



East Gippsland Shire Council

Annual Report 2014-15

Annual Report for 2014-15

East Gippsland Shire Council is committed to transparent reporting and accountability to its community. The 2014-15 Annual Report details Council's activities, achievements, challenges and financial performance during the financial year, and informs the community on how the commitments in the *Council Plan 2013-2017* and the *2014-15 Annual Budget* were delivered.

The Annual Report is an important part of Council's performance monitoring process, to ensure resources are used efficiently and East Gippsland communities are provided with value-for-money services.

This report also gives information on the elected Council, the organisation and statutory information. Council's overall financial position and performance is reported in the *Audited Financial Statements for the period 1 July 2014 to 30 June 2015*.

Reporting framework

The *Council Plan 2013-2017* details Council's vision, values and how it will deliver the strategic priorities identified in the long-term community vision 2030: Shaping the Future.

The plan gives a clear direction to the organisation about specific outcomes to be pursued over the four-year period.

Where to get a copy

You can view a printed copy of the full Annual Report at any of our Service Centres, or download a copy from our website. If you would like a copy sent to you, please contact us.

This document contains important information about East Gippsland Shire Council. If you do not understand the content or would like further information, please contact us.

Welcome to East Gippsland Shire Council's Annual Report 2014-15

How to read this Annual Report

This Annual Report is presented in seven sections:

1. Introduction

This section includes summaries of Council's achievements and financial performance, as well as messages from our Mayor and Chief Executive Officer.

2. The Year in Review (from page 9)

This section includes information about East Gippsland, events held during the year, Council activities during the year and civic functions.

3. Our Council (from page 20)

This section includes information on our region, Councillors and the role of Council.

4. Our Organisation (from page 29)

This section includes details on East Gippsland Shire's workforce and the organisation.

5. Our performance (from page 37)

This section provides more information about:

- the status and outcomes of the commitments made in the Council Plan;
- highlights, challenges and looking ahead to deliver these commitments; and
- Council's overall performance against the Plan.

6. Governance, management and other information (from page 74)

This section provides information on the governance of Council as an organisation, and its adherence to relevant legislation.

7. Financial performance (from page 98)

This section of the Annual Report shows how East Gippsland Shire Council performed financially from 1 July 2014 to 30 June 2015. It also shows the overall financial position of Council as at 30 June 2015.

The financial report contains:

- Financial Statements
- Notes to the Accounts
- Performance Statement

Section 1: Introduction

Our vision

This report shows how Council is delivering its vision for “a thriving, vibrant and liveable East Gippsland”.

This statement of purpose was made by the Council elected in November 2012.

Values

Our elected members and officers of Council will be guided by the following values:

Accountability

We will take responsibility for our actions and decisions in an open and transparent way.

Inclusion

We will be accessible and active in engaging with our community.

We will invite, listen to and seek to understand the views of others, and proactively share information about Council’s plans, projects, services and activities.

Integrity

We will honour our commitments and conduct ourselves in an honest, ethical way.

Resourcefulness

We will turn the challenges faced by our community into opportunities by being flexible and innovative in our response.

We will actively seek better and more cost-effective ways to achieve the best outcomes for East Gippsland.

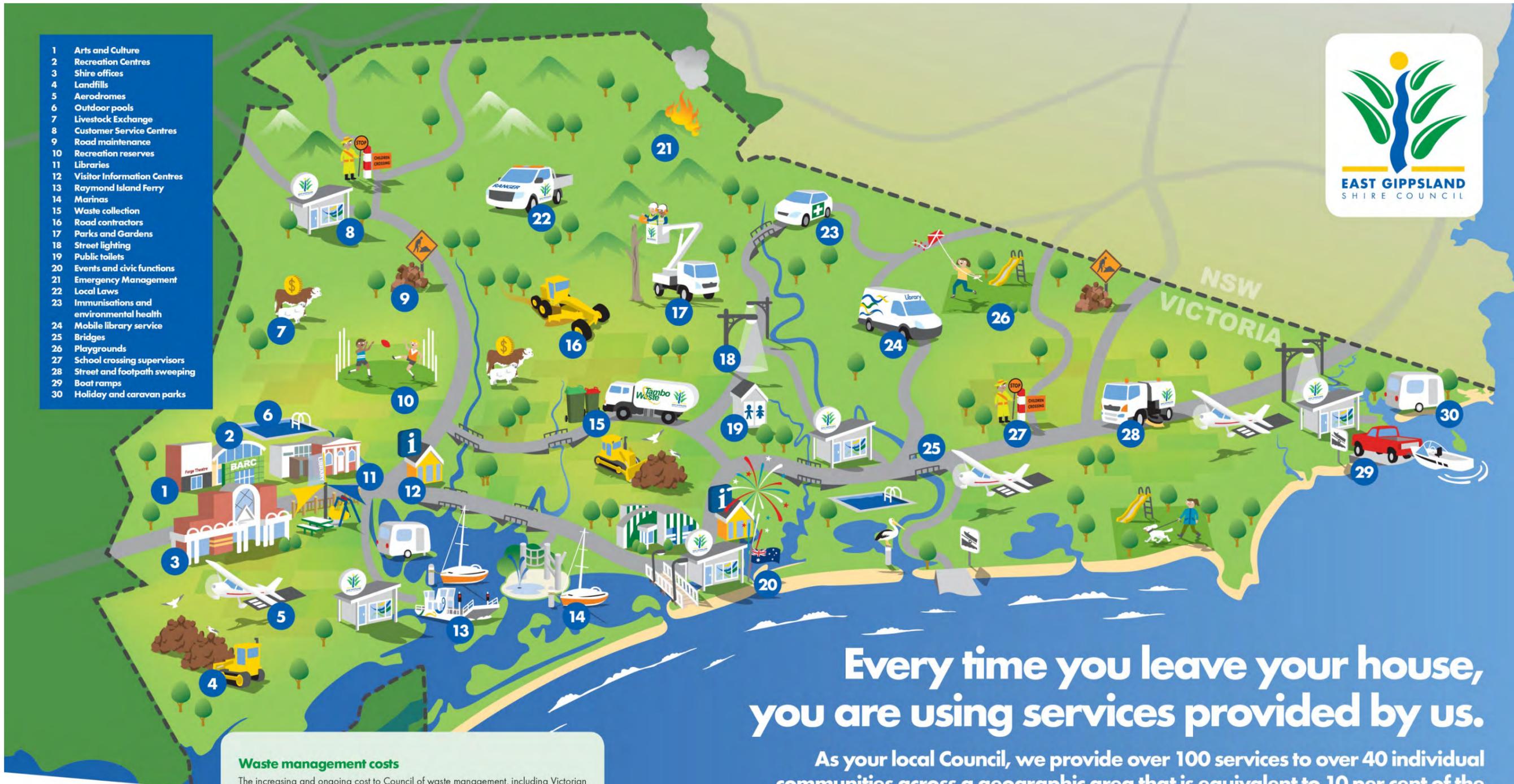
Respect

We will value, support and help to develop our diverse community.

We will respect the views and contributions of others and act with courtesy and consideration in all our interactions.



- 1 Arts and Culture
- 2 Recreation Centres
- 3 Shire offices
- 4 Landfills
- 5 Aerodromes
- 6 Outdoor pools
- 7 Livestock Exchange
- 8 Customer Service Centres
- 9 Road maintenance
- 10 Recreation reserves
- 11 Libraries
- 12 Visitor Information Centres
- 13 Raymond Island Ferry
- 14 Marinas
- 15 Waste collection
- 16 Road contractors
- 17 Parks and Gardens
- 18 Street lighting
- 19 Public toilets
- 20 Events and civic functions
- 21 Emergency Management
- 22 Local Laws
- 23 Immunisations and environmental health
- 24 Mobile library service
- 25 Bridges
- 26 Playgrounds
- 27 School crossing supervisors
- 28 Street and footpath sweeping
- 29 Boat ramps
- 30 Holiday and caravan parks



Every time you leave your house,
you are using services provided by us.

As your local Council, we provide over 100 services to over 40 individual communities across a geographic area that is equivalent to 10 per cent of the size of Victoria. We've illustrated just some of the services, plus provided a breakdown below of each \$100 we spend.

Waste management costs

The increasing and ongoing cost to Council of waste management, including Victorian Government charges and levies, has been a significant portion of Council's yearly expenditure, especially over the past few years. This includes the cost of managing waste disposal facilities, landfill levies, street litter and recycling bins, environmental compliance, split waste and recycling bins and kerbside waste collection.



A summary of 2014-15

Area of focus	Achievements
<p>People: We contribute to and support healthy, resilient and connected communities</p> <p>For more information see page 44.</p>	<ul style="list-style-type: none"> • Council adopted its Reconciliation Action Plan during the year, which was endorsed by Reconciliation Victoria. • A Youth Ambassadors program was successfully established; comprising 18 young people aged 12-25 from Paynesville through to Omeo and Orbost. • Three videos were created in a collaborative project with VicHealth – Arts About Us. The Everyday Interventions films focussed on people who may feel excluded from wider society, and were showcased at the launch of the Disability, Access and Social Inclusion Plan.
<p>Place: We promote, maintain and improve the quality of our natural and built environments.</p> <p>For more information see page 54.</p>	<ul style="list-style-type: none"> • A number of projects have re-energised Paynesville’s central business district, including an upgrade of Gilsenan Reserve and significant streetscaping works along The Esplanade. • Energy efficiency upgrades at the Lakes Entrance Aquadome have saved \$15,000 on gas usage each month for the first three months since the pool blankets were installed. • Council undertook a \$2 million road reseal program, which included extensive preparation works such as road rehabilitation and kerb and channel replacement work. • Council’s Parks and Gardens staff supported major community celebrations by installing flower displays in Bairnsdale’s Main Street Gardens. These included NAIDOC Week and the Centenary of the Red Cross.
<p>Economy: We contribute to a prosperous and sustainable region that takes advantage of economic opportunities.</p> <p>For more information see page 63.</p>	<ul style="list-style-type: none"> • The East Gippsland Food Map was launched to support local business and promotes access to fresh local produce.
<p>Stewardship: Our Shire is well managed and supported by a resourceful, responsive organisation.</p> <p>For more information see page 68.</p>	<ul style="list-style-type: none"> • The Mallacoota Service Centre was opened, which provides a dedicated facility for our communities in the Far East to conduct Council business. The building also houses a library and reception for the Mallacoota Foreshore Holiday Park. The majority of the fit out works were completed by Council’s carpentry staff. • Council made five submissions for Black Spot funding, an Australian Government program to eliminate safety problems on the roads, and had all projects approved. • All customer forms, totalling 137, were re-written in Plain English and 113 forms were converted to accessible HTML on Council’s website.

Area of focus	Challenges	The year ahead
<p>People: We contribute to and support healthy, resilient and connected communities</p>	<ul style="list-style-type: none"> • Changes to emergency planning in the sector. 	<ul style="list-style-type: none"> • Implement actions from the Reconciliation Action Plan. • Work with communities to build capacity by implementing priority actions from Community Plans. • Coordinate workshops to address social and preventative health issues in partnership with multiple agencies.
<p>Place: We promote, maintain and improve the quality of our natural and built environments.</p>	<ul style="list-style-type: none"> • Ensuring accessible and safe infrastructure. • Delivering fair and workable planning controls. • Tightening regulatory controls focused around improved environmental outcomes, are resulting in significant increases in both operational and capital costs for waste. 	<ul style="list-style-type: none"> • Develop a strategic long-term approach to managing Public Open Spaces, including Crown Reserves. • Implement the Environmental Sustainability Strategy. • Finalise a parking strategy for the Bairnsdale CBD. • Implement the Waste Collection and Disposal Strategy.
<p>Economy: We contribute to a prosperous and sustainable region that takes advantage of economic opportunities.</p>	<ul style="list-style-type: none"> • Closure of higher education facilities through University/TAFE cuts. 	<ul style="list-style-type: none"> • Implement the Economic Development Strategy. • Work with the Orbest community to transform the local economy consistent with the Advancing Orbest 2020 plan. • Support the growth of the region's agrifood and seafood sectors. • Investigate business and workforce opportunities for East Gippsland's ageing workforce. • Investigate and pursue opportunities in tourism markets such as eco-tourism; cultural tourism; international tourism; food and wine; and 4WD adventure.
<p>Stewardship: Our Shire is well managed and supported by a resourceful, responsive organisation.</p>	<ul style="list-style-type: none"> • Council continues to carefully monitor the impacts of legislative changes by other levels of government that impact on organisation resources. • Future Roads to recovery funding is approximately \$150,000 less per year over the life of this allocation. 	<ul style="list-style-type: none"> • Develop a Customer Service Strategy • Investigate opportunities for cost saving and service improvements through shared procurement. • Implement the Integrated Communications Strategy. • Maintain a robust internal audit program.

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Section two: The year in review



Message from the Mayor

As Mayor of the East Gippsland Shire Council, it gives me great pleasure to commend this annual report to you.

From a Council perspective, it has been a very big year. Not only have we maintained our core service, but we have delivered some much-needed major infrastructure to a number of our communities.

During the third year of the Council Plan, 2014/15, Council either completed or commenced some major projects that will benefit the municipality and its residents for decades to come.

Mallacoota now boasts its first ever dedicated customer service centre and library; while local and visiting children (and grown-ups too) are enjoying a new, vibrant play space at Metung's Patterson Park. Other projects of note include the Lucknow Drainage Improvement Project and the Mallacoota Ocean Access Boat Ramp.

These are just some of the projects that spring to mind that stem from Council, community and the other tiers of government partnering to achieve the best outcome.

Council prepared a Long-term Financial Strategy for the 10-year period 2014-15 to 2024-25 as part of Council's ongoing financial planning to assist in adopting a budget within a longer term framework.

With waste management ranking as one of the highest priority service issues for Council, a Waste Facilities and Disposal Strategy was developed to form the direction for Council's waste management operations. The plan provides short, medium and long-term initiatives to better manage waste across the Shire and to ensure compliance with regulations.

During the year, Council also set about a rigorous recruiting process following the resignation of our former Chief Executive Officer Steve Kozlowski in August 2014. In December 2014, we welcomed Gary Gaffney as our new Chief Executive Officer who will guide his staff for the rest of the journey to achieve the outcomes that we Councillors first identified in developing the Council Plan.

In closing, I encourage you to read through the pages of this annual report and celebrate the successes and challenges with us. I'm sure you'll agree we have made great advancements in reconciliation, disability and inclusion and youth engagement.

Along with my fellow Councillors, we look forward to the year ahead and the challenges that it will bring, all with the common goals of People, Place Economy and Stewardship.

A handwritten signature in black ink, appearing to read 'Peter Neal', written in a cursive style.

Cr Peter Neal
Mayor

Message from the Chief Executive Officer



It is with great pleasure that I present my first message for the Annual Report. I have thoroughly enjoyed my time since commencing as the Chief Executive Officer of the East Gippsland Shire Council in December 2015 and would like to acknowledge the efforts of the previous Chief Executive Officer, Steve Kozlowski who resigned in August 2014.

I recognise that we are one of the largest service providers and employers in East Gippsland, delivering more than 100 services across an area equivalent to 10 per cent of the state.

As a major service provider and employer in the East Gippsland region, we need to have the necessary resources appropriately arranged to ensure that we can meet both Council and community expectations in a challenging financial environment.

My focus has been on achieving internal cost efficiencies and organisational alignment to ensure that our structure enables us to deliver these services in the most efficient and effective way.

During the first half of 2015, we have also invested in our staff on setting the appropriate level of expected performance standards and behaviour for all, so that we can work towards improving our customer service standards.

Long term financial sustainability is paramount to ensure that Council has the capacity to deal with significant unplanned events like natural disasters, landfill rehabilitation costs and any future calls on the defined benefits superannuation scheme, while maintaining service levels to the community.

Much has been achieved by this organisation during the past 12 months as you will see detailed in these pages.

I extend my thanks to our valued staff for their commitment to enhancing the communities of which we are all a part. Council's staff is one of its most valuable resources. East Gippsland Shire Council has a commitment to being an employer of choice, with a focus on attracting and retaining excellent staff to ensure a high level of customer service delivery.

I look forward to us delivering beyond expectations in the next 12 months as we strive to become the leading municipality in regional Australia.

A handwritten signature in black ink that reads "Gary Gaffney". The signature is written in a cursive, flowing style.

Gary Gaffney
Chief Executive Officer

Summary of financial performance

The summary of financial performance provides an overview of how Council has performed financially in 2014-15. The 2014-15 Long-term Financial Plan focuses on improving Council's financial position, ensuring its long term financial sustainability.

Financial Snapshot

- \$102.5 million revenue against a budgeted \$95.9 million
- Rates and Charges comprised \$48.24 million (46.7%) of the total operating revenue
- \$86.3 million expenditure against a budgeted \$80.4 million
- Operating surplus of \$16.16 million (budget \$15.467 million)
- \$45.7 million Capital Works program delivered against a budgeted \$29.6 million
- Cash holdings increased by \$9.5 million from \$13.3 million in 2013/14 to \$22.8 million in 2014/15
- Net debt increased by \$1.6 million from \$8.03 million in 2013/14 to \$9.6 million in 2014/15

Council focuses on three key areas of financial performance as a guide to how sustainable our Council is.

These three areas are:

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

Asset renewal

A key capital works indicator is whether what we are spending on renewing our assets matches the rate that our assets are deteriorating or depreciating. Council's strategy is to renew our asset base at a greater rate than it depreciates. Our key strategic indicator for renewal is a minimum of 100%.

Our asset renewal result for 2014-15 is 129.5%. It means we are renewing our assets at 1.29 times the rate we are depreciating them. This exceeds the target in our Strategic Resource Plan and Long-Term Financial Plan. The significant result for 2014-15 is due to the completion of a number of capital projects from the previous financial year that were capitalised (recognised as capital expenditure in the 2014/15 year).

Cash holdings

Cash holdings is about our ability to pay for Council's activities and obligations and is usually balanced by restricted items such as trust deposits and reserves or funds held for specific purposes.

Operating costs

Over 96% of our operating costs occur in the following three categories:

- Employee expenses 29%
- Materials and services 44%
- Depreciation 23%

Debt Levels

New borrowings were taken up during the year and borrowings totalled \$9.6 million as at 30 June 2015.

The financial highlights provide an overview of council financial performance for the 2014-15 year.

Whilst there have been many challenges, including the continued freeze on the indexation of the Federal Assistance Grant, the operating result is pleasing, given adjustments that were required to fully account for future landfill rehabilitation costs and yet-to-be reimbursed unbudgeted natural disaster funded works.

Council's operating results

Council achieved an operating surplus of \$16.162 million this year compared to a \$15.416 million surplus in 2013/14. This is slightly more than last year's result and \$0.695 million than the \$15.467 million operating surplus forecast in the 2014/15 Annual Budget. This operating surplus though included unbudgeted income of \$6.8 million for an advance payment of the 2015/16 Federal Assistance Grant. This will have an impact on the 2015/16 financial year as the revenue had been budgeted to be received in that year.

Unbudgeted expenditure was incurred during the year for natural disaster works that will be reimbursed in the 2015/16 financial year. The adopted budget also included income of \$3.765 million for reimbursement of prior year natural disaster works, but a significant component of this was brought to account in the previous financial year. This created an income budget shortfall of \$2.2 million. There was also unbudgeted expenditure of \$1.8 million for an adjustment required in relation to landfill rehabilitation.

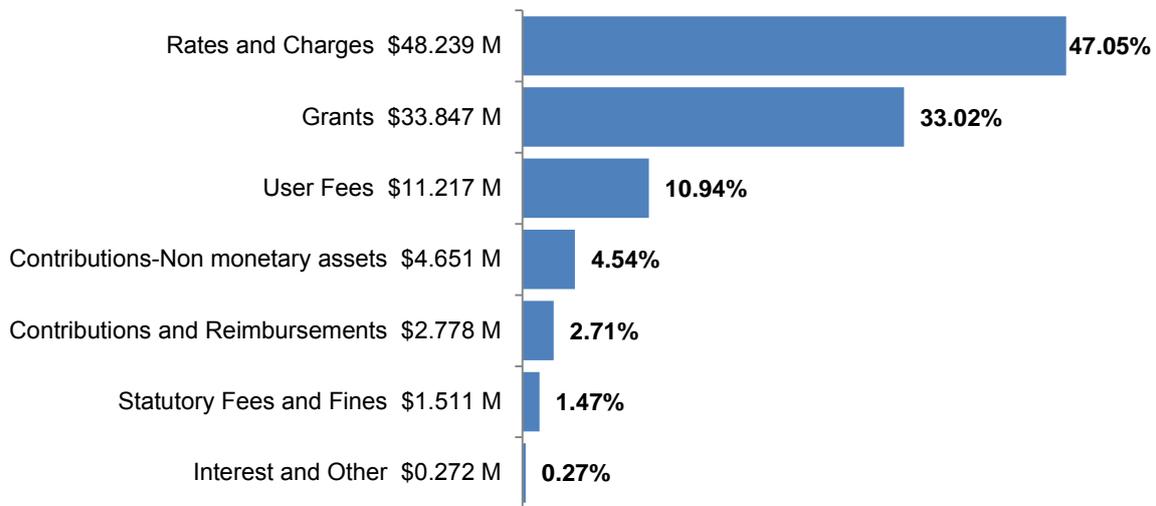
While the operating surplus represents a good result, an important indicator of financial sustainability is the Underlying Result, which removes all capital income to show the true operating position. An underlying surplus indicates that all operational expenditure including depreciation and amortisation has been fully funded.

Council recorded an underlying surplus of \$3.2 million this year compared to an underlying surplus of \$1.7 million last year. Without the advance Federal Assistance Grant payment of \$6.8 million, Council would have recorded an underlying deficit of \$3.6 million primarily as a result of adjustment required to the provision for landfill rehabilitation and unbudgeted natural disaster expenditure that will be reimbursed in the 2015/16 financial year. This means Council generated sufficient income to cover its operational expenditure this year.

Income

This year's operating income totalled \$102.5 million; \$6.6 million more than forecast. This was mainly due to the advance payment of \$6.8 million Federal Assistance Grant. Higher than expected non-monetary contributions of assets also exceeded the budget by \$2.6 million.

The graph below shows the breakdown of Council's income in 2014-15:



Rates and Charges

Rates and charges income was \$48.239 million this year. As a percentage of total income this is 47.05%, comparable with 48.8% in the previous year.

Other revenue sources

Grant funding was \$33.847 million this financial year and accounted for 33.02% of total income, compared to 18.6% last year. This was mainly due to a \$6.8 million advance payment of the Federal Assistance Grant.

Contributions and Reimbursements income (excluding non-monetary assets) was \$5.9 million less than last year and accounted for 2.7% of total income compared to 9.0% last year. This was due to the recognition of \$7.1 million in income in 2013/14 for the flood events in the 2011-12 and 2012-13 financial years.

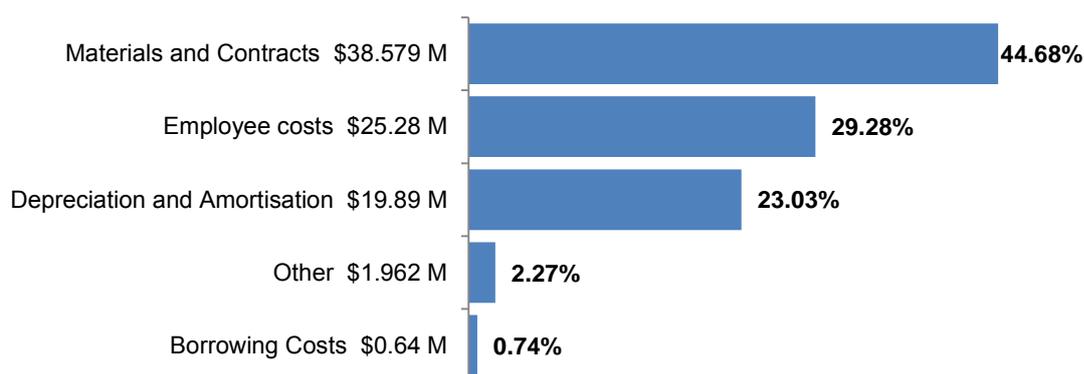
Expenditure

This year's operating expenditure totalled \$86.3 million, which was \$6.0 million more than forecast in the budget. The additional expenditure was a result of an additional \$1.8 million required to be provided for the provision of landfill rehabilitation and unbudgeted expenditure for natural disaster works together with unbudgeted expenditure relating to new grant funded programs and projects.

Over 96% of our operating costs occurred in the following three categories:

- Employee costs 29%
- Materials and contracts 44%
- Depreciation 23%

The graph below shows the breakdown of Council's operating expenditure this year:



Operating expenditure

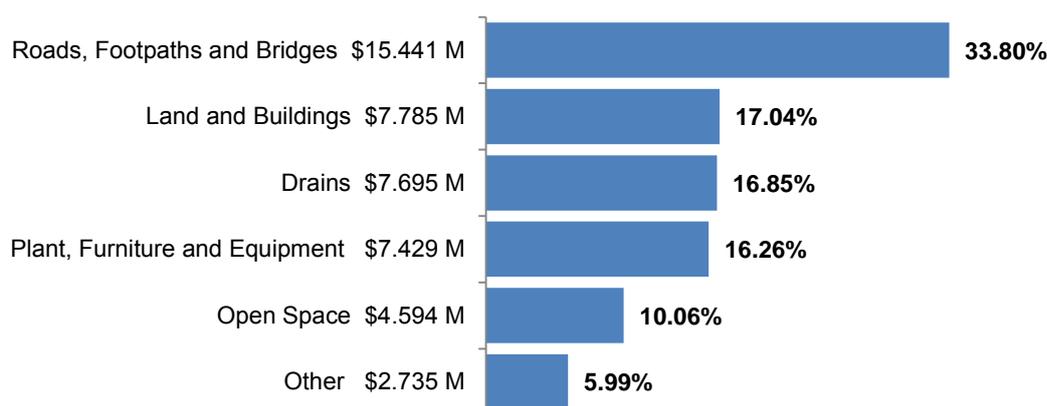
Materials and Contracts expenditure was \$38.6 million this year, \$7.2 million greater than last year and accounted for 44.68% of total operating expenditure compared to 39.8% in 2013-14. Materials and Contracts exceeded the forecast expenditure by \$4.1 million primarily as a result of the unbudgeted natural disaster and landfill rehabilitation provision expenditure.

Depreciation was \$19.9 million this year and accounted for 23% of total operating expenditure compared to 23.7% last year. Council matches its asset renewal program to the depreciation charge to ensure that all assets including roads, bridges and community assets are maintained in line with their current consumption.

Capital expenditure

In addition to the operating expenditure, Council spends money on capital projects that benefit the community for many years. This year's capital expenditure totalled \$45.7 million, which was \$16.1 million greater than forecast. This was due to a significant number of prior year projects being completed and the costs now being capitalised into assets during the 2014-15 financial year.

The graph below shows the major capital expenditure categories:



Roads and Bridges capital expenditure was \$15.4 million this year, \$6.4 million more than last year, and accounted for 33.8% of total capital expenditure compared to 29% last year. The increase expenditure was a result of the completion of a number of prior year road projects that resulted in additional capitalisation in the 2014-15 year.

Land and Buildings capital expenditure was \$7.8 million this year, \$0.7 million more than last year, and accounted for 17% of total capital expenditure compared to 23% last year.

