assets, improvements in waste management services and facilities, demand for leisure and recreation facilities, Council services generally, plant replacement and large intergenerational asset projects with loans funding where appropriate.

The Council continues to receive funding from the Federal Government for general purpose expenses (via the Victorian Grants Commission) and under the "Roads to Recovery" program for the local road network. Council has also received funding for the 2024/25 financial year under the Local Roads and Community Infrastructure Program (LRCIP) which has continued the funding program from prior years. Further funding is expected in the 2025/26 year.

The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's corporate objectives as specified in the Council Plan.

Comprehensive Income Statement

The Comprehensive Income Statement includes all sources of income, less all operating expenses or 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 which are used to deliver Council services.

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

The Statement is prepared on an accrual basis. This means that all revenue and expenditure for the year is recognised even though the revenue may not yet be received or expenses not yet paid. The key figure is the Surplus (Deficit) which is the equivalent to the profit or (loss) of Council for the year. Council expenditure was $55.001 million with revenue of $58.666 million generating a surplus of $3.665 million.

Balance Sheet

The Balance Sheet shows what the Council owns as assets and what it owes as liabilities. Both Assets and Liabilities are expressed as current or non-current. Current means that these are Assets or Liabilities that will be expected to be paid or could be converted into cash within the next 12 months. The bottom line of this Statement is Net Assets which is the net worth of Council built up over the years. The Council's Balance Sheet indicates Council is in a sound position. Its Current Assets consist predominately of cash assets and are 1.55 times Current Liabilities which demonstrates that Council has sufficient funds on hand to pay liabilities as they fall due.

Statement in Changes of Equity

The Statement of Changes in Equity shows the value of changes to Total Ratepayers Equity (net assets) and how these changes arose. Council's net worth can only change through the 'profit (loss) for the year' from operations as recorded in the Comprehensive Income Statement or an increase in the value of non-current assets resulting from a revaluation of those assets. Councils Net Equity increased from $504.762 million in 2023/24 to $585.945 million in 2024/25. This increase of $81.183 million is the operating result plus asset revaluation increments in 2024/25.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. It differs from the Comprehensive Income Statement in that it:

- excludes the accruals taken into account in the Comprehensive Income Statement
- excludes non-cash expenses such as depreciation
- includes payments or receipts in relation to capital items
- includes any 'financing' activities such as loan proceeds and payments.

The Cash Flow from Operating Activities summarises all of the Income and Expenses in relation to Council's ongoing service delivery. A surplus ensures that Council can maintain its day-to-day operations as well as provide funds for future community investments. The Cash Flow from Investing Activities refers to Council's Capital Works expenditure as well as any receipts for the sale of assets. Cash Flow from Financing Activities refers to the repayment of loans.

Statement of Capital Works

The Statement of Capital Works compares the expenditure allocated to the various categories of assets Council maintains for the purpose of delivering services. This statement compares the level of expenditure compared to the previous year. It also provides a breakdown of the expenses into the development of new assets, renewing existing assets or upgrading and/or expanding assets. The total capital works expenditure for 2024/25 was $23.180 million.

Notes To The Accounts

Notes to the Accounts provide details of Council's accounting policies, expands on the summary figures contained in the five key financial statements and includes other information such as financial performance indicators, the cost of various functions.

Major *capital works*

The capital works program forms a significant proportion of Council's budget. In 2024/25, $23,094,901 was spent against the adjusted budget comprised of the adopted budget of $20,624,250, along with approved carry forwards projects endorsed in the September 2024 Council report. The aim of the capital program is to provide targeted expenditure on projects to maintain or improve Council's infrastructure, assets, and services.

Major capital works delivered in 2024/25 included:

Lake Hamilton Solar Lights Installation

The Lake Hamilton Solar Lights Project had been an aspiration for the community for some time with the Hamilton Running Club submitting the proposal during the 2024–2025 community budget consultation. The completed $600,000 lighting system included 98 lights installed on the Lake perimeter trail with another four servicing the dog park. The lights feature smart technology designed to maximise both safety and energy efficiency. From dusk, the lights operate at full brightness for four hours, ensuring maximum visibility during peak evening activity. The lights dim significantly until dawn with light directed towards the path only. This project enables community members to maximise the Lake usage at all times of the day/ night and season.

Nigretta Stair Replacement

Works were completed on the Nigretta Stair replacement in July after a condition assessment undertaken in 2023 deemed the stairs to be unsafe after storm damage experienced in the 2022 floods. A funding request was submitted to the State Government Council Flood Support Fund (CFSF) seeking a contribution of $230,000 for the replacement of the Nigretta Falls stairs and viewing deck, which was successful. The replacement features Fiber Reinforced Polymers (FRP), a modern, lightweight material that offers the strength of steel with the added benefits of being cost-effective and environmentally friendly. FRP will provide a long-lasting solution, with an estimated lifespan of 75 years and minimal maintenance required for the first 25 years. Additionally, FRP production has a lower environmental impact compared to traditional materials like steel or concrete, making it a sustainable choice that reduces greenhouse gas emissions. Nigretta Falls is one of the Shire's most iconic natural attractions, drawing more than 10,000 visitors each year to admire the stunning volcanic-based waterfall and panoramic valley views. This project adds to an improved experience for visitors not only from Southern Grampians but from anywhere in the world.

Brown Street Pedestrian Crossing

Pedstrian safety was improved at the Brown Street crossing, with a complete upgrade of the crossing replacing the former temporary structure to a raised pedestrian/wombat crossing. The upgrade responded to significant growth in pedestrian traffic along the busy retail strip with the replacement designed to enhance safety and accessibility for all community members.

Hamilton Outdoor Swimming Pool Repairs

The Hamilton Outdoor Swimming Pool was investigated prior to the 2024/25 season with the season slightly delayed to complete vital shell repairs. This work included the repair of leaks including expansion joints, soiled water channel, and repainting of the pool shell as well as access ramp upgrades. The pool was opened to the public at the beginning of December, providing a safer swimming environment for all swimmers.

Hamilton Transfer Station Bunker Installation

The Hamilton Transfer Station saw three concrete bunkers installed, that are roofed to help separate salvageable resources from the waste stream. Their installation will help to contain material, minimising the risk of contamination to surrounding land and ultimately improving sustainability of the region.

Cox Street Redevelopment Project

Works continued through the 2024/25 year to complete Cox Street with landscaping and footpath works finalising the project. Permanent street lighting is expected to be installed during the 2025/26 financial year. Council would like to once again thank local businesses for working with Council during the project for their patience throughout the disruptions.

Pedrina Park Cricket Nets

The new Pedrina Park Cricket Nets were completed in July with the existing two nets replaced by modern 14.4m x 34m cricket nets incorporating four fully enclosed lanes, with synthetic surface to comply with Cricket Australia Infrastructure guidelines. Council contributed $102,230 towards the new nets with staff securing an additional $40,000 grant from Cricket Australia to add to the project. St Andrews Cricket Club were able to contribute a further $20,000. Council invested significantly in the development of the facilities since the adoption of the Pedrina Park Master Plan in 2019, transforming the grounds into a premium sporting facility for the region.

Roads

Council's works team completed a large program of road reseals and resheets across the 2024/25 financial year delivering better roads for Southern Grampians residents and travellers.

Approximately 67kms of rehab work was completed which is the equivalent of sealing from Hamilton to Wickliffe with a four metre width. There were 113 roads resealed. The major road rehabilitations ensured safer and smoother journeys for residents and visitors.

Major *achievements*

Melville Oval Redevelopment Project

Council completed the highly anticipated Melville Oval redevelopment project with the first match featuring an Anzac Day clash. The project progressed well with construction undertaken by local building contractor Ultrabuild Construction Group, who utilised local sub-contractors to deliver a significant construction project for the region. The redevelopment project included:

- New change rooms for players and umpires under and north of the Grandstand;
- New pavilion including Netball change rooms, umpire's rooms and social rooms with commercial kitchen;
- Two new Netball courts with competition lighting;
- Undercover seating area for Netball and Football spectators;
- Upgraded landscaping of Market Place;
- Realignment of the road reserve boundary of Market Place to allow for construction of the Pavilion and Netball Courts.

The oval also saw improvements with reseeding and irrigation completed in time for the 2025 Football season.

Council allocated $3.970 million from the Federal Government Local Roads and Community Infrastructure Grant towards the project and together with $4.043 million from the Federal Government Community Development Grant. The overall project budget was $8.28 million.

This project is a key deliverable of the Hamilton Central Business Area Activation Masterplan finalised in 2020.

New Hamilton Gallery

The development of the new Hamilton Gallery saw significant progress during the 2024/25 financial year with architects Angelo Candalepas and Associates completing extensive community engagement as part of a co-design process. Residents were invited to contribute during the co-design phase to shape the design for the new Gallery. The draft concept designs were exhibited for community feedback during June 2025 and then endorsed at the July 2025 Council meeting. The project will move to detailed designs in 2025/26 financial year.

CBD Streetscape Project

Community had the opportunity to feed into the first phase of the Hamilton CBD streetscape project early in 2025 where concept plans were available at the Gray Street shopfront pop-up to view. Community also had the opportunity to share their views on the retention or removal of the London Plane Trees. Once consultation was completed, Council passed a motion at the April Council meeting to develop a CBD Project Advisory Group to represent a diverse group of community members including business owners. The April meeting also saw Council request an alternative concept design to keep all but the most problematic Plane trees. The updated plan will also include details on how to remove and replace the troubled trees.

Drought Advocacy

Council continued to bring attention to issues faced within the Southern Grampians to all levels of government during the 2024/25 financial year. After another tough year, the western part of the State was once again hit with drought the likes unseen for a century. Council partnered with local farmers to share and tell the story of local struggles accessing feed and water. The social media campaign was hugely successful reaching approximately 80,000 people and spreading the message of what Southern Grampians communities were facing. Council also offered farmers laundromat vouchers, free waste drop-off, and opened shower and amenity blocks at Pedrina Park and Lake Hamilton. Council hosted a farmer forum to work with local farmers and plan for future advocacy opportunities. Council benchmarked itself as an industry leader to stand up for residents and show State and Federal Government what communities were facing in response to drought conditions and ongoing recovery needs across the South West.

Local Food and Garden Organics Processing Facility

Council committed to the development of an onsite organics processing facility to be located at the Hamilton Transfer Station in May 2025. Gaia Envirotech PTY LTD were engaged to deliver the project, after an EOI process initiated 12 months ago saw them provide a feasible alternative to reduce green waste transportation costs and reliance on non-local facilities. Food and garden organics, as well as the effluent waste resources from Hamilton Regional Livestock Exchange (HRLX) will be repurposed into commercially certified compost, to reduce projected Council costs and meet EPA and relevant standard compliance requirements. The facility will have the capacity to process over 7,000 tonnes of organic material using enclosed in-vessel rapid composting units with minimal odour release and low risk for ground contamination. The proposed arrangement includes a service agreement for a period of seven years for a total value of up to $6,551,169 (ex GST) with an option to terminate the contract, should the initiative fail to demonstrate the projected financial and material returns to Council. By installing this infrastructure, over time Council estimates to achieve annual savings between $150,000 and $200,000, and create a more sustainable management model for FOGO (Food and Garden Organics) and green waste generally.

New online ticketing system Hamilton Cinema

The Hamilton Cinema launched a new website in 2025 which for the first time allowed cinema patrons to purchase movie tickets online. The 2024/25 financial year saw incredible growth to movie attendance with a 26.37% increase in ticket sales. Kiosk sales were also up 35% in the total number of items sold.

Major *changes*

Council Elections

Council elections in late 2024 saw a new Council appointed to represent the Southern Grampians community. Returning Councillors Helen Henry, Albert Calvano and Katrina Rainsford were joined by new faces Dennis Heslin, Adam Campbell, Jayne Manning and Afton Barber. Dennis Heslin was appointed as Mayor for 2024/2025 with Councillors determining not to appoint a Deputy Mayor.

State Government Emergency Services Volunteer Fund

Council advocated strongly against the introduction of the State Government Emergency Services Volunteer Fund, announced in 2025. Council wrote to Victorian Premier Jacinta Allan to scrap the unfair Fund and demanded better outcomes for the Southern Grampian community. Council sought a moratorium on the Fund for two years for areas impacted by drought if the Fund was to go ahead. Council maintains the ESVF places unfair burden on those who are the backbone of our regional economy and rural fire service volunteers especially to community members doing it tough due to drought. Council continues to oppose the Fund introduction and will continue to work with all tiers of Government to ensure that Western Victorian voices are heard.

Community *Partnership Grants*

Southern Grampians Shire Council has contributed to community infrastructure, events and other initiatives in this financial year through its Community Partnership Grants program.

The Community Partnership Grants program was established to deliver Council grants that are responsive to the needs and opportunities of the community, inclusive and equitable to all, facilitating the flexible delivery of key strategies identified within the Council Plan 2021-2025 across the social, economic and environmental spectrum.

This program consolidates Council's extensive range of grant opportunities into one program to enable better integration and coordination of grant administration and improved marketing of those grant opportunities. The Community Partnership Grants program contains two rounds per year and applications are assessed using predetermined evaluation criteria by the Community Partnership Grants Team.

In the 2024/25 financial year, Council awarded approximately $300,000 to community groups, events, and individuals through our Community Partnership Grants program.

Some of the community initiatives supported via the Community Partnership Grants program in the financial year were:

- Byaduk Mechanics Institute – Revamping the supper room
- Genna Chanelle Hayes – Olivia Film
- Penshurst Football Netball Club – Electronic Netball Scoreboard
- Hamilton Coleraine Rail Reserve Committee of Management – Website Redevelopment
- Coleraine Historical Society – Old Coleraine Court House Renovation
- Dunkeld Swimming Pool – Pool Equipment Purchase
- Dunkeld Writers Festival
- Peaks and Trails – Marquee hire, social media and traffic management
- Australian Pedal Car Grand Prix
- Woodhouse and Nareeb Hall and Recreation Reserve – Hall Stories Project
- Volcanoes Discovery Centre – VR equipment, stands and signage
- Coleraine District Development Association Inc – Coleraine Art and Photography Show
- HIRL – WW1 and WW2 Honour Wall
- Glenthompson and District Community Association - Town Event Panel Repair and Replacement
- Mirranatwa Playgroup – Play equipment

Our *Council*

Roles and responsibilities

Southern Grampians Shire Council is elected to provide leadership for the good governance of the municipal district and the local community.

The role of a 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.
- 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.

The function of a Council includes:

- Advocating and promoting proposals which are in the best interests of the local community.
- Planning for and providing services and facilities for the local community.
- Providing and maintaining community infrastructure in the municipal district.
- Raising revenue to enable the Council to perform its functions.
- Making and enforcing local laws.
- Exercising, performing and discharging the duties, functions and powers of Councils under this Act and other Acts.
- Any other function relating to the peace, order and good government of the municipal district.

Council is committed to good governance and that commitment is evidenced by its inclusion in our Council Plan as one of five key fundamental objectives.

Councillor *Profiles*

Cr Dennis Heslin – *Mayor*
0477 801 791
DHeslin@sthgrampians.vic.gov.au

Cr Jayne Manning
0475 719 724
JManning@sthgrampians.vic.gov.au

Cr Helen Henry
0428 742 287
HHenry@sthgrampians.vic.gov.au

Cr Katrina Rainsford
0429 140 216
KRainsford@sthgrampians.vic.gov.au

Cr Albert Calvano
0429 861 229
ACalvano@sthgrampians.vic.gov.au

Cr Afton Barber
0484 574 135
ABarber@sthgrampians.vic.gov.au

Cr Adam Campbell
0484 376 656
ACampbell@sthgrampians.vic.gov.au

Councillors

In November 2024, seven Councillors of the Southern Grampians Shire Council were elected for a four-year term. Cr Dennis Heslin was elected as Mayor with no Deputy elected at the Statutory Meeting in November 2024.

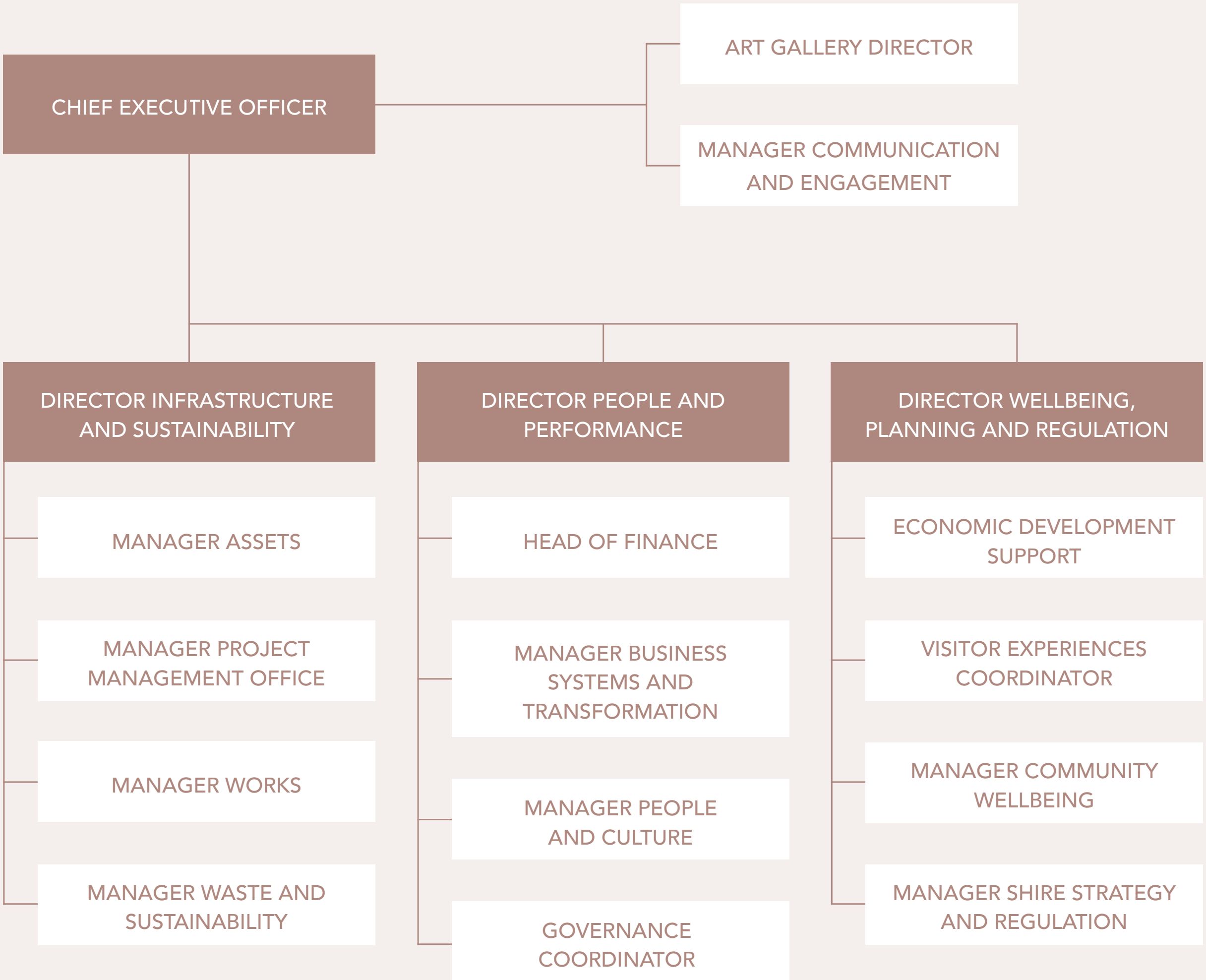
Councillor *representation*

Councillors represent the interests of our communities through direct contact with residents, representation on local interest groups and involvement with other agencies.

