

East Gippsland Shire Council
Annual Report
2025–26

For the year ended 30 June 2026



CHILDREN
CROSSING

CHILDREN
CROSSING

Acknowledgement of Country

East Gippsland Shire Council acknowledges the Traditional Owners and custodians of the land and pays deep respect to all First Nations peoples and communities with enduring cultural connections to East Gippsland, who have cared for and nurtured Country for tens of thousands of years.

We honour and celebrate the rich diversity, living cultures, and ongoing contributions of all First Nations peoples who live, work, visit, and play across East Gippsland.

We also acknowledge the many First Nations communities who, together, continue to shape and contribute to the region we know as East Gippsland. The place where we, as Local Government, deliver services and support to our community.



Bruthen Yarning Circle. Photo credit: Felix McKay.

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This annual report is prepared in accordance with the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Images from this report may not be reproduced without written permission from East Gippsland Shire Council.

Cover image: Our School Crossing Supervisors, including Greg, play an important role in supporting the safety of students and families each school day.

Mayor and Chief Executive Officer message

We are pleased to present East Gippsland Shire Council's Annual Report for 2025-26.

This year has been one of progress, partnership and continued focus on the priorities that matter most to our communities. Guided by the Council Plan 2025/29, we have worked to strengthen community wellbeing, support local prosperity, protect and make better use of our natural and built assets, and manage Council in a responsible, transparent and sustainable way.

We delivered important community infrastructure projects, supported local businesses and industries through change, advanced planning for future growth, and continued to advocate strongly for the services, investment and policy support East Gippsland needs. We also made progress on key long-term priorities including housing, emergency preparedness, public land management, economic transition, digital transformation and service improvement.

Community connection remained central to our work. We continued to support volunteers, community organisations, First Nations communities, young people, older residents and local partners who all play an important role in making East Gippsland a welcoming and resilient place to live.

The adoption and progression of key plans and strategies, including our Reconciliation Action Plan, Organisational Plan, Community Engagement Policy, Homes for Everyone Position Paper and Service Delivery Framework, will help guide our work over the years ahead.

Community satisfaction improved across many key measures, including overall performance, Council direction, communication and opportunities to provide feedback. Libraries, events, recreation facilities, visitor services and community programs continued to bring people together, while major capital works and local infrastructure projects improved facilities, access and liveability.



The year did present significant challenges. Rising costs, cost shifting from other levels of government, housing pressures, emergency events and increasing service demand continued to affect Council and our communities. Internally, several major projects also required additional coordination, clearer sequencing and stronger project governance as teams adapted to new systems, competing priorities and more complex delivery requirements. These challenges highlight the importance of long-term planning, careful financial management, strong delivery disciplines and ongoing advocacy to ensure East Gippsland receives fair and sustainable support.

We thank our Councillors, staff, volunteers, community groups, Traditional Owners, government partners, businesses and residents for their contribution throughout the year. The achievements outlined in this report reflect the collective effort of many people working together for the benefit of East Gippsland.

As we look ahead, Council remains committed to listening to our community, delivering services that are responsive and accessible, investing in infrastructure that supports growth and wellbeing, and advocating for the future our region deserves.

Together, we will continue to build a connected, inclusive, resilient and prosperous East Gippsland.

**Councillor Jodie Ashworth, Mayor
Fiona Weigall, Chief Executive Officer**

Section one: introduction



The 2025-26 Annual Report emphasises our commitment to transparency and accountability. This document details our accomplishments, challenges and financial management, all aligned with our strategic objectives.

Inside, you will find information on how we followed the Council Plan 2025/29 and achieved the 2025-26 Annual Budget goals, ensuring the responsible use of resources for the benefit of the community.

The report also provides information about the elected Council, our organisation, and key statutory details. To understand our financial status, please refer to the Audited Financial Statements for the period from 1 July 2025 to 30 June 2026.

We were proud to support the inaugural Bairnsdale Holi Colour Festival, which took place in March and filled Nicholson Street Mall, Bairnsdale, with colour and music.

Our Community Vision 2040

In 2040, our people, place, environment and economy will be inclusive, connected, sustainable and resilient for the growth and wellbeing of our unique and diverse communities.

- » **Our Communities:** Will include, encourage, respect, and value everyone.
- » **Our Place:** Will be accessible, safe, connected, and healthy.
- » **Our Environment:** Will be managed and preserved for all generations.
- » **Our Economy:** Will be sustainable, innovative, and supportive of existing and emerging industries.