Open Spaces capital expenditure was \$4.6 million, \$1.3 million less than last year. It accounted for 10% of total capital expenditure compared to 19% last year. The reconstruction of the Metung Marina Stage 1, with a budget of \$3.4 million, was not completed in the current year and all expenditure during the year on this project carries over into the 2015-16 year.

Balance sheet

Council has maintained a healthy balance sheet this year. Net Assets were \$870 million as at 30 June 2015 compared to \$830 million last year. This is an increase of \$40 million and is mainly due to the increase in value of Property, Infrastructure, Equipment, Furniture and Fittings, partly as a result of a revaluation of land and buildings and capital expenditure during the year.

Debt Levels

New borrowings of \$3.4 million were taken up during the year to fund the Metung Marina reconstruction Stage 1. Borrowings totalled \$9.6 million as at 30 June 2015, \$1.6 million more than last year.

Council borrowings as at 30 June 2015 included \$6.2 million relating to the Tambo Bluff Infrastructure Project, which is being reimbursed by Tambo Bluff landowners by way of a Special Charge Scheme.

Loan interest costs this year equated to 0.7% of Council's total expenditure the same as the previous year.

Cash

Cash holdings totalled \$22.8 million as at 30 June 2015; this was \$9.5 million more than last year. \$6.8 million of this increase related to the advance payment of the Federal Assistance Grant in June 2015. Council is also still awaiting payment of \$4.8 million of natural disaster funding for works undertaken in prior years. This will increase the amount of cash that Council holds once received.

The future

Long-term financial sustainability is Council's key focus for the future, to ensure that Council has the capacity to deal with significant unplanned events like natural disasters, landfill rehabilitation costs and any future calls on the defined benefits superannuation scheme, while maintaining service levels to the community.

The impact of the changes to the Federal Assistance Grants has resulted in a reduction in Council's financial flexibility. Council was able to address this in the 2015-16 Budget, with a Long Term Financial Plan that will continue to build its Cash reserves to a prudent level providing Council with financial flexibility.

This has been additionally important given the introduction of rate capping for all Victorian Council's from the 2016-17 financial year. Council will continue to review its operations to ensure services to the community are delivered in the most efficient and cost effective way.

For further information on Council's financial performance refer to page 98. The Financial Statements commence on page 101.

Description of Operations

East Gippsland Shire Council is responsible for the delivery of diverse services to its community, from family and children's services, traffic regulation, open space, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community.

Council also has a wide range of responsibilities under Victorian and Australian legislation. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our *Council Plan 2013-2017* and the associated Budget 2014-15 and reported on in this document.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives in our Council Plan is measured by a set of service performance indicators and measures.

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Further information on our performance is provided in section 5 from page 37È

A map of the services East Gippsland Shire Council provides for the region is available on page 5.

Major Capital Works

During 2014-15 major capital works included the following:

Lucknow Drainage Improvement Project

The Australian Government, Victorian Government, East Gippsland Shire Council, and private businesses have been working collaboratively to improve drainage in the Lucknow area north of Princes Highway. This work addresses the current needs of the area and considers the future development needs of the land north and south of Lanes Road.

Contractors commenced site establishment in November 2014. Stage 1 of the drainage strategy will require construction of wetlands and pipelines manage stormwater outflows and treat stormwater.

Through all tiers of government contributing collectively to the project and working with the private sector, we have been able to develop a multi-million dollar project to address this problem. The Victorian and Australian governments have committed a total of \$2.73 million to the project, a Council contribution of over \$500,000 and contributions of land and other services valued at over \$1 million from industry.

An independent business case analysis showed that the project has the ability to unlock development that will generate 857 new jobs and an additional \$14 million of gross regional product. This project could not have been delivered by one level of government alone, or by the private land owners.

Patterson Park, Metung

A community event to celebrate the Patterson Park redevelopment was held on 6 May 2015. The revamped park in Metung was opened for public use from December 13, 2014.

The significant \$430,000 park upgrade features:

- a new nature-based children's play area
- a water play area
- extensive boardwalk
- picnic facilities
- shaded areas and informal seating.

The park has been landscaped to provide a degree of separation from the street whilst still remaining connected with the Metung Village and the Village Green.

Patterson Park was generously donated to the former Shire of Tambo and its ratepayers “for the passive recreation, enjoyment and resort of the public” by Meg Patterson and her family some 25 years ago.

There has been a lot of input and support for the redevelopment from the Patterson Park Reference Group, as well as local organisations and schools. There was a planting day and locals helped to arrange the rock base in the park’s shallow stream. In addition, students at the Metung and Nungurner primary schools made stencils that will be used to create an artwork in the park.

One of the great outcomes of this project was seeing community members, Shire staff and contractors working together during construction. It has built mutual respect and created a long lasting sense of pride in what has been achieved.

Mallacoota Ocean Access Boat Ramp

The upgraded Mallacoota Ocean Access Boat Ramp was opened to all users on December 19, 2014, more than 25 years since it was first mooted. The upgraded two lane boat ramp with its protective breakwater is a testament to those who saw the need to improve boating access at Mallacoota.

The facility provides a significantly safer launching option to what was previously available and has attracted increased boating tourism to Mallacoota. The project’s Community Advisory Committee provided valuable input and a broad cross-section of views during both the planning and construction phases of the project.

The input from the committee members helped achieve a balanced outcome, taking into account key factors including environmental and safety considerations. The committee met regularly throughout the various phases of the project and provided an important conduit back to the community.

The construction was led by the prime contractor GPM Constructions from Sydney, who worked closely with the project supervisor Bairnsdale-based Crossco Consulting Engineers. Under at times testing weather conditions, the team worked closely to ensure the project remained on track and was delivered to a very high standard

At a cost of almost \$6.5 million, funded primarily by a Victorian Government grant of \$6.115 million, this was a landmark project for East Gippsland. Many local businesses are now reaping the benefits from an increase in boating/fishing related tourism.

Major Changes

As a major service provider and employer in the East Gippsland region, Council needs to have the necessary resources appropriately arranged to ensure that it can meet both Council and community expectations in a challenging financial environment. In May 2015, East Gippsland Shire finalised a review of its organisation structure. The Chief Executive Officer identified the review as a priority for 2015 after he commenced in the role in December 2014.

Over 80 per cent of the former structure remains unchanged. Some positions were made redundant as part of the consolidation of roles, review of positions and retirement of unfilled vacancies. Staff whose roles were declared redundant were offered redeployment opportunities where possible.

Council needs to keep pace with how people wish to do business and how to provide customer service across such a vast landscape like East Gippsland. Refinements will continue over the next

12 months, including the relocation of some teams, with the objective of achieving enhanced or more efficient service delivery as a result of their changed location.

The new structure will greatly assist in delivering the objectives of customer service excellence, accountability and streamlining service delivery.

Major Achievements

Council prepared a Long-term Financial Strategy for the 10-year period 2014-15 to 2024-25 as part of Council's ongoing financial planning to assist in adopting a budget within a longer term framework.

Council also developed an action plan for 2014-18 that summarises the outcome of the Waste Facilities and Disposal Strategy, which sets the direction for Council's waste management operations. Waste Management ranks as one of the highest priority service issues for Council. The plan provides short, medium and long-term initiatives to better manage waste across the Shire and to ensure compliance with regulations. The plan outlines updated actions for implementation over the next four years.

2014-15 Calendar of events

Council worked proactively to attract a number of new events into the region in 2014-15 and support a vast array of existing events.

Council, through its Events Unit, continued to coordinate and support permits for over local events. Twenty grants were awarded via Regional and District Events Sponsorship (RADES) and the Festivals and Event funding stream of Council's Community Grants program.

Event name	Dates	Supported by Shire
July 2014		
Twin Rivers Fishing Classic	19/20	RADES
September 2014		
Tour of Gippsland	3 to 7	RADES
October 2014		
Lakes Entrance Epic	4	RADES
November 2014		
Snowy River Sprint	1	RADES
Melbourne Cup Day Bairnsdale Racing	4	RADES
December 2014		
Lakes Entrance Fireworks	31	RADES
January 2015		
Groundswell Music Festival	10	RADES
Australia Day Ceremonies - Bairnsdale Bruthen, Buchan, Lakes Entrance, Lindenow, Mallacoota, Metung, Omeo, Paynesville and Orbost	26	Sponsorship
February 2015		
Bruthen Blues and Arts Festival	13 to 15	RADES
March 2015		
Tambo Valley Producers Dinner	10	RADES
Flock of the Year 2015	15	RADES
East Gippsland Bream Classic	22/23	RADES
Opera By the Lakes	22/23	RADES
Paynesville Gold Gup Power Boat Race	28	RADES
Bairnsdale Golf Club Pro Am 2015	28	RADES
April 2015		
Australian Fishing Championships		RADES
Omeo Rodeo	5	RADES
ANZAC DAY	25	Sponsorship
May 2015		
East Gippsland Field Days	1/2	RADES
Glorious Gippsland Art Exhibition	1	RADES
June 2015		
Metung Food and Wine Festival	7	RADES
Victorian Apiarist Association 116 th Annual Conference	19	RADES

Section three: Our Council

Our Region, Our People, Our Diversity

East Gippsland Shire Council acknowledges the traditional custodians of this land.

As we move into the future, we want to retain all that is special about our region. We want to be informed, effective and responsive to meet future challenges.

Our region

East Gippsland's unique qualities are its strength. The region is distinguished by its natural setting, with its eastern edge defined by the Gippsland Lakes and rugged coastline and the rising backdrop of the high country. Historical rural landscapes and natural bushland areas characterise the region, and surround its communities.

The Shire stretches from west of Bairnsdale to the New South Wales border, covering more than 21,000 square kilometres or 10 per cent of the state. The largest commercial centre is Bairnsdale, while Orbost serves as a district centre for the far east of the Shire. East Gippsland's best known tourist centre is Lakes Entrance.

Other significant towns include Paynesville, Metung and Mallacoota, the half-way point between Melbourne and Sydney. To the north are Omeo and other townships of the Great Alpine Road.

Our heritage

European settlement dates from the 1830s, with land used mainly for sheep and cattle grazing and timber.

Substantial growth occurred from the 1880s, as settlement spread into the more marginal forests and hills. Expansion continued during the early 1900s and during the post-war years. The major commercial centre, Bairnsdale, was proclaimed a city in 1990.

Our people

The population is concentrated around the Gippsland Lakes in the south-west with relatively sparsely settled areas elsewhere. Bairnsdale and surrounds is the region's major commercial and service centre with a population of over 13,769.

Quick facts:

- Population 2015: 44,516 - 2036: 56,185 (*Source: id Forecast 2013*)
- 47 years average age
- 32.4% of our population are in the 60+ age group
- 9.6% per cent 15-24 years age bracket
- 79.2% Personal Wellbeing Index – higher than average (Community Indicators Victoria)
- 3.2% Aboriginal population (*Source: Community Profile, profile.id®*)

Our diversity

The past decade has seen significant change in East Gippsland's economic drivers. Decline in the traditional primary production sectors of timber and broad-acre agriculture has led to economic hardship in some industries and local communities.

This has been most apparent in rural townships dependent on timber milling and associated services. The region's attraction as a retirement destination has also contributed to changes in a growing industry sectors such as health care. East Gippsland ageing population provides East Gippsland with business opportunities to support this trend.

The agrifood and manufacturing sectors have provided new opportunities for the region, while regional population growth has supported a growing construction sector. Potential future mining ventures proposed for the region are anticipated to further diversify the region's economy.

Tourism continues to play a strong role in the East Gippsland economy with total expenditure by tourists in East Gippsland contributing approximately \$350 million annually.

While the region can claim overall growth, there are obvious areas of decline, which have caused real hardship to individuals and some communities.

Quick facts:

- The total value added by the East Gippsland economy is estimated at \$1.684 billion.
- East Gippsland represents 13.31% of the \$11.864 billion value added in the overall Gippsland area.
- An analysis of the valued added by industry sectors in East Gippsland Shire in 2013-14 shows the three largest industries were:
 - Rental, Hiring and Real Estate Services \$259.02 million
 - Health Care and Social Assistance \$154.36 million
 - Manufacturing \$141.99 million
- \$1,818 million total estimated gross regional product for East Gippsland for the 2014 up from the previous year's figure of \$1,752 million.
- 736 new registered businesses in the 2014 calendar year. New business registrations show a continuing trend of new business growth.

Your Councillors

East Gippsland Shire Council is an un-subdivided municipality. The Council consists of nine Councillors, each representing the whole Shire. The current Council was elected on 27 October 2012.



Cr Peter Neal (Mayor)

M: 0458 019 507

E: cr.neal@egipps.vic.gov.au

Cr Neal served as a member of the following Advisory Committees and Working Groups in 2014-15:

- East Gippsland Shire Council Audit Committee (Mayor ex officio)
- Municipal Emergency Management Planning Committee
- Economic Development Advisory Board

Cr Neal also served as Council's representative to the following external organisations:

- Gippsland Local Government Network (Mayor ex officio)
- High Country Councils Coalition (Mayor ex officio)
- Municipal Association of Victoria
- Municipal Association of Victoria – Emergency Management Committee
- Municipal Association of Victoria – Financial Assistance Grants and Rate Capping Taskforce
- Australian Coastal Councils Association Incorporated (Mayor ex officio)



Cr Michael Freshwater (Deputy Mayor)

M: 0427 007 392

E: cr.freshwater@egipps.vic.gov.au

Cr Freshwater served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Livestock Exchange Consultative Committee
- Marina Consultative Committee
- Tourism Advisory Board

Cr Freshwater also served as Council's representative to the following external organisations:

- Alliance of Councils for Rail Freight Development
- East Gippsland Catchment Management Authority Land Programs Committee
- Municipal Association of Victoria – Emergency Management Reference Group
- Municipal Association of Victoria – Environment Committee
- Municipal Association of Victoria – Planning Committee
- Municipal Association of Victoria – Transport and Infrastructure Committee
- South East Australian Transport Strategy Inc.
- Timber Towns Victoria



Cr Ben Buckley

M: 0429 857 750

E: cr.buckley@egipps.vic.gov.au

Cr Buckley served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Livestock Exchange Consultative Committee

Cr Buckley also served as Council's representative to the following external organisations:

- Alliance of Councils for Rail Freight Development



Cr Richard Ellis

M: 0419 023 673

E: cr.ellis@egipps.vic.gov.au

Cr Ellis served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Marina Consultative Committee
- East Gippsland Creative Communities Advisory Board
- Disability Action Plan Advisory Committee

Cr Ellis also served as Council's representative to the following external organisations:

- Gippsland Waste and Resource Recovery Group
- Municipal Association of Victoria – Financial Assistance Grants and Rate Capping Taskforce
- Rural Councils Victoria



Cr Jeff McNeill

M: 0400 835 092

E: cr.mcneill@egipps.vic.gov.au

Cr McNeill served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Economic Development Advisory Board
- Disability Action Plan Advisory Committee

Cr McNeill also served as Council's representative to the following external organisations:

- Municipal Association of Victoria – Human Services Committee



Cr Marianne Pelz

M: 0428 115 667

E: cr.pelz@egipps.vic.gov.au

Cr Pelz was a Council representative to the following external organisations:

- Municipal Association of Victoria – Arts and Culture Committee
- Municipal Association of Victoria – Transport and Infrastructure Committee
- South East Australian Transport Strategy Inc.



Cr Mark Reeves

M: 0419 016 581

E: cr.reeves@egipps.vic.gov.au

Cr Reeves served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Environmental Sustainability Advisory Board

Cr Reeves served as Council's representative to the following external organisations:

- East Gippsland Local Aboriginal Justice Action Committee
- Gippsland Regional Aboriginal Justice Action Committee
- Municipal Association of Victoria – Environment Committee
- Municipal Association of Victoria – Multicultural Committee



Cr Jane Rowe

M: 0429 331 929

E: cr.rowe@egipps.vic.gov.au

Cr Rowe served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Tourism Advisory Board
- Audit Committee

Cr Rowe served as Council's representative to the following external organisations:

- Municipal Association of Victoria
- Municipal Association of Victoria – Emergency Management Reference Committee
- International Council for Local Environmental Issues – Oceania



Cr John Wilkin

M: 0419 024 049

E: cr.wilkin@egipps.vic.gov.au

Cr Wilkin served as a member of the following Advisory Committees and Working Groups in 2014-15:

- Audit Committee
- Environmental Sustainability Advisory Board
- East Gippsland Creative Communities Advisory Board

Cr Wilkin also served as Council's representative to the following external organisations:

- Municipal Association of Victoria – Arts and Culture Committee
- Municipal Association of Victoria – Professional Development Reference Group
- Timber Towns Victoria

Advocacy – an important role

Councillors and the Chief Executive Officer have an important role advocating on a broad range of issues on behalf of our communities.

This advocacy takes place in various forms including regular meetings with Members of Parliament from the other two tiers of government; maintaining positive working relationships with other organisations and statutory authorities that operate in East Gippsland.

Councillors also hold representative positions on external advisory committees and boards to ensure that East Gippsland's voice remains strong in a state-wide and national arena.

Some examples during the past 12 months include:

Date	Meeting
15 July 2014	Memorandum of Understanding meeting with East Gippsland Water
29 July 2014	Meeting with Labor Party Members of Parliament – Mr Johan Scheffer, Member for Eastern Victoria Region and Ms Harriet Shing, endorsed candidate for Eastern Victoria Region
10 November 2014	Meeting with Senator Ricky Muir, Senator for Victoria
14 March 2015	Joint meeting with Maroondah City Council
1 April 2015	Joint meeting with Bega Valley Shire Council
7 May 2015	Memorandum of Understanding meeting with Gippsland Ports (executive)
18 May 2015	Memorandum of Understanding meeting with Gippsland Ports (Board / Councillors)
19 May 2015	Joint meeting with Gippsland Lakes Community Health
5 June 2015	Meeting with Senator Ricky Muir, Senator for Victoria
9 June 2015	Memorandum of Understanding meeting with East Gippsland Water

Councillor regional visits

Date	Region
29 July 2014	Paynesville and Raymond Island
30 September 2014	Orbost
21 October 2014	Ensay, Omeo, Swifts Creek and Benambra
31 March – 1 April 2015	Mallacoota and Genoa

Letters under seal of Council

One letter was presented under the seal of Council in 2014-15 to Mr Steve Kozlowski, in recognition of his significant contribution to East Gippsland Shire and its citizens. Mr Kozlowski was a long-serving Chief Executive Officer.

Awards and Recognition

Council seeks to give appropriate recognition to outstanding achievements of individuals or organisations associated within the Shire. This is consistent with Council's civic leadership role in the community and promotes active citizenship.

Australia Day awards

Council recognised the major contribution of individuals to the community through the Australia Day awards presented on 26 January 2015 at Orbost. The recipients of the awards were:

Citizen of the Year Award: Alan Stuart

Young Citizen of the Year Award: Jessica Woodward

Community Event of the Year Award: Orbost Annual Poker Run

Citizenship

Five citizenship ceremonies were hosted by Council in 2014-15 including a major ceremony as part of Council's Australia Day celebrations.

Quickfact: Sixty East Gippsland residents became Australian citizens during the year.

Civic Events

As part of its civic leadership role and commitment to active community engagement, Council recognises the importance of maximising local community involvement through civic events.

Council hosted the following civic events across the Shire in 2014-15:

Date	Civic Event
2014	
4 July	Celebration of the completion - Bairnsdale Lanewayz Artz Blitz
4 July	Official opening - Bairnsdale CBD Improvement project
7 July	NAIDOC Week Flag raising and morning tea
29 July	Civic reception in recognition of the Centenary of Red Cross
12 August	Funding announcement – Prevent Youth Alcohol Related Harm project
19 August	Function to formally farewell Steve Kozlowski, Chief Executive Officer
22 August	Official opening – Bairnsdale Aerodrome Infrastructure Upgrade project
22 August	Funding announcement – East Gippsland Community and Educational Hub
22 August	Official opening – Johnsonville Rowing Landing
8 October	Official opening – Mallacoota Service Centre
17 October	Official opening – Renovated Lakes Entrance Visitor Information Centre
18 October	Official opening – Omeo Recreation Reserve Pavilion Redevelopment project

Date	Civic Event
21 October	Official launch – Omeo Region Walking Trail Mapping project
22 October	Ceremonial planting – Red Cross Rose
31 October	Official launch – Bairnsdale CCTV project
1 November	Raymond Island Ferry 125 year celebration
3 November	Funding announcement – Lochiel Park Netball Courts in Orbost
2015	
26 January	Shire-wide Australia Day celebration held in Orbost
6 March	Official opening – Patterson Park in Metung
31 March	Functions to recognise completion of Mallacoota Ocean Access Boat Ramp
31 March	Official opening – Mallacoota Waste Transfer Station and Resource Recovery Centre
2 June	Launch – East Gippsland Shire Council Reconciliation Action Plan

Acknowledgement of Victorian Government funding

Program	Amount
Aboriginal Best Start Program	90,860
ANZAC School Presentations	3,200
Bairnsdale Safe Taxi Rank Shelter Extension	47,200
Beach Cleaning Subsidy Program	2,676
Celebrating Gippsland Small Business	15,000
Children's Week 2014	500
Communities that Care Department of Justice Pilot Project	19,091
Creative Tourism Streetscapes in Bushfire Affected Communities	50,000
Eagle Point Community Access Project	24,500
East Gippsland Fire Complex Recovery	373,500
East Gippsland Rural Land Use Strategy	90,000
Forge Theatre and Arts Hub - East Gippsland Art Gallery	90,000
Grow your Business - Manufacturing Sector	15,000
Home and Community Care - Minor Capital and Minor Targeted Capital	4,858
Immunisations - Australian Childhood Immunisation Register Encounters	8,653
Immunisations - School Immunisations	22,278
Lake Tyers Aboriginal Trust Fishing Day & Cultural Expo	2,000
Lake Tyers Beach Boat Ramp Upgrade (Number 2 Ramp)	300,000
Launching Lakes Entrance	5,000
Lochiel Park Additional Netball Court Project	41,402
Municipal and Essential Services to Lake Tyers Aboriginal Trust	126,847

Program	Amount
Municipal Emergency Service Unit Subsidy 2014-15	90,786
Nation Building Black Spot Program 2014-15 - Balfours Road Lucknow - Roundabout	84,300
Nation Building Black Spot Program 2014-15 - Bogong High Plains Road Bundara - Roundabout	247,800
Orbost and District Business Capacity Building Project	50,000
Outdoor Smoking Bans	5,000
Premiers Reading Challenge 2014-15	9,374
Public Libraries Grants Program 2015-16	309,822
Public Libraries Grants Program 2015-16 - Local Priorities	16,306
Regional Victoria Living Expo 2015	10,000
Roadside Weeds and Pests Management Program 2015-16 - 2016-17	60,753
School Bus Shelter Relocation	2,000
School Crossing Subsidy 2014-15	50,664
Service Agreement - Rural Access Program 2014-15 - Building Inclusive Communities	114,010
Service Agreement - Supported Parent Group and Playgroups - 2014-15	46,574
Service Agreement 2014-15 - Home and Community Care	39,275
Service Agreement 2014-15 - Vulnerable Persons Project	41,568
Swifts Creek Netball Court Refurbishment Project	36,350
Tech Savvy Seniors	4,000
Transition from Landfill to Transfer Station Orbost	150,000
Upgrading the East Gippsland Rail Trail (Bruthen Township Section)	139,500
Victorian Seniors Festival 2014	2,700
Walk to School 2015	10,000

Section four: Our Organisation

Executive Management team

The Chief Executive Officer is employed by and reports to the elected Council. The Chief Executive Officer manages the staff and resources of Council, as legislated by the Victorian *Local Government Act 1989*.

After more than 10 years as Chief Executive Officer, Steve Kozlowski tendered his resignation effective 5 September 2014. Mr Kozlowski had overseen the re-building of the financial viability and service capacity and delivery of Council, as well as working at a regional level for the betterment of East Gippsland and the wider Gippsland area.

The planned implementation of a new organisation structure was placed on hold while the recruitment of a new CEO took place. Gary Gaffney commenced in this role in December 2014.

Formerly the CEO of the Shire of Wyndham East Kimberley, Mr Gaffney had previous experience in Gippsland local government and economic development for Victoria. An organisation review was held in early 2015 with the new structure fully-implemented by 1 July 2015.

Biographies of Executive Management team

Gary Gaffney

Chief Executive Officer

MBA , Grad Dip Business Mgt Grad Cert Business Mgt – Dip Business Mgt

Gary has worked in several industries during his career including major construction in the power and water industries. Gary has been the CEO at the Mansfield and East Kimberley shire and a Director at the Baw Baw Shire. He was also the Executive Director of Industry and Investment at Regional Development Victoria and was head of Economic recovery for the Victorian Bushfire Reconstruction and Recovery Authority.

In the coming year Gary will focus on the leadership of the Shire's administration to achieve community objectives and goals through corporate and cultural revitalisation and effective change leadership and management of resources.

Kate Nelson

Director Community and Strategic Development

B Applied Science (Planning), Grad Dip Rural Resource Management, Grad Dip Business (Mgt), Master Public Policy and Governance

Kate has more than 20 years' experience working in East Gippsland's local government sector. Kate has a strong understanding of the community's perspective and is able to navigate key stakeholders through complex strategic and environmental planning situations. Kate's ability to understand a wide range of challenges and facilitate a strategic approach to issues has also been instrumental in ensuring Council is planning for Adaption to Coastal Climate Change.

Maryanne Bennett**Director Corporate**

Australian Institute of Company Directors

Maryanne has over 30 years' experience in local government across large rural, small rural and urban Victorian Councils and has held a number of positions at East Gippsland.

In her current role she is responsible for the organisational areas of Finance, Information and Communications Technology (ICT), Organisation Development and Governance. Over the next 12 months a key focus for the Corporate Directorate will be a major rebuilding of ICT services to ensure that the infrastructure and systems provide the optimum level of support to enable Councillors and staff to achieve the outcomes and deliver the services the East Gippsland community needs.

The Directorate will also be looking to actively engage with the community to raise awareness of and stimulate interest in the October 2016 Local Government elections.

Paul Holton**Director Development**

Paul has extensive experience working as a senior manager in the local government sector in Gippsland, including a stint as Acting CEO of Wellington Shire Council.

His expertise includes stakeholder management, strategic planning and project management.

Paul has oversight of Council's commercial operations, including the East Gippsland Livestock Exchange, two recreation centres, and Council's caravan parks at Eagle Point and Mallacoota.

Chris Waites**Director Operations**

Bachelor of Engineering, Grad Dip Mgt

Prior to joining East Gippsland Shire Council in 2005 Chris worked in the public and private sector in Queensland. He has expertise in project management, business development, organisational change and delivery of major projects.

During the reporting period Chris oversaw completion of the \$6.5 million Mallacoota Ocean Access Boat Ramp and the first full year of in-house management of landfill and waste transfer station operations.

Organisation Chart



Chief Executive Officer
Gary Gaffney
 Communications and Corporate Strategy



Director Planning and Community

Kate Nelson
 (Directorate became Community and Strategic Development from 1 July 2015)

- Strategic Planning
- Community Programs
- Place Services



Director Corporate

Maryanne Bennett

- Finance
- Organisation Development
- Governance
- Information Services



Director Development

Paul Holton

- Recreation Facilities
- Statutory Services
- Economic Development



Director Operations

Chris Waites

- Waste and Assets
- Works
- Capital Projects

Senior Officers

As at 30 June 2015, Senior Officers as designated under the *Local Government Act 1989* were Gary Gaffney, Chris Waites, Kate Nelson, Maryanne Bennett, Paul Holton, Liz Collins, Executive Manager Finance and David Radford, Manager Executive Services.