Each year Council appoints representation to a range of other bodies. Appointments were made at the Statutory Meeting of Council held on 20 November 2024 and are detailed in the table below.

Committees Required by Legislation		
Audit and Risk Committee	Cr Henry	Cr Calvano
Delegated Committees		
Planning Committee	Cr Rainsford	Cr Manning
Advisory Committees Established by Council		
Hamilton Regional Livestock Exchange Advisory Committee	Cr Campbell	Cr Rainsford
CEO Employment and Remuneration Committee	Mayor – Cr Heslin	Cr Henry Cr Campbell
Hamilton Showgrounds Advisory Committee	Cr Rainsford	Cr Barber
Reconciliation Action Plan Committee	Cr Heslin	Cr Manning
Committees Established by Other Bodies		
MAV Delegate	Cr Rainsford	Proxy: Cr Calvano
South West Victoria Alliance	Mayor – Cr Heslin	Cr Manning
Rural Councils Victoria	Cr Heslin	Proxy: Cr Henry
Barwon South West Waste & Resource Recovery Group	Cr Henry	Cr Manning
Green Triangle Action Group	Cr Campbell	Proxy: Cr Calvano
Rail Freight Alliance	Cr Rainsford	Proxy: Cr Barber
Ansett Museum Board	Cr Barber	Proxy: Cr Rainsford

Our *Organisation*



Executive Leadership Team

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO is responsible for the day-to-day management of Council operations in accordance with the strategic directions of the Council Plan. Three Directors and the CEO form the Executive Leadership Team (ELT). The ELT leads the organisation and meets weekly to oversee and manage Council operations. The ELT also provides Council with information and advice that supports strategic and effective decision making. The ELT is supported by a team of departmental managers.

Senior Leadership Team

The Senior Leadership Team (SLT) includes the Executive Leadership Team and all senior managers. Members of the SLT bring together an extensive knowledge base, specialised expertise, and professional skills to deliver Council services, programs and activities that support the strategic directions set by the Council.

ELT *Profiles*

CEO **– Tony Doyle**

Tony is responsible for Executive and Councillor Support, Civic Functions, Communications and Engagement, the Greater Hamilton Library, and the Hamilton Gallery.

Director Infrastructure and Sustainability **– Marg Scanlon**

Marg is responsible for management of Infrastructure, Engineering, Hamilton Airport, Hamilton Regional Livestock Exchange, Works, Sustainability, Waste, Fleet, Assets and Property.

Director People and Performance **– Darren Barber**

Darren is responsible for the management of Finance, Governance, Business Systems, Digital Transformation, Human Resource Management, Health and Safety, Risk and Workforce Development.

Director Wellbeing, Planning and Regulation **– Rory Neeson**

Rory is responsible for the management of Community Services, Recreation, Eco-development, Tourism, Planning and Building Services, Regulatory Services, the Hamilton Performing Arts Centre and Hamilton Cinema.

Our *People*

In 2024/25 Southern Grampians Shire Council employed 393 staff across the year, which is the equivalent to 211.86 Equivalent Full Time (EFT).

During the year, Council had a staff turnover rate of approximately 17.04 percent. These figures include full time, part time and casual employees.

A summary of the number of Council staff by organisational structure, employment type and gender are outlined in the table below:

Employment type	CEO & Council	People & Performance	Wellbeing, Planning & Regulation	Infrastructure & Sustainability	TOTAL
Permanent FT	15	23	35	92	164
Permanent PT	14	5	35	10	64
Temporary	0	1	0	1	2
Casual	12	1	82	12	107
Total	41	30	152	115	338

Legend: FT – Full time and PT – Part time

Employment Classification	Male	Female	Total
Band 1	17	27	44
Band 2	1	1	2
Band 3	85	44	129
Band 4	26	13	39
Band 5	27	13	40
Band 6	13	13	26
Band 7	17	9	26
Band 8	2	1	3
Band not applicable	16	13	29
Total	204	134	338*

*Figure represents number of employed staff at the end of 2024/25 financial year.

**Please note – data for self-gender identification is not available at this time.

Our *Organisation*

Equity and Diversity

Southern Grampians Shire Council recognises the value of a diverse and skilled workforce. Respecting the individual and unique attributes of our workforce creates an environment where everyone can achieve their potential. Council's core values also support this commitment. As an equal opportunity employer, we ensure the fair and equal treatment of those who either are employed, or who are seeking employment with Council. Council is committed to the principles of equal opportunity and anti-discrimination. The Equal Opportunity Policy and practices provide a framework to ensure fair and equitable treatment for all.

People and Culture

People and Culture functions within the organisation are continuously adapting and improving. A highlight of the 2024/25 Financial Year has been the procurement of a Human Resources Information System (HRIS), a software solution that centralises, manages and processes employee data. It provides the ability to automate HR tasks and streamline operations, enhancing record-keeping and reporting accuracy. The HRIS is a wholistic system approach to People and Culture, which gives the organisation the ability to have one platform for all functions including recruitment, onboarding, induction, learning and development and performance management.

Employee Engagement has been a priority throughout the year, with Council participating in the bi-annual 'People Matter Survey' facilitated by the Victorian Commission for Gender Equality (Commission). Additionally, Council has followed on from an internal, in-depth, employee engagement survey in February 2024 with 'pulse check' surveys to provide leadership and culture insights through a lens of continuous improvement and growth.

The People and Culture team continue to lead the Gender Equality Action Plan, successfully submitting the progress report and gender audit to the Commission towards the end of 2024.

Occupational Health and Safety

Council continues to maintain an Occupational Health and Safety Management System aligned to AS 45001:2018. A critical component of our OHS management system is the Elumina online incident reporting and management system, enabling proactive hazard reporting and reactive incident investigations. Elumina facilitates regular OHS reporting including an electronic incident, hazard and claims report utilising the Power BI platform, available to the entire organisation, and regular more detailed quarterly reports to Council Executive and Audit and Risk committee.

Total incident reports and motor vehicle incidents remained consistent with the previous year. Total injuries decreased slightly but total workers compensation cases increased. Hazard reporting continues to fall and is well below ideal. Council's lost time injury frequency rate was 13.1 for the year, slightly lower than the industry benchmark of 13.2. WorkSafe Victoria rates our OHS performance for 2024/25 at 15.37% better than industry average, resulting in a significant saving on our current workers compensation premium.

We achieved our programmed workplace inspections and facility evacuation drills. Regular OHS communications via weekly toolbox topic circulation, fortnightly safety articles in our newsletter and targeted Safety Alerts are considered critical OHS communication elements.

Induction of new employees has improved and continues to be monitored and developed.

Learning and Development

Council supported nine Learning and Development training sessions for staff throughout 2024/25 including:

- Dealing with difficult situations
- Sexual Harassment
- Mental Health First Aid
- First Aid
- Traffic Control
- Spotters

Reviews have been undertaken with regards to the training requirements of the organisation to ensure we are meeting the needs of the staff.

Further to this, better engagement is occurring with education and employment providers with regards to work experience and work placement opportunities to ensure we are offering what is required.

Risk

In 2024/25, the Risk Team had a continued focus on policy and procedure review and development in conjunction with the new Council. The incoming Council have established their risk appetite. Risk Management, Business Continuity and OHS Management systems have been audited internally. A current focus is completion of the review and update of the Risk Management and Business Continuity Management Systems following those audits. Strategic Risk and Operational Risk continue to be regularly monitored and reported, and a new project Risk Management Register is currently under development.

Governance

In 2024/25 Governance worked with the Victorian Electoral Commission to deliver the Local Government Elections in October 2024. Following candidate declarations, Governance coordinated the Statutory Meeting and Induction of the new Council.

The *Local Government Amendment (Governance and Integrity) Act 2024* came into operation on 25 June 2024. The Amendment Act included reforms to strengthen council leadership, capability and councillor conduct and improve early intervention and effective dispute resolution and strengthen oversight mechanisms. Changes resulting from the Amendment Act were incorporated into Councillor Induction, including mandated annual training for Councillors, the Mayor and Deputy Mayor (where applicable), as well as adoption of a Model Code of Conduct and prescribed procedures for dealing with alleged breaches of the Model Code of Conduct.

Governance provided refresher training to staff regarding Council Decision-Making processes, Freedom of Information, Privacy and Record Management.

Staff Consultative Committee

During 2024/25, the Staff Consultative Committee focused on embedding the new Purpose, Vision, and Values into the workforce. Throughout the year, the Committee provided advice and support to Council staff on policies, procedures, and other Council functions. The Committee is an important conduit for staff and the executive team. The Committee also oversees the implementation of Council's Gender Equality Action Plan.

Employee Recognition

Skilled, motivated, and dedicated staff are critical to Council's success. As part of Council's ongoing Service Recognition program, the commitment and service to the Southern Grampians Shire of the following employees was recognised in 2024:

30 years

Janelle Dahlenburg
Sharon Clutterbuck
Jason Mulley

20 Years

Sandra Stone
Michael Jones
Allan Wishart

10 years

Ben Hunter
Richard Eales
Leonie Dewitte
Natasha-Lee Jones
Michelle Mitchell
Shayne White
Alison Quade
Cheryl Linke

5 years

Deepak Joseph
Jenny Poynton
Karly Herring
Kate Kennedy
Timothy Lloyd
Tania Smith
Jessica Marshall
Tahlia Kenny
Clare Hogan
Daniel Shaw
Craig Munro
Ashlea Sealey
Jason McCreddan
Michael Parsons
Dion Rhook
Joseph Pierce
Andrew Marsden

Our *Performance*

Council Plan

This section describes how the 2024/25 Annual Report links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

Strategic Objectives

Council delivers services and initiatives under 70 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2021-2025.

The following are the five strategic objectives as detailed in the Council Plan:

1. Support Our Community

   An empowered community that is healthy, inclusive and connected

2. Grow our Regional Economy

   A growing and diverse local and regional economy that supports our local businesses

3. Maintain and Renew our Infrastructure

   Provide access to a high-quality built environment and infrastructure that meets community needs

4. Protect our Natural Environment

   Act as community leaders to promote and enhance a clean, green and sustainable environment

5. Provide Strong Governance and Leadership

   Strong leadership, good governance, and effective service delivery

As per the Local Government Act, Council have developed a new Council Plan 2025-29 which will be adopted in October 2025.

Performance

Council's performance for the 2024/25 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2021-2025 Council Plan.

Performance has been measured as follows:

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

Strategic *Objectives*

Strategic Objective One:

SUPPORT OUR COMMUNITY

An empowered community that is healthy, inclusive and connected.

Strategic Objective One:

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

STRATEGIC INDICATOR/ MEASURE	RESULT	COMMENTS
Implement actions and priorities of the Recreation and Leisure Strategy 2019 - 2029	Ongoing	Council completed the Solar Lighting project for Lake Hamilton, improving overall amenity and safety for main pedestrian paths and car parking. This was achieved by lighting the 4.2km walking track around the lake. 2024/25 also saw the delivery of four new practise cricket nets at Pedrina Park. This project included retractable netting with a local contractor employed to complete the project. While funded from the 2023/24 budget, the completion of the soccer pitch project was completed in 2024/25. The soccer pitch project included resurfacing and drainage, which addressed the uneven surface, turf coverage and drainage issues. The Melville Oval Redevelopment Project was also completed in April 2025 providing a premier sporting facility within Western Victoria.
Develop and implement a youth-led strategy	Ongoing	Council continued to deliver on the Youth Action Plan (Youth Strategy) during the 2024/25 financial year with outcomes to deliver youth activities and programs. Council also launched a youth survey in June with results to be released in the 2025/26 year. Council held the largest School Holiday program to date in the winter 2025 break, facilitating an event every day across the two week period with numerous booked out sessions. Activities were hosted across Council services including the Library, HILAC, Cinema, Hamilton PAC, recreation, health and wellbeing, environment and the Gallery.
Deliver Council's Arts and Culture Strategic Plan	Ongoing	The Arts and Culture Strategic Plan is multifaceted and delivered through a range of Council facilities, including the Art Gallery and the Performing Arts Centre. This included the development of diverse performances and exhibitions designed to engage a wide range of audiences. Examples included the *Children's Sensorium* exhibition at the Gallery and the *Melbourne Comedy Showcase* at the Performing Arts Centre. Council also made significant investments in arts education, with a strong focus on upskilling and increasing engagement among children and young people. A core focus for the arts within the region has been increasing local participation across all demographics. There was been strong growth in repeat visitation and ongoing community engagement with arts programming.

The following statement reviews the progress of Council in relation to major initiatives identified in the

2024/25 budget:

MAJOR INITIATIVES	PROGRESS
Build effective partnerships with First Nations which aids reconciliation	**Ongoing** Council's first Reflect Reconciliation Action Plan (RAP) which was developed in the 2023/24 year was formally endorsed by Reconciliation Australia in November 2024. First Nations information was embedded into Council's induction process with Council management also attending cultural awareness training on Country late in 2024. Council participated in a number of National Reconciliation Week events to support reconciliation outcomes across the Southern Grampians. These included women's traditional basket weaving, screenings of The New Boy at Hamilton Cinema, a colouring competition for young residents, and also participated in the first schools walk for reconciliation bringing together over 100 people including students, families, community groups and council members – all walking in solidarity.
Undertake the design development and commence construction of the Community Hub	**Ongoing** Council officers worked closely to finalise the design brief for the Hub. The tender will be advertised in the next financial year which will aim to achieve the following scopes: • Stage 1 – Finalising the concept plan • Stage 2 – Preparing the detailed plan for construction tender • Stage 3 – Providing project support during delivery (provisional)
Engage Architects to complete design development (including costings) for the New Hamilton Gallery and undertake community consultation at key milestones.	**Ongoing** Council undertook a co-design process for the development of concept plans for the new Hamilton Gallery across the 2024/25 financial year. This process enabled community engagement and input into the development of the concept designs with architects Angelo Candelapras and Associates. The concept plans were then endorsed at the July Council meeting. Council will move to the development of detailed designs for the project in the 2025/26 financial year.

The following statement provides information in relation to the services funded in the 2024/25 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	70 (0) **70**	75 (2) **73**
Community Services Management	This service provides management support to coordinate whole of organisation approach to service delivery across community and leisure portfolio, particularly in relation to delivering the Municipal Health and Wellbeing Plan.	491 0 **491**	339 (0) **339**
Community Planning Engagement and Support	This service coordinates Council's approach to community planning and citizen engagement, including skill development and capacity building for Councillors and community.	1,180 (75) **1,105**	994 (131) **863**
Children's Services	This service provides quality education and care services ie. Family Day Care and promotes the early years sector.	896 (697) **199**	1,024 (704) **320**
Recreation Development and Support	This service is responsible for the management and planning of recreational opportunities in conjunction with the community, using community development processes.	493 (0) **493**	401 (14) **387**
Sports Reserves	This service directly manages or provides operational assistance for 16 recreational reserves across the Shire to support both active and passive participation in sports and recreation.	979 (46) **933**	1,710 (402) **1,308**
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	328 (2) **326**	245 (2) **243**
Aquatic Facilities	This service provides a geographic spread of aquatic facilities that deliver recreation, health, wellbeing, education, social and tourism/economic opportunities to our communities.	577 (21) **556**	558 (0) **558**
Hamilton Indoor Leisure & Aquatic Centre	This service provides accessible leisure and aquatic experiences that facilitates and promotes wellbeing outcomes.	2,693 (1,483) **1,210**	2,917 (1,514) **1,403**
Art Gallery	This service supports tourism promotion and community engagement with the arts and acts as custodian of one of the most valuable collections in regional Australia.	1,012 (283) **729**	1,299 (734) **565**
Performing Arts Centre	This service provides promotion and support of performing arts, encouraging both appreciation and participation. Also offers a conference and event venue for both the business and community sectors.	977 (377) **600**	778 (201) **577**

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Library	This service aims to be an effective and dynamic library service inspiring and connecting our community by providing diverse, accessible and creative collections, programs, spaces and experiences.	842 (204) **638**	878 (229) **649**
Cinema	This service provides the community with a high-quality cinema experience.	309 (299) **10**	382 (310) **72**
Civic & Community Arts	This service aims to increase visibility and activity of arts and culture in the community through a range of community programs or projects.	14 0 **14**	20 (0) **20**
Parks and Urban Spaces	This service provides and maintains appropriate parks and urban space areas across the Shire to support inclusive recreation activities for the whole community.	827 (1) **826**	617 (0) **617**
Local Laws Operations	This service implements and enforces the Community Local Law No.1 (2015), provides parking control, coordinates domestic animal management including the operation of Council owned pound facility, and supports the provision of law and order in the community.	636 (402) **234**	667 (498) **169**
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	617 (433) **184**	531 (492) **39**
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	289 (60) **229**	594 (320) **274**
Botanic Gardens	This service maintains the historically significant Botanic Gardens in Hamilton (& Penshurst) and provides responsible management of flora, open spaces and built facilities on the grounds.	378 (1) **377**	433 (34) **399**

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

STRATEGIC INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
LIBRARY						
Utilisation *Physical library collection usage* [Number of physical library collection item loans / Number of physical library collection items]	New	New	New	5.08	4.98	
Resource Currancy *Recently purchased library collection* [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	61.33%	64.10%	72.12%	66.85%	63.19%	
Service cost *Cost of library service per population* [Direct cost of the library service / Population]	$33.99	$36.06	$38.25	$41.41	$44.03	
Participation *Library membership* [Number of registered library members / population] x100	New	New	New	21%	21.86%	
Library visits per head of population [Number of library visits / population]	New	New	New	4.04	3.74	

STRATEGIC INDICATOR/MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
AQUATIC FACILITIES						
Service standard *Health inspections of aquatic facilities* [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	1	1	1	1	1.17	All Council operated aquatic facilities that were open during the 2024-25 period were inspected at least once by an authorised Environmental Health Officer. One facility underwent a second health inspection in response to a complaint.
Service cost *Cost of aquatic facilities* [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	$18.26	$16.01	$14.03	$9.21	$10.18	Increases faced in daily operating costs and renewal works associated with ageing outdoor facilities.
Utilisation *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	4.43	5.27	7.50	10.40	10.80	

STRATEGIC INDICATOR/MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
ANIMAL MANAGEMENT						
Timeliness *Time taken to action animal requests.* [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.21 days	1.06 days	2.09 days	1.87 days	2.99 days	Staffing shortages throughout 2024/25 have resulted in delays, this has now been resolved and requests in 2025/26 will be responded to in a timely manner.
Service standard *Animals reclaimed.* [Number of animals reclaimed / Number of animals collected] x 100.	50.19%	45.25 %	51.50%	28.52%	39.65%	The increase in animals being reclaimed can be attributed to community members registering and microchipping their animals, ensuring they are able to be returned home when collected by Rangers.
Animals rehomed. [Number of animals rehomed / Number of animals collected] x 100	10.11%	14.07%	39.48%	31.73%	63.50%	Council has increased social media presence using Facebook and Council's website as a tool to rehome animals.
Service cost *Cost of animal management service per population* [Direct cost of the animal management service/ Population]	$9.93	$12.07	$11.64	$24.29	$22.14	
Health and safety *Animal management prosecutions* [Number of successful animal management prosecutions/ Number of animal management prosecutions] x 100	0	0	0	0	0	

SERVICE/INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
MATERNAL AND CHILD HEALTH (MCH)						
Service standard *Infant enrolments in the MCH service* [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.60%	100.55%	99.41%	101.31%	100.61%	
Service cost *Cost of the MCH service* [Cost of the MCH service / Hours worked by MCH nurses]	$78.33	$73.70	$74.84	$81.36	$92.72	The cost of Maternal Child Health has increased in 2024/25 due to the addition of two MCH nurses, one part time and one casual, and the inclusion of RSV vaccine schedule.
Participation *Participation in the MCH service* [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.73%	81.09%	81.78%	83.75%	86.95%	
Participation in the MCH service by Aboriginal children [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	74.68%	85%	81.25%	89.33%	90.91%	
Participation in 4-week Key Age and Stage visit [Number of 4-week Key Age and Stage visits /Number of birth notifications received] x100	99.40%	90.66%	85.80%	97.39%	92.68%	

Strategic Objective Two:

GROW OUR REGIONAL ECONOMY

A growing and diverse local and regional economy that supports our local businesses.