Council Vision

East Gippsland is an inclusive and innovative community that values our natural environment, puts community at the centre of Council decision-making and creates the conditions in which communities can thrive.

Our Values

Our values are Respect, Collaboration, Integrity and Accountability. Our values are embedded into all that we do, creating a great place to work that delivers quality services to our customers and community.

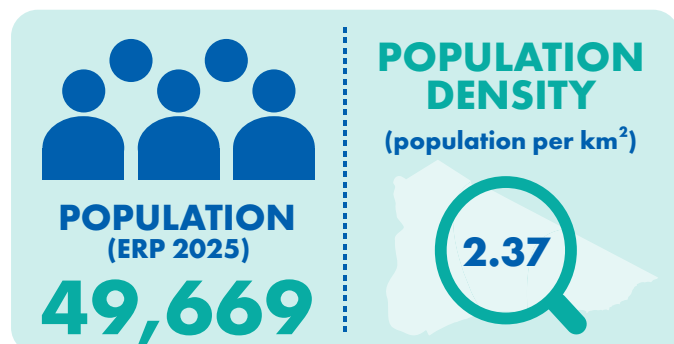
- » **Respect**
We treat all with courtesy and dignity.
- » **Collaboration**
We build and maintain productive relationships.
- » **Integrity**
We focus on taking the correct course of action.
- » **Accountability**
We are responsible for our actions and outcomes.



Kaylene Williamson (GLaWAC), Cr Joanne Eastman, Cr Arthur Allen, Deputy Mayor Cr Tom Crook and Mayor Jodie Ashworth with conferees, Bibin Kandathilputhenpura Baby, Merin Kandathilputhenpura Bibin, Sara Kandathilputhenpura Bibin, Mini Varhese at our January Citizenship Ceremony held in Bairnsdale.

Profile: East Gippsland

Figures are from the 2021 Census unless otherwise stated.



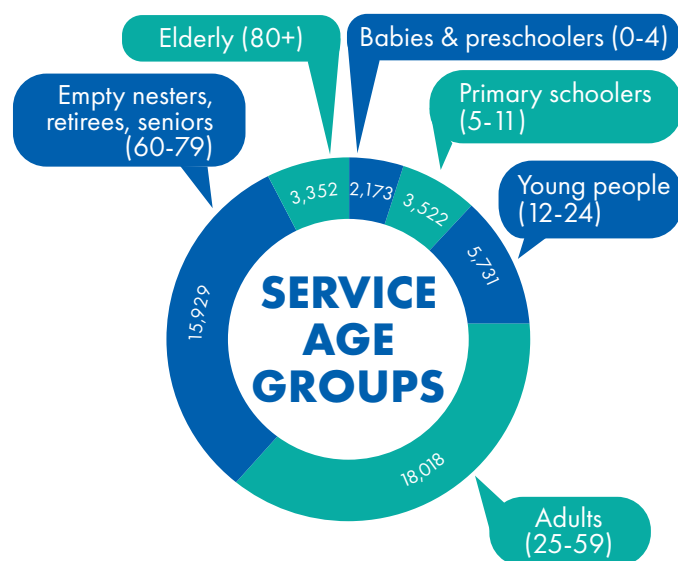
EAST GIPPSLAND POPULATION BY DISTRICT (ERP 2025)

DISTRICT:

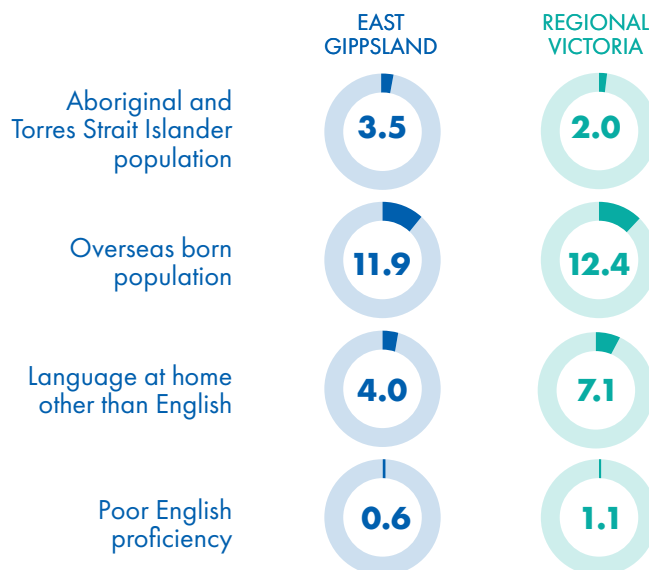
Bairnsdale	17,805	Mallacoota	1,296
Bruthen	1,135	Metung	2,405
Buchan	459	Omeo-Swifts Creek	1,364
Cann River	356	Orbost	4,018
Lakes Entrance	8,609	Paynesville	6,588
Lindenow	2,599	Twin Rivers	3,063