Staff profile

Council's staff is one of its most valuable resources. The organisation has a commitment to being an employer of choice, with a focus on attracting and retaining excellent staff to ensure a high level of customer service delivery.

The *Local Government Act 1989* requires the establishment of a 'Code of Conduct' for Council staff. Under the code staff are required to:

- act impartially;
- act with integrity and avoid conflicts of interest;
- accept accountability for results; and
- provide responsive service.

The Code of Conduct provides a set of guidelines that connect staff decision-making, behaviour and actions to the vision, objectives and standards of the organisation. It is designed to guide staff on the standards expected of them as they carry out their daily work. Those standards include honesty and integrity, and commitment to treating all people with courtesy and respect.

Total staff numbers

The figures below represent the organisation's total staff numbers. The full time equivalent full-time (FTE) positions for 2014-15 are 305.42, including casuals.

Year	Total staff	FTE staff
2014-15	474	305.42
2013-14	529	351.6
2012-13	439	295.8
2011-12	449	289.9
2010-11	352	237

Total staff numbers by salary band and gender

Employment classification	Male	Female	Total FTE
Band 1	6	19	4.99
Band 2	38	66	33.33
Band 3	63	27	56.18
Band 4	17	65	53.31
Band 5	18	46	57.18
Band 6	23	26	43.63
Band 7	21	13	32.37
Band 8	4	0	3.63
Senior Executive Officer/Senior Officer	17	5	20.8
Total	207 (44%)	267(56%)	305.42

Job level by gender

Job Level	Female	Male	Total
Director	2	2	4
Manager	3	10	13
Coordinator	18	21	39
All other staff	244	174	418
Total	267	207	474

Salary range of contract staff

Contract Staff (Directors)		
		Salary Range (total remuneration package)
	2	\$180,001 - \$190,000
	2	\$190,001 - \$200,000
Total	4	

Staff numbers by directorate

The full time equivalent (FTE) staff numbers for each directorate as at 30 June 2015 are:

Employee type/gender (FTE)	Office of the CEO	Corporate	Development	Operations	Planning & Community	Total
Permanent FT – F	3	18	22	7	27	77
Permanent FT – M	2	13	31	72	8	126
Permanent PT – F	0.8	8.74	20.25	4.53	18.97	53.29
Permanent PT – M	0	1	8.22	10.75	1.90	21.87
Casual – F	0	1	11.21	1.18	4.02	17.41
Casual - M	0	0	6.39	2.62	0.84	9.85
Total	5.8	41.74	99.07	98.08	60.73	305.42

Length of service profile

Period of service	Number of staff	Percentage of staff
Less than 1 year	58	12%
1 to 5 years	223	47%
6 to 10 years	124	26%
11 to 20 years	57	12%
21+ years	12	3%
Total	474	100%

Organisation Development

Council, through the Organisation Development Unit, has a number of programs in place to help staff perform at their best. These include formal and informal training programs, a health and wellbeing program, support for further study and work plan development to ensure continuous improvement.

Achievements

- Finalisation and approval of Enterprise Agreement No. 4.
- All staff who have a supervisory function undertook Proteus Leadership training to ensure they are equipped to assist and empower their staff and the organisation to deliver Council and community objectives within our contemporary and changing environment. The training set expectations around leading and developing a positive culture, understanding different personalities and valuing diversity, managing staff performance and behaviour, positive performance development, and managing work priorities.
- Mental Health in the Workplace workshops were held for supervisors, team leaders, coordinators, contact officers and union delegates to provide them with the necessary awareness, skills and processes to be able to respond to, understand and assist employees with mental health issues and reduce risks associated with the challenging area of mental health in the workplace.
- The Revised Council Plan was adopted in June 2015 and met all scheduled milestones despite a number of challenges with this year's Budget process that impacted on its development.

Looking forward

- Develop a strategy to increase the diversity of our workforce.
- Review the existing performance management framework and implement an organisation-wide Performance Development Framework.
- Review Council's Reward and Recognition framework.
- Develop and Implement a Workplace Health and Safety Risk Control Plan.
- Enhance Hazard Identification processes and develop Control Measures to assist Council project managers to efficiently manage the Shire's major works.

Learning and Development

Staff attended a number of courses during 2014-15. The larger courses are detailed below:

Corporate Training	
Course	Attendees
Proteus Impact Leadership Development	82
Mental Health Training	264
Sun Smart Training	23
Procurement Awareness Training	113
Skills Champion Training	49
Total	531
Personal development training	
A total of 85 staff attended personal development training.	
Occupational Health and Safety courses	
Apply First Aid Training	42
CPR Training	13
Defibrillation Update	14
Emergency Warden Training	7
Initial Health and Safety Representation Course	3
Total	79

Cost of learning and development activities

During the 2014-15 year, Council spent more than \$200,000 on educating and developing staff, which is approximately \$428 per staff member. The major areas of focus were:

Course	Cost
Proteus Impact Leadership Development	\$99,500
Mental Health in the Workplace Training	\$39,500
Personal Development	\$22,000
Occupational Health and Safety Training	\$9,500
Sun Smart Training	\$2,500
Business Unit Specific Training	\$30,000
Total Cost	\$203,000

Workplace Health and Safety

WorkCover

Council is committed to the safety, health and well-being of its employees and continual improvement in workplace health and safety performance.

Council, through its Occupational Health and Safety Coordinator, conducted various programs designed to reduce illness and injury rates and promote risk management and safety and health principles.

In 2014-15:

- Eighty-seven workplace incidents were reported compared with 71 the previous year. Only 13 of these incidents resulted in WorkCover claims.
- Of the WorkCover claims lodged, 10 resulted in lost time. Seven of these were above the employer excess (10 days lost).
- WorkCover claims as a percentage of staff was 3%, compared to 5% in 2013-14.

Equal Employment Opportunity Program

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. East Gippsland Shire Council has implemented an equal employment opportunity program which is designated to eliminate discrimination against and promote equal opportunity for women and persons in designated groups for employment matters.

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The indicators that measure the effectiveness of the program and the results for the year are:

- Percentage of new employees receiving equal opportunity training within six months of commencement. Target: 100%. Result: 96%
- Percentage of existing employees receiving refresher equal opportunity training at least every two years. Target: 100%. Result: 89%
- Number of contact officers per number of council employees. Target: 1:50. Result: 1:59

Human Resources have developed an Equal Opportunity eLearning module on that includes bullying/harassment. The module is accessed via the organisation's intranet. All staff were required to complete this training. This will hopefully increase our reach for remote sites and for staff that find it difficult to attend training in person.

Our volunteers

Every week hundreds of people generously volunteer their time, knowledge and energy to help delivery Council services, forming an integral part of our East Gippsland community. They support our Visitor Information Centres in Lakes Entrance and Bairnsdale; help with cataloguing and delivery of programs in our libraries, assist in staging community events and deliver means to East Gippsland's aged and disability services clients.

Volunteers may vary in background, age and beliefs, yet they all share the desire to make a difference. Among them are students, retirees, new and intending Australian citizens wanting to contribute to their new country and skilled professionals.

Community groups and committees

The Shire has more than 70 incorporated volunteer committees of management over recreation reserves and community halls that it supports through its Community Facilities Officer.

Aged and disability support

Our volunteers and staff spend many hours assisting with social support programs for residents who are frail aged or who have a disability. Services provided include:

- Meals on Wheels.
- Social support services.
- Transport connections.

Young people getting involved

A number of programs are offered to young people aged 12 to 25 years in East Gippsland. The following are examples key volunteer-related programs and initiatives:

- Live music and cultural all-ages events for young people within East Gippsland and is run by the FREEZA committee made up of young people aged 14 to 24 from the local area.
- Our Youth Ambassadors providing a youth perspective on issues that impact the community.

Keeping East Gippsland prepared in case of an emergency

The Municipal Emergency Management Planning Committee (MEMPC) consists of representatives from all emergency services (Victoria Police, Ambulance, CFA, and MFB) and related agencies (including EPA, DHS, Parks Victoria, Melbourne Water, and Moorabbin Airport) as well as volunteers from a range of organisations (including VICSES, Volunteer Coastguard and Australian Red Cross).

East Gippsland Shire Council thanks the region's wonderful volunteers, who generously give their time to work within the community every day to make East Gippsland a better place.

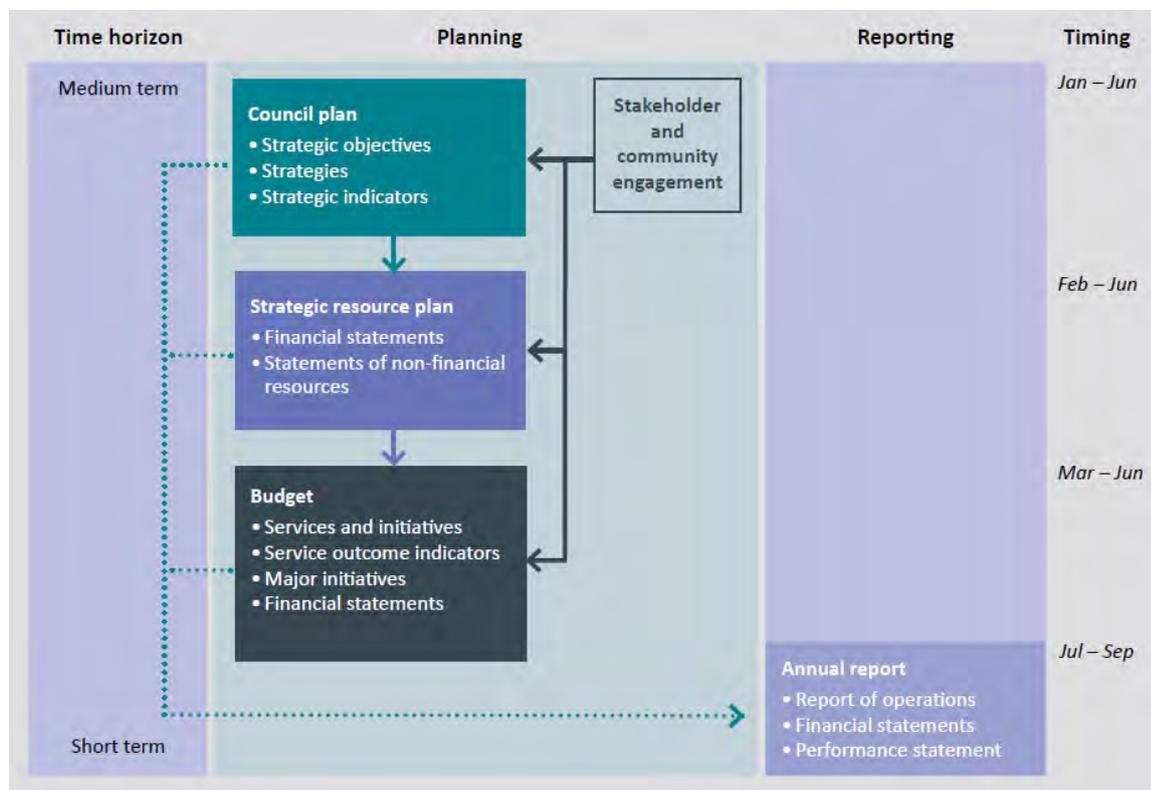
Section five: Our Performance (Council Plan)

Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of the Act. The Act requires councils to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the council plan
- A budget for each financial year
- An annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The Council Plan 2013-17 includes goals and strategic objectives for the four-year period. It also includes strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan that shows the financial and other resources required to deliver the Plan. The following are the strategic objectives documented in the Council Plan.

Area of Focus	Goals
People	<p>We contribute to healthy, resilient and independent communities and support increased connection with their history, landscape, local economies, families and their social networks.</p> <p>1.1 Our communities are connected and inclusive</p> <p>1.2 Our communities are resilient and adaptable</p> <p>1.3 Safe and active, healthy lifestyles are supported</p>
Place	<p>We promote, maintain and improve the quality of our natural and built environments.</p> <p>2.1 Our resources are used in a sustainable way</p> <p>2.2 Land use planning delivers vibrant, connected and productive places</p> <p>2.3 Our infrastructure meets current and future community needs</p> <p>2.4 Our natural assets are maintained and enhanced</p>
Economy	<p>We market a positive investment environment that promotes and builds on our diverse mix of economic activity and assist enterprises to take advantage of opportunities in a rapidly changing economic and social world.</p> <p>3.1 Our business environment is adaptable and prosperous</p> <p>3.2 Our local economy provides opportunities for employment, learning and training</p> <p>3.3 East Gippsland is the place to visit, live, work and invest</p>
Stewardship	<p>We act as stewards of significant community assets and resources and therefore undertake to optimise services to meet needs, plan and implement our work with prudence and diligence, and attract the best people to Council, as representatives, employees and volunteers.</p> <p>4.1 Shire services meet the needs of our communities and stakeholders at an acceptable cost</p> <p>4.2 We make decisions through transparent processes and execute our plans prudently and effectively</p> <p>4.3 East Gippsland Shire Council is an exciting, rewarding and inclusive organisation</p>

The following pages document the performance, achievements and challenges of Council during 2014-15 in each of our areas of focus.

Progress against the Council Plan 2013-2017 is measured throughout the year against the delivery of commitments set out in the annual action plan. Our progress is reported quarterly to the Audit Committee and Council. These quarterly progress reports are published to the community through Council's website.

Council's performance for the 2014-15 year is reported against each goal to demonstrate how council is performing in achieving the Council Plan. Performance has been measured as follows:

- Results achieved for the strategic indicators in the Council Plan.
- Progress on the major initiatives identified in the 2014-15 Budget.
- Services funded in the budget.
- Results against the prescribed service performance indicators and measures.

Council's performance for 2014-15

This past year 74% of planned activities were completed. A further 17% are behind schedule. Information on these commitments is provided below. The remaining ongoing commitments are on schedule.

Less than 2% of activities are not able to be delivered (two commitments). These have largely been affected by contractor issues and delays due to policy changes within the education sector.

Overall status by quarter for major initiatives

Status of 11 Major Initiatives		Q1	Q2	Q3	Q4
Completed		-	-	-	7
Not likely to meet		-	-	-	-
Behind Schedule		-	-	2	3
On Schedule		10	11	9	1
Not commenced		1	-	-	-

Major Initiatives that are behind schedule

Major Initiative	Further information
Collaborate with East Gippsland's Aboriginal community to implement actions from the Reconciliation Action Plan that embeds cultural change in the organisation through increased mutual understanding and effective partnerships.	Page 45
Develop an asset management process to ensure core compliance with the National Asset Management Assessment Framework.	Page 59
Finalise the Gippsland Lakes Inundation and Adaptation Management Plan and Lakes Entrance project to pilot appropriate approaches to supporting long-term community adaptation to the impact of climate change.	Page 59

Overall status by quarter for other initiatives

Status of the remaining 102 Initiatives		Q1	Q2	Q3	Q 4
Completed		2	4	8	77
Not likely to meet		5	3	8	-
Behind Schedule		1	3	12	16
On Schedule		85	87	74	8
Not commenced		9	5	-	1

Other Council Plan initiatives that are behind schedule

Initiative	% Complete
<i>Implement year one actions of the Diversity, Access and Social Inclusion Plan (DASIP)</i>	50%
<p>Comments: The working party has only recently been able to focus on collective action to implement the DASIP Action Plan. The commencement has been encouraging and engaging. Detailed action planning with associated tasks has been completed for two of the five targeted actions for 2015.</p>	
<i>Implement year one actions of the Access to Information plan to promote e-literacy and the ability to access information</i>	50%
<p>Comments: The implementation of the Access to Information Action Plan is progressing. It was hindered by the inability to recruit a new Manager Community Programs during the financial year. Despite this, the library service continued to offer training for seniors on the basic use of computers through the broadband for seniors program with participants continuing to access the program across the Shire.</p>	
<i>Work with industry to investigate specific waste reduction and re-use opportunities</i>	70%
<p>Comments: Officers worked with Sustainability Victoria (SV) and Gippsland Waste and Resource Recovery Group to explore options to recycle polystyrene waste and with the Bairnsdale TipShop Inc. to recycle mattresses. A funding application to SV to purchase a mobile polystyrene machine was cancelled due to State Election caretaker conventions. Council's waste officers will be exploring more options to introduce polystyrene recycling in East Gippsland.</p>	
<i>Partner with external bodies to divert organic waste from landfills</i>	95%
<p>Comments: Officers are working with East Gippsland Water (EGW) and Food Clusters to trial a new technology to compost organic waste. The technology to be trialled is patented by Biomax Solutions; a Singaporean Company. Initial discussions have taken place to review EGW sites that may be suitable for setting up composting facilities.</p>	
<i>Manage and maintain a centralised Community Directory to provide a user-friendly tool for accessing existing community groups.</i>	75%
<p>Comments: The new updated Community Directory was dependant on a website upgrade being completed. This upgrade took longer than expected and was delayed by the supplier for several months. Implementation of the Community Directory was also delayed as a result. The project is now on track and due to be completed in early 2015-16.</p>	
<i>Develop a Positive Ageing Plan 2015-2020</i>	30%
<p>Comments: The project will not be delivered until the first half of the 2015-16 year as it is still in the planning stage.</p>	
<i>Develop place-based communication mechanisms for at least two communities to provide communities with regular information about Council activity in their 'place'</i>	80%
<p>Comments: The focus in the fourth quarter was on using the Shire's Your Say</p>	

Initiative	% Complete
<p>tool to engage with specific projects in specific localities. The Your Say tool's ability to be used for email newsletters was also investigated.</p>	
<p><i>Finalise the Gippsland Lakes Sustainable Development Plan and commence incorporation into the East Gippsland Planning Scheme</i></p> <p>Comments: This project has experienced a number of hurdles that saw termination of the consultant's contract. This was a time consuming exercise involving legal processes. The Shire is currently negotiating with other agencies represented on the Steering Committee to finalise the project using the combined experience of the Steering Committee, plus some external mapping and environmental analysis work. A timing variation for the project has been received the project will be delivered as detailed in the original service agreement.</p>	50%
<p><i>Introduce developer contributions mechanisms to enable equitable provision of cost sharing infrastructure in new developments</i></p> <p>Comments: This work has been delayed to align it with new state-wide planning provisions. The Planning and Environment Amendment (Infrastructure Contributions) Bill 2015 was introduced to Parliament in the last quarter. The new legislation is an important step in simplifying the Victorian Planning System and means faster development approvals. An Implementation Reference Group has been established to finalise the details. This represents a major step in the improvement to the developer contributions methods and approaches. These major advances will result in our methodology going forward for a number of Structure Planning exercises currently being prepared.</p>	10%
<p><i>Finalise an Open Space Policy and begin developing planning tools to guide delivery of future open space improvements across the Shire</i></p> <p>Comments: The scale of this project is significantly larger than anticipated, leading to some delays as data was collected and analysed. A background report has been prepared to support this project, documenting and categorising all open space under East Gippsland Shire management. The first draft of the strategy has also been prepared. This strategy gives direction on planning matters; maintenance; use and hierarchy of open space. The project has will be completed in-house next financial year.</p>	50%
<p><i>Finalise delivery of Eastern Creek drainage infrastructure for Lakes Entrance</i></p> <p>Comments: Delays with this project are a result of problems with an existing gravity sewer pipeline running through the creek upstream of the Carpenter Street Bridge. Unfortunately this pipeline is at such a level that in its current location it interferes with all the design components downstream. As the pipeline is an East Gippsland Water's asset, Council cannot undertake any additional works until an agreement is reached with them.</p> <p>At this point in time, the timeframe for this project is outside of Council's control and will be advised following negotiations with East Gippsland Water.</p>	72%
<p><i>Prepare businesses for the digital economy through education and communication of the opportunities associated with high speed broadband</i></p> <p>Comments: The scope of the project is to develop a digital plan to support business productivity and competitiveness. KPMG were successful in the tender</p>	80%

Initiative	% Complete
<p>process and conducted a series of business engagements and workshops.</p> <p>The draft plan was presented to Council who endorsed its release for public comment. Following public comment period, the comments will be assessed and the final plan will be presented to Councillors for endorsement.</p>	
<p><i>Implement year one actions of the Integrated Communications Strategy to maximise communications opportunities and engage with the community</i></p> <p>Comments: As part of the organisation restructure, resources have been appointed to implement the strategy 'on the ground' and to provide direct supervision of the actions from the strategy.</p>	25%
<p><i>Develop an Information Technology strategy that optimises the use of existing and developing information technology infrastructure and services to meet stakeholder needs</i></p> <p>Comments: An external Information Technology Service Review and Analysis commenced in April 2015. All activities in the development of strategy and its implementation has been placed on hold until such time the consultant's review and analysis is received and considered. As at 30 June 2015 the consultant's report was not available due to circumstances outside Council's control.</p>	95%
<p><i>Deliver year one actions from the Workforce Development Plan to position Council to deliver current and future Council and community objectives</i></p> <p>Comments: The priority Workforce Development actions that Council will focus on first are performance management; our learning and development framework; succession Planning, staff retention and talent identification; and our recruitment strategies.</p> <p>East Gippsland Shire Council is committed to promoting inclusive employment, which encompasses supportive practices to ensure employment opportunities are provided to the wider community. In order for us to be able to focus on inclusive employment, a recruitment strategy is being developed which provides options and information for recruiting managers and supervisors to increase the number of young people, Indigenous applicants and people with a disability to be aware of and apply for roles within Council.</p>	70%
<p><i>Work with partners and stakeholders to investigate mechanisms for improving virtual learning and technology supported training in remote locations.</i></p> <p>Comments: The Technology Enabled Learning Centres program is a project primarily delivered via an external agency. The program has not proceeded at this point in time and is beyond the Shire's ability to influence. The project has been delayed due to policy changes within the education sector and will not be continued.</p>	10%

The following pages outline our performance in each area of focus: People, Place, Economy and Stewardship.

People

We contribute to healthy, resilient and independent communities and support increased connection with their history, landscape, local economies, families and their social networks.

Goal 1.1: Our communities are connected and inclusive

Council adopted a plan to support community inclusion. Following extensive strategic work and community consultation, East Gippsland Shire Council adopted its first East Gippsland Diversity, Access and Social Inclusion Plan on 02/09/14. The plan outlines Council's commitment to developing communities where everyone has access to the services they need and where all people, regardless of their differences, are appreciated, respected and valued. This includes ensuring that everyone can join in community activities, participate in education, and obtain employment.

The plan comprises a vision for the shire as an organisation and the broader community, a framework for the municipality, including for the development of partnerships to support the plan, as well as actions and strategies aimed at building and strengthening inclusive communities.

A local Reference Group comprising a number of key organisations led the development of the plan and will continue to guide its implementation. Council's Disability Advisory Committee has also provided valuable advice to Council over many years and ensured that the needs of people with a range of abilities are taken into account, with access and inclusiveness becoming and remaining primary objectives.

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

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Increase in library activity from the previous year	257,641	346,766	Over the past year our libraries launched a new online magazine database Zinio, which holds 29 magazine titles; added an additional database of eBooks, Axis 360 which contains an additional 250 eBook titles; replaced Library Opacs and added extra machines providing better access to the library catalogue across the Shire; and introduced the ability to join the library online.
Increase in the number of people participating in arts programs and activities	9,914	11,392	The number of performances at the Forge Theatre and Arts Hub has also increased across this period from 47 in 2013-14 to 60 in 2014-15.

The following statement reviews the progress of Council on major initiatives identified in the 2014-15 budget for the year.

Major Initiatives	Progress
Collaborate with East Gippsland's Aboriginal community to implement actions from the Reconciliation Action Plan that embeds cultural change in the organisation through increased mutual understanding and effective partnerships.	The Reconciliation Action Plan (RAP) was adopted in December 2014 and launched at a public event at the Bairnsdale Library during Reconciliation Week on 2 June 2015. Implementation of the RAP has commenced. Of the six actions due for completion in this reporting period two have been completed and four commenced. A cultural awareness training strategy has been developed for the organisation and events sponsored by Council are required to provide an Acknowledgement of Country. Work has started to provide Cultural Awareness Training for the entire organisation including training for Councillors; protocols associated with acknowledgement of the traditional owners; and an email signature for use by staff. In addition to these actions a number of school based trainees are being engaged from the community. Planning also took place for NAIDOC week activities, including planting out garden beds in Main Street in appropriate colours.

Council has taken steps to embed cultural change in the organisation through increased mutual understanding and effective partnerships. Council adopted its first Reconciliation Action Plan on 16/12/14. Organisations that commit publicly to the implementation of a Reconciliation Action Plan are saying to the community that they want to contribute to the evolution of a community that is increasingly equitable and just and to break down the impact of stereotyping and discrimination that exists for many community members by changing how we undertake our work.

The actions identified in the RAP presented to Council are intended to ensure that over time, the way that Council works with and recognises the important cultural distinctiveness of Aboriginal members of our community, becomes part of our everyday practice. Council, as a leading organisation in the community has the opportunity to make a significant impact on the whole East Gippsland community.

The quite distinct identity of Aboriginal Australians, their connection to traditional lands, language and culture is extremely important. Development of a Reconciliation Action Plan is a robust process for growing the level of understanding, recognition and value that this cultural difference can contribute to a respectful society.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Arts and Culture	This service provides a varied ongoing program of arts and cultural events that bring our communities together to celebrate our identity and generate ideas. It also provides funding and strategic advice to support the development of arts and culture in East Gippsland.	418 <u>497</u> 79

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'000
Community Development	The Community Development function manages Council's community programs to ensure support, assistance and information is provided to the community at all stages of life and also provide community facilities that enhance social and health outcomes and improve local neighbourhood amenity.	482 <u>682</u> 200
Library Services	Council provides public libraries and outreach services at six locations within the municipality. These centres are customer-focused and provide services and programs that meet the learning and information needs of local communities. It also provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered and increase their participation in community life.	1,085 <u>915</u> (170)
Performing Arts	Provide performing arts facilities, including the Forge Theatre and Arts Hub, accessible programs and events that celebrate our cultural diversity and enrich the lives of our community and visitors.	461 <u>453</u> (8)

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

Service Performance Outcome Indicator	Result
Libraries	3.09
Utilisation	
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	
Resource standard	
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	52.87%
Service cost	\$3.23
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	

Goal 1.2: Our communities are resilient and adaptable

Support for early learning opportunities in Omeo and the high country – The High Country Early Years Action Group Capital Grant Application was successful and a new Early Learning Integrated Centre will be built on the Omeo Primary School site. Joint funding for the project includes; Capital Works Grant Victorian Government funding \$646,500 and Australian Government funding of \$215,000.

Council officers have provided a significant level of support to the community to assist in reaching this very successful outcome. Officers have assisted in the facilitation of two High Country Early Years community consultations as well as 14 professional development training sessions by Kathy Walker, Early Years Consultant, in each childcare service centre and three schools in the High Country as well as one professional development community consultation in Swifts Creek.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Number of scheduled Local Incident Management Plans adopted by Council	15	17	Local Incident Management Plans adopted by Council to date is 39. Development of plans is put on hold if emergency events are experienced during the year. Further information Council's Emergency Management activity is provided from page 89.
Percentage of Community Plan projects completed	61%	59%	Assessments of all Community Plan actions for 2014-15 shows that 188 Community Plan projects began during the year, of which 110 have been completed, with the remainder well advanced (many of which were to be delivered over multiple years).