Strategic Objective Two:

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Improved Visitor Experience	Ongoing	The opening of the upgraded Dunkeld Visitor Hub in December 2023 strengthened the Southern Grampians' role as the premier gateway to the Grampians Peaks Trail, providing improved visitor facilities, greater access to visitor information, and a more welcoming arrival experience. Coupled with major cultural attractions such as the Hamilton Gallery, these investments have contributed to ongoing growth in visitor spending, with total spend increasing from $108.9 million in 2023/24 to $114million in 2024/25, a rise of approximately 4.7%. This growth reflects both greater engagement from visitors and a tangible boost to local businesses throughout the Shire. *(Source: Spendmapp transaction data – Southern Grampians Shire Council, Visitor Spending Report, Nov–Dec 2023 & 2024)*.
Population Growth	Ongoing	The Southern Grampians shire has recorded its first sustained population growth in more than four years, with the Estimated Resident Population reaching 16,525 – an increase of 58 people (+0.35%) from the previous year. This continues a steady upward trend since 2020, when the population was 16,395, representing an overall gain of 130 people (+0.79%) over the past four years. Notably, the 25–29 age group grew by almost 22% between the last two Censuses, highlighting renewed appeal for young working-age residents and signalling a stronger future workforce base to support the Shire's long-term economic vitality. *(Source: ABS Regional Population – ERP, 30 June 2020–2024; .id community profile – Southern Grampians Shire).*
Southern Grampians Rural Land Use Strategy	Complete	With the adoption of the Rural Land Use Strategy, Council set a clear vision for managing growth across rural areas. The strategy prioritises food and fibre production while supporting diversification through tourism, renewable energy, and sustainable resource development. It directs new housing to existing townships to build stronger, more connected communities, while also ensuring the protection of the Shire's unique landscapes and natural environment.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2024/25 budget for the year:

MAJOR INITIATIVES	PROGRESS
Complete the Hamilton CBD Streetscape design development to construction documentation.	**Ongoing** Council completed draft concept plans during the 2024/25 financial year where community had the opportunity to review the plans and provide feedback. Residents were able to provide feedback across a variety of mediums including online and in person at a pop-up shop front in Gray Street. An April Council Meeting saw the project delayed to allow a Project Advisory Group to be set up to discuss elements of the projects.
Upgrade Christmas decorations across the Shire.	**Ongoing** In the 2024/25 financial year, key actions included the upgrade of outer tree lights and the replacement of street banners in Hamilton in preparation for the 2024 Christmas season. These upgrades enhanced the visual appeal of the CBD and improved the longevity and safety of decorations. Work is ongoing into the 2025/26 financial year to continue the program of Christmas decoration improvements.
Deliver the Business Facade Improvement Program.	**Ongoing** The Business Facade Improvement Grant program was launched in June 2024 offering a total of $50,000 available for grants of up to $3,000 in matched funding for businesses located in the Southern Grampians Shire. The program was introduced to support businesses with street frontage to undertake high-quality facade improvements that were visible from the front of the property and enhance the visual appearance and function of the building. The eligible works included cleaning, building, repairs, paintworks, signage, universal access ramps and doors. The grant program was well received by the business community with 49 applications received. After a rigorous grant scoring process, 21 projects were approved by the independent assessment committee. The approved applications totalled $50,022 with the value of works achieved through the program noted as $147,392 offering an excellent return on investment for Council and rate payers alike. A benefit of the program has also been the economic injection to trades businesses in the Shire who completed the works, a terrific multiplier effect. The success of the 2024/25 grants has resulted in the Business Façade Improvement Program being offered for a consecutive year in 2025/26.

The following statement provides information in relation to the services funded in the 2024/25 budget and the persons in the community who are provided with the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Economic Development	The economic development service seeks, in conjunction with key stakeholders, to promote an environment that is conducive to a sustainable and growing local economy.	255 (0) **255**	414 (2) **412**
Airport	This service is responsible for the management and operation of the Hamilton Airport.	395 (21) **374**	408 (20) **388**
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Livestock Exchange.	1,299 (1,916) **(617)**	1,399 (2,484) **(1,085)**
Visitor Experience and Services	This service aims to connect the visitor to the Greater Hamilton experience, encouraging them to stay longer and contribute more to the local economy.	762 (20) **742**	987 (172) **815**
Events Support	This services purpose is to increase visitation and visitor yield and increase quality visitor experiences through the support and marketing of events within the Shire.	191 (5) **186**	204 (2) **202**
Caravan Parks	This service provides low-cost camping and caravan park accommodation facilities in Coleraine and Penshurst.	37 (25) **12**	47 (17) **30**
Land Development	This service provides management of Council owned land to promote economic and industrial development and may also secure industrial land for potential development.	0 (0) **0**	0 0 **0**

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

STRATEGIC INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
STATUTORY PLANNING*						
Timeliness *Time taken to decide planning applications.* [The median number of days between receipt of a planning application and a decision on the application]	38 days	43 days	83 days	63 days	67 days	
Service standard *Planning applications decided within required timeframes.* [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	93.55%	93.37%	46.53%	62.50%	41.60%	Significant Council projects such as Melville Oval redevelopment have required additional staff time. Changes in staff have also affected service times.
Service cost *Cost of statutory planning service* [Direct cost of statutory planning service /Number of planning applications received]	$482.27	$588.37	$1,581.98	$1,501.57	$2623.67	Increase in cost is primarily due to fees being waived for the Business Facade Improvement grant applications lodged by community/non-for-profit groups such as for sports facility upgrades.
Decision making *Council planning decisions upheld at VCAT.* [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50%	100%	0.00%	0.00%	0.00%	

*Statutory Planning also reported under Strategic Objective Three

Strategic Objective Three:

MAINTAIN AND RENEW OUR INFRASTRUCTURE

Provide access to a high-quality built environment and infrastructure that meets community needs.

Strategic Objective Three

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Develop and implement Asset Management Framework and associated asset management plans	Ongoing	Council's Asset Management Framework allows Council to systematically manage assets throughout their entire lifecycle, from acquisition to disposal, to align with strategic objectives and achieve best value for our community. It consists of an asset management policy, a 10 year asset plan, individual asset management plans, and a comprehensive asset register. Council's existing documentation in some cases is out of date and hasn't been updated with our most recent asset data.
Develop and implement a Long-Term Capital Program	Ongoing	With the implementation of CAMMs projects for budgeting processes, Council now has a collection of projects from the previous two financial years that can be further evaluated and considered for a multi-year budget adoption. In addition, Council's Assets Team has developed multi-year renewal programs from the new condition data received from a RACAs road audit as well as the updated building condition assessment. Council is now much better placed to develop a proposed multi-year long-term capital budget. However, works are still ongoing.

The following statement reviews the progress of council in relation to major initiatives identified in the 2024/25 budget for the year:

MAJOR INITIATIVES	PROGRESS
Complete Melville Oval redevelopment including new pavilion, netball courts and amenities.	**Completed** The Melville Oval Redevelopment Project was completed in the 2024/25 financial year with the first game held on Anzac Day. The project was constructed using local contractors where possible. The project has enhanced Southern Grampians sport and recreational facilities and will provide a first-class facility for the enjoyment of residents and visitors for years to come.
Complete the Lake Hamilton Lighting Project	**Completed** The Lake Hamilton Solar Lighting project was completed at the end of the 2024/25 financial year, under budget, with an official opening postponed due to poor weather. The project saw 98 lights installed on the Lake perimeter trail with four more to service the dog park, featuring smart technology designed to maximise both safety and energy efficiency. This project was a community aspiration and was developed as part of the budget process.
Complete Pedrina Park Cricket Nets Project	**Completed** The Pedrina Park Cricket Nets project was completed in the 2024/25 financial year. This has seen an upgrade from a previous two lane, end of life structure, to an enclosed four lane facility with soft retractable netting. The project was initially awarded for three lanes with grant funding received from Cricket Victoria through the ACIF (Australian Cricket Infrastructure Fund) as well as a contribution from the St Andrews Cricket Club which allowed Council to deliver a premium facility. The total project cost came to $168,700 and continued the implementation of the Pedrina Park Masterplan. The facility complies with Cricket Australia's Community Cricket Facilities guidelines, and offers a safer facility for the wider cricketing community.

The following statement provides information in relation to the services funded in the 2024/25 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Community Buildings	This service supports the use of community buildings, including halls and showgrounds throughout the Shire by ensuring they are maintained adequately.	434 (0) **434**	536 (6) **530**
Strategic Planning	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It prepares and processes amendments to the Council Planning Scheme and carries out research on urban development issues.	876 (0) **876**	940 (0) **940**
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	359 (73) **286**	368 (62) **306**
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	1,232 (0) **1,232**	976 (0) **976**
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	633 (0) **633**	724 (0) **724**
Facilities Management and Property Services	This service ensures Council owned buildings are maintained to acceptable standards, are fit for purpose and compliant with building regulations.	885 (58) **827**	939 (42) **897**
Playground and Skate Parks	This service creates social spaces for younger people and their families to recreate and includes provision of age-appropriate play activities (including skate parks) and safe playground equipment across the Shire.	122 (0) **122**	243 (0) **243**
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	1,338 (0) **1,338**	1,722 (18) **1,704**
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	577 (190) **387**	514 (204) **310**
Plant Management and Operations	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	741 (110) **631**	926 (120) **806**

Roads and Streets	This service aims to ensure responsible management of Council's Road infrastructure and compliance with regulatory requirements.	11,961 (0) **11,961**	15,547 (38) **15,509**
Public Infrastructure	This service provides community and visitors with appropriate public infrastructure to meet community needs in relation to location, safety, hygiene, quality and environmental sustainability of public toilets.	363 (0) **363**	522 (0) **522**
Private Works	This service is provided on a case-by-case basis for private requests for minor works that may not be readily available to the community, for example sealing driveways.	7 (0) **7**	16 (37) **(21)**
VicRoads Contract Management	This service ensures responsible contract management of Councils VicRoads contract.	20 (28) **(8)**	9 (0) **9**

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations:

SERVICE/INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
ROADS						
Satisfaction of use *Sealed local road requests.* [Number of sealed local road requests / Kilometres of sealed local roads] x100	2.85	0.39	7.65	8.13	0.78	The past year has been a transition year for road condition information, assessment and collection. Improved information provided via Council's media streams has provided up-to-date roadworks program progress and delivery. Live information available via Council's website on completed and scheduled works. In summary, these have contributed to the reduced number of requests received.
Condition *Sealed local roads below the intervention level.* [Number of kilometres of sealed local roads below the renewal intervention level set by council /kilometres of sealed local roads] x100	88.17%	90.24%	89.68%	94.58%	92.88%	
Service cost *Cost of sealed local road reconstruction* [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	20.88	$21.91	$29.80	$31.03	$51.54	Significant increase in material costs couped with more accurate capture of fleet costs has resulted in price escalation.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	$6.04	$6.66	$6.73	$6.74	$6.69	
Satisfaction *Satisfaction with sealed local roads* [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	42	37	34	36	36	

Strategic Objective Four:

PROTECT OUR NATURAL ENVIRONMENT

Act as community leaders to promote and enhance a clean, green and sustainable environment.

Strategic Objective Four

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Review, update and implement the Sustainability Strategy	Ongoing	Councils *Climate Change and Sustainability Strategy 2024-41* is a core document guiding environmental efforts. The Council is currently developing the 'Carbon Emission Framework and Net-Zero Action Plan', aimed at achieving carbon neutrality by 2035. Alongside these efforts, initiatives such as the solar lighting at Hamilton Lake and the Schools Sustainability Competition continue to promote sustainability. Council is also progressing with the Shire's heat mapping study to identify areas for regreening, as well as developing a 'Tree Strategy' to enhance local green spaces and mitigate the impact of temperature extremes.
Progress the Natural Asset Management Plan	Ongoing	Council are undertaking a systematic review of existing natural asset management plans to ensure their currency, relevance, and alignment with contemporary biodiversity priorities. Reserves identified as high-value biodiversity assets will be prioritised to ensure that management actions are responsive to ecological significance and conservation urgency. Plans that have not been reviewed or updated within the past five years will be flagged for early attention to ensure they reflect current environmental conditions, legislative requirements, and community expectations.
Reduce Waste	Ongoing	Council reviewed operations at the Hamilton Transfer Station to minimise contamination in waste streams and reduce landfill waste. Key improvements include the construction of a reinforced concrete bunker, completed in April, which will allow for the efficient storage of separated waste streams up to three meters high. Additionally, four-meter-high netting was installed to prevent wind-blown litter from contaminating the surrounding area. The introduction of a dedicated cardboard separation process was also implemented to reduce waste to landfill and enhance recycling efforts. Council continues to explore all available options to further reduce overall waste.

The following statement reviews the progress of council in relation to initiatives identified in the 2024/25 budget for the year:

MAJOR INITIATIVES	PROGRESS
Develop the Sustainability Strategy	**Completed** Council adopted the draft Sustainability Strategy in December 2024 after it was developed with community feedback. The Strategy will be a key driver for a more sustainable and resilient future, outlining ambitious actions towards reducing Council's carbon footprint and adapting to the challenges of climate change.
Develop a business case and establish a feasible treatment option for green waste.	**Ongoing** During the 2024/25 financial year, Council approved the proposal to install five Rapid Composting Units at the Hamilton Transfer Station to treat green waste generated through FOGO kerbside collection, residential green waste, and dry effluent from HRLX. Officers continue to finalise the agreement with the service provider and securing the necessary EPA licenses to operate the composting units. The goal is to produce commercial-grade compost for resale.

The following statement provides information in relation to the services funded in the 2024/25 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Landfill & Transfer Stations	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire as well as any costs with landfill sites.	1,907 (974) **933**	1,488 (962) **526**
Waste and Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	2,163 (100) **2,063**	2,769 (141) **2,628**
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	219 (100) **119**	390 (85) **305**
Stormwater/ Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	602 (0) **602**	701 (0) **701**
Yatchew Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	7 (4) **3**	5 (4) **1**
Quarry	This service is responsible for the sustainability in the supply of materials for road management and the realisation of returns from an economic asset.	7 (0) **7**	7 (1) **6**
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	743 (0) **743**	710 (85) **625**
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	197 (0) **197**	138 (42) **96**
Water	This service manages the Old Hamilton Reservoir and provides a source of non-potable water for irrigation purposes, maintaining sporting grounds and the amenity of the Hamilton Botanic Gardens.	7 (0) **7**	14 (0) **14**
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	436 (118) **318**	344 (136) **208**

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations:

SERVICE/INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
WASTE COLLECTION						
Service standard *Kerbside collection bins missed.* [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	9.58	9.42	6.64	15.53	11.39	The improvements reflect the ongoing efforts of our waste services team and contractors to enhance service reliability and responsiveness across the region.
Service cost *Cost of kerbside garbage collection service* [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	$118.31	$129.96	$175.66	$119.11	$134.24	This is in proportion with the increase to Council of the disposal to landfill fees, transport costs and a small increase in the total amount of waste transported from the Shire to landfil.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	$71.77	$78.48	$88.49	$96.69	$84.11	This is due to Council installing a new bunker system at Hamilton Transfer Station enabling recycle waste streams to be better separated before being sent for processing, creating a saving to Council from reduced reliance on service providers. In addition an overall reduction in glass bottles and aluminium cans presented in the kerbside bins due to the introduction of the CDS scheme.
Waste Diversion *Kerbside collection waste diverted from landfill.* [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	62.72%	79.24%	62.29%	60.54%	58.94%	

SERVICE INDICATOR/MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
FOOD SAFETY						
Service standard *Food safety assessments* [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100.	75.17%	100%	103.01%	100.00%	96.30%	
Food Saftey Samples [Number of food samples obtained / Required number of food samples] x 100	New	New	New	100%	95.65%	
Timeliness *Time taken to action food complaints.* [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1	1.11	1.29	1.10	1.00	
Service cost *Cost of food safety service* [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	$436.04	$426.06	$466.18	$474.80	$490.02	
Health and safety *Critical and major non-compliance outcome 100% notifications* [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major. non-compliance outcome notifications about food premises] x100	100%	92.86%	100%	100%	100%	

Strategic Objective Five:

PROVIDE STRONG GOVERNANCE AND LEADERSHIP

Strong leadership, good governance and effective service delivery.