AGE TRENDS

The median age of the community is 52 years, with 39% of the population aged over 60 years. Lone person households make up 29% of all households, with 32.5% of households made up of couples without children, indicative of an older population.



IDENTITY AND DIVERSITY (%)



MEDIAN AGE

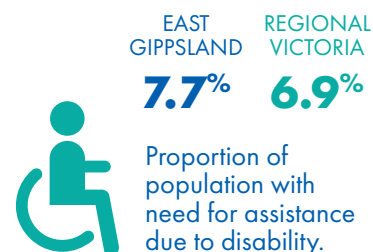
EAST GIPPSLAND

52

REGIONAL VICTORIA

43

HEALTH

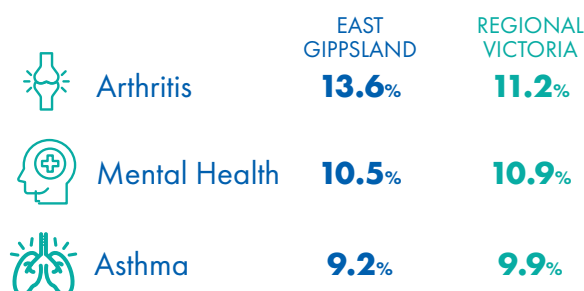


Proportion of population with one or more long-term health conditions.

EAST GIPPSLAND
39.7%

REGIONAL VICTORIA
37.2%

TOP 3 LONG-TERM HEALTH CONDITIONS



HOUSING

Full ownership of homes is the dominant tenure type in the East Gippsland Shire, with around a quarter of all homes being owned with a mortgage and around a fifth of homes rented. Almost one-third of all households are people who live alone. The average household size in the Shire is 2.2 persons per household.



HOUSEHOLDS

	% EAST GIPPSLAND	% REGIONAL VICTORIA
Families with children	19.1	24.6
Families with young children	10.1	13.5
Families with mixed-age children	2.8	3.5
Families with older children	6.2	7.6
Couples without children	32.5	28.0
Lone person households	29.0	37.5

EMPLOYMENT AND SOCIOECONOMIC WELLBEING



	% EAST GIPPSLAND	% REGIONAL VICTORIA
Labour force participation	48.4	57.4
Employment rate	95.6	95.9
Unemployment rate	4.4	4.1
Change in employment rate 2016-2021	2.0	1.9

TOP 5 INDUSTRIES OF EMPLOYMENT (%)

EAST GIPPSLAND	REGIONAL VICTORIA
Healthcare & social assistance 19.7	16.8 Healthcare & social assistance
Construction 11.3	9.4 Education & training
Retail trade 9.4	9.6 Retail trade
Education & training 10.0	9.4 Construction
Agriculture, Forestry & Fishing 7.5	7.8 Manufacturing

HOUSING TENURE

	Fully owned (%)
EAST GIPPSLAND	46.5
REGIONAL VICTORIA	37.6
	Owned with a mortgage(%)
EAST GIPPSLAND	25.4
REGIONAL VICTORIA	31.5
	Rented (%)
EAST GIPPSLAND	18.6
REGIONAL VICTORIA	22.6



HOUSING COSTS

	EAST GIPPSLAND	REGIONAL VICTORIA
Monthly mortgage repayments	\$1,354	\$1,430
Weekly median rent payment (Dec 2025)	House \$490 Unit \$388	House \$500 Unit \$410
	Mortgage stress (%)	Rental stress (%)
EAST GIPPSLAND	12.4	29.2
REGIONAL VICTORIA	11.2	26.2

MEDIAN HOUSEHOLD INCOME



	EAST GIPPSLAND	REGIONAL VICTORIA
Median household income	\$1,115	\$1,369

MAIN 3 METHODS OF TRAVEL TO WORK

	EAST GIPPSLAND	REGIONAL VICTORIA
Car as driver	63.3%	61.6%
Worked at home	12.6%	15.1%
Did not go to work	11.0%	11.1%

YOUTH DISENGAGEMENT FROM EDUCATION AND EMPLOYMENT (%)

	EAST GIPPSLAND	REGIONAL VICTORIA
Youth disengagement from education and employment	11.7	9.3
SEIFA index of socioeconomic disadvantage	963	985
SEIFA socioeconomic disadvantage rank out of all Victorian LGAs	63rd (out of 80)	

FAST FACTS 2025-26



Aerodromes

- » We manage three aerodromes: Bairnsdale, Mallacoota and Orbost.