Major Initiatives	Progress
1.2.3.1 Work with communities to build capacity through implementation of priority actions in Community Plans	Completed. Work has focused on partnerships with community groups to implement key priorities from the ten adopted Community Plans. A new plan for Bemm River is being developed.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Community Planning	The Community Planning function support, encourage and work with citizens and community groups to identify their own needs and aspirations and how to achieve them and provide responsive,	113 149 36

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'000
	high quality services and facilities. This service informs and engages with our community and stakeholders using various communication mediums.	
Community Support	Council has agreements with suitable organisations across the Shire that provide a range of Home and Community Care services (HACC) for the aged and disabled including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen clubs. The Victorian Government directly funds the providers for the provision of the specified services and Council makes a financial contribution to the operations of each of the providers.	663 <u>619</u> (44)
Family and Youth Services	Council supports kindergartens and playgroups. Support is also provided to suitable organisations that provide Maternal and Child Health services (MaCH). The providers of the MaCH service are directly funded by the Victorian Government for the provision of the specified services and Council provides a financial contribution to the operations of each of the providers.	437 <u>419</u> (18)
Emergency Management	Council works collaboratively with relevant stakeholders to assist communities to prepare for emergency events and natural disasters and, in times of emergency, to respond to their needs and help them recover.	1,845 <u>1,100</u> (745)

Goal 1.3: Our communities are safe and active, healthy lifestyles are supported

Support is being provided to help low income families to participate in sport and recreation programs. Recreation Centres have provided support for low income families by introducing Free Friday night swimming. This happens every Friday night (except public holidays) from 3.00 pm to 8.00 pm.

There are also 12 free entry family fun days on weekends throughout the year, that provide fun activities for all residents in both wet and dry sports. To enable access to low cost exercise programs the Recreation Centres have supported community exercise programs which are approximately 25% of the normal cost of a group fitness program.

Strategic Indicator	2013-14 result	2014-15 result	Comments
Increased attendance at Council-operated recreation facilities (Source: Council Recreation Centre Data)	343,801	357,425	A Recreation Centre Operation and Service Review was completed in December 2014. A number of recommendations will be implemented from 2015 to improve operational efficiencies and how the centres work with our patrons.
Rated community satisfaction with the performance of Council-operated recreational facilities (Source: Local Government Community Satisfaction Survey)	69	n/a ¹	91.35% of respondents to the Council-issued satisfaction survey in 2014 indicated that they would recommend recreation centre programs to family and friends.
Increasing immunisation coverage rates (Source: Australian Childhood Immunisation Register (ACIR))	93%	91%	The ACIR changed the way they assess children as being up-to-date to include new vaccines. This has had an impact on the coverage rates.

Measures not able to be reported

The following strategic indicators were included in the Council Plan 2013–2017. There are no recent updates to the Community Indicators Survey for these measures. VicHealth has not released any new survey data since their 2011 surveys.

Strategic Indicator	Baseline/Target
Increasing community perception of feeling safe in the community: day	+0.4%/≥ Victorian average
Increasing community perception of feeling safe in the community: night	+3.3%/≥ Victorian average

Major Initiatives	Progress
1.3.3.2 Coordinate facilitated working sessions to address social health issues identified as a priority issue for multiple agencies.	Completed. Council is represented on the Executive Committee of the East Gippsland Primary Care Partnership, where all local health and welfare agencies continue to develop partnership projects. Ongoing work to address social health issues is implemented in partnership with other agencies through the Municipal Public and Wellbeing Plan Health Plan and a range of sub-plans, including the Diversity Access and Social Inclusion Plan, the Municipal Early Years Plan and the Youth and Positive Ageing Review. This has included partnering with the Heart Foundation to pilot the development of a range of new projects to engage people in healthy lifestyles in a regional setting; developing an action plan

¹ Rated satisfaction with Council's Recreation facilities was not measured using the same methodology in 2014-15. An internal Customer Satisfaction Survey was completed in October 2014.

focussed on increasing knowledge and capacity of key organisations to diversify their workforce, planning and delivering Seniors Week, auspicing the Communities that Care Program in the High Country and preparing to host the Aboriginal Best Start Program on behalf of the community. Council has been extremely successful in progressing activities that have seen a constructive engagement with younger people in the Shire through the Youth Engage Program and the Youth Ambassadors.

Keeping our community safe. The CCTV Project for Lakes Entrance and Bairnsdale central business districts was completed and launched in October 2014 and is now in operation.

The project in Bairnsdale has been supported by a \$110,000 grant from the Victorian Government's Community Crime Prevention Program, while the Shire fully funded the Lakes Entrance component of the project. The locations of the cameras were selected in conjunction with Victoria Police and based on high-activity areas of the central business district.

Bairnsdale has 10 cameras installed at locations including the Main Street Gardens, Nicholson Street Mall, and near the Visitor Information Centre and taxi rank. Four cameras have been installed in Lakes Entrance near the public toilets at the footbridge, in Mechanics Street, and along the Esplanade.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Public Health	This service maintains and improves the health and safety of people and the environment through services to maintain safety, amenity and harmony in the community, in accordance with the <i>Public Health and Wellbeing Act 2008</i> . It protects the community's health and well-being by coordinating food safety support programs, registered premises inspections, <i>Tobacco Act 1987</i> activities and wastewater management. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls and provides an immunisation service.	499 <u>367</u> (132)
Community Laws	This service also maintains and improves the health and safety of people and environment. This includes staff at school crossings throughout the municipality to ensure that pedestrians are able to cross the road safely, animal management services which are delivered in accordance with the <i>Domestic Animals Act 1994</i> , including a lost and found notification service, a contracted pound service, registration and administration service, an afterhours service and an emergency service. It also provides education,	647 <u>609</u> (38)

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
	regulation and enforcement of the General Local Law and relevant Victorian legislation.	
Recreation Centres	This service combines a wide range of programs and services, which provide opportunities accessible to individuals of all ages, sexes and abilities to participate in a variety of health, education, and leisure activities, which contribute to the general wellbeing of the community. This includes a range of recreational facilities comprising indoor and outdoor swimming pool facilities, a fully equipped gymnasium, aqua aerobics and group fitness classes, stadium and childcare facilities.	2,196 <u>2,361</u> 165
Recreation and Sporting Reserve Management	This service is responsible for the maintenance and operation of sporting grounds and pavilions and community centres with meeting, function and activity space. Often this work is undertaken in conjunction with community operated committees of management. The service assists in the delivery of strategic sporting outcomes across through the upgrade and improvement of facilities and the attraction of funding to undertake this work.	4,455 <u>1,486</u> (2,969)

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

Service Performance Outcome Indicator	Result	Comments
Animal Management		
Timeliness		
<i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	n/a	This data is not required to be reported until the financial year beginning 1 July 2015.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	n/a	Unable to report collected registered animals sent to the pound during this period. A process is in place to record this data from 01/07/15 with Council's external agent.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$24.10	
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management	0	We have had no animal management issues that

Service Performance Outcome Indicator	Result	Comments
prosecutions]		have warranted Court action in the past 12 months.
Aquatic Facilities		
Satisfaction		
<i>User satisfaction with aquatic facilities</i> [User satisfaction with how council has performed on provision of aquatic facilities]	n/a	This is an optional measure. No consistent survey methodology has been established for Councils to undertake this survey.
Service standard		
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2	
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	
Service cost		
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$4.06	
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$12.11	
Utilisation		
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.17	
Food Safety		
Timeliness		
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	n/a	This data is not required to be reported until the financial year beginning 1 July 2015.
Service standard		
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act</i>]	100.28%	

Service Performance Outcome Indicator	Result	Comments
<p>1984] x100</p> <p>Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]</p>	<p>\$504.30</p>	<p>Council's food safety service is part of the larger Environmental Health service. As staff work across a range of health services an activity-based costing approach has been taken to establish the cost of the food safety service.</p>
<p>Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100</p>	<p>0</p>	<p>There were no reportable critical and major non-compliance incidents in 2014-15.</p>

Place

We promote, maintain and improve the quality of our natural and built environments.

Goal 2.1: Our resources are used in a sustainable way

Council's new waste prototype has been recognised nationally - The 30m³ split skip bin solution developed and introduced as an alternative waste disposal option for remote communities at Bendoc, Benambra and Gelantipy has been shortlisted as a finalist for the Australasian Waste and Recycling Expo (AWRE) Innovation Council Award 2014.

This 30m³ split skip bin service has not only introduced recycling to these areas but also provides a safer waste disposal service to these communities. Each 30m³ split skip bin is caged and enclosed with a partition that has a latch. The bin has two sides - one for recycling and the other for general waste that are locked. Keys are provided to all ratepayers in those communities and surrounds. This restricts access to the residents of the community only and prevents any commercial operator or cross-border illegal disposal.

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

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Reduce emissions from Council's energy use from 2011-12 levels	6,130 CO ²	8,847 CO ²	About 315 tonnes of additional electricity has been used in 2014-15 than the previous year. This year's data includes fuel and all streetlights, so emissions appear higher than last year. Street light emissions have lowered significantly due to the changing street lights to 18w LED from February 2015 onwards. In July 2015 streetlights used 98,065 kWh, compared to 182,870 kWh in July 2014.
Reduce Council's energy use from 2011-12 levels	30,819 GJ	33,583 GJ	There are reductions in LPG gas use of 1,555 GJ compared to the year before at the Lakes Entrance Aquadome due to the switch to air source heat pumps, pool blankets and LED lighting part way through the year.

The following strategic indicator is now reported as part of the Local Government Performance Reporting Framework Indicators on page 147.

Strategic Indicator
Increase in the percentage of household waste, recyclables and green organics collected from kerbside bins that is diverted from landfills.

Major Initiatives	Progress
2.1.1.1 Evaluate and implement initiatives to reduce areas of high energy consumption within Council's business	<p>Complete. Energy efficiency projects are progressing under the Community Energy Efficiency Program (CEEP), which aims to reduce energy use and energy costs. Stage 1 of streetlight upgrades has been completed with 1,451 80W mercury vapour lights changed to 18W LEDs.</p> <p>Upgrades to the Bairnsdale Aquatic and Recreation Centre and the Lakes Entrance Aquadome. Initial assessment of the Aquadome estimates savings of 500 litres of LPG per day during winter months.</p> <p>Installation of Heating Ventilation and Air Conditioning (HVAC) for the Corporate Centre together and lighting upgrades to LED.</p> <p>Progress will continue in 2015-16 on Council's Energy Use Reduction Plan.</p>
2.1.3.1 Implement the Waste Facilities and Disposal Strategy to provide the most suitable and safe waste service model for the region	<p>Complete for 2014-15. The Strategy was formally adopted at the Council meeting on 16/12/2014. A number of capital projects and commitments have commenced, including: a waste service review for Gipsy Point, Ensay, Club Terrace, Combienbar, Genoa and Goongerah; rehabilitation of the Bosworth Road Landfill; construction of Waste Transfer Stations at Orbost and Bonang; closure of the Orbost Landfill and Newmerella Waste Transfer Station and upgrades to the Omeo Waste Transfer Station.</p>

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Environmental Sustainability	<p>This service implements policies and strategies that support and encourage the protection and management of remnant native vegetation and revegetation. The service enhances conservation through the protection and management of remnant native vegetation and revegetation and protects and enhances bushland parks and reserves to preserve the native habitat of flora and fauna.</p> <p>It also implements community awareness and behavioural change programs to encourage and support reduced use of energy and resources.</p>	<p>630 <u>477</u> (153)</p>
Waste Services	<p>This service provides kerbside waste collection of household waste, recycling and green waste from households; and landfill and transfer station facilities. The service operates and rehabilitates Council's current and legacy landfills, and manages</p>	<p>6,493 <u>4,039</u> (2,454)</p>

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
	the East Gippsland Waste and Recycling Centre in ways that promote positive waste behaviour in the community and minimise environmental impacts.	

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

Service Performance Outcome Indicator	Result
Waste Collection	
Satisfaction	
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	16.25
Service standard	
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.59
Service cost	
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$59.79
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$34.67
Waste Diversion	
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.73%

Goal 2.2: Land use planning delivers vibrant, connected and productive places

Residential land boost for Lakes Entrance - Residential growth in the northern growth area of Lakes Entrance has received a boost with the adoption of Planning Scheme Amendment C112 Part 1. The Planning Scheme Amendment is an important step forward following several years of rigorous investigation and consideration. The amendment, which has recently been signed off by the Minister for Planning, is a result of extensive community consultation and will see a rezoning of 245 hectares of farmland to residential development.

Having been identified in the Lakes Entrance Urban Design Framework, this amendment brings together a wide range of opportunities and constraints for development. Key features of the planned future development of the new residential community will be access to social and

economic opportunities with the provision of passive and active open space, plans for a neighbourhood centre and access to extensive shared pathways and roads. There will be a 500-metre buffer zone surrounding the existing landfill. The buffer ensures the area next to the landfill is suitable for residential development once the site is no longer in operation.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Paynesville, Eagle Point and East Bairnsdale Structure Plans completed and adopted by Council.	25%	60%	Paynesville and Eagle Point are progressing to schedule. The East Bairnsdale Structure Plan is behind schedule and has been re-programmed for 2015-16.

The following strategic indicators are now reported as part of the Local Government Performance Reporting Framework Indicators on page 58.

Strategic Indicator
Increase in the percentage of planning application decisions made within 60 days.
Decrease in the median number of days to decide planning applications.
Increase in the proportion of planning application decisions subject to a review by VCAT that upheld Council's decision.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Strategic Planning	This service aims to deliver vibrant, connected and productive places and infrastructure to current and future community needs. Strategic Planning advocates for and implements land use policies, plans and standards that guide land use development and promote sustainable design, development and heritage conservation. This is supported through continual reviews and improvements to the East Gippsland Planning Scheme.	996 <u>1,319</u> 323
Statutory Planning and Development Services	Statutory planning process and assess planning applications in accordance with the <i>Planning and Environment Act 1987</i> , the Planning Scheme and Council policies aimed at ensuring that our cities, towns and settlements develop in an orderly and sustainable way. It provides advice and makes decisions about development and land-use proposals, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	655 <u>744</u> 89

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Building Control	This service enforces statutory building regulations under the Victorian Building Code. These include processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	153 <u>177</u> 24

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

Service Performance Outcome Indicator	Result
Statutory Planning	
Timeliness	47
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	
Service standard	
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	64.34%
Service cost	
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$1,680.62
Decision making	
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50%

Goal 2.3: Our infrastructure meets current and future community needs

A world class rowing landing has been completed at Johnsonville. The new floating landing at Harry Clues Memorial Park was officially opened on 22/08/14.

Rowing provides significant economic benefits for the region. In one annual camp, approximately 130 rowers from the Victorian Institute of Sport stay in Johnsonville for 10 days, providing an economic boost to this small community. The new floating landing designed to better cope with the fluctuating water levels is the result of lobbying by the Harry Clues Memorial Park Management Committee. The Committee helped guide the design and were involved in the process throughout the life of the project. A great result from the dedication and hard work of the members of this volunteer committee.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Achieve core compliance with the National Asset Management Assessment Framework.	95%	45%	Not achieved. An in-depth review of the requirements has been carried out and the score card has been revised down to more closely match what has been achieved overall. A plan has been put in place to ensure Core Compliance is achieved within the next six months.
Percentage of Capital Works Program completed by the end of the financial year.	57%	98%	A sustained push by the whole organisation has seen the delivery of Capital Works increase in percentage against the Adopted Budget.

Major Initiatives	Progress
2.3.2.1 Develop an asset management process to ensure core compliance with the National Asset Management Framework	Not completed. The Asset Management Steering group has been reinstated and met several times. The group is currently reviewing the asset management strategy, plans, policy and providing input into the development of a strategic action plan which will provide clear direction and focus for Council.
2.3.2.3 Finalise the Gippsland Lakes Inundation and Adaptation Management Plan and Lakes Entrance project to pilot appropriate approaches to supporting long-term community adaptation to the impact of climate change.	This is 30% complete. Development of the project framework and the various project elements has progressed. Work to finalise a consultant's brief for the project is nearing completion. Engagement with the community has commenced.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Asset Management	This service conducts planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges.	342 434 92
Asset Maintenance	This service provides management ongoing maintenance of the Council's assets, including 2,900km of roads, 209 bridges and 23 pedestrian bridges; over 300km of drains and 186 km of footpath, and 517km of kerb and channel; numerous playgrounds, parks and gardens, and recreation	26,157 22,908 (3,249)

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
	reserves; 3 aerodromes; over 4,000 street lights; 41 public jetties, 19 fishing platforms and 31 boat ramps; and the Raymond Island Ferry.	
Project Management	This service undertakes project planning, design and delivery of various works within Council's Capital Works Program.	622 <u>511</u> (111)
Works	This service provides for the management and maintenance of Council's building infrastructure and assets. It includes management and maintenance of Council's vehicles, machinery and equipment and place based works crews.	2,785 <u>2,219</u> (566)
Emergency Response	Council has a significant responsibility in emergency management and disaster response across East Gippsland, along with other lead agencies. Although the Australian Government provides significant funding to repair and reconstruct assets following natural disasters, Council (in the first instance) is required to fund the response and then seek recompense after the event. Council therefore carries that burden while waiting for reimbursement, which can impact upon current plans for infrastructure planning and maintenance. <i>* Please note that the matching expenditure for Natural Disaster reimbursements was incurred during 2013-14.</i>	0 <u>* (3,765)</u> (3,765)

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

Service Performance Outcome Indicator	Result
Roads	
Satisfaction of use	23.16
<i>Sealed local road requests</i>	
[Number of sealed local road requests / Kilometres of sealed local roads] x100	
Condition	93.80%
<i>Sealed local roads below the intervention level</i>	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	
Service cost	\$47.12
<i>Cost of sealed local road reconstruction</i>	
[Direct cost of sealed local road reconstruction / Square metres of	

sealed local roads reconstructed]	\$7.11
<i>Cost of sealed local road resealing</i>	
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	
Satisfaction	46
<i>Satisfaction with sealed local roads</i>	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	

Goal 2.4: Our natural assets are maintained and enhanced

Encouraging community action on climate change. Earth Hour organisers hosted a free, full-day workshop on 24/08/14. Former Young Environmentalist of the Year and co-founder of the Australian Youth Climate Coalition, Anna Rose, shared how she believes the community can be involved in climate change solutions.

Workshops were held on community organising, campaigning and communicating climate change. This was a fantastic opportunity for all members of the community to learn about climate change and community action.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Percentage of 206 km of Target Area Roadside Weed Control treated.	271% (560 km)	197% (406km)	
Percentage of land managed in accordance with approved vegetation offset plans.	100%	n/a	Recent changes to the Native Vegetation Framework in Victoria have resulted in changes to the current Land Bank arrangement put in place to provide vegetation offsets for priority Council projects. There is significant risk and uncertainty associated with the current native vegetation regulation-driven offset market. While we will continue to manage existing Land Bank sites, it is not recommended that there be any further expansion of this program at present.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Environmental Management	The Environmental Management function is to identify and manage broad based environmental issues on Council owned or managed land including Council's Mosquito Management Program, pest	1,852 <u>1,314</u> (538)

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
	plants and animals and urban waterways.	
Parks and Gardens	Parks and Gardens provides management and implementation of open space strategies and maintenance including mowing, garden maintenance, annual displays, weed control and walking track maintenance. It also provides tree maintenance including inspection, pruning and removals.	8,788 <u>3,695</u> (5,093)

The community, Council and agencies worked together to find a solution to the bat population along the Mitchell River. The ongoing presence of Grey-headed Flying-foxes beyond the normal May or June departure period had prevented East Gippsland Shire Council from undertaking vegetation removal works along the Mitchell River at Bairnsdale.

Officers from the Shire, the Victorian Department of Environment, Land, Water and Planning (DELWP) and representatives of the National Bat Solution Group Inc. met with representatives from the Commonwealth Department of Environment to explore options that may be possible to allow Council to undertake approved vegetation removal works.

To ensure the safety of the Grey-headed Flying-fox, a staged approach to remove the trees over time has been an important factor in this project. Removal of these trees makes the Mitchell River walking path a much safer environment for recreational users of the path.

Future revegetation of the area with indigenous species will almost complete a native vegetation corridor that provides habitat for a number of animal species.

Economy

We market a positive investment environment that promotes and builds on our diverse mix of economic activity and assist enterprises to take advantage of opportunities in a rapidly changing economic and social world.

Goal 3.1: Our business environment is adaptable and prosperous

Information evening to get food businesses on the map. Sixty-three local food growers and producers, restaurateurs, hospitality operators and retailers attended a free information evening on 17/09/14 about the online East Gippsland Food Map.

The Food Map is one of several projects aimed at leveraging East Gippsland's strong food sector; including a branding project to help promote East Gippsland produce, and an online sales system to assist sales and distribution for growers and processors.

The session included a demonstration of the features of the Food Map and how it can help food businesses be visible to residents and visitors who have a keen interest in where their food comes from. The interactive Food Map uses Google mapping systems to provide a new way for consumers to reconnect with their food, helping restaurants to source fresh ingredients and encouraging the community to buy locally.

It gives growers, producers and sellers a platform to share their passion for local produce, which supports local economies and healthy communities by:

- Profiling East Gippsland's fantastic produce to locals, visitors or resellers and eateries;
- Increasing exposure and provided details on what businesses do;
- Promoting local produce to the community; and/or
- Extending market reach and telling people where to purchase products.

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

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Increase in the number of registered businesses in the region.	8,451	8,545	New business registrations increased 1.1% in 2014-15.
Positive growth for Headline Gross Regional Product (GRP).	\$1.751m	\$1.818m	The region's GRP increased 3.8% in 2014-15.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Major Projects	This service works with the Victorian Government, industry and business to support the attraction of new investment in East Gippsland.	250 <u>355</u> 105
	Major projects facilitate and advocate for major planning, infrastructure and investment projects aimed at opening significant opportunities for	

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
	business growth and employment for the region.	
Business Growth	This service supports the development of business and industry in East Gippsland through business information services, referrals to other organisations for support, facilitation of industry networking and knowledge sharing events, and facilitation of funding opportunities at all levels of government. It also works with government departments to link businesses to Victorian and Australian Government services to support growth and diversification.	120 <u>120</u> 0

Goal 3.2: Our economy provides opportunities for employment, learning and training

Partnerships provide training and support for small businesses. A number of Small Business programs were delivered this quarter in partnership with Business and Tourism East Gippsland (BTEG).

A free business seminar in August on 'Managing for Success' covered the top five tips for creating a successful business and how to manage for success rather than just avoiding failure. Attendees were also invited to take up mentoring and offered a free membership to The Small Business Institute.

The Shire supported the Small Business Festival Victoria which ran from 1-31 August. The festival offers low-cost and free events throughout the state covering a range of topics from business and financial planning, through to marketing, social media, innovation, franchising and exporting. One event was held - 'Conquer Challenges with Maximum Effect', which included a panel of successful Gippsland business people lifting the lid on their strategies for success and overcoming challenges.

Two free workshops in Lakes Entrance and Bairnsdale for event organisers aimed to provide practical tips and ideas on event management while facilitating an opportunity for event organisers to network with like-minded business and event operators.

Business Development	2013-14	2014-15
Number of business development activities (engagements) Number of participants attending	117	265
Number of forums / programs / workshops / training programs delivered	17	29

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Regional unemployment rate compared to state unemployment rate.	6.2%	6.1%	East Gippsland's unemployment rate has been below the Victorian unemployment rate since 2012.
Increase in the percentage of exiting Year 12 students continuing to higher education.	22.3%	22.3%	Data sourced through GELLEN.
Increase in the number of adults up skilling.	n/a	n/a	Data is unable to be sourced. The Victorian government has changed the way they report this data. There have also been changes in the sector as a result of newly elected government and merger of Advance TAFE and GippsTAFE to Federation Training.

Major Initiatives	Progress
3.2.1.3 Work with the Orbost community to evaluate projects from Advancing Orbost 2020 that can be implemented to transform the local economy.	<p>This multi-year project is 75% complete. A series of Business Mentoring programs targeted at women in business are being delivered to 10 participants, in Partnership with Business and Tourism East Gippsland. The program includes a six month program of mentoring and training sessions.</p> <p>An age friendly audit has been undertaken to 'map and gap' age friendly community features and identify priority projects. A facilitated age friendly forum was held in April 2015 as part of this process with members of Orbost community. Input has also been requested from Orbost District Community Development Group members.</p>

Partnerships provide ways to progress the 2022 Vision for Education in East Gippsland. The 2022 Vision for Education in East Gippsland was reviewed this quarter as part of a workshop held in October on 'Improving Educational and Destination Outcomes through Collective Impact'. The workshop introduced participants to the concept of the collective impact model as a way of aligning efforts to progress the Vision.

As a result of the workshop, a small group of individuals and organisational representatives will come together in early 2015 to progress learnings from the workshop using a methodology focused on partnership and collaboration. Council has continued to advocate for the implementation of a range of initiatives designed to address the range of challenges that have been identified for the community in East Gippsland in accessing and achieving great educational outcomes.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Economic Development	The economic development service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	543 <u>821</u> 278

Local Government Victoria issued an Errata to the Local Government Reporting Framework on 10 June 2015. The Errata removed the Economic Development measures from mandatory reporting due to the need to refine the indicators.

Goal 3.3: East Gippsland is the place to visit, live, work and invest

We're working to position East Gippsland as an events destination. Council is working with a number of new event organisers to grow the number of events delivered in East Gippsland. There are opportunities to attract Cirque du Soleil to Bairnsdale and Lakes Entrance, mountain biking events in Lakes Entrance and Omeo, a new super moto event in Bairnsdale, a leisure fest in Bairnsdale, a caravan muster in Omeo, an agriculture event at the East Gippsland Livestock Exchange and an outdoor cinema in Marlo.

Council officers continue to manage the Regional and District Events Sponsorship Program (RADES). Council contributed funding totalling \$100,000 to 23 events across the region through this funding stream in 2014-15, including the:

- Tambo Valley Producers Dinner
- 130th Omeo & District Agricultural and Pastoral Society Inc Show
- Bairnsdale Golf Club Pro Am 2015
- Groundswell Music Festival, Lake Tyers
- East Gippsland Bream Classic
- Bruthen Blues and Arts Festival
- Metung Food & Wine Festival

RADES is now being managed through an online process via Smarty Grants which will improve the management, assessment and reporting on events throughout the region.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Increase in the percentage of survey respondents who are very or reasonably familiar with the East Gippsland region.	40%	n/a	The 2014-15 survey has not been completed. East Gippsland Marketing Inc. is currently reviewing the data source for this survey.
Increase in total visitors to the region.	1,249,453	1,110,663	East Gippsland attracted less overnight visitors in 2014, but more international visitors when compared with 2013. This resulted in an 11% reduction in total visitation for 2014.
Increase in the number of	79	70	The number of event permits

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
events held in the region (with event permits).			issued has decreased by 11.4%.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Tourism and Visitor Information services	Council supports the tourism industry and helps promote East Gippsland as a highly sought after visitor destination. Quality visitor information services are provided with the aim of meeting the expectations and needs of visitors. An Advisory Board supports the service.	800 <u>625</u> (175)
Events	This service works with partners to develop East Gippsland's reputation as a recognised events destination through attraction and facilitation of new events and support of existing events. It provides support, resources and training information, and assists with the development of major events that stimulate economic benefits and cultural diversity and enhance the well-being of citizens.	342 <u>271</u> (71)

Stewardship

We act as stewards of significant community assets and resources and therefore undertake to optimise services to meet needs, plan and implement our work with prudence and diligence, and attract the best people to Council, as representatives, employees and volunteers.