Strategic Objective Five:

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT	COMMENTS
Review and update the Advocacy 2018 – 2030 priority list	Ongoing	Council developed new advocacy priorities in the 2024/25 financial year to include the following: • CBD Redvelopment Project • Community Hub • New Art Gallery • Drought Support • Improved Public Transport Connections • Local Roads • Hamilton Hospital – Emergency Department • Mill Road exit
Improve Council's performance for governance within Local Government Performance Reporting Framework	Ongoing	There are two Governance performance measures within the Local Government Performance Reporting Framework and these figures are results from the annual Community Satisfaction Survey. Satisfaction with community consultation and engagement improved by 7% and satisfaction with council decisions improved by 1% from 2024 to 2025.
Continue to implement improved digital solutions that focus on excellence in customer service	Ongoing	Several initiatives were undertaken to enhance Council operations and service delivery through digital solutions including: • Business Process and Systems Review • Customer Service and Communication Improvements • Website and Online Services Enhancement • Faster Request Processing • Exploration of Generative AI • Technology for Outdoor Staff and Asset Maintenance

The following statement reviews the progress of Council in relation to major initiatives identified in the 2024/25 budget:

MAJOR INITIATIVES	PROGRESS
Commence development of a new Council App	**Ongoing** Council worked with other regional Councils to collaborate with an app developer to create a Local Government app aimed at enhancing residents' access to services and interaction with the Council. This app will seamlessly integrate with key Council systems, offering personalised communication, multilingual service access, and straightforward payment options. The initial development phase will progress into 2025/26, with the pilot focusing on high-traffic services such as property and rates, waste management, infringements, and defect submissions for roads, footpaths, and parks.
Further develop and implement Council's Asset Renewal Plan and Policy with a view to increasing investment.	**Ongoing** Council continues to develop the five-year capital roads program based on identified efficiencies and priority needs.

The following statement provides information in relation to the services funded in the 2024/25 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
Executive and Councillor Support	This area of governance includes the Chief Executive Officer, Executive Management Team the Mayor, Councillors and associated support.	2,363 (0) **2,363**	2,420 (19) **2,401**
Governance Administration	This service has the responsibility to provide the organisation with appropriate strategic advice on Governance related matters, enabling the organisation to be responsive to the needs of the Council and the community.	306 (0) **306**	293 (0) **293**
Financial Services	This service has the responsibility to provide the organisation with appropriate strategic advice, reporting and internal control on finance related matters. Financial services also provide accounts payable, receivable and rating administration.	1,225 (549) **676**	1,373 (565) **808**

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST $000	ACTUAL EXPENDITURE (REVENUE) NET COST $000
People and Culture	The Organisational Development Unit aims to facilitate Council's organisational goals through effective workforce management and provide a mechanism for continual review and improvement.	952 (0) **952**	957 (0) **957**
Risk Management	This service has the responsibility to provide the organisation with appropriate advice and management of risk and OHS in relation to legal and other community requirements.	391 (0) **391**	512 (83) **429**
Procurement	This service has the responsibility to provide the organisation with appropriate advice, administration and policy on all procurement matters as specified in Section 186A of the Local Government Act 1989.	369 (0) **369**	395 (0) **395**
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	837 (0) **837**	550 (0) **550**
Customer Service	The Customer Service is the first point of contact for all communications with Council. This unit aims to provide accurate and a high quality of service to all customers.	372 (0) **372**	341 (0) **341**
Business Systems	The Business Systems unit aims to maximise the organisation's capacity to utilise all its many and diverse systems and is also responsible for the ongoing support of Councils IT requirements necessary to deliver effective services.	2,318 (0) **2,318**	2,124 (1) **2,123**
Corporate Buildings and Overheads	This service maintains buildings and grounds of corporate buildings, supports whole of organization administration functions and coordinates centralized purchasing of corporate consumables. These expenses are offset by the recoupment of internal charges to all services.	787 (4,675) **(3,888)**	935 (4,675) **(3,740)**
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Penshurst to support works teams to deliver capital and maintenance programs.	335 (23) **312**	493 (26) **467**


CAUTION HOT SURFACE
Hamilton Indoor Leisure & Aquatic Centre

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

STRATEGIC INDICATOR/ MEASURE	2020/21	2021/22	2022/23	2023/24	2024/25	MATERIAL VARIATIONS
GOVERNANCE						
Transparency *Council resolutions at meetings closed to the public.* [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100	0.75%	4.85%	7.41%	6.82%	5.56%	Council continues to ensure public transparency and as such considers alternate ways to ensure meetings are held open to the public and confidential items are kept to a minimum.
Consultation and Engagement *Satisfaction with community consultation and engagement* [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	57.00	50.00	47.00	43.00	46.00	
Attendance *Council attendance at council meetings* [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100	98.81%	95.80%	91.60%	93.33%	100%	
Service cost *Cost of governance* [Direct cost of the governance service / Number of councillors elected at the last council general election]	$33,978.00	$35,505.72	$37,607.46	$40,491.37	$44,518.29	
Satisfaction *Satisfaction with council decisions* [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	51.00	46.00	44.00	42.00	

Corporate *Governance*

Council is constituted under the *Local Government Act 2020* to provide good governance in its municipal district for the benefit and wellbeing of the municipal community. Council must in the performance of its role give effect to the overarching governance principles, including:

- Council decisions are to be made and actions taken in accordance with the relevant law.
- Priority to be given to achieving the best outcomes for the municipal community, including future generations.
- The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
- The municipal community is to be engaged in strategic planning and strategic decision making.
- Innovation and continuous improvement is to be pursued.
- Collaboration with other Councils and Governments and statutory bodies is to be sought.
- The ongoing financial viability of the Council is to be ensured.
- Regional, state and national plans and policies are to be taken into account in strategic planning and decision making.
- The transparency of Council decisions, actions and information is to be ensured.

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

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

Meetings Of Council

Council Meetings of the Southern Grampians Shire Council are generally held on the second Wednesday of each month at 5:30pm in the Council Chambers, 3 Market Place, Hamilton.

Council meetings are usually open to all who wish to attend with Councillors available to meet informally with residents between 5:00pm – 5:30pm, prior to the monthly Council Meetings.

For the 2024/25 year Council held the following meetings:

1. 10 Council Meetings; and
2. Four unscheduled council meetings

The following table provides a summary of councillor attendance at Council Meetings and unscheduled council meetings for the 2024/25 financial year.

NB: Please note Local Government Elections were held on 26 October 2024

Councillor	Council Meeting	Unscheduled Council Meeting	Total
Cr David Robertson (Mayor from 1 November 2023 – 6am 26 October 2024)	4/4	3/3	7/7
Cr Mary-Ann Brown	3/4	3/3	6/7
Cr Albert Calvano	8/10	3/4	11/14
Cr Bruach Colliton	4/4	2/3	6/7
Cr Helen Henry	9/10	4/4	13/14
Cr Katrina Rainsford	10/10	4/4	14/14
Cr Fran Malone	4/4	3/3	7/7
Cr Adam Campbell	5/6	1/1	6/7
Cr Jayne Manning	6/6	1/1	7/7
Cr Afton Barber	6/6	1/1	7/7
Cr Dennis Heslin (Mayor from 20 November 2024)	6/6	1/1	7/7

NB: This data reflects apologies received but does not constitute non-attendance in-line with the Local Government Performance Reporting Framework.

Council Committees

The Act allows Councils to establish Committees.

The followings table contains a list of committees established by the Council that are in operation and the purpose for which each committee was established:

Committee	Purpose
Audit and Risk Committee	The Audit Committee is a legislated Committee of Council. Its purpose is to assist Council in the effective conduct of its responsibilities for financial reporting practices, maintenance of Council's accounting policies, risk management and internal control systems.
Planning Committee	To support the efficient and effective consideration of planning permit applications and the development of effective land use strategies in support of the environment, community and economy. To provide an open forum where major planning applications can be considered and applicants and objectors have their right to be heard.
Carapook Hall – Community Asset Committee	The management and operation of the Public Hall at Carapook.
Coleraine Mechanics Institute - Community Asset Committee	The management and operation of the Mechanics' Institute Hall at Coleraine.
Konongwotong Hall - Community Asset Committee	The management and operation of the Konongwootong Public Hall.
Nareen Hall - Community Asset Committee	The management and operation of the Nareen Public Hall.
Coleraine Sporting Ground - Community Asset Committee	The management and operation of the Coleraine Tennis & Netball Centre, Silvester Oval and Turnbull Street Reserve of Coleraine.
Cavendish Soldiers Memorial Hall - Community Asset Committee	Managing the Cavendish Soldiers Memorial Hall.
Hamilton Regional Livestock Exchange Advisory Committee	An Advisory Committee to Council on all matters relating to the strategic development of the facility.
CEO Employment and Remuneration Advisory Committee	An Advisory Committee appointed to assist Council in fulfilling its responsibilities relating to CEO employment and remuneration matters.

Councillor Code of Conduct

The *Local Government Act 2020* provides that all Councillors must observe the Model Councillor Code of Conduct.

The purpose of the Model Councillor Code of Conduct is to include the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

Councillors must also adhere to prescribed standards of conduct, including:

1. Treatment of Others

- A Councillor must, in performing the role of a Councillor, treat other Councillors, members of Council staff, the municipal community and members of the public with dignity, fairness, objectivity, courtesy and respect, including by ensuring that the Councillor takes positive action to eliminate discrimination, sexual harassment and victimisation in accordance with the Equal Opportunity Act 2010.
- Supports the Council in fulfilling its obligation to achieve and promote gender equality.
- Does not engage in abusive, obscene or threatening behaviour in their dealings with members of the public, Council staff and Councillors.
- In considering the diversity of interests and needs of the municipal community, treats all persons with respect and has due regard for their opinions, beliefs, rights, and responsibilities.

2. Performing the role of Councillor

- A Councillor must, in performing the role of a Councillor, do everything reasonable necessary to ensure that the Councillor performs the role of a Councillor effectively and responsibly, including by ensuring that the Councillor:
    - a. Undertakes any training or professional development activities the Council decides is necessary for all Councillors to undertake in order to effectively perform the role of a Councillor;
    - b. Diligently uses Council processes to become informed about matters which are subject to Council decisions;
    - c. Is fit to conscientiously perform the role of a Councillor when acting in that capacity or purporting to act in that capacity; and
    - d. Represents the interests of the municipal community in performing the role of a Councillor by considering and being responsive to the diversity of interests and needs of the municipal community.

3. Compliance with good governance measures

- A Councillor, in performing the role of a Councillor, to ensure the good governance of the Council, must diligently and properly comply with the following:
    - a. Any policy, practice or protocol developed and implemented by the Chief Executive Officer in accordance with section 46 of the Act for managing interactions between members of Council staff and Councillors;
    - b. The Council expenses policy adopted and maintained by the Council under section 41 of the Act;
    - c. The Governance Rules developed, adopted and kept in force by the Council undersection 60 of the Act; and
    - d. Any directions of the Minister issued under section 175 of the Act

4. Councillor must not discredit or mislead Council or public

- In performing the role of Councillor, a Councillor must ensure that their behaviour does not bring discredit upon the Council.
- In performing the role of a Councillor, a Councillor must not deliberately mislead the Council or the public about any matter related to the performance of their public duties.

5. Standards do not limit robust political debate

- Nothing in these standards is intended to limit, restrict or detract from robust public debate in a democracy.

A copy of the Model Councillor Code of Conduct can be obtained from Council's Brown Street Business Centre, or viewed on Council's website www.sthgrampians.vic.gov.au

Conflict of Interest

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

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

Councillor Allowances and Expenses

In accordance with section 39 of the Act, Councillors are entitled to receive an allowance while performing their duty as a Councillor.

The Victorian Independent Tribunal sets the allowances paid to Councillors, Mayors and Deputy Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Southern Grampians Shire Council is recognised as a category 1 council.

The Victorian Independent Remuneration Tribunal revised the Mayor, Deputy Mayor and Councillors allowances. The Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022 was adjusted to the following.

The base allowance amounts which apply for this category from 18 December 2024:

Mayor - $80,932 pa

Deputy Mayor – $40,466 pa

Councillors - $25,469 pa

Councillors can individually elect to receive either the full allowance to which they are entitled, part of the allowance or no allowance at all.

The table below sets out the allowances paid in accordance with the Act for the 2024/2025 financial year:

Councillor	Allowance
Barber*	$20,468.25
Brown ***	$6,899.67
Calvano	$27,367.92
Campbell*	$20,468.25
Colliton ***	$6,899.67
Henry	$31,149.35
Heslin**	$64,856.14
Malone ***	$6,899.67
Rainsford	$27,367.92
Robertson***	$21,362.58
Manning*	$20,468.25
Total	$254,207.67

*Councillor from 11 November 2024

** Mayor from 20 November 2024

*** Outgoing Councillor from 24 October 2024

Councillor	Travel	Mileage	Childcare	ICT	Conference/ Training	Total
Barber				$254		$254
Brown				$71		$71
Calvano				$407		$407
Campbell				$254		$254
Colliton				$71		$71
Henry				$190	$770	$960
Heslin *Mayor from 20 November 2024	$1,740			$254	$1,414	$3,408
Malone				$17		$17
Manning	$309		$1,550	$254	$2,094	$3,408
Rainsford	$1,991			$340	$1,456	$3,787
Robertson				$131		$131
Total	**$4,040**		**$1,550**	**$2,243**	**$5,734**	**$13,567**

Note: The Mayor is supplied with a vehicle in order to fulfil the duties of the role

Management

Council has implemented statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decisions by Council.

The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee is a legislated Committee of Council formed in accordance with section 53 of the *Local Government Act 2020*. The purpose of the Committee is to assist Council in the effective conduct of its responsibilities in relation to its financial and performance reporting practices. This includes monitoring compliance of Council's policies and procedure with overarching governance principles and legislative responsibilities, risk management and internal control systems.

The Audit and Risk Committee consists of three independent members, Mr Brian Densem (Chair), Ms Aisling Cunningham and Mr Bill Millard and two Councillors, Councillor Helen Henry and Councillor Calvano. Meetings are also attended by the Chief Executive Officer, Director People and Performance, Manager Finance, Manager People & Culture and other staff as appropriate.

Documents For Public Inspection

In accordance with Local Government Act 2020, Council makes a range of information available on its website www.sthgrampians.vic.gov.au

Procurement

During the year Council publicly advertised tender opportunities and expressions of interest that had a value above Council's Procurement Policy contract value (threshold) and entered into contracts for the following projects:

- Resource Recovery Services - Hamilton Transfer Station
- Flood Recovery Asset Restoration Works October 2022 Event AGRN 1037
- Supply of Pulverisation and Stabilisation service
- Pedrina Park Car Park and Footpath
- Hamilton Olympic Swimming Pool - Shell Repairs 2024
- Kent Manor Drainage Upgrade
- Provision of Roadside Slashing, Spraying and Tiling
- Supply and Delivery of Bitumen Products
- Penshurst Oval Improvements
- Structure Plan for Cavendish
- Structure Plan for Coleraine
- Long Term Dry Plant Hire
- French Street Drainage
- Design and Construct Bunkers at Hamilton Transfer Station
- Nigretta Stairs & Platform, Glenthompson Footbridge Replacement
- Melville Oval Playing Surface Irrigation
- Melville Oval Playing Surface Improvements
- Heritage Advisor
- Raised platform on Brown Street
- Urban Heat Mapping
- Lakes Edge Adventure Playground -General Renewal
- Hamilton Performing Arts Centre - Repair Works
- Minor Bridge Repair Works
- Supply of Gas
- Supply and Delivery of Hook Truck

During this period Council did not invite a tender or seek an expression of interest without doing so through a public advertising process.

Food Act Ministerial Directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any ministerial directions received during the financial year in its annual report. No such ministerial directions were received by Council during the 2024/25 financial year.

Disability Action Plan

Council is committed to working alongside our community to create a place where people of all ages and abilities can achieve optimal health and wellbeing.

The *Disability Act 2006* requires all councils to have a Disability Action Plan as prescribed in the Commonwealth Disability Discrimination Act 1992.

This plan needs to focus on:

- Reducing barriers to persons with disabilities accessing goods, services and facilities
- Reducing barriers to persons with disabilities obtaining and maintaining employment
- Promoting inclusion and participation in the community of persons with disabilities
- Achieving tangible changes in attitudes and practices which discriminate against persons with disabilities.

The Disability Action Plan was embedded into the Council Plan for the first time in 2021. The approach aims to ensure that disability remains a priority across all areas of Council business and that a disability perspective is applied in the delivery of all Council services and activities.

Domestic Animal Management Plan

In accordance with the *Domestic Animal Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four-year intervals and evaluate its implementation in its Annual Report.

The Plan identifies strategies and actions to implement the vision, aims and objectives for animal management and contains recommendations for a wide range of actions to be undertaken by Council in a programmed approach.

These actions will enable Council to maintain a balance between the competing interests of animal management and to accommodate new requirements. The Plan addresses topics including authorised officer training, promotion of responsible pet ownership including registration, minimisation of dog attacks, operation of the Pound facility and general service delivery throughout the municipality. The Pound is run in strict accordance with the code of practice for Pounds and Shelters.

2024/25 key figures:

Dogs and cats registered: 2,329

Dogs rehomed: 53

Dogs reclaimed: 71

Cats rehomed: 34

Cats reclaimed: 19

2024/25 highlights:

This year's highlights included –

- an increase in social media engagement which has facilitated the reuniting of animals back to their owners and the increase of both cat and dog adoption numbers
- over 90% of animal registrations renewed with all outstanding and known unregistered animals being followed up
- increased number of cat trap requests and feral cats trapped across the shire.

Freedom of Information

The Freedom of Information Act 1982 (the FOI Act) gives people the right to access documents held by Victorian government agencies.

The FOI Act has four main functions:

1. To provide a general right of access to documents;
2. To enable individuals to amend incorrect documents about them held by government;
3. To provide rights appeal in relation to the previous two functions;
4. To require agencies to publish certain details about themselves and their functions.

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

Seven valid FOI requests were received by Council during the period 1 July 2024 – 30 June 2025.

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

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

Applications can be email to Council's FOI Officer at foi@sthgrampians.vic.gov.au or mailed to Locked Bag 685, Hamilton VIC 3300.

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

Further information regarding FOI can be found at http://www.sthgrampians.vic.gov.au/foi

Public Interest Disclosures Act 2012

In accordance with section 69 of the *Protected Disclosure Act 2012* a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act.

It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Public Interest Disclosures Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are available on Council's website www.sthgrampians.vic.gov.au/protecteddisclsoures

During the 2024/25 financial year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004,* a Council must publish a copy or summary of any Ministerial direction in its Annual Report. No such Ministerial Directions were received by Council during the 2024/25 financial year.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987,* a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in Council's Annual Report. No infrastructure or development contributions were received by Council in the 2024/25 financial year.