Animal management

- » We helped rehome 203 animals.
- » 163 of collected animals were reclaimed by their owners.



Aquatic and recreation centres

- » Aquatic facilities were visited 52,765.
- » 1,513 active members at the Bairnsdale and Lakes Entrance aquatic and recreation centres.



Arts and culture

- » 16,208 tickets sold.
- » 73% of audiences said their experience exceeded expectations.
- » 93% rated the quality of performances highly.

Asset management



- » We manage:
 - » 3,008km of roads.
 - » 204,744m² off-street car park area – equivalent to 28 soccer fields.
 - » Three timber and 188 concrete bridges.
 - » 31 footbridges.
 - » 267.5 hectares of parks and gardens.
 - » 296km of footpaths and shared paths.
 - » 73km of walking trails.

FAST FACTS 2025-26



Caravan parks and campgrounds

- » We operate one commercial caravan park – Mallacoota Foreshore Holiday Park – and three free stopover campgrounds in Genoa, Cann River and Swifts Creek. Travellers who want to support the facilities are encouraged to shop at local businesses in the towns they visit.
- » Mallacoota Foreshore Holiday Park had 12,652 bookings.



Civic events

- » Welcomed 94 individuals as new Australian citizens.
- » Delivered 16 civic events, including three citizenship ceremonies and our Australia Day Awards.



Customer service

- » Received 48,659 phone calls, with 86.65% answered within 45 seconds.
- » Received 96,865 recorded contacts with 99.53% of requests resolved by 30 June 2026.
- » 133,572 customers attended service centres.
- » Our Happy or Not customer feedback kiosks were available at our service centres and the Bairnsdale Library, with 93% of responses rating the service as Very Happy or Happy.



Engagement and communications

- » Our Facebook page grew by 15% to 13,503 followers.
- » Our 1,655 Facebook posts had a reach of more than 4.6 million.
- » 475,474 website visits.
- » Issued 205 media releases.
- » 50,347 people visited our online engagement platform Your Say.
- » Community Matters newsletter subscribers grew 15.9% to 2,875 and 25 editions were published.



Environmental and public health

- » Carried out 382 food premises inspections.
- » Held 58 community vaccination sessions.
- » Vaccinated 2,415 people:
 - » 711 year 7 and 10 students.
 - » 1,042 through community sessions.
 - » 662 at corporate sessions.
- » Inspected 526 septic systems:
 - » 390 site inspections of existing septic tank system.
 - » 136 site inspections of new septic tank system.

FAST FACTS₂₀₂₅₋₂₆



Environmental sustainability

- » Our seven public electric vehicle charging stations have avoided 64 tonnes of CO2 emissions in the past year.
- » There were over 5,944 charging sessions:
 - » Cars came from 663 postcodes from around Australia.
 - » 74% visited from outside East Gippsland, contributing to our visitor economy.



Events

- » 313 individual events were supported and 108 event permits issued.



Libraries

- » Libraries were visited 263,345 times.
- » Our libraries have 14,470 registered members, including:
 - » 5,998 active members last year.
- » Loaned out 278,725 books and resources.
- » Our two mobile library service vehicles travelled over 60,000km, visiting more than 36 communities.



East Gippsland Livestock Exchange

- » 96 sales held.
- » Throughput of 58,502 cattle and 46,686 sheep.



Marinas

- » Our three commercial marinas – Metung (145 berths including 24 dry berths), Chinaman's Creek Metung (69 berths) and Slip Bight Paynesville (220 berths) – achieved occupancy rates of 87%, 96%, and 88% respectively.
- » Managed 53 public jetties, 28 fishing platforms and 34 boat launching ramps.

FAST FACTS 2025-26



Planning and building approvals

- » Median days taken to decide planning applications 52.5 days ~ 18% improvement from last year.
- » 492 planning permit applications lodged.
- » 535 planning permit applications determined.
- » Estimated work based on permit value of \$138m.