Goal 4.1: Shire services meet the needs of our communities and stakeholders at an acceptable cost

East Gippsland Shire Council's newest service centre has been completed.

The Mallacoota Service Centre is home to a service desk for Shire enquiries and services, a library, a visitor information centre, and reception for the Council-managed Mallacoota Foreshore Holiday Park. The Shire contributed \$393,000 to the project, with the Victorian Government providing \$150,000 through the Living Libraries Infrastructure Fund.

Mallacoota residents and visitors will now be able to access a library five days a week, when previously they received a fortnightly mobile service.

Work continues on a model for evaluating and monitoring the effectiveness of Service Centres. This will be important in guiding future operations and development to continue to meet the needs of the various communities serviced.

The following strategic indicators are now reported as part of the Local Government Performance Reporting Framework Indicators which form part of Council's audited *Performance Statement* from page 149.

Strategic Indicator
Increase or maintain community satisfaction rating for lobbying on behalf of the community.
Working Capital Ratio (Liquidity)
Adjusted Underlying Result
Debt Commitment Ratio
Rates Outstanding

The following statement reviews the progress of Council on major initiatives identified in the 2014-15 budget for the year.

Major Initiatives	Progress
4.1.3.1 Maintain a Long-term Financial Plan that is prudent, sustainable and protects the interests of the Shire and its people	Complete. Inherent in each year's budget process is a review of Council's ten-year Financial Plan, with the objective of ensuring Council's continued financial sustainability in the short, medium and long terms. Council adopted the 2015/16 Budget at a special meeting on 23 June 2015.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Council Enterprises	This service supports the local economy and provides an alternative revenue stream for Council through the effective operation of a range of Council-managed commercial enterprises such as caravan parks, airports, marinas and the East Gippsland Livestock Exchange.	(138) <u>(215)</u> (77)
Customer and Civic Services	This service acts as the main customer interface with the community. They provide accessible, high-quality customer service at Council's Corporate and Service Centres, which connects people to Council services and general information.	2,489 <u>2,241</u> (248)
Community Leadership and Advocacy	Council provides leadership on issues of importance to East Gippsland and advocates on behalf of the community and its vision for the future. It does this through strong, transparent, accountable leadership and the development of strong relationships with key stakeholders and other levels of government.	1,301 <u>1,494</u> 193
Finance and Treasury	This service predominantly provides financial-based services to both internal and external customers. This includes management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality.	1,683 <u>2,415</u> 732
Media, Communications and Civic Events	This service oversees provision of advice on external communication, in consultation with relevant stakeholders, on behalf of Council. It also provides in-house graphic design services. This service also conducts civic events to recognise, commemorate and celebrate prominent citizens and the successful delivery of significant Council programs, infrastructure and projects.	298 <u>451</u> 153

Goal 4.2: We make decisions through transparent processes and execute our plans prudently and effectively

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Scheduled strategic community visits by Council are undertaken	7	8	Councillors visited the following communities in 2014-15: Paynesville and Raymond Island (29/07/14); Metung, Swan Reach and Johnsonville (19/08/14); Orbost (30/09/14); Mallacoota (08/10/14); Ensay, Omeo, Swifts Creek and Benambra (21/10/14); Mallacoota and Genoa (31/03/15 – 01/04/15); Lindenow (21/04/15); Lakes Entrance (19/05/15)
Percentage of risk mitigation actions identified by internal audits of Council's systems and processes that are finalised within designated timeframes.	61% ²	69%	Eleven of the 16 audit actions for 2014-15 have been completed.

The following strategic indicators are now reported as part of the Local Government Performance Reporting Framework Indicators, from page 72.

Strategic Indicator
Increase in the community satisfaction rating for community consultation and engagement.
Increase in the community satisfaction rating for the overall performance of Council.

Major Initiatives	Progress
4.2.1.2 Provide opportunities for our community to have a say in matters of interest to them through engagement processes and access to Councillors and staff.	Complete. East Gippsland Shire rolled out an online engagement tool to encourage broader participation in discussions with communities on matters of interest. This tool, 'Your Say', was used to engage on a range of matters including the redevelopment of Apex park in Lakes Entrance; the draft Council Plan; and to canvass opinions on suitable locations for recreational vehicles to stay overnight. In addition, the community has been invited to have their say on a range of planning and other matters using face-to-face meetings; school visits; public drop in sessions; walk and talk discussions and the use of media such as Twitter; Facebook; relevant local newsletters and the Shire website. The East Gippsland Youth Ambassadors have also developed a social media presence to engage with young people throughout the region.

² The methodology for determining this result has been reviewed to include all audits that had actions to be completed in 2014-15

Major Initiatives	Progress
4.2.2.5 Identify and implement process and improvement initiatives to ensure greater efficiency, organisational benefits and increased productivity	Complete. A dedicated Customer Request Management module is currently being implemented to ensure requests / complaints lodged with Council are handled efficiently and effectively. The new module will enable vastly improved monitoring, measuring and reporting, all of which will play a role in facilitating continuous improvement in this important area of Council's operations.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Governance	This service provides a range of governance, statutory and corporate support services to Council, including coordination of business papers for meetings of the Council and its committees; and coordination of arrangements for Council and committee meetings. It is also responsible for the maintenance of statutory registers; the conduct of municipal elections; and compliance with statutory obligations under Freedom of Information and Information Privacy legislation. An Audit Committee supports this service.	1,440 <u>1,275</u> (165)
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way. It is also responsible for the provision of document and information management support services.	2,890 <u>3,167</u> 277
Property Management	The management of Council's property portfolio, including purchases, sales, leases and licenses to ensure land under Council's ownership or management is used effectively and in the best interests of current and future generations is delivered through this service. It also supports local groups that have a focus on land and facility stewardship.	(187) <u>(177)</u> 10
Risk Management and Compliance	This service manages a compliance framework that promotes prudent and responsible management approaches to Council's decision-making and service delivery. It ensures the highest standards of legislative compliance are achieved across all Council functions and that its risk exposure is minimised through proactive and comprehensive systems and processes.	1,263 <u>1,456</u> 193

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

Service Performance Outcome Indicator	Result	Comments
Governance		
Transparency		
<p><i>Council resolutions at meetings closed to the public</i> [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100</p>	22.63%	<p>Twenty-five of the 31 decisions made in closed Council Meetings were to award contracts and approve contract variations or extension options for contracts.</p>
Consultation and engagement		
<p><i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</p>	52	
Attendance		
<p><i>Council attendance at Council meetings</i> [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</p>	92.36%	
Service cost		
<p><i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]</p>	\$64,992.56	
Satisfaction		
<p><i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	53	

Goal 4.3: East Gippsland Shire Council is an exciting, fulfilling and inclusive organisation

Health and Wellbeing. Sun smart sessions were run by Sun Smart for staff who work outdoors, to increase awareness of the risks of and hazards of UV exposure and encourage sun protection practices. Staff also gained practical solutions to sun protection and early detection of skin cancer as well as information about vitamin D.

Mental Health in the Workplace workshops have been held for supervisors, team leaders, coordinators, contact officers and union delegates to provide them with the necessary awareness, skills and processes to be able to respond to, understand and assist employees with mental health issues and reduce risks associated with the challenging area of mental health in the workplace.

The Shire participates, along with other local businesses, in the Bairnsdale Tennis Club Corporate Tennis competition. This is an opportunity for staff to increase their fitness and network with colleagues and staff from local businesses.

Strategic Indicator	2013-14 Result	2014-15 Result	Comments
Increase in percentage of staff retained	93%	91%	The Chief Executive Officer undertook an organisational restructure during the financial year as part of cost containment measures. This resulted in a number of terminations.
Decrease in lost time attributed to workplace incidents as a percentage of workable hours.	0.3%	0.7%	The increase in 2014-15 is a result of three claims which have had a significant amount of lost time.

The following statement provides information about the services funded in the 2014-15 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Human Resources	Through this service Council provides human resource and industrial relations services dedicated to ensuring Council's workforce operates efficiently and effectively within a framework that encourages innovation and continuous improvement.	1,144 <u>1,037</u> (107)
Organisation Development	This service provides Council with strategic and operational organisation development support. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	241 <u>298</u> 57

Section six: Governance, management and other information

Council's roles and responsibilities

East Gippsland Shire Council is a public statutory body, which operates under the legislative requirements of the *Local Government Act 1989* (the Act).

The Act sets out the role of Council as an elected body to provide leadership for the good governance of East Gippsland. Council's elected members and employees work within a range of systems and processes, to ensure they comply with the Act and follow good business practice.

Representing the interests of the community

Governance is about setting direction and achieving the vision and goals of the organisation. The elected Council is responsible for providing leadership for the good governance of East Gippsland Shire by setting priorities and policies, and reviewing progress.

As a single entity made up of nine elected community representatives, Council's role is wide-ranging and varied but includes the following key responsibilities:

- act as a representative government by taking into account the diverse needs of the local community in decision making;
- provide leadership by establishing strategic objectives and monitoring their achievement;
- maintain the viability of Council by ensuring that resources are managed in a responsible and accountable manner;
- advocate for the needs and desires of the East Gippsland community with other organisations, agencies and governments;
- act as a responsible partner in government by taking into account the needs of other communities and, where appropriate and practical, offering support and assistance; and
- foster community cohesion and encourage active participation in civic life.

Council's role is to listen to the community and consider the views of residents and ratepayers when making decisions. This happens in many different ways, from formal Public Question Time and Oral Submissions at Council meetings, through to regular visits to the more remote parts of the Shire, and public consultation through the 'Your Say' section of our website.

A range of other community involvement activities take place across the Shire to increase community participation in civic life and develop plans for the future. Council remains responsive to the immediate and changing needs of its residents.

Corporate governance

Corporate governance ensures that Council operates in an open, honest, communicative and accountable manner. Our sound governance practices guide the way we consult and communicate with our community and how Council represents the community on important advocacy issues.

Corporate governance also includes identification and response to risks, maintenance of sound financial management practices, adherence to legislation, facilitating the operations of Council, the development of policies and procedures, and continuous quality improvement.

Accountability

East Gippsland Shire Council is committed to clear and transparent governance. Council meetings are open to the public whenever permitted by the provisions of the *Local Government Act 1989*. The meeting agenda, officer reports and minutes are available on Council's website and at Council's Service Centres.

Further information on Council decisions, projects and services is available on Council's website, and is regularly provided to media organisations.

Meetings of Council

Council conducts open public meetings on the second Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the Council, make a submission or speak to an item. For the 2014-15 year Council held the following meetings:

- 11 ordinary Council meetings
- 5 special Council meetings
- 3 planning consultation meetings.

Council meeting attendance

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2014–15 financial year.

Councillor	Ordinary Council Meetings	Special Council Meetings
Ben Buckley	11	5
Richard Ellis	10	5
Michael Freshwater	9	4
Jeff McNeill	10	5
Peter Neal	11	5
Marianne Pelz	8	5
Mark Reeves	11	5
Jane Rowe	11	4
John Wilkin	11	4

Council advisory boards and committees

The *Local Government Act 1989* allows Councils to establish one or more special committees consisting of:

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

The following table contains a list of all Boards and advisory committees established by Council that are in operation and the purpose for which each committee was established.

Advisory Board/Committee	Councillors	Officers	Other	Purpose
Hearing of submissions committee	9			To consider all submissions made under section 223 of the Act
Audit Committee	3		4	To oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.
Disability Action Plan Advisory Committee	2	1	5	To provide strategic advice to Council in respect to the delivery of the Disability Action Plan and key areas where access to Council and community facilities and services can be improved for all members of the community.
Creative Communities Advisory Board	2		8	The focus of the activities of the Board are to investigate the most appropriate model for strategic planning and delivery of arts and cultural activities into the future for our East Gippsland communities.
Economic Development Advisory Board	2	4	8	To recommend to Council actions to be undertaken to support economic activity within the municipality
Environmental Sustainability Advisory Board	2	4	6	The Environmental Sustainability Advisory Board disbanded following the Council resolution at the 3 March 2015 Council Meeting.
Tourism Advisory Board	2	4	6	To recommend to Council actions to be undertaken to support tourism activity within the municipality.

Councillor Code of Conduct

The *Local Government Act 1989* requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 1 October 2013, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

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

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

A copy of the Code is available online at www.eastgippsland.vic.gov.au under About Us>Your Council>Councillors.

Conflict of interest

A 'conflict of interest' is defined as a personal or private interest of a Councillor or officer in a matter or issue that may compromise their ability to act impartially and in the best interests of the community.

The *Local Government Act 1989* (the Act) outlines the circumstances that give rise to a conflict of interest for Councillors and Council staff. The Act also defines the actions that should be taken to resolve a conflict of interest. While the procedures vary depending upon the circumstance and/or role being held, they will always involve declaration of the relevant interest and then stepping aside from the decision making process or from exercising the public duty.

At the start of a Council or Advisory Committee meeting, Councillors must disclose any perceived conflicts of interest. When a conflict of interest is disclosed, the Councillor must leave the meeting while the issue is debated and the vote taken.

Councillors and senior officers are also required under Section 81 (5) of the Act to complete a *Register of Interests Ordinary Return* every six months. These returns disclose property and investment interests they may have which could be perceived as influencing their actions, advice or decisions. The public can view the Ordinary Returns by completing an Application to the Chief Executive Officer to Inspect a Register of Interests.

Training elected representatives

Elected representatives undertook an extensive training program following the November 2012 elections to ensure all Councillors were aware of their roles, responsibilities and the statutory frameworks within which they operate.

Councillor allowances

In accordance with Section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

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

For the period 1 July 2013 to 23 December 2013, the councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at \$22,405 per annum and the allowance for the Mayor was \$69,325 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 24 December 2014. The annual

allowances were adjusted for the period 24 December 2014 to 30 June 2015 at \$23,539 per annum for the Councillor allowance and \$72,834 per annum for the Mayoral allowance.

Management information

Audit Committee

The Audit Committee's role is to provide advice to Council on financial reporting, internal control, compliance and risk management. It does this through the provision of independent advice and recommendations on matters relevant to its Terms of Reference/Charter, in order to assist Council decision-making.

The Committee is a Council Advisory Committee. It has no executive powers or authority to implement actions in areas over which management has responsibility and no delegated financial responsibility. The Audit Committee has no management functions, so is independent of management.

In 2014-15 the Audit Committee members were:

- Mr Michael McStephen, Chair
- Mr Andy Eccles (to 5 November 2014)
- Dr Christopher Shields (from 1 December 2014)
- Mr Ken White (from 1 December 2014)
- Ms Christine Wrench
- Cr Marianne Pelz (to 16 December 2014)
- Cr Mark Reeves, former Mayor (to 11 November 2014)
- Cr Peter Neal, Mayor (from 11 November 2014)
- Cr John Wilkin
- Cr Jane Rowe (from 16 December 2014)

The Audit Committee meets four times a year with an additional special meeting called each year to consider the audited financial statements. Following each Audit Committee meeting, a report is presented to Council outlining all issues considered together with any recommendations for Council's consideration.

Internal audit

Internal auditing is independent and objective; the aim is to improve Council's operations. The internal audit process helps Council and the Chief Executive Officer assess, monitor and improve the effectiveness of risk management and governance processes and controls. The Internal Auditor reports on its activities to the Audit Committee at regular intervals throughout each year.

During 2014-15, the internal auditor reviewed the following systems and procedures:

- Accounts Receivable / Cash Receipting Process (Stage 1); and
- Asset and Infrastructure Maintenance Management

External audit

Council is externally audited by the Victorian Auditor-General. For the 2014–15 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit Committee meetings each year to present the annual audit plan and Independent Audit Report. The external audit management letter and management responses are also provided to the Audit Committee.

Risk management

Council takes a proactive stance on risk management and has in place strategies, systems, policies and procedures to ensure it prevents or minimises the adverse effects of both corporate and operational risks to its operations.

The Risk Management framework is reviewed annually, ensuring Council has the capability to address current and emerging risks. Council recognises the need for robust systems and processes across the whole of business operations to enable and ensure legislative compliance.

Council's Risk register will continue to undergo review and development with the recent allocation of additional resources to Council's Risk Management area. This will facilitate an increased effort in the entry of both operational and strategic risks in the register in accordance with the Risk Management Framework objective for 2015-16.

Insurances

Municipal Association of Victoria (MAV) Liability Mutual Insurance

In 2013-14 MAV Insurance elected to move away from the model of conducting Liability Mutual Insurance liability audits every two years and replaced it with the provision of a Risk Analysis and Response (Review), which will see members with significant claims experiences receiving services specifically tailored to each Council's key claim drivers.

Jardine Municipal Asset Protection Plan (JMAPP) – property performance summary

An audit is conducted every two years to ensure that appropriate risk management processes are in place to protect Council's property assets.

Council achieved a score of 77% for the second year of the 2012-2014 cycle compared to 79.5% in the final year of the 2010-2012 audit cycle. Council is scheduled for its next audit between January and July 2016.

Commercial Crime Fidelity Audit performance summary

An audit is conducted every two years to ensure that appropriate risk management processes are in place to protect against fraud and in the intervening years a progress review is undertaken.

Council was not subject to a fidelity audit during 2014-15.

Insurance Claims Management

Minor and major claims are reported to Council's Audit Committee for review on a quarterly basis.

Fraud Prevention Policy

East Gippsland Shire Council's Fraud Prevention Policy assists Councillors and staff in the detection and prevention of any form of organisational fraud. Council is committed to an internal audit program to conduct rigorous risk assessments in all areas of its operations to reduce the likelihood of fraud occurring.

The East Gippsland Shire Council Audit Committee meets quarterly to review independent internal audit reports and the financial and non-financial performance reporting; evaluate risk management systems, compliance and internal control frameworks, with advice and recommendations referred to Council for consideration. A copy of the Audit Committee Terms of Reference/Charter is available on our website.

All new staff are informed of the Fraud Prevention Policy and Council's zero tolerance position during their induction. Any allegations of fraudulent activities within East Gippsland Shire Council are referred to the Chief Executive Officer for investigation and resolution.

Governance and Management Checklist

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

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 19 November 2013 <input checked="" type="checkbox"/>
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 14 February 2014 <input checked="" type="checkbox"/>
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Date of adoption: 23 June 2015 <input checked="" type="checkbox"/>
4 Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 23 June 2015 <input checked="" type="checkbox"/>
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	No plans Reason for no plans: Asset Management Plans, including the relevant service plans, are being finalised. Council expects to adopt the plans in 2015-16. <input checked="" type="checkbox"/>
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 23 June 2015 <input checked="" type="checkbox"/>
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 4 February 2015 <input checked="" type="checkbox"/>
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 6 October 2009 A revised policy is scheduled for adoption by Council on 1 September 2015. <input checked="" type="checkbox"/>
9 Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act</i> <input checked="" type="checkbox"/>

Governance and Management Items	Assessment
emergency prevention, response and recovery)	1986 Date of preparation: 16 January 2015
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 16 December 2014 <input checked="" type="checkbox"/>
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan in operation Date of preparation: 1 December 2009 Implementation and testing of a refreshed Business Continuity Plan is currently on hold pending implementation of an appropriate ICT Disaster Recovery Solution. <input checked="" type="checkbox"/>
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)	No plan Reason for no plan: Implementation of a full disaster recovery solution is dependent on appropriate infrastructure being in place. This is anticipated to occur in the 2015-16 year <input checked="" type="checkbox"/>
13 Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 1 February 2011 <input checked="" type="checkbox"/>
14 Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the <i>Local Government Act 1989</i> Date of establishment: 13 November 1995 <input checked="" type="checkbox"/>
15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 April 2013 <input checked="" type="checkbox"/>
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the	Framework Date of operation of current <input checked="" type="checkbox"/>

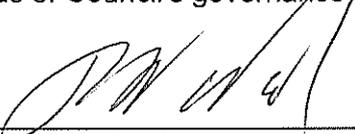
Governance and Management Items	Assessment
performance indicators referred to in section 131 of the Act)	framework: 24 June 2014
17 Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	<p>Quarterly reporting <input checked="" type="checkbox"/></p> <p>Dates reports presented: Quarterly Council Plan progress Report - First Quarter 18/11/2014</p> <p>Quarterly Council Plan progress Report - Second Quarter - 03/02/2015</p> <p>Quarterly Council Plan progress Report - Third Quarter - 05/05/2015</p>
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to council in accordance with section 138(1) of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/></p> <p>Date statements presented: 18 November 2014, 3 February 2015 and 5 May 2015.</p>
19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>One report prepared and presented <input checked="" type="checkbox"/></p> <p>One report on the Risk Register was submitted on 24 February 2015 for the financial year.</p>
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	<p>No reporting <input checked="" type="checkbox"/></p> <p>Reason for no reporting: The first year of reporting against the new Local Government Performance Reporting Framework is the end of year results for 2014-15.</p>
21 Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	<p>Considered at a meeting of council in accordance with section 134 of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/></p> <p>Date statements presented: 14 October 2014</p>
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	<p>Reviewed in accordance with section 76C of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/></p> <p>Date reviewed: 1 October 2013</p>
23 Delegations (a document setting out the powers, duties and functions of	<p>Reviewed in accordance with section 98(6) of the <i>Local</i> <input checked="" type="checkbox"/></p>

Governance and Management Items	Assessment
council and the Chief Executive Officer that have been delegated to members of staff)	<i>Government Act 1989</i> Date of last review: Council to CEO - 07/04/15. Council to Staff - 13/11/14. CEO to Staff - 30/06/14.
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/> Date local law last revised: 16 December 2014

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



Gary Gaffney
 Chief Executive Officer
 Dated: 30 September 2015



Cr Peter Neal
 Mayor
 Dated: 30 September 2015

Statutory information

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

Information available for public inspection

Under the *Local Government Act 1989* and Section 11 of the *Local Government (General) Regulations 2004* Council has the following documents available for public inspection:

- Mayor and Councillors allowances
- Senior officers' total salary packages for the current financial year and previous year
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any Council staff in the previous 12 months
- Names of Councillors and Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Agendas and minutes for Ordinary and Special Council Meetings held in the previous 12 months
- Special committees established by Council and the purpose for which each committee was established. Also a list of special committees that ceased to function during the financial year
- Minutes of meetings of special committees established under Section 86 of the Act and held in the last 12 months
- Register of Delegations kept under the Act
- Submissions received under Section 223 of the Act during the previous 12 months
- Agreements to establish regional libraries under Section 196 of the Act
- Details of all property, finance and operating leases entered into by Council
- Register of authorised officers appointed under Section 224 of the Act
- Donations and grants made by the Council during the financial year
- Names of the organisations of which Council was a member during 2014-15 and details of fees and services provided to Council
- a list of contracts valued over \$150,000 for goods or services and \$200,000 for works which Council entered into during 2014-15 without first engaging in a competitive process and that are not contracts referred to in Section 186(5) of the Act

Inspection of these documents can be arranged by contacting the Governance unit on (03) 5153 9500 or by visiting Council's Corporate Centre, 273 Main Street, Bairnsdale from 8.30am to 5.00pm Monday to Friday.

Freedom of Information

The *Freedom of Information Act 1982* gives the community the ability to access certain Council documents.

There is an application procedure, and rights of access are limited by exemptions detailed in the Act. Applications must be accompanied by an application fee and details of the information requested.

Council received 23 applications during the reporting year.

	2014-15	2013-14	2012-13	2011-12
Number of new applications / requests	23	19	11	9
Access granted in full	11	1	4	0
Access granted in part	8	15	5	7
No documents existed in the requested form/ Act	2	1	0	0

	2014-15	2013-14	2012-13	2011-12
does not apply				
Access denied in full	0	0	2	1
Withdrawn	2	0	0	
Requests outstanding at end of financial year	0	2	0	1
Internal reviews	0	0	1	3
Reviews by Fol Commissioner	1	0	0	0
Appeals lodged with VCAT	0	0	0	0
Fees collected	\$583.00	\$488.30	\$276.10	\$219.60
Fees waived	\$26.50	0	0	0
Charges collected	\$139.20	\$200.00	0	0

Best Value Victoria

Best Value applies to all Council services and encourages the adoption of a consistent set of principles across the sector, while also allowing councils the flexibility to meet the unique needs of their communities.

Council continues to use a range of mechanisms to communicate with the community including community forums, weekly advertising columns, a comprehensive website and media releases.

The incorporation of Best Value Principles in business planning processes enables Council to focus on identifying opportunities to continuously improve services and ensure we are addressing our community's changing needs.

Council aims to deliver quality and affordable services in the most effective manner with Council services continually monitored and opportunities for improvement identified.

Protected disclosures

Council has a policy for handling disclosures made under the *Protected Disclosure Act 2012*, as required by the Act. The purpose of the Act and policy is to encourage and facilitate the disclosure of any improper conduct by Councillors or Council officers.

Protected Disclosure Act 2012

The Protected Disclosure Policy and Procedures were adopted by Council on in July 2013 and updated in 2014 and 2015. The policy and procedures are available from Council's website or from Service Centres.

These documents are also available by contacting the Protected Disclosure Coordinator on (03) 5153 9500 or email whistleblowers2@egipps.vic.gov.au

The policy and the procedures have been circulated to all Councillors and staff. Staff can also access the procedures through the intranet or by request at the Corporate Centre.

There were no disclosures notified to the Independent Broad-based Anti-corruption Commission for the year ended 30 June 2015.

Privacy and Data Protection Act

The *Information Privacy Act 2000* was repealed in 2014 and replaced by the *Privacy and Data Protection Act 2014*. This new Act, along with the *Health Records Act 2001*, is designed to protect the personal information of residents and ratepayers.

Council will only collect, use or disclose personal information where it is necessary to perform Council functions or when required by law. Formal complaints can be made if people believe their privacy has been breached. Community members can access their personal records held by Council.

Council's Privacy Policy is available at www.eastgippsland.vic.gov.au/policies.

If you would like a copy of the policy sent to you, please contact Council's Governance Officer.

Competition and Consumer Law Program

Council has complied with the requirements of the National Competition Policy for the period 1 July 2014 to 30 June 2015 in respect to:

- * Trade Practices;
- * Local Laws; and
- * Competitive neutrality for all of its significant businesses.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

Charter of Human Rights and Responsibilities

The *Charter of Human Rights and Responsibilities Act 2006* (Charter) sets out a number of important human rights. The Charter requires all public authorities and their employees to perform their roles in a fair and equitable fashion, by complying with the four basic principles of freedom, respect, equality and dignity.

The Charter provides a set of civil and democratic rights and freedoms protected by law to ensure that human rights are considered when providing services, making laws or forming decisions. Council's policies are reviewed to ensure consistency with the Charter.

Council recognises and respects that everyone has the same human rights entitlement to allow them to participate in, and contribute to, society and our community. We recognise that all persons have equal rights in the provision of, and access to, Council services and facilities.

To enhance our ability to provide for individuals' equal rights, especially in the workplace, Council delivers bi-annual Equal Employment Opportunity (EEO) refresher training and all new staff members are inducted in our EEO policies and procedures.

Carers Recognition Act 2012

Council has taken all practical measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012* (the Act). Council has promoted the principles of the Act to people in care relationships, to Council staff and volunteers and to the wider community through the following initiatives:

- The adoption of Council's Diversity, Access and Social Inclusion Plan 2014-2017 (DASIP) has a number of key drivers, including the Act, that form a legislative basis for the plan. This is the first DASIP for Council.
- Council's funding agreements outline compliance with all relevant legislation where HACC funding is provided as an additional contribution to what the service providers receive directly from funding bodies.