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 Date: 21 June 2023
2	**Community engagement guidelines** (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date: 21 June 2023
3	**Financial Plan** (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date: 11 June 2025
4	**Asset Plan** (plan under section 92 if the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date: 22 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 with section 93 of the Act Date: 11 June 2025
6	**Annual budget** (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Date of adoption: 11 June 2025
7	**Risk policy** (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date: 9 October 2019
8	**Fraud policy** (policy outlining council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date: 3 November 2023
9	**Municipal emergency management planning** (participation in meetings of the Municipal Emergency Management Planning Committee)	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the Chairperson of the MEMPC) during the financial year: Date: 29 August 2024 28 November 2024 13 March 2025 26 June 2025
10	**Procurement policy** (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date: 11 September 2024
11	**Business continuity plan** (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date: 1 September 2019
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)	Current plan in operation Date: 2 February 2018

Governance and Management Items		Assessment
13	**Complaint Policy** (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints	Policy developed in accordance with section 107 of the Act Date: 8 December 2021
14	**Workforce Plan** (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	Plan developed in accordance with section 46 of the Act Date: 31 December 2021
15	**Payment of rates and charges hardship policy** (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates)	Current Policy in operation Date: 11 September 2024
16	**Risk management framework** (framework outlining council's approach to managing risks to the Council's operations)	Current framework in operation Date: 3 February 2020
17	**Audit and Risk Committee** (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date: 10 August 2022
18	**Internal audit** (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Internal auditor engaged Date: 13 March 2024
19	**Performance reporting framework** (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date: 4 July 2022
20	**Council Plan reporting** (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Date: 12 February 2025 11 June 2025
21	**Quarterly budget reports** (quarterly reports to Council under section 97 of the Act comparing actual and budgeted results and an explanation of any material variations)	Quarterly statements presented to council in accordance with section 97 of the Act Date: 11 December 2024 12 February 2025 11 June 2025
22	**Risk reporting** (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented for ELT Date: 3 December 2024 11 February 2025 17 June 2025
23	**Performance reporting** (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Performance report prepared and presented Date: 9 October 2024

Governance and Management Items		Assessment
24	**Annual report** (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial performance statements)	Annual Report considered at a meeting of Council in accordance with section 134 of the 1989 Act Date: 23 October 2024
25	**Councillor Code of Conduct** (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed in accordance with section 139 of the Act Date: 11 June 2025
26	**Delegations** (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Dates of review: s20 - 23 August 2023 s19A - 3 November 2023 s19B - 3 November 2023 s18 - 21 December 2023 c7 - 29 September 2022 c5 - 21 December 2023 s13 - 20 September 2023 s14 - 13 January 2023 s7 - 21 February 2025 s6 - 27 May 2025 s5 - 11 December 2024
27	**Meeting procedures** (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date: 21 June 2023

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

Tony Doyle
Chief Executive Officer
Dated: 7 October 2025

Cr Dennis Heslin
Mayor
Dated: 10 October 2025

Financial *Information*

Understanding these accounts

The Financial Statements have been prepared in accordance with the Local Government Act 2020, the Local Government (Planning and Reporting) Regulations 2020, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board.

The Financial Statements have been prepared on the basis of historical costs, except where specifically stated otherwise. They have also been prepared on an accruals and ongoing concern basis. The statements are audited by the Victorian Auditor-General's agent before being approved in principle by Council's Audit & Risk Committee and Council itself. The Financial Statements are then forwarded to the Auditor-General for final approval.

For this financial year Council has received a clear audit of its Financial Statements. The Financial Statements are comprised of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes to and forming part of the Statements. These Statements compare the previous year's results with the current year.

Financial Overview

Council's audited 2024/25 Financial Statements are included from pages 91-101 of this report. Council continues to be in a sound financial position with the total operating result for the year ended 30 June 2025 being a surplus of $3.665 million. The operating result is made up of operating revenue of $58.666 million (2023/24 $40.271 million) and expenditure of $55.001 million (2023/24 $53.058 million).

With regard to Council's Balance Sheet, liquidity is strong with a working capital ratio of 1.55:1. The Working Capital Ratio assesses Council's ability to meet current commitments and means that Council has $1.55 of cash and current assets for every $1.00 of current liabilities.

Cash on hand at 30 June 2025 was $4.882 million with an additional $5.389m held in investments. Restricted cash of $0.867 million is for specific reserve funds and trust deposits. Borrowings outstanding on 30 June 2025 totalled $6.762m. Loans and borrowings compared to rates and loans and borrowing repayments compared to rates are 27.55% and 0.37% respectively.

Trade and other payables was $4.887 million. Council had a net overall cash inflow for the year of $3.363 million with a net cash inflow of $17.561 million from Operating Activities.

Rating

Rates and Charges provided 42.85 percent of Council's total operating revenue in 2024/25. Council's rating strategy seeks to ensure consistency and equity in the levying of rates and charges. Differential rates are levied on the capital improved valuation of all rateable land to reflect the different standard, range and access to municipal services available to residents and ratepayers in the different areas of the Shire.

Looking ahead

The Council, in developing its financial strategy, has taken a long-term view to budgeting and planning. The preparation of the Long Term Financial Plan includes a number of assumptions, which are reviewed annually and updated to reflect new or revised circumstances.

In preparing its Long Term Financial Plan, a number of internal and external influences impact on the capacity of Council to fund ongoing capital needs including increasing costs associated with the maintenance and renewal of Council's ageing infrastructure assets, improvements in waste management services and facilities, demand for leisure and recreation facilities, Council services generally, plant replacement large intergenerational asset projects with loans funding where appropriate.

The Council continues to receive funding from the Federal Government for general purpose expenses (via the Victorian Grants Commission) and under the "Roads to Recovery" program for the local road network. Council has also received funding for the 2024/25 financial year under the Local Roads and Community Infrastructure Program (LRCIP) which has continued the funding program from prior years.

Further funding is expected in the 2025/26 year. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's corporate objectives as specified in the Council Plan.

Comprehensive Income Statement

The Comprehensive Income Statement includes all sources of income, less all operating expenses or 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 which are used to deliver Council services. These assets are depreciated over the life of the asset as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the Statement, but are depreciated as they are used.

The Statement is prepared on an accrual basis. This means that all revenue and expenditure for the year is recognised even though the revenue may not yet be received or expenses not yet paid. The key figure is the

Performance *Statement*

For the Year Ended 30 June 2025

Surplus (Deficit) which is the equivalent to the profit or (loss) of Council for the year. Council expenditure was $55.001 million with revenue of $58.666 million generating a surplus of $3.665 million.

Balance Sheet

The Balance Sheet shows what the Council owns as assets and what it owes as liabilities. Both Assets and Liabilities are expressed as current or non-current. Current means that these are Assets or Liabilities that will be expected to be paid or could be converted into cash within the next 12 months. The bottom line of this Statement is Net Assets which is the net worth of Council built up over the years. The Council's Balance Sheet indicates Council is in a sound position. Its Current Assets consist predominately of cash assets and are 1.55 times Current Liabilities which demonstrates that Council has sufficient funds on hand to pay liabilities as they fall due.

Statement in Changes of Equity

The Statement of Changes in Equity shows the value of changes to Total Ratepayers Equity (net assets) and how these changes arose. Council's net worth can only change through the 'profit (loss) for the year' from operations as recorded in the Comprehensive Income Statement or an increase in the value of non-current assets resulting from a revaluation of those assets. There was a significant increase of $77.518 million in the value of non-current assets during 2024/25.

Councils Net Equity increased from $504.762 million in 2024/25 to $585.945 million in 2024/25. This increase of $81.183 million in large part attributable to an increase in the value of non-current assets during 2024/25 of $77.518 million, with the remaining difference being the operating surplus of $3.665 million.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. It differs from the Comprehensive Income Statement in that it:

- excludes the accruals taken into account in the Comprehensive Income Statement
- excludes non-cash expenses such as depreciation
- includes payments or receipts in relation to capital items
- includes any 'financing' activities such as loan proceeds and payments.

The Cash Flow from Operating Activities summarises all of the Income and Expenses in relation to Council's ongoing service delivery.

A surplus ensures that Council can maintain its day-to-day operations as well as provide funds for future community investments. The Cash Flow from Investing Activities refers to Council's Capital Works expenditure as well as any receipts for the sale of assets. Cash Flow from Financing Activities refers to the drawdown and repayment of loans.

Statement of Capital Works

The Statement of Capital Works compares the expenditure allocated to the various categories of assets Council maintains for the purpose of delivering services. This statement compares the level of expenditure compared to the previous year. It also provides a breakdown of the expenses into the development of new assets, renewing existing assets or upgrading and/or expanding assets.

Notes To The Accounts

Notes to the Accounts provide details of Council's accounting policies, expands on the summary figures contained in the five key financial statements and includes other information such as financial performance indicators, the cost of various functions.

Annual
Financial Report

For the Year Ended 30 June 2025

Contents

Annual
Financial Report

For the Year Ended 30 June 2025

Contents

Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Southern Grampians Shire Council

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 08 October 2025
Council has the power to amend and reissue these financial statements.

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.

Nicholas Templeton CPA
Principal Accounting Officer
Dated: 09 Cotober 2025
Hamilton, Victoria

In our opinion, the accompanying financial statements present fairly the financial transactions and postion of Southern Grampians Shire Council for the year ended 30 June 2025 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.

Cr Denis Heslin
Mayor
Dated: 09 October 2025
Hamilton, Victoria

Cr Helen Henry
Councillor
Dated: 09 October 2025
Hamilton, Victoria

Anthony Doyle
Chief Executive Officer
Dated: 09 October 2025
Hamilton, Victoria

Victorian Auditor-General's Report

Independent Auditor's Report

To the Councillors of Southern Grampians Shire Council

Opinion	I have audited the financial report of Southern Grampians Shire Council (the council) which comprises the: • balance sheet as at 30 June 2025 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Victorian Auditor-General's Report (continued)

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 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

Annual *Financial Report*

For the Year Ended 30 June 2025

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 2025.

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 external accountants (that generally specialise in local government).

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.

Comprehensive Income Statement

	Note	2025 $ '000	2024 $ '000
Income / Revenue			
Rates and charges	3.1	24,553	23,452
Statutory fees and fines	3.2	679	615
User fees	3.3	6,529	6,395
Grants - operating	3.4	16,495	1,872
Grants - capital	3.4	8,290	5,971
Contributions - monetary	3.5	74	278
Contributions - non monetary	3.5	85	145
Net gain on disposal of property, infrastructure, plant and equipment	3.6	122	118
Other income	3.7	1,743	1,425
Adjustment to Landfill Provision		96	–
Total income / revenue		58,666	40,271
Expenses			
Employee costs	4.1	21,325	20,122
Materials and services	4.2	11,757	10,828
Depreciation	4.3	15,359	14,836
Allowance for impairment losses	4.4	5	79
Borrowing costs	4.5	90	42
Fair value decrement on investment properties	6.2	–	210
Other expenses	4.6	3,773	4,224
Waste Disposal Costs	4.7	2,692	2,586
Adjustment to Landfill Provision	4.7	–	131
Total expenses		55,001	53,058
Surplus/(deficit) for the year		3,665	(12,787)
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	77,518	8,046
Total items which will not be reclassified subsequently to the operating result		77,518	8,046
Total other comprehensive income		77,518	8,046
Total comprehensive result		81,183	(4,741)

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

Annual
Financial Report

For the Year Ended 30 June 2025

Balance Sheet

	Note	2025 $ '000	2024 $ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	4,882	1,519
Trade and other receivables	5.1	5,914	5,781
Other financial assets	5.1	5,389	8,676
Inventories	5.2	447	342
Contract assets	5.1(f)	72	93
Other assets	5.2	615	326
Total current assets		17,319	16,737
Non-current assets			
Trade and other receivables	5.1	9	13
Property, infrastructure, plant and equipment	6.1	579,700	500,787
Investment property	6.2	6,894	690
Right-of-use assets		62	103
Other assets	5.2	709	–
Total non-current assets		587,374	501,593
Total assets		604,693	518,330
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,887	5,201
Trust funds and deposits	5.3	402	452
Contract and other liabilities	5.3	883	379
Provisions	5.5	3,671	4,718
Interest-bearing liabilities	5.4	1,266	198
Lease liabilities		41	41
Total current liabilities		11,150	10,989
Non-current liabilities			
Provisions	5.5	2,081	1,464
Interest-bearing liabilities	5.4	5,496	1,053
Lease liabilities		21	62
Total non-current liabilities		7,598	2,579
Total liabilities		18,748	13,568
Net assets		585,945	504,762
Equity			
Accumulated surplus		128,994	125,498
Reserves	9.1	456,951	379,264
Total Equity		585,945	504,762

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

Statement of Changes in Equity

	Note	Total $ '000	Accumulated Surplus $ '000	Revaluation Reserves $ '000	Other Reserves $ '000
2025					
Balance at beginning of the financial year		504,762	125,498	378,667	597
Surplus/(deficit) for the year		3,665	3,665	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	77,518	–	77,518	–
Other comprehensive income		77,518	–	77,518	–
Total comprehensive income		81,183	3,665	77,518	–
Transfers to other reserves	9.1	–	(169)	–	169
Balance at end of the financial year		585,945	128,994	456,185	766
2024					
Balance at beginning of the financial year		509,503	138,311	370,621	571
Adjusted opening balance		509,503	138,311	370,621	571
Surplus/(deficit) for the year		(12,787)	(12,787)	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	8,046	–	8,046	–
Other comprehensive income		8,046	–	8,046	–
Total comprehensive income		(4,741)	(12,787)	8,046	–
Transfers to other reserves	9.1	–	(26)	–	26
Balance at end of the financial year		504,762	125,498	378,667	597

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

Annual
Financial Report

For the Year Ended 30 June 2025

Statement of Cash Flows

	Note	2025 Inflows/ (Outflows) $ '000	2024 Inflows/ (Outflows) $ '000
Cash flows from operating activities			
Rates and charges		23,962	23,620
Statutory fees and fines		660	590
User fees		6,554	6,389
Grants - operating		16,651	1,872
Grants - capital		8,613	6,289
Contributions - monetary		74	278
Interest received		522	998
Trust funds and deposits taken		(50)	65
Other receipts		1,899	348
Net GST refund/(payment)		–	385
Employee costs		(21,659)	(20,355)
Materials and services		(13,052)	(11,771)
Short-term, low value and variable lease payments		(12)	(59)
Other payments		(6,601)	(7,414)
Net cash provided by/(used in) operating activities	9.2	17,561	1,235
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(23,179)	(18,654)
Proceeds from sale of property, infrastructure, plant and equipment		273	202
Payments for investments		–	(210)
Proceeds from sale of investments		3,287	10,961
Net cash provided by/(used in) investing activities		(19,619)	(7,701)
Cash flows from financing activities			
Finance costs		(90)	(42)
Proceeds from borrowings		5,800	–
Repayment of borrowings		(289)	(577)
Net cash flow provided by/(used in) financing activities		5,421	(619)
Net Increase (decrease) in cash and cash equivalents		3,363	(7,085)
Cash and cash equivalents at the beginning of the financial year		1,519	8,604
Cash and cash equivalents at the end of the financial year		4,882	1,519
Financing arrangements	5.6	8,012	2,501

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

Statement of Capital Works

	Note	2025 $ '000	2024 $ '000
Property			
Land		–	931
Land improvements		299	–
Land - WIP		271	–
Total land		570	931
Buildings		7,488	6,360
Buildings - WIP		506	–
Total buildings		7,994	6,360
Total property		8,564	7,291
Plant and equipment			
Plant, machinery and equipment		1,481	824
Fixtures, fittings and furniture		209	–
Computers and telecommunications		60	110
Library books		70	71
Art Collection		7	15
Plant & Equipment - WIP		8	–
Total plant and equipment		1,835	1,020
Infrastructure			
Roads		5,495	5,062
Bridges		252	73
Footpaths and cycleways		541	856
Drainage		463	97
Recreational, leisure and community facilities		968	781
Waste management		52	250
Parks, open space and streetscapes		2,913	2,547
Aerodromes		–	4
Off street car parks		419	3
Livestock Exchange		35	–
Other infrastructure		383	159
Infrastructure - WIP		1,260	–
Total infrastructure		12,781	9,832
Total capital works expenditure	6.1	23,180	18,143
Represented by:			
New asset expenditure		3,073	2,530
Asset renewal expenditure		13,364	12,089
Asset upgrade expenditure		6,743	3,524
Total capital works expenditure		23,180	18,143

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

Notes to the *Financial Statements*

For the Year Ended 30 June 2025

Note 1. Overview

Introduction

The Southern Grampians Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 111 Brown St, Hamilton.

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.

Accounting policy information

1.1 Basis of accounting

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

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

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

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.
- 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.

Note 1. Overview (continued)

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

Note 2. Analysis of our results

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 and $100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2025 $ '000	Actual 2025 $ '000	Variance $ '000	Variance %	Ref
Income / Revenue					
Rates and charges	24,054	24,553	499	2.07%	
Statutory fees and fines	469	679	210	44.78%	1
User fees	6,281	6,529	248	3.95%	
Grants - operating	10,720	16,495	5,775	53.87%	2
Grants - capital	3,000	8,290	5,290	176.33%	3
Contributions - monetary	–	74	74	∞	
Contributions - non monetary	–	85	85	∞	
Net gain on disposal of property, infrastructure, plant and equipment	5,640	122	(5,518)	(97.84)%	4
Other income	852	1,743	891	104.58%	5
Adjustment to Landfill Provision	–	96	96	∞	
Total income / revenue	51,016	58,666	7,650	15.00%	
Expenses					
Employee costs	20,388	21,325	(937)	(4.60)%	6
Materials and services	11,457	11,757	(300)	(2.62)%	7
Depreciation	12,608	15,359	(2,751)	(21.82)%	8
Allowance for impairment losses	–	5	(5)	∞	
Borrowing costs	21	90	(69)	(328.57)%	
Other expenses	3,476	3,773	(297)	(8.54)%	
Waste Disposal Costs	–	2,692	(2,692)	∞	7
Total expenses	47,950	55,001	(7,051)	(14.70)%	
Surplus/(deficit) for the year	3,066	3,665	599	19.54%	

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Statutory Fees for animal control are shown under statutory fees however the budget was categorised under user fees.
2.	Council received 50% ($5.06m) of the 2025/26 Financial Assistance Grants allocation late in June 2025. Project grants were recognised in 2024/25 of $0.323m for non-Council sports reserves, $0.098m for flood planning and $0.076m for Art Gallery with matching expenditure incurred for these projects.
3.	Capital grants revenue is claimed in accordance with funding agreements and progression of works. Due to these restrictions the funding received in 2024/25 for the Local Roads and Community Infrastructure Program was $2.526m above budget as was Melville Oval of $1.200m, Cox Street Streetscape $0.502m and Art Gallery Climate Control $0.220m with funding anticipated in the 2023/24 year received in 2024/25. Roads to Recovery grants received exceeded budget by $0.580m with the program funding increased.
4.	Asset disposals were anticipated for the 2024/25 year however did not eventuate for the sale of the Lakes Edge land $4.000m along with other surplus land proposed for sale of $1.390m
5.	Other income includes reimbursements that were not anticipated in the Budget for water cartage relating to the Grampians fires along with secondment of Council staff to a neibouring Council which was a combined total of $333k. The Hamilton Art Gallery received a significant bequest during 2024/25 which resulted in donations exceeding budget by $470k.
6.	Salary costs includes costs of staff seconded to other Councils along with workcover claim payments. These costs are offset by revenue reimbursements which are included in other income. Further costs were recognised due to the timing of pay periods resulting in an increase in salary and wages costs.
7.	Budget for waste disposal costs is included in materials and services however actual costs are shown separately under waste disposal costs.
8.	Increased value of assets resulted in an increased depreciation expense for the 2024/25 financial year.