Vegetation

- » Managed approximately 6,000km of roadside vegetation.
- » Managed 500Ha of land with the majority being parks and gardens.
- » 734km of regionally controlled and regionally prohibited weeds on roadsides were inspected and treated.



Waste and recycling services

- » 1,318,817 kerbside garbage and recycling bin lifts.
- » 7,667.27 tonnes of kerbside waste was diverted from landfill.



Allan and Evelyn helping a customer at Bairnsdale Landfill.

Highlights and major achievements



We are committed to supporting East Gippsland communities by delivering essential services, new infrastructure, and driving projects. We've organised community celebrations and events and provided funding opportunities to help our region flourish. These initiatives align with our strategic goals to enhance the quality of life and strengthen community bonds.

CEO Fiona Weigall, Youth Resilience Officer Tara Wilson, Community Resilience Officer Tayla Chippindall, and Mayor Cr Jodie Ashworth, at the East Gippsland Candlelight Vigil, held on Wednesday 6 May in partnership with Gippsland Lakes Complete Health, Gippsland Community Legal Service and Youth Ambassadors, as part of Domestic and Family Violence Prevention Month.

Theme 1 – Community wellbeing and social responsibility

We foster a strong sense of belonging, inclusion and shared responsibility so people across East Gippsland feel supported, valued and able to participate in community life.

How this theme is important for the health and wellbeing of our community.

Feeling connected, included and supported is essential to community wellbeing. When people have opportunities to participate, access services and contribute to local life, communities are healthier, safer and more resilient.

Supporting community health and wellbeing

We placed community health and wellbeing at the centre of our planning, services and partnerships through the [Council Plan 2025–29](#), which incorporates the Municipal Public Health and Wellbeing Plan. This work supports Council's annual reporting obligations under the *Public Health and Wellbeing Act 2008*.

We have worked with health services, community organisations and government partners to improve access to services, strengthen local partnerships and support healthier, safer and more inclusive communities.

- » Integrated health and wellbeing considerations into strategic and place-based planning, recognising the role of housing, community infrastructure, transport, open space and social connection in creating healthy and liveable communities.
- » Advanced housing advocacy through adoption of the Homes for Everyone Position Paper and support for initiatives that improve housing affordability, availability and diversity.
- » Supported initiatives to prevent family violence and promote respectful relationships through partnerships, awareness campaigns and community education.

- » Strengthened community resilience through emergency planning, support for vulnerable community members and partnerships with Traditional Owners, community organisations and service providers.
- » Supported healthy ageing, diversity and inclusion through programs, events and initiatives that encouraged participation, connection and wellbeing.
- » Marked significant community events including NAIDOC Week, IDAHOBIT Day and the 16 Days of Activism Against Gender-Based Violence.
- » Continued to support the Youth Ambassadors program, providing opportunities for young people to contribute to community projects, events and Council decision-making.
- » Demonstrated civic leadership through citizenship ceremonies, volunteer recognition and community celebrations.

Supporting and celebrating volunteers

Volunteers play a vital role in community life across East Gippsland.

We supported 77 volunteer Committees of Management with funding, governance support, facility planning and maintenance assistance, helping keep community halls, sportsgrounds and recreation reserves operating across the region. Through an investment of approximately \$320,000, and the continued efforts of local volunteers, these important community spaces remained active, accessible and well used. We also continued to provide insurance coverage for 43 Crown-owned assets managed by volunteer committees.

We worked with committees to identify training needs in governance, succession planning, financial management, grant readiness and volunteer retention. In Tubbut, we supported the merger of two Committees of Management, reducing administrative burden and strengthening the sustainability of local community assets.

During National Volunteer Week, we delivered a volunteer spotlight campaign and recognised 47 volunteers through the East Gippsland Volunteer Honour Roll, bringing the total number recognised since 2022 to more than 300.

Reconciliation and First Nations partnerships

We continued to strengthen our commitment to reconciliation, developing and submitting our Reconciliation Action Plan to Reconciliation Australia for endorsement. The plan provides a clear pathway to strengthen relationships with First Nations communities and embed reconciliation across our organisation.

Strengthening partnerships with Traditional Owners, Aboriginal organisations and First Nations communities through emergency management planning, cultural heritage projects and community wellbeing initiatives continued. We also supported the Lake Tyers Aboriginal Trust gateway project and participated in National Reconciliation Week, NAIDOC Week and other community-led events, helping strengthen cultural connection, reconciliation and self-determination.