Diversity, Access and Social Inclusion Plan

The Diversity, Access and Social Inclusion Plan (DASIP) was adopted by Council on 2 September 2014.

The plan outlines Council's commitment to developing communities where everyone has access to the services they need and where all people, regardless of their differences, are appreciated, respected and valued. This includes ensuring that everyone can join in community activities, participate in education, and obtain employment.

The plan comprises a vision for the shire as an organisation and the broader community, a framework for the municipality, including for the development of partnerships to support the plan, as well as actions and strategies aimed at building and strengthening inclusive communities.

An Action Plan has been developed with a focus on education and employment and the Working Group, which also includes Council's Disability Advisory Committee, is in the process of developing and implementing projects that will deliver the action plan items.

Local Laws

East Gippsland Shire's Health and Community Laws Unit is responsible for education and enforcement of Victorian Acts, Regulations and Codes of Practices relating to domestic animal management, environment protection, public health, food safety, council local laws, parking enforcement, school crossing supervision and the investigation and resolution of complaints concerning these issues.

Council's General Local Law 2011 covers the following general areas:

- Roads management
- Safety, Health and Amenity
- Animal Control
- Disposal of Waste
- Drainage and watercourses
- Raymond Island Ferry
- East Gippsland Livestock Exchange
- Council-controlled marinas, foreshores and waterways

Domestic Animal Management Plan

The Domestic Animal Management Plan 2012-2016 (DAMP) aligns with the Council Plan objective of 'People feel safe in their communities'.

The DAMP caters for the needs of pets and their owners whilst achieving a balance with the needs of others in the community. The plan helps Council provide a professional, consistent and proactive approach to domestic animal management services. This includes education and promotion of responsible pet ownership.

Council achieved a number of significant service enhancements and implemented new initiatives over the third year of the plan. These include:

- Held an open day at the Nicholson Street Mall, Bairnsdale to promote animal registration provide information on responsible dog ownership.
- Provided extra dog faeces bag dispensers and enforcement signs in high population dog walking areas.
- Continued sponsorship and endorsements of dog obedience clubs to promote the responsible dog ownership message along with monthly education lectures.

- Completed audits on all domestic animal businesses in the Shire.
- Completed Authorised Officer training including; Certificate IV in Government Investigations and Bureau of Animal Welfare training.
- Audited all properties where dangerous, menacing and restricted breed dogs are housed to ensure owners are compliant with legislation.
- Council is an active member of the committee for Animal Assisted Therapy which targets those less fortunate in the community to assist with therapy through use of animals.
- Conducted animal registration doorknocks throughout the municipality to ensure compliance with legislation.
- Worked with Council's animal pound provider in relocating unclaimed animals and reducing the euthanasia rate for dogs and cats.

Animal impoundments

Year ¹	Animal impoundments	Reclaimed	Adopted	Euthanised	Transferred to Animal Aid Coldstream ²
2014-15	940	353 (38%)	314 (33%)	191 (20%)	105 (11%)
2013-14	854	243 (28%)	286 (34%)	206 (24%)	119 (14%)
2012-13	784	242 (31%)	190 (24%)	82 (10%)	270 (35%)
2011-12	1366	328 (24%)	312 (23%)	142 (10%)	584 (43%)

¹ – This is the fourth year this data has been collected.

² – Coldstream is Animal Aid's headquarters

Although animal impoundments increased, animals reclaimed also increased by 10% and can be attributed to increased advertising of impoundments on Council's website. This is supported by community education and promotion of responsible pet ownership. A good working relationship with Council's Animal Pound contractor, Victorian Animal Aid, is another factor that can be attributed to the increase in reclaims.

The percentage of animals adopted has remained steady at 33-34%.

The euthanasia rate decreased by 4%, due to Victorian Animal Aid's commitment to attempting to rehome animals no matter how long it takes. Many animals also have been sick, aggressive, injured or euthanised as per statute. More cats than dogs are euthanised because they are more likely to have no identification.

The number of animals transferred to Animal Aid Coldstream after the statutory holding period declined with local adoption remaining relatively steady.

During the reporting period 496 infringements were issued for breaches of the *Domestic Animals Act 1994*; a 114% increase in enforcement. The community are no longer passive recipients, they are actively engaging in gathering information, reporting incidents and expecting action by Council.

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 financial year.

Municipal Emergency Management Report

	2014-15	2013-14	2012-13	2011-12
Local Incident Management Plans commenced or updated.	17	15	13	6
Involving community in individual community risk planning to achieve increased community resilience.	9	11	11	0

Council has a range of statutory obligations and is a key stakeholder in ensuring that the impact of emergency events on our community are minimised.

The Emergency Management unit works to continually improve the following plans:

- Municipal Emergency Management Plan (MEMP)
- East Gippsland Fire Management Plan
- East Gippsland Flood Emergency Plan
- East Gippsland Heatwave Plan
- East Gippsland Shire Council Influenza Pandemic Plan

These plans are reviewed / updated annually and the MEMP is audited on a three-year cycle.

A focus during the reporting year was the continued development of the Community Risk Register. This process allows people to vote anonymously at community meetings on how they personally assess the likelihood and consequences of risks to their community.

This produces a risk rating that is then used for emergency planning.

Preparation and updating of the MEMP is supported by the Municipal Emergency Management Planning Committee, which meets quarterly.

The fire management, flood emergency, heatwave and influenza pandemic plans are sub-plans to the MEMP.

The committee includes a wide range of stakeholders with a role in ensuring that East Gippsland can respond to and recover from emergencies and natural disasters. Council appreciates their input and support.

Achievements

Implementation of Council's Victorian Bushfires Royal Commission obligations and the review into 2010-11 Flood Warnings and Response has continued to be a key focus.

The Victorian Government provided funding for a two-year emergency management role to ensure Council can focus on new obligations regarding emergency events. This funding needs to be continued so Council's response to the Victorian Government White Paper may be fulfilled. The Emergency Services Commissioner prepared community reports on the Mt Ray – Boundary Track and the Goongerah – Deddick Trail fires. An action from the reports requires Council to

develop Local Incident Management Plans for the affected communities of Glenaladale, Deddick, Tubbut, Bonang and Goongerah.

Council has also been involved in the following reviews and inquiries:

- Adaptation to Recovery Project review
- Mt Ray – Boundary Track report inquiry review of recommendations
- Goongerah – Deddick Trail report inquiry review of recommendations
- Planned Burns and Local Incident Management Plan review
- Resilience Project review
- Swifts Creek Gun Club Funding review
- Flood Mitigation Strategy review
- Crisisworks Joint Management Panel review
- Future of Municipal Emergency Coordination Centres review

Following the February 2014 fires Council requested a change to the way it provides recovery support to the affected communities. The proposal, Adaptation for Recovery Project, was accepted and funded by the Victorian Department of Human Services.

As part of the project two facilitators were employed to work with the affected communities.

Council staff worked closely with community members across the shire to improve their understanding of how communities and Council can work together to improve their preparedness for emergencies.

Council continues to develop organisation-wide skills and capacity to plan for and respond to emergencies by providing access to internal and external training.

Road Management Act Ministerial direction

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

Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2014-15 year.

Indicator	Calculation	2014-15	2013-14
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$1,573.92	\$1,448
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	\$1,459.76	\$1,363
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$1,152.24	\$919
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$527.33	\$506
5. Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	\$2,817.48	\$3,488
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	54	60
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$1490.39	\$1,291
8. Renewal gap	Capital renewal/Average annual asset consumption	129.5%	95%
9. Renewal and maintenance gap	Capital renewal and maintenance/Average annual asset consumption plus planned maintenance	118.9%	97%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	51	54
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	52	53

Community Grants

Local community-based groups often find it difficult to obtain funding from programs under the auspices of the Australian or Victorian government. Council's Community Grants program gives these groups the opportunity to access funding for a variety of needs. The community value-adding aspect of the program means Council often achieves considerably more for each dollar it donates than would be the case for projects carried out without these partnerships. This can benefit both the Council and the community.

Community Small Grants Program

Organisation	Amount (\$)
Bairnsdale and District Agricultural Society Inc	2,500
Bairnsdale Lapidary Club Inc	2,417
Bruthen and District Citizens Association Inc	5,000
Bruthen Fire Brigade	1,276
Bruthen Recreation Reserve	4,500
Clifton Creek Hall and Recreation Reserve	3,765
Clifton Creek Primary School	1,140
Eagle Point Recreation Club	2,899
East Gippsland Branch of Sporting Shooters Association of Australia	3,715
East Gippsland Family History Group Inc	648
Friends of East Gippsland Rail Trail	1,760
Good Beginnings Australia - East Gippsland	4,000
Hinnomunjie Recreation Reserve Inc	3,200
Johnsonville Public Hall Inc	5,000
Lake Tyers Beach Community Hall	3,220
Lindenow South Cricket Club Inc	1,050
Mallacoota and District Historical Society Inc	650
Mallacoota Coast Guard Flotilla VF15	5,000
Nicholson Primary School	5,000
Nowa Nowa Public Hall	825
Orbost Little Athletics Centre Inc	1,906
Orbost Neighbourhood House	1,125
Paynesville Maritime Museum Inc	891
Paynesville Mens Shed Inc	2,136
SecondBite	2,100
Surf Life Saving Lakes Entrance	2,500
Swan Reach and District Pre-School Inc	971
The Foundation for Young Australians	5,000
U3A Bairnsdale and District Inc	2,900
West Bairnsdale Oval Advisory Committee	5,000
Total	\$82,094

Other Contributions and Donations

Organisation	Amount (\$)
Advance TAFE	3,182
Agribusiness Gippsland Inc	6,000
AJ Freeman Reserve Committee	3,550
Artistic Merit Auspiced by Noweyung Limited	10,000
Australian Quadriplegic Association	45
Bairnsdale & District Model Aero Club Inc	500
Bairnsdale Secondary College	100
Bairnsdale Senior Citizens	6,000

Organisation	Amount (\$)
Bengworden Hall Committee	500
BOLD School of Dance	1,000
Bruthen Senior Citizens Centre	6,600
Buchan Bush Nursing Association	500
Buchan Tourist Association	2,880
Business and Tourism Association East Gippsland	3,000
Cabbage Tree Creek Hall Committee	3,000
Cann River Community Centre	500
Combienbar Public Hall and Recreation Reserve	500
Committee for Gippsland Inc (2014)	5,000
Committee for Gippsland Inc (2015)	3,000
Cycling Victoria	10,000
Destination Gippsland Limited - Great Alpine Road Villages Campaign	5,000
East Gippsland Art Gallery	4,820
East Gippsland Art Gallery	5,000
(f)route Inc	500
Federation University Australia	3,000
GippsDairy Board	2,000
Gippsland and East Gippsland Aboriginal Cooperative	4,000
Gippsland Business Awards	3,000
Gippsland Lakes Community Health	10,182
Gippsland Regional Sports Academy	6,000
Gippsport	500
Good Beginnings Australia Ltd	1,000
Lakes Entrance Senior Citizens	6,320
Lazy Acre Log Cabins	500
Linden Dean Art	500
Lions Club Lindenow	1,000
Lions Club of Lakes Entrance (2014)	1,200
Lions Club of Lakes Entrance (2015)	1,200
Lions Club of Omeo	800
Mallacoota Cricket Club	800
Mallacoota District Senior Citizens	8,769
Municipal Engineering Foundation Victoria - Scholarship Program 2015	1,000
Nagle College	100
Nowa Nowa Mens Choir	300
Noweyung Ltd	5,000
Orbost and District Historical Society	1,000
Orbost Senior Citizens	5,320
Paynesville Business Tourism Association	1,000
Peter MacCallum Cancer Centre	455
Relay for Life	819
Riviera Triathlon Club Inc	1,500
Rotary Club of Lakes Entrance	5,200
Rotary Club of Mitchell River	1,000
Rotary Club of Orbost	1,600
Salvation Army (Victoria) - Bairnsdale	3,823
Sharna Lee Stone	123
South Pines Golf Club	500
Sue O'Connor Auspiced by East Gippsland Water	4,545
Swifts Creek Football Netball Club	500
Swifts Creek School	3,770
The Church Council of Bairnsdale Uniting Church	1,345

Organisation	Amount (\$)
UnitingCare Gippsland	2,000
Wines of Gippsland Inc	909
Total	\$173,757

Regional and District Events Sponsorship program

The Regional and District Events Sponsorship (RADES) program works in with Council's aim to promote and market East Gippsland to attract visitors and stimulate the economy. Council's Events Policy provides the basis through which the Shire supports and sponsors events.

Executive officers of East Gippsland Marketing Inc. and East Gippsland Regional Business and Tourism Association Inc. participate as members of the program's assessment panel, providing external stakeholder input.

Event	Amount (\$)
130th Omeo and District Agricultural and Pastoral Society Inc Show	5,000
Art Exhibition - Glorious Gippsland	4,000
Art, Craft and Photographic Exhibition	1,500
Back to Bendoc Day	1,000
Bairnsdale Golf Club Pro Am 2015	5,000
Bairnsdale Motor Expo	4,000
Bruthen Blues and Arts Festival	3,000
Carols by the River	500
East Gippsland Bream Classic (Metung, Mallacoota, Metung - Grand Final)	5,000
East Gippsland Field Days	3,000
Ensay Producers	3,000
Groundswell Music Festival	5,000
Lakes Entrance Epic	5,000
Lakes Entrance Fireworks and Street Festival – New Year's Eve	5,000
Lakes Entrance Primary School Community Family Fun Run	4,000
Melbourne Cup Day at Bairnsdale	3,636
Metung Food and Wine Festival	5,000
New Year's Eve Christmas Youth Program Lakes Entrance	2,000
Omeo High Country RV Muster	5,000
Omeo Rodeo	4,000
Opera by the Lakes 2014-15	5,000
Opera by the Lakes 2015-16	3,000
Orbost Christmas Eve Festival	2,500
Paynesville Gold Cup Power Boat Race Weekend	3,000
Paynesville Music Festival	4,000
Paynesville New Year's Eve Celebrations	2,500
Raymond Island Ferry 125 th Anniversary Celebrations	3,000
Salt Creek Team Penning Competition and ANZAC Day Parade	3,500
Snowy River Sprint	5,000
The Riviera Roundup	810
Tour of Gippsland	5,000
Twin Rivers Bream Classic 2013-14	2,000
Twin Rivers Bream Classic 2014-15	2,000
Victorian Apiarists Association 116th Annual Conference	4,000
Total	\$118,946

Committees of Management

The annual operational/maintenance funding allocation aims to provide a transparent approach towards the equitable distribution of funds to Committees of Management of both Council and Crown land facilities within East Gippsland Shire.

Council provides an annual operational/maintenance funding allocation to each incorporated Committee managing recreation facilities and community halls in the Shire.

Organisation	Amount (\$)
A J Freeman Reserve	3,666
Bairnsdale City Oval	7,397
Bemm River Community Recreation Centre	1,929
Bemm River Recreation Reserve	1,275
Benambra Hall	1,259
Benambra Memorial Recreation Reserve	2,629
Bendoc Community Memorial Hall	886
Bengworden Hall	1,009
Bonang Hall	599
Bruthen Mechanics Institute	2,029
Bruthen Recreation Reserve	5,179
Buchan Mechanics Institute	1,422
Buchan Recreation Reserve	3,309
Bullumwaal Hall	860
Cabbage Tree Creek Hall	599
Cann River Community Centre	2,349
Cann River Hall and Recreation Reserve	2,594
Cassilis Recreation Reserve	1,196
Clifton Creek Public Hall and Recreation Reserve	1,184
Club Terrace Community Reserve	828
Combienbar Public Hall and Recreation Reserve	704
Eagle Point Community Hall	1,499
Eagle Point Recreation Club	819
East Gippsland Rail Trail	459
Ensay Mechanics Institute	840
Ensay Recreation Reserve	2,199
Evet Park	2,609
Fernbank Public Hall Reserve	956
Flaggy Creek Hall	860
Genoa Public Hall	1,669
Genoa Sports Club	750
Glen Valley Hall	860
Glenaladale Recreation Reserve	1,397
Goongerah Public Hall Reserve	1,924
Harry Clues Memorial Park	1,241
Hillside/Rosehill Reserve Association	860
Hinnomunjie Recreation Reserve	2,529
Howitt Park Reserve	4,359
Johnsonville Public Hall	1,599
Lake Omeo Reserve	1,179
Lake Tyers Beach Recreation Reserve	839
Lake Tyers Beach Road Hall	1,067
Lakes Entrance Recreation Reserve	12,619
Lakes Entrance Youth and Recreation Centre	8,889
Lindenow Memorial Hall Reserve	2,084

Organisation	Amount (\$)
Lindenow South Recreation Reserve	3,276
Lindenow Sports Ground	8,856
Lucknow Memorial Hall	2,357
Lucknow Recreation Reserve	7,077
Mallacoota Halls and Recreation Reserve Grounds	6,267
Marlo Sports and Tennis Association	819
Mossiface and Wiseleigh Memorial Hall	999
Newmerella Recreation Reserve (Orbost Agricultural Society)	1,199
Nicholson Hall and Tennis Courts	1,676
Noorinbee Public Purpose Reserve	759
Nowa Nowa Public Hall	757
Nowa Nowa Recreation Reserve	892
Nungurner Community Action Group	150
Omeo Recreation Reserve	7,126
Omeo Soldiers Memorial Hall	2,029
Orbost Community Sports Centre	4,506
Orbost Cricket Club	3,774
Orbost Snowy Rovers Football Netball Club	3,239
Picnic Point Hall	2,659
Raymond Island Community Association	1,539
Sarsfield Recreation Reserve	2,486
Simpsons Park Hall and Reserve (Newlands Arm Residents and Ratepayers Association Inc)	1,332
Swan Reach Recreation Reserve	7,407
Swifts Creek Hall	2,287
Swifts Creek Recreation Reserve	2,185
Tambo Upper Hall	2,406
Tubbut Hall	931
Wairewa Public Hall and Recreation Reserve	1,024
West Bairnsdale Oval	4,546
Wulgulmerang Recreation Reserve	1,249
Wy Yung Hall and William McBriar Reserve	1,444
Wy Yung Recreation Reserve	4,106
Total	\$188,367

Annual Operating Contribution – State Emergency Service

State Emergency Services (SES) branch	Amount (\$)
Bairnsdale	19,495
Bonang	12,876
Bruthen	19,095
Buchan	12,876
Cann River	19,095
Mallacoota	19,095
Orbost	19,095
Swifts Creek	19,095
Total	\$140,722

Memberships

Council or Council staff were members of the following organisations during 2014-15.

Organisation	Amount (\$)
Accor Advantage Plus	281
Aquatics and Recreation Victoria	1,000
Arts HUB Australia Pty Ltd	450
Australian Human Resources Institute	1,240
Australian Institute of Company Directors	2,014
Broadband Alliance Inc	495
Chartered Accountants Australia and New Zealand	625
Children's Book Council of Australia	80
CPA Australia	1,255
Early Childhood Australia	282
Engineers Australia	483
Environmental Health Professionals Australia	691
Finance Professionals	1,136
Gippsland Climate Change Network	5,000
Gippsland Plains Conservation Management Network	100
ICLEI - Local Governments for Sustainability	750
Institute of Public Administration Australia	1,673
Keep Australia Beautiful Victoria	500
Livestock Saleyards Association of Victoria	3,889
Local Government Professionals	6,724
Mallacoota and District Business and Tourism	120
Marina Industries Association	1,018
Municipal Association of Victoria	39,439
Municipal Works Officers Association	560
National Sea Change Taskforce	2,500
Our Community Pty Ltd	555
Planning Enforcement Officers Association	140
Play Australia	284
Project Management Institute	148
Public Libraries Victoria Network	1,665
RACV Club	291
Records and Information Management Professionals Australasia	1,060
Revenue Management Association	190
SAI Global Ltd	466
South East Australian Transport Strategy Inc	6,059
TaxEd Pty Ltd	905
Timber Towns Victoria	2,500
Vicsport Professionals Network	300
Victoria Association of Performing Arts Centres	964
Victorian Local Governance Association	537
Victorian Municipal Building Surveyors Group	400
Victorian Planning and Environmental Law Association	314
Waste Management Association of Australia	2,384
Weed Society of Victoria	127
Total	\$91,593

Section 7: Financial performance

EAST GIPPSLAND SHIRE COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2015

East Gippsland Shire Council

Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2015

	Note	2014/15 \$'000	2013/14 \$'000
Income			
Rates and charges	3	48,239	44,526
Statutory fees and fines	4	1,511	1,293
User fees	5	11,217	10,445
Grants - operating	6	23,516	8,841
Grants - capital	6	10,331	8,097
Contributions - monetary	7	191	317
Contributions - non monetary	7	4,651	7,747
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,387)	179
Fair value adjustments for investment property	20	135	(36)
Other income	9	4,111	9,826
Total income		102,515	91,235
Expenses			
Employee costs	10(a)	25,280	24,275
Materials and services	11	38,579	31,402
Bad and doubtful debts	12	395	84
Depreciation and amortisation	13	19,892	17,973
Borrowing costs	14	640	694
Other expenses	15	1,567	1,391
Total expenses		86,353	75,819
Surplus/(deficit) for the year		16,162	15,416
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	27(a)	24,102	6,179
Total comprehensive result		40,264	21,595

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

Balance Sheet
As at 30 June 2015

	Note	2014/15 \$'000	2013/14 \$'000	2012/13 \$'000
Assets				
Current assets				
Cash and cash equivalents	16	22,789	13,308	27,878
Trade and other receivables	17	6,095	5,995	6,821
Other financial assets	16(a)	2,500	1,300	-
Other assets	18	5,615	5,382	789
Total current assets		36,999	25,985	35,488
Non-current assets				
Trade and other receivables	17	1,605	3,071	3,269
Property, infrastructure, plant and equipment	19	865,343	831,601	809,786
Investment property	20	1,444	1,467	1,513
Intangible assets	21	315	9	-
Total non-current assets		868,707	836,148	814,568
Total assets		905,706	862,133	850,056
Liabilities				
Current liabilities				
Trade and other payables	22	4,299	4,220	5,485
Trust funds and deposits	23	1,801	1,449	1,085
Prepaid Income	24	194	-	-
Provisions	25	8,723	4,365	4,058
Interest-bearing loans and borrowings	26	1,234	1,777	444
Total current liabilities		16,251	11,811	11,072
Non-current liabilities				
Prepaid Income	24	1,340	1,509	1,478
Provisions	25	9,309	12,436	11,682
Interest-bearing loans and borrowings	26	8,415	6,250	8,027
Total non-current liabilities		19,064	20,195	21,187
Total liabilities		35,315	32,006	32,259
Net assets		870,391	830,127	817,797
Equity				
Accumulated surplus		307,256	290,932	288,805
Reserves	27	563,135	539,195	528,992
Total Equity		870,391	830,127	817,797

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

Statement of Changes in Equity For the Year Ended 30 June 2015

2014/15	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		830,127	290,932	537,791	1,404
Surplus/(deficit) for the year		16,162	16,162	-	-
Net asset revaluation increment/(decrement)	27(a)	24,102	-	24,102	-
Transfers to other reserves	27(b)	-	(60)	-	60
Transfers from other reserves	27(b)	-	222	-	(222)
Balance at end of the financial year		870,391	307,256	561,893	1,242

2013/14		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		749,019	293,700	454,002	1,317
Prior Year adjustment 2012/13	1(ac)	68,777	(4,895)	73,672	-
Adjusted balance at beginning of the financial year		817,796	288,805	527,674	1,317
Surplus/(deficit) for the year		15,416	15,416	-	-
Net asset revaluation increment/(decrement)	27(a)	6,179	-	6,179	-
Transfers to other reserves	27(b)	-	(87)	-	87
Transfers from other reserves	27(b)	-	-	-	-
Prior Year adjustment 2013/14	1(ac)	(9,264)	(13,202)	3,938	-
Balance at end of the financial year		830,127	290,932	537,791	1,404

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

**Statement of Cash Flows
For the Year Ended 30 June 2015**

	Note	2014/15 Inflows/ (Outflows) \$'000	2013/14 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		47,602	43,088
Statutory fees and fines		1,485	1,261
User fees		12,731	12,147
Grants - operating		23,489	10,241
Grants - capital		10,543	6,697
Contributions - monetary		725	317
Interest received		733	1,146
Trust funds and deposits taken		15,381	14,840
Other receipts		4,557	3,590
Net GST refund/(payment)		2,151	23
Employee costs		(25,199)	(23,187)
Materials and services		(40,880)	(30,058)
Trust funds and deposits repaid		(15,029)	(15,362)
Other payments		(1,398)	(6,139)
Net cash provided by/(used in) operating activities	28	<u>36,891</u>	<u>18,604</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	19	(27,896)	(31,028)
Proceeds from sale of property, infrastructure, plant and equipment		715	292
Payments for investments		(1,200)	(1,300)
Net cash provided by/(used in) investing activities		<u>(28,381)</u>	<u>(32,036)</u>
Cash flows from financing activities			
Finance costs		(651)	(694)
Proceeds from borrowings		3,400	-
Repayment of borrowings		(1,778)	(444)
Net cash provided by/(used in) financing activities		<u>971</u>	<u>(1,138)</u>
Net increase/(decrease) in cash and cash equivalents		9,481	(14,570)
Cash and cash equivalents at the beginning of the financial year		13,308	27,878
Cash and cash equivalents at the end of the financial year	29	<u>22,789</u>	<u>13,308</u>
Financing arrangements	30	1,500	1,500
Restrictions on cash assets	16	3,042	2,853

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

**Statement of Capital Works
For the Year Ended 30 June 2015**

	Note	2014/15 \$'000	2013/14 \$'000
Property			
Land		1,746	99
Total land		<u>1,746</u>	<u>99</u>
Buildings		3,999	-
Building improvements		2,040	7,217
Total buildings		<u>6,039</u>	<u>7,217</u>
Total property		<u>7,785</u>	<u>7,316</u>
Plant and equipment			
Plant, machinery and equipment		4,793	2,227
Fixtures, fittings and furniture		1,500	51
Computers and telecommunications		853	397
Library books		283	223
Total plant and equipment		<u>7,429</u>	<u>2,898</u>
Infrastructure			
Roads		8,549	7,638
Bridges		4,587	1,885
Footpaths and cycleways		2,305	211
Drainage		7,695	1,299
Recreational, leisure and community facilities		425	223
Waste management		597	1,698
Parks, open space and streetscapes		4,169	6,945
Aerodromes		-	845
Off street car parks		-	103
Other infrastructure		2,138	45
Total infrastructure		<u>30,465</u>	<u>20,892</u>
Total capital works expenditure		<u>45,679</u>	<u>31,106</u>
Represented by:			
New asset expenditure		13,727	13,703
Asset renewal expenditure		25,766	14,488
Asset expansion expenditure		182	2,126
Asset upgrade expenditure		6,004	789
Total capital works expenditure		<u>45,679</u>	<u>31,106</u>

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

Introduction

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

The Council's main office is located at 273 Main Street Bairnsdale Victoria 3875.

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's), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(n))
- the determination of employee provisions (refer to note 1(t))

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

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

Council did not have any consolidated entities as at 30 June 2015.

Note 1 Significant accounting policies (cont.)

(d) Committees of management

Council does not control any entities that have material revenues and expenses, assets or liabilities. As a result there was no requirement to eliminate any controlled entity transactions.

(e) Accounting for investments in associates and joint arrangements

Associates

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

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to the, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(f) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

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.

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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 1 Significant accounting policies (cont.)