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2025 $ '000	Actual 2025 $ '000	Variance $ '000	Variance %	Ref
Property					
Land	–	–	–	∞	
Land improvements	–	299	299	∞	
Land - WIP	–	271	271	∞	1
Total land	–	570	570	∞	
Buildings	6,590	7,488	898	13.63%	2
Buildings - WIP	–	506	506	∞	
Total buildings	6,590	7,994	1,404	21.31%	
Total property	6,590	8,564	1,974	29.95%	
Plant and equipment					
Plant, machinery and equipment	1,500	1,481	(19)	(1.27)%	
Fixtures, fittings and furniture	–	209	209	∞	3
Computers and telecommunications	50	60	10	20.00%	
Library books	71	70	(1)	(1.41)%	
Art Collection	–	7	7	∞	
Plant & Equipment - WIP	–	8	8	∞	
Total plant and equipment	1,621	1,835	214	13.20%	
Infrastructure					
Roads	5,904	5,495	(409)	(6.93)%	
Bridges	246	252	6	2.44%	
Footpaths and cycleways	246	541	295	119.92%	4
Drainage	400	463	63	15.75%	5
Recreational, leisure and community facilities	2,239	968	(1,271)	(56.77)%	
Waste management	89	52	(37)	(41.57)%	
Parks, open space and streetscapes	3,290	2,913	(377)	(11.46)%	6
Aerodromes	–	–	–	∞	
Off street car parks	–	419	419	∞	7
Livestock Exchange	–	35	35	∞	
Other infrastructure	–	383	383	∞	8
Infrastructure - WIP	–	1,260	1,260	∞	
Total infrastructure	12,414	12,781	367	2.96%	
Total capital works expenditure	20,625	23,180	2,555	12.39%	
Represented by:					
New asset expenditure	984	3,073	2,089	212.30%	
Asset renewal expenditure	11,666	13,364	1,698	14.56%	
Asset upgrade expenditure	7,975	6,743	(1,232)	(15.45)%	
Total capital works expenditure	20,625	23,180	2,555	12.39%	

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1	Expenditure was incurred for the Hamilton Industrial Estate for a project that has been ongoing for a number of years and no budget had been allocated for 2024/25.
2.	The Melville Oval Facilities project incurred expenditure of $6.090m which was works carried forward from prior years along with additional expenditure incurred to complete project. The Community Hub project had a budget for 2024/25 of $5.000m however the design works are now expected to occur during 2025/26 and 2026/27.
3.	Performing Art Centre equipment was completed during the year which was works anticipated for the previous financial year and carried forward to 2024/25.
4.	Expenditure for rail trails along with footpath construction at Walkenhorst Road in Tarrington was incuured during 2024/25 for projects where budgets were carried forward from 2023/24.
5.	Expenditure exceeded budget due to works carried forward from 2023/24 for the Lake Hamilton Solar Lights project, Lake Hamilton Pump Track and Pedrina Park Carpark. Outdoor pool works did not reach budget with works to be undertaken in 2024/25 and into future years.
6.	Works for the Cox Street Streetscape project were carried forward from 2023/24 and with $1.847m spent during 2024/25. The design and construction of the Hamilton CBD had a budget of $2.000m for 2024/25 however these works are now planned over future years.
7.	Off street car parks was works at Pedrina Park car park carried forward from 2023/24 and completed in 2024/25.
8.	Includes multiple projects budgeted in prior year and carried forward to 2024/25.

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.

Supporting the Community

Service Objective: To support our community to be vibrant, growing, healthy, inclusive and connected, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

Services include: Community support services, community planning and engagement, children's services, sport and recreation planning and delivery, cultural services, parks and gardens, local laws and emergency management.

Developing the regional economy and businesses

Service Objective: To develop our regional economy and businesses and achieve a strong, diversified local and regional economy.

Services include: Economic and business development, events support, tourism and visitor services, caravan parks, land development, airport and livestock exchange operations and development.

Planning for our built environment & infrastructure

Service Objective: To plan for our built environment and infrastructure that is accessible and meets the needs of the community.

Services include: Statutory & strategic planning, building services, infrastructure management (roads, bridges, footpaths etc), Facilities and Property planning, maintenance and management, plant operations and public infrastructure (eg public toilets).

Promoting our natural environment

Service Objective: To promote our natural environment and achieve a culture that sustains a clean, green and sustainable environment.

Services include: Waste and recycling collection and management, transfer station operations, environmental sustainability, fire prevention, natural asset management (nature reserves) stormwater drainage, quarry management and water source management.

Providing Governance and Leadership

Service Objective: To provide good governance and strong leadership and to achieve effective service delivery.

Services include: Executive and Councillor support, governance administration, support services such as finance, organisational development, customer services, business systems, risk management and corporate overheads such as rate revenue, General Purpose Grants and loan servicing.

Note 2.2 Analysis of Council results by program (continued)

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

Functions/activities	Income / Revenue $ '000	Expenses $ '000	Surplus / (Deficit) $ '000	Grants included in income / revenue $ '000	Total assets $ '000
2025					
Supporting the Community	7,088	16,563	(9,475)	3,012	103,251
Developing the regional economy and businesses	2,705	3,372	(667)	58	19,181
Planning for our built environment & infrastructure	4,026	18,416	(14,390)	3,256	452,612
Promoting our natural environment	1,606	6,703	(5,097)	336	7,231
Providing Governance and Leadership	43,241	9,947	33,294	18,123	22,418
Total functions and activities	58,666	55,001	3,665	24,785	604,693
2024					
Supporting the Community	6,161	14,806	(8,645)	–	78,970
Developing the regional economy and businesses	2,659	3,357	(698)	2,894	22,054
Planning for our built environment & infrastructure	3,669	18,131	(14,462)	140	381,204
Promoting our natural environment	1,369	6,417	(5,048)	1,735	7,893
Providing Governance and Leadership	26,413	10,347	16,066	3,074	28,209
Total functions and activities	40,271	53,058	(12,787)	7,843	518,330

Note 3. Funding for the delivery of our services

	2025 $ '000	2024 $ '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 means the sum which the land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation, if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to required.

The valuation base used to calculate general rates for 2024/25 was $ 8.962 billion (2023/24: $ 9.300 billion)

	2025 $ '000	2024 $ '000
General rates	19,172	18,495
Municipal charge	2,131	2,092
Waste management charge	2,787	2,566
Special rates and charges	11	4
Interest on rates and charges	252	95
Revenue in lieu of rates	200	200
Total rates and charges	24,553	23,452

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2025, and the valuation will be first applied in the rating year commencing 1 July 2025.

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

3.2 Statutory fees and fines

	2025 $ '000	2024 $ '000
Infringements and costs	42	–
Town planning fees	190	184
Land information certificates	20	17
Registrations	219	140
Permits	107	204
Other Fees and Fines	101	70
Total statutory fees and fines	679	615

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

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

	2025 $ '000	2024 $ '000
3.3 User fees		
Livestock Exchange	2,480	2,497
Hamilton Indoor Leisure & Aquatic Centre	1,514	1,365
Waste management services	987	1,031
Property, Recreation & Infrastructure Facilities	216	175
Quarry Operations	–	32
Cinema Operations	308	222
Family Day Care	666	645
Performing Arts Centre	93	184
Parking	60	30
Art Gallery	48	126
Visitor Services	25	31
Other fees and charges	132	57
Total user fees	6,529	6,395
User fees by timing of revenue recognition		
User fees recognised over time	2,313	2,194
User fees recognised at a point in time	4,216	4,201
Total user fees	6,529	6,395

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.

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

	2025 $ '000	2024 $ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	22,073	5,556
State funded grants	2,712	2,287
Total grants received	24,785	7,843
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - general purpose	14,594	416
Childrens Services	6	16
Recurrent - State Government		
Maternal and child health	492	547
Libraries	183	184
Community Health Services	34	36
Youth Programs	77	75
Roadside Pest & Weed Eradication	85	85
School crossing supervisors	55	61
Cultural Services	190	198
Other	49	2
Total recurrent operating grants	15,765	1,620
Non-recurrent - Commonwealth Government		
Other	15	10
Non-recurrent - State Government		
Community Health & Wellbeing	38	96
Community Planning & Support	98	–
Environmental Management	73	–
Recreation	324	–
Cultural Services	104	127
Local Infrastructure	15	15
Other	63	4
Total non-recurrent operating grants	730	252
Total operating grants	16,495	1,872

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

	2025 $ '000	2024 $ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,581	1,861
Local Roads & Community Infrastructure	992	1,252
Total recurrent capital grants	3,573	3,113
Non-recurrent - Commonwealth Government		
Buildings	3,161	1,800
Footpaths and cycleways	–	201
Other Infrastructure	724	–
Non-recurrent - State Government		
Buildings	278	722
Other Infrastructure	554	135
Total non-recurrent capital grants	4,717	2,858
Total capital grants	8,290	5,971

(c) Recognition of grant income

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

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

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

	2025	2024
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	15,606	416
Specific purpose grants to acquire non-financial assets	8,291	5,971
Other specific purpose grants	888	1,456
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	–	–
	24,785	7,843

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

	2025 $ '000	2024 $ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	–	–
Received during the financial year and remained unspent at balance date	–	–
Received in prior years and spent during the financial year	–	–
Balance at year end	–	–
Capital		
Balance at start of year	–	–
Received during the financial year and remained unspent at balance date	794	–
Received in prior years and spent during the financial year	–	–
Balance at year end	794	–

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

	2025 $ '000	2024 $ '000
Monetary contributions		
Monetary	74	278
Total monetary contributions	74	278
Non-monetary contributions		
Non-monetary	85	145
Total non-monetary contributions	85	145
Total contributions	159	423

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

	2025 $ '000	2024 $ '000
Art Gallery - Gifted works of Art	–	57
Visitor Information Centres - Value of volunteer labour donated to Council	85	88
Total non-monetary contributions	85	145

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

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

	2025 $ '000	2024 $ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Plant and equipment		
Proceeds of sale	273	202
Written down value of assets disposed	(151)	(84)
Total net gain/(loss) on disposal of plant and equipment	122	118
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	122	118

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

	2025 $ '000	2024 $ '000
Interest	522	998
Vicroads	–	28
Insurance Reimbursements	45	–
User Reimbursements	504	139
Donations	470	–
Other	202	260
Total other income	1,743	1,425

Interest is recognised as it is earned.

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

Note 4. The cost of delivering services

	2025 $ '000	2024 $ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	14,375	11,822
Leave - Annual, Long Service & Sick	1,998	3,917
Superannuation	2,277	1,980
Casual staff	1,658	1,199
WorkCover	601	477
Conference & Training	293	397
Travelling	11	56
Fringe benefits tax	107	89
Corporate Image	–	13
Other	5	172
Total employee costs	21,325	20,122

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	28	33
	28	33
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,289	1,151
Employer contributions - other funds	960	796
	2,249	1,947
Total superannuation costs	2,277	1,980

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

Employer contributions payable at reporting date	99	49

Note 4. The cost of delivering services (continued)

	2025 $ '000	2024 $ '000
4.2 Materials and services		
Contract payments	3,229	2,344
Materials and services	3,533	4,044
Consultants	901	1,014
Utilities	1,106	1,040
Insurance	824	780
Information technology	259	114
General maintenance	848	716
Office administration	261	313
Materials issued from Stores	374	126
Motor Vehicle Registrations	189	185
Expenses from leases of low value assets	–	59
Fire Services Property Levy on Council Properties	38	28
Expenses from short term leases	12	–
Other	183	65
Total materials and services	11,757	10,828

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

4.3 Depreciation

	2025 $ '000	2024 $ '000
Property		
Land improvements	11	11
Buildings - specialised	1,760	1,339
Total depreciation - property	1,771	1,350
Plant and equipment		
Plant machinery and equipment	634	1,002
Fixtures fittings and furniture	24	24
Computers and telecomms	65	54
Total depreciation - plant and equipment	723	1,080
Infrastructure		
Roads	9,441	9,071
Bridges	898	895
Footpaths and cycleways	531	552
Drainage	419	421
Recreational, leisure and community	696	666
Waste management	197	134
Parks open spaces and streetscapes	75	78
Aerodromes	241	222
Off street car parks	38	38
Hamilton Regional Livestock Exchange	167	–
Other infrastructure	162	329
Total depreciation - infrastructure	12,865	12,406
Total depreciation	15,359	14,836

Note 4. The cost of delivering services (continued)

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

	2025 $ '000	2024 $ '000
4.4 Allowance for impairment losses		
Rates debtors	–	2
Other debtors	5	77
Total allowance for impairment losses	**5**	**79**
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	79	7
New allowances recognised during the year	5	79
Amounts already allowed for and written off as uncollectible	(23)	(7)
Balance at end of year	**61**	**79**

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

Note 4. The cost of delivering services (continued)

	2025 $ '000	2024 $ '000
4.5 Borrowing costs		
Interest - Borrowings	90	42
Total borrowing costs	90	42

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.

4.6 Other expenses

	2025 $ '000	2024 $ '000
Disbursement of Grant funds to Other Organisations	–	46
Community Grants	725	476
Software Licences	1,003	1,597
Advertising	229	238
Councillors' allowances	245	267
Discount on Rates	154	166
Phone, Internet & Other Communication Charges	187	210
Subscriptions, Memberships & Licences	221	372
Food and Catering	214	239
Value of Volunteer service	85	93
Legal Expenses	146	122
Stock Adjustments/Write Offs	204	107
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	61	52
Auditors' remuneration - Internal	37	16
Bad Debts	5	79
Other	257	144
Total other expenses	3,773	4,224

4.7 Other Expense items

	2025 $ '000	2024 $ '000
Waste Disposal Costs		
Waste Disposal Costs	2,692	2,586
Total Expense line amount	2,692	2,586
Adjustment to Landfill Provision		
Adjustment to Landfill Provision	–	131
Total Expense line amount	–	131

Note 5. Investing in and financing our operations

	2025 $ '000	2024 $ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	4	4
Cash at bank	4,878	1,515
Total current cash and cash equivalents	4,882	1,519
Total cash and cash equivalents	4,882	1,519
(b) Other financial assets		
Current		
Term deposits	5,389	8,676
Total current other financial assets	5,389	8,676
Total other financial assets	5,389	8,676
Total current financial assets	10,271	10,195
Total cash and cash equivalents and other financial assets	10,271	10,195

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.

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
(c) Trade & Other Receivables		
Current		
Statutory receivables		
Rates debtors	2,983	2,392
Net GST receivable	374	400
Allowance for expected credit loss - other debtors	(61)	(66)
Infringement debtors	114	95
Non-statutory receivables		
Other debtors	2,504	2,960
Total current trade and other receivables	5,914	5,781
Non-Current		
Statutory receivables		
Special rate scheme	9	13
Total non-current trade and other receivables	9	13
Total trade and other receivables	5,923	5,794

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

(d) Ageing of receivables

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

Current (not yet due)	298	175
Past due by up to 30 days	724	2,408
Past due between 31 and 60 days	1,236	118
Past due between 61 and 90 days	28	27
Past due by more than 90 days	218	232
Total trade and other receivables	2,504	2,960

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of $61k (2024: $79k) were impaired. The amount of the provision raised against these debtors was $10k (2024: $7k). 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 between 181 and 365 days	5	10
Past due by more than 1 year	56	69
Total trade and other receivables	61	79

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
(f) Contract assets		
Current		
Contract Assets	72	93
Total Current	72	93
Total contract assets	72	93

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000

5.2 Non-financial assets

(a) Inventories

	2025 $ '000	2024 $ '000
Current		
Inventories held for distribution	230	156
Inventories held for sale	82	51
Land held for Inventory	135	135
Total current inventories	447	342

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

	2025 $ '000	2024 $ '000
Current		
Prepayments	615	326
Total current other assets	615	326
Non-current		
Other	709	–
Total non-current other assets	709	–

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables

	2025 $ '000	2024 $ '000
Current		
Non-statutory payables		
Trade payables	2,947	2,241
Accrued expenses	655	2,274
Employee Costs	846	43
Rate Revenue received in Advance	8	6
Fire Services Levy	389	616
Statutory payables		
Other	42	21
Total current trade and other payables	4,887	5,201

(b) Trust funds and deposits

	2025 $ '000	2024 $ '000
Current		
Retention amounts	301	342
Refundable deposits	101	103
Other	–	7
Total current trust funds and deposits	402	452

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance:		
Grants received in advance - operating	156	–
Grants received in advance - capital	641	318
Total grants received in advance	797	318
User fees received in advance:		
Other	86	61
Total user fees received in advance	86	61
Total current contract liabilities	883	379
Total current contract and other liabilities	883	379

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

Contract liabilities
Contract liabilities reflect consideration received in advance from customers in respect of memberships at the Hamilton Indoor Leisure and Aquatic Centre and capital grants received in advance. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities
Grant consideration was received from Transport Accident Commission to support the construction of safer roads and streets within Council. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the road safety works. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

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

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.

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	1,266	198
Total current interest-bearing liabilities	1,266	198
Non-current		
Borrowings - secured	5,496	1,053
Total non-current interest-bearing liabilities	5,496	1,053
Total	6,762	1,251

Borrowings are secured by Council rates

a) The maturity profile for Council's borrowings is:		
Not later than one year	1,266	198
Later than one year and not later than five years	5,064	834
Later than five years	432	219
	6,762	1,251

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 based on contractual repayment terms at every balance date.