Strengthening engagement

We adopted a revised Community Engagement Policy to support more consistent, inclusive and transparent engagement across Council. The policy sets clearer expectations for how we listen, share information and involve the community in decisions that affect them.

The policy helps ensure community perspectives are heard and considered in decision-making.

Building community resilience and emergency preparedness

Emergency preparedness and resilience were strengthened through community-led planning, local partnerships and targeted infrastructure investment.

New Community Emergency Management Plans were developed for Lakes Entrance, Nowa Nowa and Lake Tyers Beach, along with three plans developed in partnership with Aboriginal Community Controlled Health Organisations. This builds on a network of 46 Local Incident Management Plans and 20 Community Emergency Management Plans across the shire.

Emergency relief training was delivered in Mallacoota, Cann River, Orbost, Buchan and Omeo. We also invested in backup generators, satellite communications and improved emergency communications to support stronger local response capability. Victoria's first local government Emergency Dashboard continued to provide residents with a central source of emergency information and updates.

Connecting through libraries

Our libraries continued to be welcoming community hubs that support lifelong learning, literacy, digital inclusion and social connection.

Libraries were visited more than 263,000 times, had 5,998 members and loaned more than 278,000 books and resources. Our two mobile library vehicles travelled more than 60,000km, visiting more than 36 communities.

A major milestone was East Gippsland Libraries joining the Libraries Victoria network, giving members access to almost one million items across participating library services. Libraries also continued to deliver programs for all ages, including children's activities, community education, technology support and after-hours events, helping residents learn, connect and participate in community life.

Theme 2 – Prosperity

We support sustainable economic growth by helping local businesses, industries and communities adapt, invest and create opportunities for the future.

How this theme is important for the health and wellbeing of our community.

Access to work, learning and local business opportunities supports people's independence, wellbeing and connection to community. A strong local economy also helps communities adapt to change and remain resilient into the future.

Supporting local businesses and investment

Opportunities for local businesses were strengthened by improving the way suppliers can engage with us. A reviewed Procurement Policy reinforced our commitment to supporting local businesses and contractors where feasible and competitive. The total spend on local suppliers this year was \$22,983,908.62.

VendorPanel, a new procurement platform, was launched to make it easier for suppliers to identify and respond to opportunities. More than 40 local businesses attended a contractors' breakfast to learn about Council procurement processes, upcoming projects and tendering opportunities.

Investment in roads, bridges, facilities, waste services and renewal programs also supported local jobs and businesses while maintaining the infrastructure our communities rely on.

More detail on major project delivery is included in the Capital Works Projects section of this report.

Supporting communities through economic transition

Communities adapting to economic change continued to be supported through our involvement in Local Development Strategies (LDS) across Swifts Creek, Orbost and Nowa Nowa.

As the host agency for the Swifts Creek LDS and a key partner in the Orbost and Nowa Nowa initiatives, we worked alongside communities, government agencies and regional stakeholders to identify local opportunities, support community-led projects and strengthen long-term economic resilience. This included participation in innovation working groups and regional advocacy to improve transition outcomes for communities affected by the end of native timber harvesting.

Supporting skills and workforce development

A skilled and adaptable workforce is essential to East Gippsland's long-term prosperity. We continued to work with education providers, industry and community partners to support local workforce development, employment pathways and initiatives that help attract and retain talent across the region.

These efforts help address workforce challenges, create opportunities for local people and support the future growth of East Gippsland's economy.

Planning reform

We continued to advocate for planning processes that work for regional communities and monitored reforms arising from the review of the *Planning and Environment Act 1987* and Plan for Victoria.

We supported Municipal Association of Victoria advocacy, wrote to Legislative Council members outlining concerns, participated in planning reform seminars and updated internal permit assessment processes in response to system reforms.

We also strengthened our advocacy for housing by adopting the Homes for Everyone Position Paper, providing a clear statement on the housing challenges facing the region and identifying priorities to improve housing affordability, availability and diversity.

Access to housing remains critical to workforce attraction, economic growth and the long-term sustainability of our communities.

Faster planning decisions

Statutory planning decision timeframes continued to improve during 2025–26, supported by ongoing process improvements and a focus on more efficient assessment practices. The average time to decide planning applications reduced to 52.5 days, down from 96 days in 2022/23 and below the State KPI of 60 days.