(g) Fair value measurement

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.

AASB 13 defines fair value as 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(i) Trade and other receivables

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

(j) Other financial assets

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

(k) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

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.

Council held no inventory as at the reporting date.

(l) Non-current assets classified as held for sale

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

Note 1 Significant accounting policies (cont.)

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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 detailed in Note 1(n) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 19, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets every two to four years. The valuation is performed either by experienced council officers or independent experts.

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

Land and Building Revaluation

As at 30 June 2015, Land and Building Assets were revalued to fair value. Land assets were revalued using the direct comparison method, adopting a rate per square metre analysis.

Building assets were revalued on a depreciated replacement cost basis. Depreciation was based upon the age of the improvements.

Infrastructure Revaluation

As at 30 June 2013, Infrastructure was revalued to fair value. This revaluation was undertaken by Council's engineering and asset management staff.

Infrastructure assets were revalued on a depreciated replacement cost basis. Depreciation was based upon the age of the improvements.

Contributed Assets

Some land and infrastructure assets have been contributed to Council during the year from new subdivisions. Council values these at 30 June of the year that they are received using the following method:

Land:	Qualified valuers for valuation
Infrastructure:	Council officer's assessment of development costs of construction based upon detailed costings provided by developers

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in this financial report. Due to changes in the reporting requirements, it is expected that all land under roads controlled by Council will be recognised at fair value from the end of the 2017/18 financial year.

Note 1 Significant accounting policies (cont.)

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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

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

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

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

Plant and Vehicles are depreciated using the diminishing value method.

Depreciation periods used are listed below and are consistent with the prior year except for buildings where a reassessment of useful life has extended the life of some buildings from 50 to 80 years.

There has been a change in relation to the useful lives of buildings which has previously been 50 years. As part of the revaluation process, Council's valuer has reviewed the useful lives of its building assets. This resulted in the category for building assets being split into short life and long life building assets. The purpose of this change is to properly reflect the useful lives of Council building assets.

The change will result in building asset being classified as short life building assets with a useful life of 15 to 30 years and long life building assets of 30 to 80 years. The impact of this change will be a reduction in depreciation in future years but is not considered to be material.

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	-	0
Buildings		
buildings	15-80 years	5
building improvements	15-80 years	5
Plant and Equipment		
ferry equipment	40 years	1
plant, machinery and equipment	5-10 years	1
fixtures, fittings and furniture	10-20 years	1
computers and telecommunications	5-10 years	1
library books	5-10 years	1
Infrastructure		
road pavements and seals	18-80 years	5
road wearing course	15-60 years	5
road formation and earthworks	20-50 years	5
road kerb, channel and minor culverts	70 - 80	5
bridges	60-100	5
footpaths and cycleways	15-65 years	5
drainage	100 years	5
recreational, leisure and community facilities	15-60 years	5
waste management	60 years	5
parks, open space and streetscapes	20-40 years	5
aerodromes	15-80 years	5
off street car parks	18-80 years	5
other structures	80 years	5
Intangible assets		
intangible assets	5-10 years	1

(o) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

Note 1 Significant accounting policies (cont.)

(p) Investment property

Investment property, comprising land and building, is held for lease or capital appreciation. 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 either experienced Council officers or independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(q) 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 to sell 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.

(r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 23).

(s) Borrowings

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

Borrowing costs

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. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts and interest on borrowings.

(t) Employee costs and benefits

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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.

No liability is recognised for sick leave as it is not paid out on termination and it is not expected that sick leave taken in future periods will exceed entitlements that will accrue.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Note 1 Significant accounting policies (cont.)

(u) Landfill rehabilitation provision

Council is obligated to restore landfill sites to a particular standard. The forecast life of the landfill 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.

A reassessment of the provision for landfill rehabilitation as at 30 June 2015 determined that there were a number of landfill sites that had not previously been included in the calculation for the provision for landfill rehabilitation. As a result, a prior period adjustment has been recorded that adjusts opening equity as at 1 July 2014.

(v) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

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 there were no leasehold improvements.

(w) Prepaid Income

The prepaid income relates to cash received but not earned in relation to multi-year marina berths. The unearned cash component is treated as a liability. Income is recognised progressively on straight line basis as each year of the lease is consumed.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except the GST component of investing and financing activities, which are disclosed as operating cash flows.

(y) Financial guarantees

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 that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Liabilities and Contingent Assets.

(z) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(aa) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(ab) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

Note 1 Significant accounting policies (cont.)

(ac) Prior year adjustments were made adjusting the provision for landfill rehabilitation due to the incorrect application of accounting standards, assets that were either disposed in a prior year or could not be found in the prior year and an infrastructure revaluation error from 2012/13. Both the adjustments to infrastructure fair value in note (1) below were a result of an error in the revaluation and the asset adjustments in note (2) below relate to assets that were written off or disposed in a prior year. Opening equity has been adjusted to reflect these prior year adjustments. A third balance sheet has been provided to reflect the changes to balance sheet account as a result of the prior year adjustments.

Summary of prior year adjustments

(1)	Actual 2012/13 \$'000	Prior Year adjustment \$'000	Restated Actual 2012/13 \$'000
Asset adjustments			
Adjusted infrastructure fair values 2012/13 revaluation	-	66,684	-
Adjusted infrastructure fair values 2012/13 error in revaluation posting	-	6,989	-
Adjusted infrastructure fair values error in impairment posting	-	(4,895)	-
Total assets adjustments	741,008	68,778	809,786
Asset Revaluation Reserve	(454,002)	(73,673)	(527,675)
Accumulated Surplus	(293,700)	4,895	(288,805)
(2)	Actual 2013/14	Prior Year adjustment	Restated Actual 2013/14
Provision for Landfill Rehabilitation	(7,445)	(4,175)	(11,620)
Asset adjustments			
Assets written off/adjusted prior year - lost/no longer owned/controlled	836,691	(9,027)	827,664
Assets correction of prior year posting error	827,664	3,938	831,602
Asset Revaluation Reserve - correction of prior year posting error	(533,853)	(3,938)	(537,791)
Accumulated Surplus	(304,134)	13,202	(290,932)

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$2 million 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.

The budget figures detailed below are those adopted by Council on 24 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

a) Income and Expenditure

	Budget 2014/15 \$'000	Actual 2014/15 \$'000	Variance 2015 \$'000	Variance 2015 %	Ref
Income					
Rates and charges	48,078	48,239	161	0	
Statutory fees and fines	1,294	1,511	217	17	1
User fees	12,256	11,217	(1,039)	(8)	2
Grants - operating	19,345	23,516	4,171	22	3
Grants - capital	11,013	10,331	(682)	(6)	
Contributions - monetary	115	191	76	66	4
Contributions - non monetary	2,000	4,651	2,651	133	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(1,387)	(1,387)	N/A	6
Other income	1,763	4,246	2,483	141	7
Total income	95,864	102,515	6,651		
Expenses					
Employee costs	24,585	25,280	(695)	(3)	
Materials and services	34,433	38,579	(4,146)	(12)	8
Bad and doubtful debts	28	395	(367)		9
Depreciation and amortisation	19,301	19,892	(591)	(3)	
Borrowing costs	775	640	135	17	10
Other expenses	1,275	1,567	(292)	(23)	11
Total expenses	80,397	86,353	(5,956)		
Surplus/(deficit) for the year	15,467	16,162	695		
Other comprehensive income					
Net asset revaluation increment/(decrement)	22,510	24,102	1,592	7	12
Total comprehensive result	37,977	40,264	2,287		

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	There were a number of small increases in statutory fees received over the original budget amounts.
2	User fees	A budget for an internal charge for tipping fees in relation to the domestic waste contract of \$800K was not required as a result of the change in the service delivery. This together with a reduction of \$300K for the sale of recycling of metals at the tip accounts for the majority of the budget variance.
3	Grants - operating	The Victoria Grants Commission made an advance payment of the 2015/16 grant of \$6.8M which was not included in the budget. An amount of \$3.765M was included in the budget in relation to funding for natural disaster claims. This item was reclassified as other income - reimbursements. Other major variances relate to an additional \$163K being received for the Low Energy Lighting project and \$373K for the Fire Complex Recovery project.
4	Contributions - monetary	Minor additional cash contributions towards capital projects were received during the year.
5	Contributions - non monetary	The additional contributed assets over the budget amount relate directly to subdivisional development activity for the year and the value of assets required to be handed over to Council ownership.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The unbudgeted loss on sale of non-current assets is a result of the written down value of these assets being less than the proceeds for the sales together with assets that were written off or demolished during the year.
7	Other income	The majority of this variance relates to \$1.556M of natural disaster reimbursement that was received but the original budget allocation of \$3.765M was included as government grant.
8	Materials and services	Unbudgeted expenditure of \$2.7M was incurred for unbudgeted natural disaster projects that will be reimbursed in future periods. The Low Energy Lighting project expenditure of \$795K was unbudgeted against materials (a budget of \$295K in contracted services was not expended against). Additional grant funding will be received in 2015/16 to reimburse the additional unbudgeted expenditure in 2014/15. There was also an unbudgeted adjustment in relation to the provision required for landfill rehabilitation of \$1.8M.
9	Bad and doubtful debts	A review of doubtful debts for compliance infringements accounts for the majority of the increase in this expense item.
10	Borrowing costs	The budgeted loan of \$3.4 M was expected to be drawn down part way through the financial year, but was not taken up until 30 June 2015. This resulted in a reduction in borrowing costs for the year.
11	Other expenses	\$296K of adjustments to projects that were found to be incorrect during the year and should have been expensed.
12	Net asset revaluation increment/(decrement)	The additional increase in asset values for land and buildings as a result of a revaluation is mainly attributable to the reassessment of the estimated useful life of buildings which extends the life of buildings that had previously been recorded as having a life of 50 years to a life of 80 years.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2014/15 \$'000	Actual 2014/15 \$'000	Variance 2015 \$'000	Variance 2015 %	Ref
Property					
Land	-	1,662	1,662	N/A	1
Land Improvements	-	84	84	N/A	2
Total Land	-	1,746	1,746		
Buildings	1,893	3,999	2,106	111	3
Building improvements	1,165	2,040	875	75	4
Total Buildings	3,058	6,039	2,981		
Total Property	3,058	7,785	4,727		
Plant and Equipment					
Plant, machinery and equipment	1,453	4,793	3,340	230	5
Fixtures, fittings and furniture	30	1,500	1,470	N/A	6
Computers and telecommunications	181	853	672	371	7
Library books	250	283	33	13	8
Total Plant and Equipment	1,914	7,429	5,515		
Infrastructure					
Roads	4,096	8,549	4,453	109	9
Bridges	2,263	4,587	2,324	103	10
Footpaths and cycleways	-	2,305	2,305	N/A	11
Drainage	4,530	7,695	3,165	70	12
Recreational, leisure and community facilities	1,314	425	(889)	(68)	13
Waste management	4,103	597	(3,506)	(85)	14
Parks, open space and streetscapes	7,761	4,169	(3,592)	(46)	15
Other infrastructure	545	2,138	1,593	292	16
Total Infrastructure	24,612	30,465	5,853		
Total Capital Works Expenditure	29,584	45,679	16,095		
Represented by:					
New asset expenditure	8,626	13,727	5,101	59	
Asset renewal expenditure	16,489	25,766	9,277	56	
Asset expansion expenditure	104	182	78	75	
Asset upgrade expenditure	4,365	6,004	1,639	38	
Total Capital Works Expenditure	29,584	45,679	16,095		

Note: Capital works does not include non-monetary contributed assets.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Tambo Bluff Land purchases of \$49K are funded from unbudgeted Tambo Bluff land sales. There were other additions to land where budgets had been classified to infrastructure projects that make up the balance of the variance,
2	Land Improvements	Tarra Landing Landscaping works of \$72K related to incomplete works from 2013/14 year.
3	Buildings	Significant capitalisation of old works in progress for buildings that were completed in 2014/15 of \$2M were not included in the adopted budget. Major Building maintenance works were under budget by \$146K as a result of savings.
4	Building improvements	The Worksite consolidation project for the redevelopment of the Pyke Street site, which had a budget of \$800K was transferred to works in progress as it was incomplete at year end. These works will now be completed in 2015/16.
5	Plant, machinery and equipment	There was significant plant and equipment capitalised from old works in progress of approx \$2M that was included in the prior year budget. Waste Services plant and machinery expenditure of \$325K was not included in the original budget, but was funded from savings in other waste projects. Additional vehicles and other plant purchases of \$320K was offset by additional sales income.
6	Fixtures, fittings and furniture	This small budget was slightly underspent and the expenditure is usually reactive rather than lanned for this category budget.
7	Computers and telecommunications	\$491K of the 2013/14 PC IT renewal and projects program was carried forward from works in progress and completed in 2014/15.
8	Library books	Additional funding of \$9K was received for the Premier's Reading Program project which added to the total capital purchases. There was a small additional cost for library stock expenditure over the original budget.
9	Roads	There were a significant number of road rehabilitation projects from the prior year that were completed in the 2014/15 year. The most significant project was the Grant/Turnbull Street Project of \$2.3M. Various other road projects from the prior year account for the balance of the variance from adopted budget.
10	Bridges	The Wallagarough River Bridge construction exceeded the adopted budget by \$246K as a result of works that had been budgeted for in 2013/14 but were completed in 2014/15. There were a muber of other bridge replacements that were completed in 2014/15 and had significant capitalisation of works in progress from the previous financial year.
11	Footpaths and cycleways	The upgrade to the Rail Trail expenditure of \$153K was unbudgeted as was income contributions of \$111K for this project. There was also footpath works from the 2013/14 program that were completed in 2014/15.
12	Drainage	The East Bairnsdale Drainage project was underspent by \$1.869M as a result of the timing of the planned works. The balance of unspent funds will be expended in 2015/16. The Eastern Creek Drainage project expended an additional \$52K over the adopted budget and also had capitalisation of prior year works in progress of \$3.4M that was a result of incomplete works in 2013/14 being completed in the 2014/15 year.
13	Recreational, leisure and community facilities	Carried forwards works from 2013/14 of \$335K for the completion of the Main Street Bairnsdale toilet block were undertaken in 2014/15. There was also expenditure of \$276K for new funded projects that were not included in the adopted budget. This was offset by a number of projects that were incomplete at year end and transferred to works in progress.
14	Waste management	The construction of Cell 3A was incomplete at year end and transferred to works in progress. The budget for this project was \$1.7M. The Orbost Transfer Station construction was incomplete at year end and costs transferred to works in progress. The budget for this project was \$800K.
15	Parks, open space and streetscapes	The Metung Marina redevelopment stage 1 with a budget of \$3.4M was incomplete at year end and transferred to works in progress.
16	Other infrastructure	Unbudgeted works of \$126K for the Newmerella Wayside Stop were carried forward from 2013/14 year. Also part of the Bastion Point Boat ramp project that was completed in 2014/15 was capitalised from the prior year works in progress.

	2014/15 \$'000	2013/14 \$'000
Note 3 Rates and charges		
<p>Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all of its improvements.</p> <p>The valuation base used to calculate General rates for 2014/15 was \$6,880 million (2013/14 \$6,927 million), Commercial/Industrial rates was \$945 million (2013/14 \$914 million) and Farm rates was \$1,236 million (2013/14 \$1,264 million). The 2014/15 rate in the CIV dollar for General rates was 0.00367215 (2013/14 0.00349712), Commercial/Industrial rates was 0.00532462 (2013/14 0.00507083) and Farm rates was 0.00330494 (2013/14 0.00314741).</p>		
General Rate	25,264	24,224
Commercial/Industrial Rate	5,032	4,634
Farm Rate	4,086	3,978
Municipal charge	7,650	6,842
Waste management charge	5,662	4,438
Supplementary rates and rate adjustments	328	218
Revenue in lieu of rates	217	192
Total rates and charges	48,239	44,526
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation was first applied in the rating year commencing 1 July 2014</p>		
Note 4 Statutory fees and fines		
Infringements and costs	351	232
Application Registration Fees	306	292
Animal Registrations	338	315
Town planning fees	294	217
Land information certificates	44	43
Permits	134	151
Other	44	43
Total statutory fees and fines	1,511	1,293
Note 5 User fees		
Aged and health services	18	23
Leisure centre and recreation	2,288	2,337
Arts and Culture	234	231
Caravan Parks	2,172	2,006
Saleyards	1,195	995
Marinas	810	807
Child care/children's programs	222	221
Tourism	185	244
Registration and other permits	-	10
Building services	22	21
Waste management services	3,693	3,131
Other fees and charges	378	419
Total user fees	11,217	10,445
Note 6 Grants		
<p>Grants were received in respect of the following :</p>		
Summary of grants		
Commonwealth funded grants	24,048	9,690
State funded grants	9,698	7,109
Other	101	139
Total	33,847	16,938

	2014/15 \$'000	2013/14 \$'000
Note 6 Grants (Cont.)		
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	20,714	6,716
Asset Maintenance	-	159
Recreational, Leisure and Community Facilities	2	4
<i>Recurrent - State Government</i>		
Arts and Culture	40	40
Asset Maintenance	126	-
Community Development	254	155
Community Laws	51	44
Community Support	84	44
Economic Development	10	-
Emergency Management	331	90
Environmental Management	50	-
Libraries	327	310
Parks and Gardens	3	4
Performing Arts	50	50
Public Health	100	100
Recreational, Leisure and Community Facilities	10	-
Statutory Planning and Development Services	-	7
Total recurrent operating grants	22,151	7,723
<i>Non-recurrent - Commonwealth Government</i>		
Environmental Sustainability	340	161
Libraries	2	12
<i>Non-recurrent - State Government</i>		
Arts and Culture	-	1
Community Development	52	99
Community Support	-	41
Council Leadership and Advocacy	75	179
Economic Development	65	38
Emergency Management	15	82
Environmental Management	12	77
Environmental Sustainability	194	20
Family and Youth Services	-	10
Parks and Gardens	-	60
Public Health	7	-
Recreational, Leisure and Community Facilities	-	2
Strategic Planning	586	247
Tourism and Visitor Information Services	17	-
Waste Services	-	89
Total non-recurrent operating grants	1,365	1,118
Total operating grants	23,516	8,841
Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,236	2,345
<i>Recurrent - State Government</i>		
Other Infrastructure	5	-
Recreational, Leisure and Community Facilities	9	19
Total recurrent capital grants	2,250	2,364
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	355	524
Drainage	633	-
Roads	43	-
<i>Non-recurrent - State Government</i>		
Aerodromes	340	390
Bridges	747	-
Buildings	730	180
Drainage	-	110
Footpaths and Cycleways	110	-
Other Infrastructure	251	113
Parks, Open Space and Streetscapes	492	987
Recreational, Leisure and Community Facilities	3,949	2,721
Roads	431	708
Total non-recurrent capital grants	8,081	5,733
Total capital grants	10,331	8,097
Conditions on grants		
Grants yet to be applied at start of period	2,975	5,183
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	152	502
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	1,975	2,710
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	(1,823)	(2,208)
Grants yet to be applied as at year end	1,152	2,975

	2014/15 \$'000	2013/14 \$'000
Note 7 Contributions		
Monetary	191	317
Non-monetary	4,651	7,747
Total contributions	4,842	8,064
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	4,651	1,349
Buildings	-	-
Infrastructure	-	6,398
Total non-monetary contributed assets	4,651	7,747
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	715	471
Write down value of assets disposed and impairment losses	(2,102)	(292)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,387)	179
Note 9 Other income		
Interest	738	1,146
Investment property rental	473	484
Reimbursements - Other	1,008	809
Reimbursements - Natural Disasters	1,579	7,071
Other rent	51	110
Other	262	206
Total other income	4,111	9,826
Note 10 (a) Employee costs		
Wages and salaries	20,003	18,966
WorkCover	317	251
Casual staff	2,254	2,765
Superannuation	2,183	2,043
Fringe benefits tax	193	212
Other	330	38
Total employee costs	25,280	24,275
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	93	131
	93	131
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,535	1,468
Employer contributions - other funds	555	444
	2,090	1,912
Employer contributions payable at reporting date.	-	-
<p>East Gippsland Shire Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.</p>		
Accumulation		
<p>The Fund's accumulation categories, 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 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).</p>		

Note 10 (b) Superannuation

Defined Benefit

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

	2014/15	2013/14
	\$'000	\$'000
Note 11 Materials and services		
Contract payments	15,559	14,268
Building maintenance	834	795
General maintenance *	15,417	9,479
Utilities	2,005	2,389
Office administration	559	499
Information technology	1,087	856
Insurance	967	959
Consultants	895	946
Contributions	1,256	1,211
Total materials and services	38,579	31,402

* General maintenance includes \$1.859 million in 2014/15 for an adjustment to Landfill rehabilitation provision. In 2013/14 there was a reduction in this requirement which reduced general maintenance by \$3.872 million.

Note 12 Bad and doubtful debts

Parking fine debtors	48	12
Animal fine debtors	145	2
Rates debtors	(21)	(4)
Other debtors	223	74
Total bad and doubtful debts	395	84

Note 13 Depreciation and amortisation

Property	3,056	2,785
Plant and equipment	2,867	1,954
Infrastructure	13,950	12,471
Intangible assets	19	763
Total depreciation and amortisation	19,892	17,973

Refer to note 19 for a more detailed breakdown of depreciation and amortisation charges

Note 14 Borrowing costs

Interest - Borrowings	640	694
Total borrowing costs	640	694

Note 15 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	40	43
Auditors' remuneration - Internal	32	43
Councillors' allowances	291	284
Operating lease rentals	314	318
Memberships/Subscriptions	152	143
Bank fees and charges	168	158
Legal fees	202	224
Other	368	178
Total other expenses	1,567	1,391

	2014/15 \$'000	2013/14 \$'000
Note 16 Cash and cash equivalents		
Cash on hand	12	11
Cash at bank	7,734	1,787
Term deposits	15,043	11,510
	<u>22,789</u>	<u>13,308</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 23)	1,801	1,449
Non Discretionary Reserves (Note 27b)	1,242	1,404
Unexpended grants (refer to Note 6)	1,152	2,975
Total restricted funds	<u>4,195</u>	<u>5,828</u>
Total unrestricted cash and cash equivalents	<u>18,594</u>	<u>7,480</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	10,353	12,438
- Tambo Bluff Estate	101	-
- Water transport replacement reserve	600	400
Total funds subject to intended allocations	<u>11,054</u>	<u>12,838</u>
Note 16(a) Other financial assets		
Term deposits	2,500	1,300
Total other financial assets	<u>2,500</u>	<u>1,300</u>
Note 17 Trade and other receivables		
Current		
Rates debtors	2,636	2,208
Special rate assessment	1,134	202
Parking infringement debtors	8	8
Infringement Court	227	200
GST Reimbursement	529	581
Pensioner Rebate	3	335
Other debtors	1,821	2,538
Provision for doubtful debts	(263)	(77)
Total current trade and other receivables	<u>6,095</u>	<u>5,995</u>
Non-current		
Special rate scheme	1,605	3,071
Total non-current trade and other receivables	<u>1,605</u>	<u>3,071</u>
Total trade and other receivables	<u>7,700</u>	<u>9,066</u>
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	1,253	1,727
Past due by up to 30 days	286	392
Past due between 31 and 180 days	95	171
Past due between 181 and 365 days	40	76
Past due by more than 1 year	147	172
Total trade & other receivables	<u>1,821</u>	<u>2,538</u>
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	77	248
New Provisions recognised during the year	186	5
Amounts already provided for and written off as uncollectible	-	(163)
Amounts provided for but recovered during the year	-	(13)
Balance at end of year	<u>263</u>	<u>77</u>
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$263,000 (2014: \$77,455) were impaired. The amount of the provision raised against these debtors was \$263,000 (2014: \$77,455). The individual debtors have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	263	77
Total trade & other receivables	<u>263</u>	<u>77</u>

	2014/15 \$'000	2013/14 \$'000
Note 18 Other assets		
Prepayments	466	308
Accrued income	5,149	5,074
Total other assets	5,615	5,382

Note 19 Property, infrastructure plant and equipment

Land and Buildings	Note	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2014		78,398	15,147	93,545	151,600	151,600	2,645	247,790
Accumulated depreciation at 1 July 2014		-	-	-	(79,268)	(79,268)	-	(79,268)
		78,398	15,147	93,545	72,332	72,332	2,645	168,522
Prior year adjustments to fair value		(8,843)	-	(8,843)	(480)	(480)	-	(9,323)
Prior year adjustments to accumulated depreciation		-	-	-	332	332	-	332
Total prior Year adjustments		(8,843)	-	(8,843)	(148)	(148)	-	(8,991)
Adjusted fair value as at 1 July 2014		69,555	15,147	84,702	151,120	151,120	2,645	238,467
Adjusted accumulated depreciation as at 1 July 2014		-	-	-	(78,936)	(78,936)	-	(78,936)
Adjusted opening balance as at 1 July 2014		69,555	15,147	84,702	72,184	72,184	2,645	159,531
Movements in fair value								
Acquisition of assets at fair value		2,876	-	2,876	6,039	6,039	-	8,915
Revaluation increments/decrements		14,549	(1,867)	12,682	4,101	4,101	-	16,783
Fair value of assets disposed		(768)	-	(768)	-	-	-	(768)
Impairment losses recognised in operating result		(37)	-	(37)	(596)	(596)	-	(633)
Transfers		-	-	-	-	-	(2,177)	(2,177)
		16,620	(1,867)	14,753	9,544	9,544	(2,177)	22,120
Movements in accumulated depreciation								
Depreciation and amortisation		-	-	-	(3,056)	(3,056)	-	(3,056)
Accumulated depreciation of disposals		-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	8,311	8,311	-	8,311
Impairment losses recognised in operating result		-	-	-	465	465	-	465
Transfers		-	-	-	-	-	-	-
		-	-	-	5,720	5,720	-	5,720
At fair value 30 June 2015		86,175	13,280	99,455	160,664	160,664	468	260,587
Accumulated depreciation at 30 June 2015		-	-	-	(73,216)	(73,216)	-	(73,216)
		86,175	13,280	99,455	87,448	87,448	468	187,371

Note 19 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014		14,173	4,866	1,757	3,379	2,717	26,892
Accumulated depreciation at 1 July 2014		(6,524)	(2,944)	(1,429)	(2,394)	-	(13,291)
		<u>7,649</u>	<u>1,922</u>	<u>328</u>	<u>985</u>	<u>2,717</u>	13,601
Movements in fair value							
Acquisition of assets at fair value		4,793	1,500	853	283	-	7,429
Revaluation increments/decrements		-	-	-	-	-	-
Fair value of assets disposed		(1,614)	(1)	-	-	-	(1,615)
Impairment losses recognised in operating result		-	-	-	-	-	-
Transfers		-	-	-	-	(2,677)	(2,677)
		<u>3,179</u>	<u>1,499</u>	<u>853</u>	<u>283</u>	<u>(2,677)</u>	3,137
Movements in accumulated depreciation							
Depreciation and amortisation		(1,926)	(411)	(335)	(195)	-	(2,867)
Accumulated depreciation of disposals		994	-	-	-	-	994
Impairment losses recognised in operating result		-	-	-	-	-	-
Transfers		-	-	-	-	-	-
		<u>(932)</u>	<u>(411)</u>	<u>(335)</u>	<u>(195)</u>	<u>-</u>	(1,873)
At fair value 30 June 2015		17,352	6,365	2,610	3,662	40	30,029
Accumulated depreciation at 30 June 2015		(7,456)	(3,355)	(1,764)	(2,589)	-	(15,164)
		<u>9,896</u>	<u>3,010</u>	<u>846</u>	<u>1,073</u>	<u>40</u>	14,865

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 19 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Waste Management	Parks open spaces and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014		550,391	85,755	23,963	55,590	20,154	3,966	9,754	196	11,964	22,128	783,861
Accumulated depreciation at 1 July 2014		(117,387)	(26,600)	(6,772)	(12,257)	(14,548)	(1,580)	(4,525)	(62)	385	-	(183,346)
		433,004	59,155	17,191	43,333	5,606	2,386	5,229	134	12,349	22,128	600,515
Prior year adjustments to fair value		92,356	-	-	-	2,655	-	-	-	-	-	95,011
Prior year adjustments to accumulated depreciation		(32,726)	-	-	-	(532)	-	-	-	(3,801)	-	(37,059)
Total prior Year adjustments		59,630	-	-	-	2,123	-	-	-	(3,801)	-	57,952
Adjusted fair value as at 1 July 2014		642,747	85,755	23,963	55,590	22,809	3,966	9,754	196	11,964	22,128	878,872
Adjusted accumulated depreciation as at 1 July 2014		(150,113)	(26,600)	(6,772)	(12,257)	(15,080)	(1,580)	(4,525)	(62)	(3,416)	-	(220,405)
Adjusted opening balance as at 1 July 2014		492,634	59,155	17,191	43,333	7,729	2,386	5,229	134	8,548	22,128	658,467
Movements in fair value												
Acquisition of assets at fair value		12,070	4,587	2,305	7,695	425	597	4,169	-	2,138	-	33,986
Revaluation increments/decrements		(825)	(166)	-	-	-	-	-	-	186	-	(805)
Fair value of assets disposed		-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	(72)	-	-	(3,562)	-	(53)	-	(185)	-	(3,872)
Transfers		-	-	-	-	-	-	-	-	-	(13,862)	(13,862)
		11,245	4,349	2,305	7,695	(3,137)	597	4,116	-	2,139	(13,862)	15,447
Movements in accumulated depreciation												
Depreciation and amortisation		(10,516)	(1,136)	(371)	(771)	(419)	(75)	(244)	(4)	(414)	-	(13,950)
Accumulated depreciation of disposals		-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	-	-	-	-	(186)	-	(186)
Impairment losses recognised in operating result		-	37	-	-	3,243	-	47	-	-	-	3,327
Transfers		-	-	-	-	-	-	-	-	-	-	-
		(10,516)	(1,099)	(371)	(771)	2,824	(75)	(197)	(4)	(600)	-	(10,809)
At fair value 30 June 2015		653,992	90,104	26,268	63,285	19,672	4,563	13,870	196	14,103	8,266	894,319
Accumulated depreciation at 30 June 2015		(160,629)	(27,699)	(7,143)	(13,028)	(12,256)	(1,655)	(4,722)	(66)	(4,016)	-	(231,214)
		493,363	62,405	19,125	50,257	7,416	2,908	9,148	130	10,087	8,266	663,105

Note 19 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

A revaluation of all land and building assets was conducted in 2014/2015. Valuation of land and buildings were undertaken by qualified independent valuer, Craig McMillan, Certified Practising Valuer (No. 62705), A.A.P.I., B.Business (Property) Director of Herron Todd White (Gippsland) and independent quantity surveyor, Ben Walpole, Director Quantity Surveyor, B.Quantity Surveying Grad Cert (Comm), Dip. Building of Herron Todd White (Sydney). 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.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Land	-	13,280	-
Specialised land	-	-	86,175
Buildings	-	-	87,448
Total	-	13,280	173,623

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Council's engineering and asset management staff.