Note 5. Investing in and financing our operations (continued)

5.5 Provisions

	Employee provisions $ '000	Landfill restoration $ '000	Total $ '000
2025			
Balance at the beginning of the financial year	4,680	1,502	6,182
Additional provisions	1,714	–	1,714
Amounts used	(1,634)	–	(1,634)
Adjustment to provision	(470)	–	(470)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	56	(96)	(40)
Balance at the end of the financial year	4,346	1,406	5,752
Provisions			
Provisions - current	3,356	315	3,671
Provisions - non-current	990	1,091	2,081
Total Provisions	4,346	1,406	5,752
2024			
Balance at the beginning of the financial year	4,913	1,371	6,284
Additional provisions	1,700	–	1,700
Amounts used	(1,421)	–	(1,421)
Adjustment to provision	(474)	–	(474)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(38)	131	93
Balance at the end of the financial year	4,680	1,502	6,182
Provisions			
Provisions - current	4,298	420	4,718
Provisions - non-current	382	1,082	1,464
Total Provisions	4,680	1,502	6,182

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	997	877
Long service leave	254	224
Time in Lieu	127	196
	1,378	1,297
Current provisions expected to be wholly settled after 12 months		
Annual leave	650	1,060
Long service leave	1,328	1,941
	1,978	3,001
Total current employee provisions	3,356	4,298
Non-Current		
Long service leave	990	382
Total Non-Current Employee Provisions	990	382
Aggregate Carrying Amount of Employee Provisions:		
Current	3,356	4,298
Non-current	990	382
Total Aggregate Carrying Amount of Employee Provisions	4,346	4,680

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

Annual leave
A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:
- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

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

Key assumptions:		
- discount rate	3.30%	4.37%
- index rate	2.50%	2.50%

(b) Landfill restoration

Current		
Current	315	420
Total current	315	420
Non-current		
Non-current	1,091	1,082
Total non-current	1,091	1,082

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '000
Total	1,406	1,502

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

Key assumptions:		
- discount rate	3.30%	4.37%
- index rate	2.50%	2.50%

(c) Other provisions

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2025.

Bank overdraft	1,000	1,000
Credit card facilities	250	250
Other facilities	6,762	1,251
Total Facilities	8,012	2,501
Used facilities	6,762	1,251
Used facilities	6,762	1,251
Unused facilities	1,250	1,250

Note 5. Investing in and financing our operations (continued)

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year $ '000	Later than 1 year and not later than 2 years $ '000	Later than 2 years and not later than 5 years $ '000	Later than 5 years $ '000	Total $ '000
2025					
Operating					
Corporate Administration	174	125	–	–	299
Recreation	54	38	–	–	92
Waste Management	–	–	–	–	–
Regulatory	102	–	–	–	102
Total	330	163	–	–	493
Capital					
Infrastructure	1,923	163	–	–	2,086
Total	1,923	163	–	–	2,086
2024					
Operating					
Corporate Administration	456	222	53	–	731
Recreation	46	46	37	–	129
Waste Management	32	–	–	–	32
Regulatory	–	–	–	–	–
Total	534	268	90	–	892
Capital					
Infrastructure	6,901	269	–	–	7,170
Total	6,901	269	–	–	7,170

Note 5. Investing in and financing our operations (continued)

	2025 $ '000	2024 $ '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	49	45
Later than one year and not later than five years	61	47
Later than five years	68	66
	178	158

Southern Grampians Shire Council

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2024 $ '000	Additions $ '000	Contributions $ '000	Revaluation $ '000	Disposal $ '000	Depreciation $ '000	Write-off $ '000	Transfers $ '000	Carrying amount 30 June 2025 $ '000
Property	127,484	7,787	–	(16,640)	–	(1,783)	–	3,358	120,206
Plant and equipment	24,206	1,827	–	9,877	(205)	(723)	–	–	34,982
Infrastructure	333,288	11,521	–	84,281	–	(12,865)	–	5,456	421,681
Work in progress	15,809	2,044	–	–	–	–	(4)	(15,018)	2,831
Total	500,787	23,179	–	77,518	(205)	(15,371)	(4)	(6,204)	579,700

Summary of Work in Progress	Opening WIP $ '000	Additions $ '000	Write-off $ '000	Transfers $ '000	Closing WIP $ '000
Property	9,540	776	–	(9,387)	929
Plant and equipment	–	8	–	–	8
Infrastructure	6,269	1,260	(4)	(5,631)	1,894
Total	15,809	2,044	(4)	(15,018)	2,831

Southern Grampians Shire Council

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Land specialised $ '000	Land non specialised $ '000	Land improve-ments $ '000	Total land and land improve-ments $ '000	Buildings specialised $ '000	Total buildings $ '000	Work in progress $ '000	Total property $ '000
Property								
At fair value 1 July 2024	23,732	316	43,306	67,354	104,212	104,212	9,540	181,106
Accumulated depreciation at 1 July 2024	–	–	(970)	(970)	(43,112)	(43,112)	–	(44,082)
	23,732	316	42,336	**66,384**	61,100	**61,100**	9,540	**137,024**
Movements in fair value								
Additions	–	–	299	299	7,488	7,488	776	8,563
Revaluation	476	109	–	585	33,773	33,773	–	34,358
Write-off	–	–	–	–	–	–	–	–
Transfers	–	–	(299)	(299)	3,657	3,657	(9,387)	(6,029)
	476	109	–	**585**	44,918	**44,918**	(8,611)	**36,892**
Movements in accumulated depreciation								
Depreciation and amortisation	–	–	(11)	(11)	(1,772)	(1,772)	–	(1,783)
Accumulated depreciation on revaluation	–	–	–	–	(50,998)	(50,998)	–	(50,998)
	–	–	(11)	**(11)**	(52,770)	**(52,770)**	–	**(52,781)**
At fair value 30 June 2025	24,208	425	43,307	67,940	149,130	149,130	929	217,999
Accumulated depreciation at 30 June 2025	–	–	(982)	(982)	(95,882)	(95,882)	–	(96,864)
Carrying amount	24,208	425	42,325	**66,958**	53,248	**53,248**	929	**121,135**

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Plant machinery and equipment $ '000	Fixtures fittings and furniture $ '000	Computers and telecomms $ '000	Library books $ '000	Art Collection $ '000	Total $ '000	Work in progress $ '000	Total plant and equipment $ '000
Plant and Equipment								
At fair value 1 July 2024	15,523	2,062	1,792	455	17,334	37,166	–	37,166
Accumulated depreciation at 1 July 2024	(9,706)	(1,877)	(1,377)	–	–	(12,960)	–	(12,960)
	5,817	185	415	455	17,334	**24,206**	–	**24,206**
Movements in fair value								
Additions	1,481	209	60	70	7	1,827	8	1,835
Contributions	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	9,877	9,877	–	9,877
Disposal	(519)	–	–	(54)	–	(573)	–	(573)
Write-off	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	–	–
	962	209	60	16	9,884	**11,131**	8	**11,139**
Movements in accumulated depreciation								
Depreciation and amortisation	(634)	(24)	(65)	–	–	(723)	–	(723)
Accumulated depreciation of disposals	368	–	–	–	–	368	–	368
	(266)	(24)	(65)	–	–	**(355)**	–	**(355)**
At fair value 30 June 2025	16,485	2,259	1,853	471	27,218	48,286	8	48,294
Accumulated depreciation at 30 June 2025	(9,972)	(1,889)	(1,443)	–	–	(13,304)	–	(13,304)
Carrying amount	6,513	370	410	471	27,218	**34,982**	8	**34,990**

Southern Grampians Shire Council

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Roads $ '000	Bridges $ '000	Footpaths and cycleways $ '000	Drainage $ '000	Recrea-tional, leisure and community $ '000	Waste manage-ment $ '000	Parks open spaces and streets-capes $ '000	Aerodromes $ '000	Off street car parks $ '000	Hamilton Regional Livestock Exchange $ '000	Other infra-structure $ '000	Total $ '000	Work in progress $ '000	Total infra-structure $ '000
Infrastructure														
At fair value 1 July 2024	403,965	89,905	26,061	43,540	25,995	4,103	3,828	7,230	844	13,131	8,419	627,021	6,269	633,290
Accumulated depreciation at 1 July 2024	(179,538)	(39,939)	(9,444)	(26,828)	(16,740)	(1,303)	(2,107)	(4,362)	(277)	(7,301)	(5,894)	(293,733)	–	(293,733)
	224,427	49,966	16,617	16,712	9,255	2,800	1,721	2,868	567	5,830	2,525	**333,288**	6,269	**339,557**
Movements in fair value														
Additions	5,495	252	541	463	968	52	2,913	–	419	35	383	11,521	1,260	12,781
Revaluation	194,555	–	–	1,972	–	–	584	–	1	–	–	197,112	–	197,112
Write-off	–	–	–	–	–	–	–	–	–	–	–	–	(4)	(4)
Transfers	1,000	3	–	97	119	–	4,134	–	27	11	65	5,456	(5,631)	(175)
	201,050	255	541	2,532	1,087	52	7,631	–	447	46	448	**214,089**	(4,375)	**209,714**
Movements in accumulated depreciation														
Depreciation and amortisation	(9,441)	(898)	(531)	(419)	(696)	(197)	(75)	(241)	(38)	(167)	(162)	(12,865)	–	(12,865)
Accumulated depreciation on revaluation	(111,468)	–	–	(1,395)	–	–	–	–	32	–	–	(112,831)	–	(112,831)
	(120,909)	(898)	(531)	(1,814)	(696)	(197)	(75)	(241)	(6)	(167)	(162)	**(125,696)**	–	**(125,696)**
At fair value 30 June 2025	605,015	90,160	26,601	46,073	27,082	4,155	11,458	7,229	1,291	13,177	8,867	841,108	1,894	843,002
Accumulated depreciation at 30 June 2025	(300,447)	(40,837)	(9,974)	(28,643)	(17,436)	(1,500)	(2,181)	(4,602)	(283)	(7,468)	(6,056)	(419,427)	–	(419,427)
Carrying amount	304,568	49,323	16,627	17,430	9,646	2,655	9,277	2,627	1,008	5,709	2,811	**421,681**	1,894	**423,575**

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. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period years	Threshold Limit $ ´000
Asset recognition thresholds and depreciation periods		
Land and land improvements		
land improvements	100 years	10
Buildings		
buildings	25-110 years	10
Plant and Equipment		
Plant, machinery and equipment	3-15 years	3
Fixtures, fittings & furniture	3-15 years	3
Computers & telecommunications	3-5 years	3
Infrastructure		
Roads - pavements & substructures - Urban	115 years	10
Roads - pavements & substructures - All Others	60 years	10
Seals - All Others	43 years	3
Seals - Asphalt	28 years	3
Road kerb, channel and minor culverts	97-100 years	10
Bridges - deck	100 years	10
Bridges - substructure	100 years	10
Footpaths and cycleways	10-70 years	10
Drainage	100 years	10

Land under roads
Council does not recognise any land under roads at this point in time and when appropriate in future will recognise land under roads it controls at fair value.

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

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

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.

Note 6. Assets we manage (continued)

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 25 to 110 year period.

Valuation of land and buildings
Valuation of land was undertaken by qualified independent valuer, Aaron Armistead AAPI, CPV 18353 from Preston Rowe Patterson as at 30 June 2025. Valuation of buildings was undertaken by Martin Burns, Chartered Valuer from Liquid Pacific Asset Consultants as at 30 June 2025. 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.

A valuation of land improvements was undertaken by qualified independant valuers GHD as at 1 July 2021. The valuation of land improvements is at replacement cost.

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.

Council has not adjusted values of assets where costs were not able to be reliably measured and for this circumstance the amount is immaterial. The costs not measured include disruption and asset restoration costs as the impact is minor for Council due to availability of similar comparable assets available as an alternative.

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 2025 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of valuation	Type of Valuation
Land	–	425	–	30/06/2025	Full Valuation
Specialised land	–	–	24,208	30/06/2025	Full Valuation
Land improvements	–	–	42,325	01/07/2021	Full Valuation
Buildings	–	7,277	45,971	30/06/2025	Full Valuation
Total	–	7,702	112,504		

Valuation of Infrastructure
Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Ramileth Sanchez, Asset Planning Engineer (Bachelor of Engineering) & Aaron Smith, Manager Assets (Bachelor of Engineering / Bachelor of Commerce).

A detailed Unit Justification Document is prepared by the Infrastructure & Assets team outlining the unit rates and calculation method for each asset type. The team determines the most accurate method to calculate unit rates based on costings of recent asset construction works completed however should this data not be available the team will utilise other valuation methods including recent tenders and ABS indices.
Valuations for asset categories for 2024/25 were based on:
Roads and Carparks - Recent constructions rates;
Bridges - ABS index;
Footpaths and Cycleways - ABS Index;
Drainage - ABS Index;
Waste Management - Full valuation in 2023/24, ABS index;

Note 6. Assets we manage (continued)

Parks, Open Space and Streetscape - ABS Index;
Aerodrome - ABS Index;
Hamilton Regional Livestock Exchange - ABS Index;
Other Infrastructure - ABS Producer Price Index

The date and type of the current valuation is detailed in the following table. A full condition assessment of road and off street car park assets was undertaken by Shepherd Services in 2024/25. Parks, Open Spaces and Streetscapes along with Drainage assets were updated in values based on the calculations from the Unit Rate Justification document and undertaken by Ramileth Sanchez, Asset Planning Engineer (Bachelor of Engineering) & Aaron Smith, Manager Assets (Bachelor of Engineering / Bachelor of Commerce). Revaluation of the other infrastructure assets is due to be undertaken in 2026/27 according to the revaluation schedule.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of valuation	Type of Valuation
Roads	–	–	304,568	30/06/2025	Condition Assessment and Unit Rate Valuation
Bridges	–	–	49,323	30/09/2022	Unit Rate Valuation
Footpaths and cycleways	–	–	16,627	30/06/2023	Unit Rate Valuation
Drainage	–	–	17,430	30/06/2025	Unit Rate Valuation
Recreational, leisure & community facilities	–	–	9,646	31/03/2023	Unit Rate Valuation
Waste management	–	–	2,655	30/06/2024	Full Valuation
Parks, open space & streetscapes	–	–	9,277	30/06/2025	Unit Rate Valuation
Aerodromes	–	–	2,627	31/03/2023	Unit Rate Valuation
Off street car parks	–	–	1,008	30/06/2025	Full Valuation
Hamilton Regional Livestock Exchange	–	–	5,709	31/03/2023	Unit Rate Valuation
Other Infrastructure	–	–	2,811	31/03/2023	Unit Rate Valuation
Total	–	–	421,681		

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 20% and 30%. The market value of land varies significantly depending on the location of the land and the current market conditions. Council does not recognise any Land under roads at this point in time.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges between $220/m^2 and $12,000/m^2. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 to 110 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 between 28 and 115 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.

Notes to the
Financial Statements

For the Year Ended 30 June 2025

Note 6. Assets we manage (continued)

	2025 $ '000	2024 $ '000
Reconciliation of specialised land		
Community Services	1,442	1,337
Corporate & Governance	2,916	2,522
Infrastructure	7,630	7,924
Recreation & Open Space	12,220	11,949
Total specialised land	24,208	23,732

Note 6. Assets we manage (continued)

6.2 Investment property

	2025 $ '000	2024 $ '000
Balance at beginning of financial year	690	900
Fair value adjustments	–	(210)
Other	6,204	–
Balance at end of financial year	6,894	690

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Aaron Armistead AAPI, CPV 18353 from Preston Rowe Patterson who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property as at 30 June 2025.

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity
Southern Grampians Shire Council

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillor D Heslin - Mayor (Nov 2024 - June 2025) Councillor D Robertson - Mayor (Jul 2024 - Oct 2024) Councillor A Barber (Nov 2024 - June 2025) Councillor MA Brown (Jul 2024 - Oct 2024) Councillor A Campbell (Nov 2024 - June 2025) Councillor A Calvano (Jul 2024 - Oct 2024, Nov 2024 - Jun 2025) Councillor B Colliton (Jul 2024 - Oct 2024) Councillor H Henry (Jul 2024 - Oct 2024, Nov 2024 - Jun 2025) Councillor F Malone (Jul 2024 - Oct 2024) Councillor J Manning (Nov 2024 - June 2025) Councillor K Rainsford (Jul 2024 - Oct 2024, Nov 2024 - Jun 2025)
Chief Executive Officer and other Key Management Personnel	Chief Executive Officer - Tony Doyle Director Wellbeing, Planning & Regulation - Rory Neeson Director People & Performance - Darren Barber Director Infrastructure & Sustainability - Marg Scanlon

	2025 No.	2024 No.
Total Number of Councillors	11	7
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Number of Key Management Personnel	15	11

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2025 $ '000	2024 $ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,132	1,149
Post-employment benefits	92	92
Termination benefits	–	12
Total	1,224	1,253

	2025 No.	2024 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
$1 - $9,999	3	–
$20,000 - $29,999	6	5
$30,000 - $39,999	1	1
$60,000 - $69,999	1	–
$70,000 - $79,999	–	1
$200,000 - $209,999	1	1
$210,000 - $219,999	2	2
$370,000 - $379,999	1	1
	15	11

(d) Remuneration of other senior staff

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

	2025 $ '000	2024 $ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,271	900
Other long-term employee benefits	28	95

Note 7. People and relationships (continued)

	2025 $ '000	2024 $ '000
Post-employment benefits	136	13
Termination benefits	–	62
Total	1,435	1,070

	2025 No.	2024 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
$170,000 - $179,999	4	5
$200,000 - $209,999	4	1
	8	6

	2025 $ '000	2024 $ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	1,436	1,070

Note 7. People and relationships (continued)

	2025 $ '000	2024 $ '000

7.2 Related party disclosure

(a) Transactions with related parties
During the period Council entered into the following transactions with related parties:

	2025 $ '000	2024 $ '000
Dunkeld Community Centre Committee Inc (M Brown - Chairperson)	–	6
Taylor Motors Hamilton (D Barber - Son is Sales Manager)	398	567
Roxburgh Hamilton (B Colliton - Director)	–	1
Dunkeld Writers Festival Committee (M Brown - Chairperson)	1	4
Henry's Hydraulic Services (H Henry - Director)	–	28

(b) Outstanding balances with related parties

Nil to disclose.

(c) Loans to/from related parties

Nil to disclose.

(d) Commitments to/from related parties

Nil to disclose.

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.

(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.

The following are potential contingencies to be considered by Council.

Superannuation
Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Insurance claims
At balance date, there were no major insurance claims that could have a material impact on future operations.

Legal matters
At balance date, there were no legal matters that could have a material impact on future operations.

Building cladding
At balance date, there were no contingencies in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact Council.

Flood & Storm Events
Over the past 5 years, Council has been subject to a number of storm events which have impacted the condition of various assets. Individual events are claimed either through insurances or through the Emergency Management Victoria claims processes. Significant assets which are impaired will be adjusted, otherwise rectification works will occur through capital works programs or maintenance expenditure.