More than two-thirds of planning applications and almost three-quarters of VicSmart applications were decided within statutory timeframes. While complex applications can take longer, these results demonstrate continued progress in making the planning process more efficient, responsive and easier to navigate for applicants and the community.



Stuart McConnell, General Manager Assets and Environment, presenting at our annual Contractors' Breakfast.

Making planning information easier to access

MyLot was launched to improve the customer experience and streamline planning services.

The online tool provides property-specific planning information, helping residents, businesses and developers understand planning controls, permit requirements and application processes before lodging an application.

By improving access to planning information, MyLot helps reduce barriers to investment and supports informed decision-making.

Building connected and inclusive communities

Advocacy for initiatives that strengthen social connection and improve access to services continued.

We developed a detailed proposal for the Community Connector Program, designed to help people access local services, build social connections and strengthen community participation, particularly in communities experiencing change and transition.

Through ongoing advocacy and partnership development, we sought support for future implementation of the program and the positive contribution it can make to community wellbeing and economic resilience.

Theme 3 – Making the most of what we’ve got

We use our assets and natural resources wisely, so they continue to support community life, protect the environment and serve future generations.



Project Supervisor, Dale Stephenson, discussing the upgrades to the Mallacoota Hall during a Councillor visit.

How this theme is important for the health and wellbeing of our community.

A healthy environment, reliable infrastructure and well-managed community assets all support quality of life. Roads, bridges, parks, facilities, waste services and natural areas help people stay connected, active, safe and prepared for the future.

Managing and protecting our natural assets

Investment in the long-term management of our natural environment is made through strategic planning, advocacy and on-ground initiatives. This included a stronger focus on environmental sustainability, biodiversity and climate resilience, while advocating for improved public land and pest animal management.

We also continued to work with government agencies and regional partners to advocate for better management of public land and natural resources, recognising their importance to the environment, local communities and the regional economy.

Maintaining and renewing community assets

We maintained and renewed the roads, bridges, drains, buildings, recreation facilities and public spaces that communities use every day. These programs helped keep assets safe, functional and fit for purpose.

By investing in the upkeep of community infrastructure, we are protecting the value of these assets, extending their useful life and ensuring they continue to support community wellbeing, connectivity and economic activity across East Gippsland.

Managing waste and resources responsibly

Waste and resource recovery services saw more than 1.3 million kerbside garbage and recycling bin lifts completed and more than 7,600 tonnes of kerbside waste diverted from landfill.

These services play an important role in protecting public health, preserving natural resources and supporting more sustainable communities.

Planning for sustainable growth

A major milestone was the progression of Planning Scheme Amendment C172egip, establishing a long-term framework for the sustainable development of the Paynesville Growth Area. The amendment provides around 25 years of residential land supply while protecting environmental values, community character and key natural assets through coordinated land use and infrastructure planning. This work helps ensure future growth is carefully managed and supported by appropriate infrastructure.

Strategic planning projects in Lucknow and Bairnsdale were progressed to help unlock future residential, industrial and commercial development opportunities in a coordinated and sustainable way.

Alongside these projects, planning scheme amendments and strategic planning initiatives continued to strengthen the planning framework, providing greater certainty for communities, landowners and investors while protecting the environmental and landscape values.

Improving access and connectivity

We reviewed our approach to Raymond Island Ferry passes, creating a simpler and more efficient system for regular users while supporting the ongoing operation of this vital transport link for residents, businesses and visitors.

East Gippsland airports continued to provide essential infrastructure supporting emergency services, business activity, pilot training and regional connectivity. Ongoing management and maintenance of the airports ensured it remained a valuable community asset and an important part of the region's transport network.



Councillors Arthur Allen and John White attended the Nagle College National Tree-Planting Day event.

Preparing for climate resilience and future challenges

Advocacy for infrastructure and policy responses that strengthen resilience to climate, environmental and economic change included work to support public land management, drainage and flood resilience projects, strategic planning for future growth areas, and initiatives that help communities adapt to changing environmental conditions while protecting the natural assets.

Community-led environmental activities, including National Tree Planting Day activities, complemented Council's broader efforts to protect and enhance the region's natural environment.

Climate risk considerations also continued to be embedded into Council planning and decision-making processes, helping identify long-term risks, opportunities and priorities for future investment.

Theme 4 – Managing Council well

We manage Council responsibly, transparently and sustainably so we can deliver services, make good decisions and maintain community trust.