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

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Roads	-	-	493,363
Bridges	-	-	62,405
Footpaths and cycleways	-	-	19,125
Drainage	-	-	50,257
Recreational, leisure and community facilities	-	-	7,416
Waste management	-	-	2,908
Parks, open space and streetscapes	-	-	9,148
Off Street carparks	-	-	130
Other infrastructure	-	-	10,087
Total	-	-	654,839

Note 19	Property, infrastructure, plant and equipment cont'd	2014/15 \$'000	2013/14 \$'000
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Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 75%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.02 and \$2,200 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$622 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 15 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2014/15 \$'000	2013/14 \$'000
Reconciliation of specialised land		
Land under roads	3,604	3,457
Parks and reserves	43,677	31,873
Recreation and Leisure	18,612	13,376
Residential Land	182	230
Commercial Land	294	175
Aerodrome Land	1,330	1,014
Community Services	1,180	2,158
Business Centre/Library Land	1,844	1,789
Caravan Park Land	3,230	3,370
Carpark Land	816	1,717
Cemetary Land	205	231
Depot Land	385	1,151
Quarry Reserve Land	201	275
Drainage Reserve Land	3,933	3,997
Saleyard & Pound Facility Land	325	453
Waste Management Land	2,665	1,866
Road Reserves	3,692	2,423
Total specialised land	86,175	69,555

	2014/15 \$'000	2013/14 \$'000
Note 20 Investment property		
Balance at beginning of financial year	1,467	1,513
Additions	8	-
Disposals	(166)	(10)
Fair value adjustments	135	(36)
Balance at end of financial year	<u>1,444</u>	<u>1,467</u>
<i>Valuation of investment property</i>		
Valuation of investment property has been determined in accordance with an independent valuation by Craig McMillan, Director, Certified Practising Valuer (No. 62705), A.A.P.I., B.Business (Property) of Herron Todd White (Gippsland) and independent quantity surveyor, Ben Walpole, Director Quantity Surveying, B. Quantity Surveying Grad Cert (Comm) Dip. Building of Herron Todd White (Sydney) who have 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.		
Note 21 Intangible assets		
Software	315	9
Total intangible assets	<u>315</u>	<u>9</u>
	\$'000	
Gross carrying amount		
Balance at 1 July 2013	1,595	
Additions from internal developments	31	
Balance at 1 July 2014	1,626	
Additions from internal developments	325	
Balance at 30 June 2015	<u>1,951</u>	
Accumulated amortisation and impairment		
Balance at 1 July 2013	1,595	
Amortisation expense	22	
Balance at 1 July 2014	1,617	
Amortisation expense	19	
Balance at 30 June 2015	<u>1,636</u>	
Net book value at 30 June 2014	9	
Net book value at 30 June 2015	<u>315</u>	
	2014/15 \$'000	2013/14 \$'000
Note 22 Trade and other payables		
Trade payables	2,434	2,276
Accrued expenses	1,865	1,944
Total trade and other payables	<u>4,299</u>	<u>4,220</u>

	2014/15 \$'000	2013/14 \$'000		
Note 23 Trust funds and deposits				
Refundable deposits	579	384		
Fire services levy	249	282		
Retention amounts	479	342		
Other refundable deposits	444	428		
Funds Held in Trust	50	13		
Total trust funds and deposits	1,801	1,449		
<i>Purpose and nature of items</i>				
Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities				
Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.				
Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.				
Note 24 Prepaid Income				
Marina Berths				
Current	194	-		
Non-current	1,340	1,509		
	1,534	1,509		
Note 25 Provisions				
	Landfill restoration \$ '000	Employee \$ '000	Native Vegetation \$ '000	Total \$ '000
2014/15				
Balance at beginning of the financial year	11,620	5,033	148	16,801
Additional provisions	1,260	597	108	1,965
Amounts used	(696)	(658)	(10)	(1,364)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	600	30	-	630
Balance at the end of the financial year	12,784	5,002	246	18,032
2013/14				
Balance at beginning of the financial year	15,138	4,599	178	19,915
Additional provisions	(3,618)	2,030	-	(1,588)
Amounts used	-	(1,427)	(30)	(1,457)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	100	(169)	-	(69)
Balance at the end of the financial year	11,620	5,033	148	16,801
	2014/15			2013/14
	\$'000			\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	1,919			1,807
Long service leave	222			305
	2,141			2,112
Current provisions expected to be wholly settled after 12 months				
Annual leave	171			174
Long service leave	1,998			2,079
	2,169			2,253
Total current provisions	4,310			4,365
Non-current				
Long service leave	692			668
Total non-current provisions	692			668
Aggregate carrying amount of employee provisions:				
Current	4,310			4,365
Non-current	692			668
Total aggregate carrying amount of employee provisions	5,002			5,033
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs	3.00%			4.00%
Weighted average discount rates	3.01%			3.79%
Weighted average settlement period	20 years			20 years

	2014/15 \$'000	2013/14 \$'000
Note 25 Provisions (cont'd)		
(b) Land fill restoration		
Current	4,413	-
Non-current	8,371	11,620
	<u>12,784</u>	<u>11,620</u>
The following assumptions were adopted in measuring the present value of landfill rehabilitation:		
Weighted average increase in costs	1.50%	3.00%
Weighted average discount rates	2.53%	3.57%
Weighted average settlement period	30 yrs	20 yrs
(c) Native Vegetation Offset		
Current	-	-
Non-current	246	148
	<u>246</u>	<u>148</u>
Total Current	8,723	4,365
Total Non-current	9,309	12,436
Total Provisions	<u>18,032</u>	<u>16,801</u>
Note 26 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	1,234	1,777
	<u>1,234</u>	<u>1,777</u>
Non-current		
Borrowings - secured	8,415	6,250
	<u>8,415</u>	<u>6,250</u>
Total	<u>9,649</u>	<u>8,027</u>
a) The maturity profile for Council's borrowings is:		
Not later than one year	1,234	1,777
Later than one year and not later than five years	5,065	2,900
Later than five years	3,350	3,350
	<u>9,649</u>	<u>8,027</u>
c) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	1,234	1,777
Non-current	8,415	6,250
	<u>9,649</u>	<u>8,027</u>

Borrowings are secured by mortgages over the general rates of Council.

Note 27 Reserves

	Balance at beginning of reporting period	Increment/(decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
2014/15			
Property			
Land	60,300	12,681	72,981
Buildings	42,241	12,412	54,653
	102,541	25,093	127,634
Infrastructure			
Roads	325,735	(991)	324,744
Bridges	41,076	-	41,076
Footpaths and cycleways	12,589	-	12,589
Drainage	33,080	-	33,080
Recreational, leisure and community facilities	4,881	-	4,881
Waste management	1,914	-	1,914
Parks, open space and streetscapes	6,021	-	6,021
Carparks	86	-	86
Other infrastructure	9,868	-	9,868
	435,250	(991)	434,259
Total asset revaluation reserves	537,791	24,102	561,893
2013/14			
Property			
Land	60,256	44	60,300
Buildings	42,241	-	42,241
	102,497	44	102,541
Infrastructure			
Roads	332,757	(7,022)	325,735
Bridges	41,076	-	41,076
Footpaths and cycleways	12,589	-	12,589
Drainage	33,080	-	33,080
Recreational, leisure and community facilities	4,881	-	4,881
Waste management	1,914	-	1,914
Parks, open space and streetscapes	6,021	-	6,021
Carparks	86	-	86
Other infrastructure	4,276	(5,335)	(1,059)
Prior year adjustments other infrastructure	-	10,927	10,927
Adjusted balance other infrastructure	4,276	5,592	9,868
	436,680	(1,430)	435,250
Total asset revaluation reserves	539,177	(1,386)	537,791

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2014/15				
Car Parking	193	-	-	193
Recreational Land	1,179	60	(222)	1,017
Road Upgrading	32	-	-	32
Total Other reserves	1,404	60	(222)	1,242
2013/14				
Car Parking	193	-	-	193
Recreational Land	1,092	87	-	1,179
Road Upgrading	32	-	-	32
Total Other reserves	1,317	87	-	1,404

The Recreation Land reserve receives developer contributions for future development of public open space.

The Car Parking reserve receives developer funds for future development of public car parks.

The Road Upgrading reserve receives contributions from developers for the future upgrade of specific roads as required by development plans.

	2014/15 \$'000	2013/14 \$'000
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	16,162	15,416
Depreciation/amortisation	19,892	17,973
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,387	(179)
Borrowing costs	651	694
Capital works in progress expensed	296	-
Contributions - Non-monetary assets	(4,651)	(7,747)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,366	833
(Increase)/decrease in prepayments	(194)	-
(Increase)/decrease in accrued income	(39)	(4,593)
Increase/(decrease) in trade and other payables	413	(4,378)
Increase/(decrease) in trust funds	352	151
Increase/(decrease) in other liabilities	25	-
Increase/(Decrease) in provisions	1,231	434
Net cash provided by/(used in) operating activities	<u>36,891</u>	<u>18,604</u>
 Note 29 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 16)	<u>22,789</u>	<u>13,308</u>
	<u>22,789</u>	<u>13,308</u>
 Note 30 Financing arrangements		
Used facilities		
Borrowings	9,649	8,027
Total used facilities	<u>9,649</u>	<u>8,027</u>
Unused facilities		
Bank overdraft	1,500	1,500
Total Unused facilities	<u>1,500</u>	<u>1,500</u>
Total financing arrangements	<u>11,149</u>	<u>9,527</u>

Note 31 Commitments

The Council has entered into the following commitments

2014/15	Not later than 1	Later than 1 year	Later than 2	Later than 5	Total
	year	and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Cleaning	767	67	-	-	834
Ferry Operations/Maintenance	428	14	-	-	442
Road Infrastructure Maintenance	5,064	5,019	7,562	-	17,645
Waste Management	2,660	2,660	7,817	12,179	25,316
Other Service Contracts	790	600	1,165	-	2,555
Total	9,709	8,360	16,544	12,179	46,792
Capital					
Buildings	100	-	-	-	100
Roads	856	-	-	-	856
Waste	565	-	-	-	565
Other	5,292	-	-	-	5,292
Total	6,813	-	-	-	6,813

2013/14	Not later than 1	Later than 1 year	Later than 2	Later than 5	Total
	year	and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Cleaning	719	719	64	-	1,502
Ferry Operations/Maintenance	418	418	15	-	851
Road Infrastructure Maintenance	5,198	5,019	12,581	-	22,798
Waste Management	1,606	54	54	-	1,714
Other Service Contracts	554	768	403	-	1,725
Total	8,495	6,978	13,117	-	28,590
Capital					
Buildings	302	-	-	-	302
Roads	2,828	-	-	-	2,828
Waste	457	-	-	-	457
Other	9,921	-	-	-	9,921
Total	13,508	-	-	-	13,508

	2014/15 \$'000	2013/14 \$'000
Note 32 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	99	122
Later than one year and not later than five years	363	365
Later than five years	576	551
	1,038	1,038
(b) 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 minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	598	496
Later than one year and not later than five years	1,987	1,804
Later than five years	2,329	2,485
	4,914	4,785

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

East Gippsland Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which East Gippsland Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa
Salary information 4.25% pa
Price inflation (CPI) 2.75% pa

Vision Super has advised that the estimated VBI at June quarter 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, East Gippsland Shire 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including East Gippsland Shire 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.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which East Gippsland Shire Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

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 2014.

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.

East Gippsland Shire Council was notified of the results of the actuarial investigation during January 2015.

Superannuation contributions

Contributions by East Gippsland Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefits	9.5%	93	131
Vision Super	Accumulation	9.5%	1,534	1,468
Other	Accumulation	9.5%	555	444

East Gippsland Shire Council has paid no unfunded liability payments to Vision Super during the 2014/15 year (2013/14 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$96,000.

Landfill

Council operates a number of landfills. Council has provided the Environment Protection Authority with a bank guarantee in their favour of \$1.3 million to meet the remedial action financial assurance requirements for licenced landfill sites.

Guarantees for loans to other entities

Nil

Contingent assets

Nil

Note 34 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 Note 1 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our 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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 33, 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 26.

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

e) Fair value

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

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.

(f) Sensitivity disclosure analysis

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

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 2%.

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 35 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Mark Reeves (Mayor from 12 November 2013 to 11 November 2014) Councillor Peter Neal (Mayor from 11 November 2014 onwards) Councillor Richard Ellis Councillor Michael Freshwater Councillor Jeff McNeill Councillor Marianne Pelz Councillor Jane Rowe Councillor Ben Buckley Councillor John Wilkin
Chief Executive Officer	Gary Gaffney (from 15 December 2014) Stephen Koslowski (until 5 September 2014)

(ii) Remuneration of Responsible Persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2014/15 No.	2013/14 No.
\$20,000 - \$29,999	7	7
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$120,000 - \$129,999	1	-
\$310,000 - \$319,999	-	1
	11	10

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

\$469,672	\$594,000
-----------	-----------

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$136,000

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2014/15 No.	2013/14 No.
Income Range:		
\$30,000 - \$39,999	-	1
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	-	1
\$120,000 - \$129,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	2	1
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
	6	7

Total Remuneration for the reporting year for Senior Officers included above, amounted to

\$990,659	\$1,098,000
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(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2013/14 - \$0)

\$0	\$0
-----	-----

Note 35 Related party transactions (cont'd)

(v) **Loans to responsible persons**

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

Nil

(vi) **Transactions with responsible persons**

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

- 1 Gippsland Ports: Councillor Richard Ellis is a Board Member of Gippsland Ports. For the year ended 30 June 2015, Council paid \$129,741 (2013/14 \$13,750) to Gippsland Ports on normal commercial terms and conditions.
- 2 R Pelz Haulage: Councillor Marianne Pelz is a part owner of R Pelz Haulage. For the year ended 30 June 2015, Council paid \$24,975 (2013/14 \$23,722) on normal commercial terms and conditions.

Note 38 Events occurring after balance date

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

Certification of the Financial Statements

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



Principal Accounting Officer

Date : 30 September 2015
Bairnsdale

In our opinion the accompanying financial statements present fairly the financial transactions of East Gippsland Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

As 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 2014* to certify the financial statements in their final form.



Jane Rowe
Councillor

Date : 30 September 2015
Bairnsdale



Date : 30 September 2015
Bairnsdale



Gary Gaffney
Chief Executive Officer

Date : 30 September 2015
Bairnsdale

INDEPENDENT AUDITOR'S REPORT

To the Councillors, East Gippsland Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the East Gippsland Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of the East Gippsland Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the East Gippsland Shire Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
30 September 2015


f ✓ Dr Peter Frost
Acting Auditor-General

Performance Statement

For the year ended 30 June 2015

Description of municipality

East Gippsland is a major geographic and economic region in eastern Victoria. The region covers more than 21,000 square kilometres or 10% of the State. The municipality covers an area of spectacular landscapes and vast natural resources. Almost 75% of the land is under public ownership. Private land amounts to around 4,200 square kilometres and only 64 square kilometres of land are classified as urban. With more than 42 townships and localities, East Gippsland can be seen as a patchwork of communities, each with individual features and characteristics. East Gippsland has an Estimated Residential Population of approximately 43,772 residents (as at June 30, 2014). According to the 2011 census, East Gippsland has a high proportion of low-income households (36.8%) compared to the Victorian average and the rest of Gippsland. East Gippsland Shire Council provides more than 100 high quality services and facilities across a range of areas including Community Services, Economic Development, Environmental Services, Customer Services, Health and Wellbeing, Planning and Building and more. The Shire is responsible for maintaining 2,900 km of roads, 209 bridges, over 300 km of drains, 517 km of kerb and channel, 300 hectares of Parks and Gardens and over 4,000 street lights.

Sustainable Capacity Indicators

For the year ended 30 June 2015

<i>Indicator/measure</i>	Results 2015	Material Variations*
Own-source revenue		
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,458	No material variations
Recurrent grants		
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$557	The prepayment of \$6.8 million of the 2015/16 Financial Assistance Grant was received in 2014/15.
Population		
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,973	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,497	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	14.88	No material variations
Disadvantage		
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	No material variations

* As there is no base year, Council has made a number of comments under 'Material Variations' to assist readers interpretation of the results.

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, plant and equipment excluding land

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2015

<i>Service/indicator/measure</i>	Results 2015	Material Variations*
Governance		
Satisfaction		
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53	No material variations
Statutory Planning		
Decision making		
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50%	No material variations
Roads		
Satisfaction		
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	46	No material variations
Libraries		
Participation		
<i>Active library members</i> [Number of active library members / Municipal population] x100	18.40%	No material variations
Waste Collection		
Waste diversion		
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.73%	No material variations
Aquatic facilities		
Utilisation		
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.17	No material variations
Animal management		
Health and safety		
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	We have had no animal management issues that have warranted Court action in the past 12 months.
Food safety		
Health and safety		
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	0%	There were no reportable critical and major non-compliance incidents in 2014-15.

* As there is no base year, Council has made a number of comments under 'Material Variations' to assist readers interpretation of the results.

Definitions

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

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

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

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

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

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

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

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

"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*.

Financial Performance Indicators

For the year ended 30 June 2015

Dimension/indicator/measure	Results	Forecasts				Material Variations*
	2015	2016	2017	2018	2019	
Operating position						
Adjusted underlying result						
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	3.6%	3.6%	2.8%	1.7%	2.3%	No material variations
Liquidity						
Working capital						
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	228%	198.0%	228.5%	219.7%	227.5%	Incomplete capital works at year end were greater than anticipated as well as the receipt of \$6.8 million advance payment for the 2015/16 Financial Assistance Grant.
Unrestricted cash						
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	50.7%	142.0%	159.7%	158.7%	162.9%	A large claim for reimbursement for natural disaster works was not received by year end and this resulted in less cash that anticipated.
Obligations						
Loans and borrowings						
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	20%	16.7%	12.6%	10.9%	7.2%	The new loan in 2014/15 was not taken up until year end but had been planned to take up earlier and therefore less principal repayments than estimated were made.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5%	4.1%	4.8%	2.3%	4.3%	No material variations
Indebtedness						
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	29.9%	21.4%	20.2%	18.1%	16.8%	An increase in the current provision for landfill over the original estimate has impacted on this indicator.
Asset renewal						
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	129.5%	93.8%	87.9%	77.2%	94.8%	Significant capitalisation of prior year end works in progress added to the capital Renewal Spend for 2014/15.
Stability						

Dimension/indicator/measure	Results	Forecasts				Material Variations*
	2015	2016	2017	2018	2019	
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	53.8%	59.8%	60.6%	61.8%	61.8%	The advance payment of part of the 2015/16 Federal Assistance grant in June 2015 increased the total of Own source revenue which in turn reduced this indicator.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.5%	0.6%	0.6%	0.6%	0.6%	No material variations
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,806	\$2,664	\$2,732	\$2,790	\$2,853	Additional grant funded works that had not been budgeted for, were undertaken during the year. This increased total expenditure, but corresponding additional revenue was also received.
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,447	\$1,031	\$1,065	\$1,100	\$1,136	The growth in the number of residential assessments was less than originally estimated.
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.38%	8.0%	8.0%	8.0%	8.0%	In May 2015, the East Gippsland Shire finalised a review of its organisation structure. The Chief Executive Officer identified the review as a priority for 2015 after he commenced in the role in December 2014. Over 80 per cent of the former structure remains unchanged. Some positions have been made redundant as part of the consolidation of roles, review of positions and retirement of unfilled vacancies.

* As there is no base year, Council has made a number of comments under 'Material Variations' to assist readers interpretation of the results.

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)

"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

Other Information

For the year ended 30 June 2015

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 23 June 2015 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the performance statement

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



Elizabeth Collins, CPA
Principal Accounting Officer
Dated: 30 September 2015

In our opinion, the accompanying performance statement of the East Gippsland Shire Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



(Jane Rowe)
Councillor
Dated: 30 September 2015



(Michael Freshwater)
Councillor
Dated: 30 September 2015



Gary Gaffney
Chief Executive Officer
Dated: 30 September 2015

INDEPENDENT AUDITOR'S REPORT

To the Councillors, East Gippsland Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the East Gippsland Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the East Gippsland Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

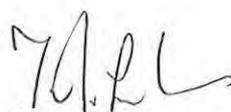
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the East Gippsland Shire Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
30 September 2015


Dr Peter Frost
Acting Auditor-General

Glossary

Actual 2013-14	Actual performance achieved where this measure was used in the 2013-14 financial year.
Balance sheet	Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.
Best Value	The continuous review of all services provided by Council to ensure they meet the required cost standards and needs of the community to deliver value for money.
Buildings and improvements	Includes all capital building improvements to any land owned or controlled by Council.
Cashflow statement	Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).
Council Plan	The Council Plan guides the development and strategic priorities for Council over a four year period. It is reviewed each year.
EFT	Equivalent full time.
Financial statements	Incorporates the Income Statement, Balance Sheet, Statement of Changes in Equity, Cashflow Statement plus the Notes to and forming part of the Accounts that support these statements.
Furniture and fittings	Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.
Heritage assets	Includes antiques, artefacts, artworks, photographs, mayoral chains, and heritage buildings owned by Council.
Income statement	Identifies all revenues earned and expenses incurred during the financial year.
Indicators	Indicators define what will be measured to show we are meeting our objectives.
Land	All land owned or controlled by Council .
Land improvements	Includes all capital improvements, other than buildings, to any land owned or controlled by Council.
Legacy landfills	Landfills that are no longer used to dispose of waste. A number of these landfills have never been capped, which can cause environmental issues.
Performance measures	Mechanisms such as unit costs or response times, which can be used to measure Council's performance over time.
Phytocapping	Phytocapping is a relatively new technology that has been trialled in Australia. A Phytocap is a novel approach to control rainfall infiltration into closed landfills and minimise the release greenhouse gas. Phytocaps use vegetated covers to also provide an aesthetically pleasing and more biodiverse cover over the landfill.
Place based operations	Services are responsive to 'Place'. Programs are coordinated with other locally provided programs. Clusters of communities Services are tailored and adapted to respond to the particular needs of those places.
Plant and equipment	Assets owned by Council.
Roads	Includes road pavements, footpaths, kerb and channel, traffic signals and speed restriction devices.
Statement of changes in equity	Identifies Council's overall movement in equity consisting of the accumulated surplus, asset revaluation and statutory reserves. Equity is also represented by total assets less total liabilities.
Statement of Financial Position	Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.
Strategic Objectives Strategy	Establish where we want to be for each of Council's commitments. A document that outlines an initiative, program or project that will contribute towards achievement of a longer term goal or outcome.
Values	Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.

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Residents' Information Line - 1300 555 886

Phone: (03) 5153 9500
Email: feedback@egipps.vic.gov.au
Website: www.eastgippsland.vic.gov.au
Twitter: @egsc

Write to:

PO Box 1618, Bairnsdale, Vic, 3875

Visit us in person at:

Bairnsdale Corporate Centre

273 Main Street, Bairnsdale

Lakes Entrance Service Centre

18 Mechanics Street

Mallacoota

70 Maurice Avenue

Omeo Service Centre

179 Day Avenue

Orbost Service Centre

1 Ruskin Street

Paynesville Service Centre

55 The Esplanade

Service Centres can help with:

- Rate and property enquiries and payments
- Pensioner concession discount on rates
- Animal registration and renewals
- Planning
- Collecting applications and lodging permits
- Community laws and health
- Enquiries about adjoining fence owners
- Change of address
- Disability parking permits
- New or replacement waste bins
- Raymond Island Ferry passes
- Roads, footpaths and bridge enquiries
- Marina and jetty enquiries and payments
- Council account payments

Outreach Centres

Bendoc Outreach Centre - 18 Dowling Street, Bendoc 3888

Buchan Resource Centre - 6 Centre Road, Buchan 3885

Cann River Community Centre – Princes Highway, Cann River 3890

Feedback

If you would like more information on any matters in this report or wish to provide feedback on how Council's reporting can be improved, please phone Council's Executive Services unit on (03) 5153 9500 or email feedback@egipps.vic.gov.au.