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 insurane 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 a 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). At the end of the liability period, an adjustment payment may be required (or received). The determination of any adjustment payment is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria.

Mount Napier Quarry
Council has identified a potential liability for the remediation of the Mount Napier Quarry. Whilst these works have been accomodated in the lease document, there is always a residual risk of non-compliance.

Note 8. Managing uncertainties (continued)

(c) Guarantees for loans to other entities

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

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

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

(c) Credit risk

Note 8. Managing uncertainties (continued)

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.

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 allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 5.05%.

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.

Note 8. Managing uncertainties (continued)

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.

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024/25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have not resulted in any material impacts to Council’s financial statements.
Southern Grampians Shire Council has not recently undertaken any construction projects that would provide the data required to reliably estimate the impact of the following costs on the fair value of the Council's infrastructure assets at 30 June 2025:
- Site preparation costs relating to the demolition and removal of unwanted structures
- Costs for disruption of other entities' assets.

As a result, information to estimate the impact of these costs on the fair value of the Council's infrastructure assets is not reasonably available, and those costs are not included in the Council's estimate of current replacement cost for infrastructure assets.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 10 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Note 8. Managing uncertainties (continued)

Asset Class	**Revaluation frequency**
Land	2 to 5 years
Buildings	4 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	3 years
Recreational, leisure and community facilities	5 years
Waste management	5 years
Parks, open space and streetscapes	5 years
Aerodromes	3 years
Other infrastructure	5 years

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

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

8.5 Events occurring after balance date

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

Note 9. Other matters

	Balance at beginning of reporting period $ '000	Increase (decrease) $ '000	Balance at end of reporting period $ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2025			
Property			
Land - specialised	9,977	476	10,453
Land - non specialised	137	109	246
Land and land improvements	46,884	–	46,884
Buildings	36,704	(17,225)	19,479
	93,702	(16,640)	77,062
Plant and equipment			
Plant machinery and equipment	474	–	474
Art Collection	–	9,877	9,877
	474	9,877	10,351
Infrastructure			
Roads	186,928	83,087	270,015
Bridges	46,900	–	46,900
Footpaths and cycleways	14,891	–	14,891
Drainage	27,608	577	28,185
Recreational, leisure and community facilities	1,884	–	1,884
Waste management	825	–	825
Parks, open space and streetscapes	–	584	584
Aerodromes	559	–	559
Offstreet car parks	–	33	33
Other infrastructure	4,896	–	4,896
	284,491	84,281	368,772
Total asset revaluation reserves	378,667	77,518	456,185

Note 9. Other matters (continued)

	Balance at beginning of reporting period $ '000	Increase (decrease) $ '000	Balance at end of reporting period $ '000
2024			
Property			
Land - specialised	9,977	–	9,977
Land - non specialised	137	–	137
Land and land improvements	46,884	–	46,884
Buildings	28,539	8,165	36,704
	85,537	8,165	93,702
Plant and equipment			
Plant machinery and equipment	474	–	474
	474	–	474
Infrastructure			
Roads	186,928	–	186,928
Bridges	46,900	–	46,900
Footpaths and cycleways	14,891	–	14,891
Drainage	27,608	–	27,608
Recreational, leisure and community facilities	1,884	–	1,884
Waste management	944	(119)	825
Aerodromes	559	–	559
Other infrastructure	4,896	–	4,896
	284,610	(119)	284,491
Total asset revaluation reserves	370,621	8,046	378,667

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

Note 9. Other matters (continued)

	Balance at beginning of reporting period $ '000	Transfer from Accumulated Surplus $ '000	Transfer to Accumulated Surplus $ '000	Balance at end of reporting period $ '000
(b) Other reserves				
2025				
Subdividers Contributions	402	–	(166)	236
Parking Development Reserve	98	–	(98)	–
Drainage Headworks Reserve	97	–	–	97
Non Legislative Reserve	–	433	–	433
Total restricted reserves	597	433	(264)	766
Total Other reserves	597	433	(264)	766
2024				
Subdividers Contributions	376	26	–	402
Parking Development Reserve	98	–	–	98
Drainage Headworks Reserve	97	–	–	97
Total restricted reserves	571	26	–	597
Total Other reserves	571	26	–	597

Subdividers Contributions are in lieu of provision of recreational land within a subdivision. These funds are used to develop strategically located parks and reserves for the benefit of residents for the benefit of residents in the general area, as provided in Subdivision Act 1988 and Planning and Environment Act 1987.

The Parking Development Reserve is in lieu of provision of off-site parking as part of a development. These funds are used for the purchase and development of public access parking in the general area. This reserve was fully exhausted in 2024/25.

The Drainage Headworks Reserve is in lieu of meeting the cost to develop, upgrade and/or renew drainage infrastructure downstream of any subdivision development, a charge is levied on subdivision developers.

The Non Legislative Reserve is held in reserve for future spending on the Hamilton Art Gallery. The reserve was created following significant contribution to the Art Gallery from a bequest.

Note 9. Other matters (continued)

	2025 $ '000	2024 $ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	3,665	(12,787)
Non-cash adjustments:		
Depreciation/amortisation	15,359	14,836
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(122)	(118)
Fair value adjustments for investment property	–	210
Contributions - Non-monetary assets	–	(145)
Amounts disclosed in financing activities	90	42
Other	70	–
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(129)	(2,218)
(Increase)/decrease in inventories	(105)	160
(Increase)/decrease in prepayments	(289)	125
Increase/(decrease) in contract assets	21	(39)
Increase/(decrease) in other assets	(709)	–
Increase/(decrease) in trade and other payables	(314)	894
Increase/(decrease) in provisions	(430)	(102)
(Decrease)/increase in other liabilities	(50)	65
(Decrease)/increase in contract and other liabilities	504	312
(Increase/decrease) in Other Assets	–	–
Net cash provided by/(used in) operating activities	17,561	1,235

Note 9. Other matters (continued)

9.3 Superannuation

Southern Grampians Shire Council makes all 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 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%)).

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

Note 9. Other matters (continued)

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 2024, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

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

As at 30 June 2025, 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 2025.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 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 2024 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 2025, this rate was 11.5% of members' salaries (11.0% in 2023/24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

The 2024 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 2024 while a full investigation was conducted as at 30 June 2023.

Note 9. Other matters (continued)

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

	2024 (Interim) $m	2023 (Triennial) $m
- A VBI Surplus	108.4	84.7
- A total service liability surplus	141.4	123.6
- A discounted accrued benefits surplus	156.7	141.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2024.

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 2024.

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 2024.

The 2025 interim actuarial investigation
An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2025. The last interim actuarial investigation conducted prior to 30 June 2025 was at 30 June 2024.

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

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

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

The 2023 triennial investigation

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

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

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2025.

Superannuation contributions
Contributions by Southern Grampians Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Note 9. Other matters (continued)

Scheme	Type of scheme	Rate	2025 $ '000	2024 $ '000
$ '000 $ '000			2025	2024
Vision Super	Defined benefits	11.5% (2024:11.0%)	56	33
Vision Super	Accumulation	11.5% (2024:11.0%)	2,578	1,151
All other schemes	Accumulation	11.5% (2024:11.0%)	960	796

In addition to the above contributions, Council has not been required to pay any unfunded liability payments to Vision Super during the 2024/25 year (2023/24: $0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2026 is $0.

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2024-25 year.

Performance *Statement*

For the Year Ended 30 June 2025

Table of Contents

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.

Nicholas Templeton, CPA
Principal Accounting Officer
Dated: 09 October 2025

In our opinion, the accompanying performance statement of the Southern Grampians Shire Council for the year ended 30 June 2025 presents fairly the results of council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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

Cr Dennis Heslin
Mayor
Dated: 09 October 2025

Cr Helen Henry
Councillor
Dated: 09 October 2025

Mr Anthony Doyle
Chief Executive Officer
Dated: 09 October 2025

Description of Municipality

Southern Grampians Shire Council was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton. We are located in the centre of the Western District of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

Hamilton is the regional retail and service centre for the entire south west of Victoria. It is supported by a delightful mix of smaller townships offering different regional lifestyle choices. The nine smaller towns in the Shire are Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst and Tarrington.

The region is home to a dynamic portfolio of businesses thriving in local, national and international markets. A rich agricultural heritage, fertile landscape, comprehensive infrastructure and advanced utilities shape its prosperous and sustainable economic profile, and pave the way for future development, investment and employment growth.

The Southern Grampian Shire’s 16,000-strong population enjoys superior leisure and medical facilities, prestigious schools and tertiary institutions. A sophisticated arts culture and a thriving retail and hospitality sector inject vibrancy, while breathtaking landscapes add to the strong sense of place.

Section 2. Service performance indicators

For the year ended 30 June 2025

		2022	2023	2024	2025		Material Variations & Comments
		Actual	Actual	Actual	Target	Actual	
Aquatic Facilities - Utilisation							
AF6	Utilisation of aquatic facilities *(Number of visits to aquatic facilities/Municipal population)*	5.27	7.50	10.40	N/A	10.80	
Animal Management - Health and Safety							
AM7	Animal management prosecutions *(Number of successful animal prosecutions/Number of animal management procesutions) X 100*	0	0	0	N/A	0	
Food Safety - Health and Safety							
FS4	Critical and major non-compliance outcome notifications *(Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x100*	92.86%	100.00%	100.00%	N/A	100.00%	
Governance - Satisfaction							
G2	Satisfaction with community consultation and engagement *(Community satisfaction rating out of 100 with how council has performed on community consultation and engagement)*	50.00	47.00	43.00	48.00	46.00	
Libraries - Participation							
LB7	Library membership *(Percentage of the population that are registered library members) X 100*	N/A	N/A	20.81%	N/A	21.86%	

		2022	2023	2024	2025		Material Variations & Comments
		Actual	Actual	Actual	Target	Actual	
Maternal & Child Health (MCH) - Participation							
MC4	Participation in MCH Service *(Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service) X 100*	81.09%	81.78%	83.75%	N/A	86.95%	
MC5	Participation in MCH Service by Aboriginal children *(Number of aboriginal children who attend the MCH service at least once (in the year)/ Number of aboriginal children enrolled in the MCH service) X 100*	85.00%	81.25%	89.33%	N/A	90.91%	
Roads - Condition							
R2	Sealed local roads maintained to condition standards *(Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)*	90.24%	89.68%	94.58%	56.00%	92.88%	
Statutory Planning - Service Standard							
SP2	Planning applications decided within required time frames *(Percentage of planning application decisions made within the relevant required time)*	93.37%	46.53%	62.50%	80.00%	41.60%	Significant Council projects, such as Melville Oval redevelopment, have required additional staff time. Changes in staff have also affected service times.
Waste Collection - Waste Diversion							
WC5	Kerbside collection waste diverted from landfill *(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) X 100*	79.24%	62.97%	60.54%	66.00%	58.94%	

Definitions

"Aboriginal child" means a child who is an Aboriginal person
"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
"active library member" means a member of a library who has borrowed a book from the library
"annual report" means an annual report prepared by a council under sections 98, 131, 132 and 133 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
"Community Care Common Standards "means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
"food premises" has the same meaning as in the *Food Act 1984*
"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
"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council
"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.
"Intervention Level" means a predefined asset condition or performance threshold that triggers planned maintenance, renewal or disposal actions

Section 3. Financial performance indicators

For the year ended 30 June 2025

		2022	2023	2024	2025		2026	2027	2028	2029	Material Variations & Comments
		Actual	Actual	Actual	Target	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency											
Expenditure Level											
E2	Expenses per property assessment *(Total expenses / Number of property assessments)*	$4,188.66	$5,767.86	$4,737.32	$4,278.00	$4,885.50	$4,658.55	$4,731.32	$4,785.43	$4,838.74	
Revenue Level											
E4	Average rate per property assessment *(General rates and Municipal charges / Number of property assessments)*	$1,746.70	$1,786.43	$1,838.13	N/A	$1,892.25	$1,953.53	$2,016.76	$2,057.18	$2,098.33	
Liquidity											
Working Capital											
L1	Current assets compared to current liabilities *(Current Assets / Current Liabilities) X 100*	252.96%	311.27%	152.10%	146.00%	155.33%	111.99%	109.86%	111.92%	181.12%	
Unrestricted Cash											
L2	Unrestricted cash compared to current liabilities *(Unretricted cash / Current Liabilities) X 100*	74.39%	76.50%	7.86%	N/A	36.01%	43.89%	44.92%	41.89%	109.13%	Unrestricted cash increased due to a prepayment of an untied grant late in June 2025 of over $5m. The grant related to funding for 2025/26 however is required to be recognised upon receipt of the funding.
Obligations											
Loans and Borrowings											
O2	Loans and borrowings compared to rates *(Interest bearing loans and borrowings / Rate revenue) X 100*	10.80%	8.10%	5.33%	N/A	27.55%	30.04%	47.99%	52.37%	45.04%	Loan funds were drawn down during the year for the payment of capital projects with intergenerational projects commencing design phase.
O3	Loans and borrowings repayments compared to rates *(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) X 100*	2.84%	2.78%	2.64%	N/A	0.37%	7.43%	10.33%	12.38%	8.60%	Future years loan repayments are expected to increase in line with additional borrowings to help fund intergenerational projects.

		2022	2023	2024	2025		2026	2027	2028	2029	Material Variations & Comments
		Actual	Actual	Actual	Target	Actual	Forecast	Forecast	Forecast	Forecast	
Indebtedness											
O4	Non-current liabilities compared to own source revenue *(Non-current liabilities / Own source revenue) X 100*	10.69%	8.28%	8.01%	N/A	22.53%	19.63%	30.34%	37.19%	31.02%	Loan funds were drawn down during the year for the payment of capital projects which has increased non-current liabilities and is expected to further increase on future years.
Asset Renewal and Upgrade											
O5	Asset renewal and upgrade compared to depreciation *(Asset renewal and asset upgrade expense / Asset depreciation) X 100*	94.35%	62.33%	105.24%	155.80%	130.91%	82.24%	112.94%	125.78%	181.18%	The capital works delivered was a total of $23.180m for the 2024-25 year compared to $18.143m in the prior year with 87% of the 2024-25 capital works being for renewal and upgrade. Works undertaken increased compared to the prior year and exceeded the 2024/25 budget however certain projects were in progress from 2023/24 that carried forward for completion in 2024/25.
Operating Position											
Adjusted underlying result											
OP1	Adjusted underlying surplus (or deficit) *(Adjusted underlying surplus (deficit)/ Adjusted underlying revenue) X 100*	-0.07%	-37.34%	-43.44%	N/A	-1.02%	0.28%	-0.08%	-3.87%	-1.88%	The surplus result was an improvement compared to the prior year with an increase in operational grants in 2024/25 due to the early payment of the financial assistance grants.
Stability											
Rates concentration											
S1	Rates compared to adjusted underlying revenue *(Rate Revenue / Adjusted underlying revenue) X 100*	47.10%	47.97%	63.40%	48.10%	45.07%	47.74%	48.66%	50.93%	50.40%	The rates proportion of revenue reduced in comparison to the previous financial year due to the increase in total revenue caused by higher levels of grants received. Total rates revenue was consistent with the prior year with a small increase.
Rates effort											
S2	Rates compared to property values *(Rate Revenue / Capital improved value of all rateable properties in the municipality) X 100*	0.40%	0.30%	0.25%	N/A	0.28%	0.29%	0.30%	0.31%	0.31%	

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 in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure
"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
"current assets" has the same meaning as in the AAS
"current liabilities" has the same meaning as in the AAS
"non-current assets" means all assets other than current assets
"non-current liabilities" means all liabilities other than current liabilities
"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
"population "means the resident population estimated by council
"rate revenue" means revenue from general rates, municipal charges, service rates and service charges
"recurrent grant "means a grant other than a non-recurrent grant
"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
"unrestricted cash" means all cash and cash equivalents other than restricted cash.
"Asset Upgrade Expenditure" means enhances the asset's performance or capacity, providing a higher level of service or extending its useful life beyond its original expected duration

Section 4. Sustainable capacity indicators

For the year ended 30 June 2025

		2022 Actual	2023 Actual	2024 Actual	2025 Actual	Material Variations & Comments
Population						
C1	Expenses per head of municipal population *(Total expenses/Municipal population)*	$2,923.47	$3,945.28	$3,221.49	$3,328.35	
C2	Infrastructure per head of municipal population *(Value of Infrastructure/Municipal population)*	$23,064.37	$25,843.23	$26,375.41	$31,028.32	During the 2024/25 financial year a number of asset revaluations were undertaken resulting in the value of Council infrastructure increasing by $77 million.
C3	Population density per length of road *(Municipal population/Kilometres of local roads)*	5.83	5.98	5.98	6.02	
Own Source Revenue						
C4	Own source revenue per head of municipal population *(Own source revenue/Municipal population)*	$1,858.54	$1,934.29	$1,943.23	$2,040.67	
Recurrent Grants						
C5	Recurrent grants per head of municipal population *(Recurrent Grants/Municipal population)*	$989.97	$913.58	$287.37	$1,199.76	Recurrent grants increased compared to the previous year due to the early payment of 2025/26 financial assistance grant funding received in June 2025. In addition the 2023/24 finanical year recurrent grants was low due to the finanical assistance grant being paid early and therefore recognised in the previous financial year.
Disadvantage						
C6	Relative Socio-Economic Disadvantage *(Index of Relative Socio-Economic Disadvantage by decile)*	5.00	5.00	5.00	5.00	
Workforce Turnover						
C7	Resignations and terminations compared to average staff *(Percentage of staff turnover)*	15.7%	35.2%	19.3%	15.5%	Staff turnover has reduced due to retention of permanent staff through a renewed focus on organisational values.

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 in paragraphs (a) and (b)

"Infrastructure" means non-current property, pland 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 or 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
"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.

Section 5 - Notes to the Accounts

5.1 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 or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2025-26 to 2028-29 by the council's financial plan.

The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

Independent Auditor's Report

To the Councillors of Southern Grampians Shire Council

Opinion	I have audited the accompanying performance statement of Southern Grampians Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2025 • service performance indicators for the year ended 30 June 2025 • financial performance indicators for the year ended 30 June 2025 • sustainable capacity indicators for the year ended 30 June 2025 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Southern Grampians Shire Council in respect of the year ended 30 June 2025 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Auditor-General's Report

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 2025

Travis Derricott
as delegate for the Auditor-General of Victoria

Southern
Grampians
Shire
Council

111 Brown Street (locked bag 685)
Hamilton Victoria 3300

P — (03) 5573 0444
E — council@sthgrampians.vic.gov.au
W — sthgrampians.vic.gov.au

Southern Grampians
SHIRE COUNCIL