How this theme is important for the health and wellbeing of our community.

Well-managed services, strong governance and accessible processes help people feel informed, included and supported. They also make it easier for Council to respond to community needs and deliver better outcomes over time.

Modernising the way we work

A major organisational milestone was the rollout of new finance and payroll systems. Extensive training, testing, communication and support helped staff transition to new ways of working. The new systems have improved financial and payroll processes, strengthened governance and created a foundation for future digital improvements.

Driving continuous improvement

The completion of a new Service Delivery Framework has provided us with a clear and consistent approach to planning, reviewing and improving services. The framework includes a comprehensive service catalogue, service performance measures and prioritisation tools to guide evidence-based decision-making and support Council's service review program.

Business improvement initiatives progressed across multiple service areas, including customer response management, process redesign, performance reporting automation and service reviews. These improvements reduced duplication, improved customer experiences and strengthened organisational performance, delivering efficiency savings equivalent to \$203,000.

Aligning our people, performance and priorities

The adoption this year of our first Organisational Plan 2025–2029 and Workforce Plan 2025–2029 has provided us with a coordinated approach to workforce planning, organisational development, business improvement and strategic priorities, helping ensure Council has the capability, leadership and workforce needed to deliver services and respond to future community needs.

The plans also supported Council's commitment to create a diverse, inclusive and equitable workplace through initiatives that strengthen workforce capability, leadership development, succession planning, talent attraction and employee retention, while progressing actions under the *Gender Equality Act*.

Community engagement

Strengthening community engagement to better inform decision making was reinforced with a new Community Engagement Policy setting clearer expectations for how engagement is planned, delivered and reported across Council.

The online engagement platform Your Say continued to provide an important way for residents to access information, share feedback and participate in consultation, with 50,347 visits during the year.

Our broader communication channels also helped keep the community informed, including 475,474 website visits, more than 4.6 million Facebook reach, 205 media releases and 25 editions of the fortnightly *Community Matters* newsletter.

Community Satisfaction Survey results showed positive progress, with satisfaction with opportunities to provide feedback increasing by nine points to 56, and perceptions of how well Council keeps the community informed increasing by nine points to 57.

Challenges

Like many regional councils, we continued to operate in a challenging environment shaped by rising costs, growing service demand and increasing expectations from our community.

Our key challenges for 2025–26 included:

- » Rising costs, growing service demand and increasing community expectations continued to place pressure on our resources and financial sustainability.
- » Global economic conditions and fuel price increases contributed to higher operating, transport and waste service costs.
- » Cost shifting from other levels of government, including changes to levies and regulatory requirements, continued to increase financial pressure on councils and ratepayers.
- » Securing external funding remains critical to delivering infrastructure and services in a constrained funding environment.
- » Housing affordability and availability continued to affect communities across East Gippsland, reinforcing the need for coordinated action and advocacy.
- » Bushfire activity during the summer highlighted the ongoing importance of emergency preparedness, resilience and recovery planning.
- » The increasing frequency and complexity of emergency events continue to place pressure on communities, infrastructure and service delivery.
- » Major system changes, including new finance, payroll, procurement and safety reporting platforms required significant training, process redesign and adjustment as teams moved to more efficient ways of working.
- » Delivery of several major projects at the same time reinforced the need for clearer sequencing, stronger governance and more consistent project management practices across Council.

While these challenges are significant, they also reinforce the importance of long-term planning, collaboration and advocacy. We will continue to work with communities, government partners and industry to address emerging issues, advocate for a fairer share of investment, and ensure East Gippsland remains a resilient, sustainable and prosperous region into the future.



Council joined Victoria Police, CFA, SES, Ambulance Victoria and the Paynesville Coast Guard for a large-scale emergency management exercise on Raymond Island, using the Sampson barge and Council's water taxi Ugly Betty to test emergency access during a simulated ferry outage.

The year ahead

Looking ahead to 2026-27, we will continue to build on this year's progress by delivering a coordinated program of place-based planning, strategic infrastructure investment and community-focused initiatives that respond to the changing needs of our municipality.

The year ahead will continue to require careful balancing of community expectations, service delivery needs and long-term financial sustainability. A continued focus on prudent financial management, delivery of our capital works program and securing external funding will ensure we can invest in priority infrastructure and services while maintaining our commitment to responsible stewardship of community resources.

Priority actions include completing place plans and commencing planning in new districts, implementing the first year of the Reconciliation Action Plan, and advancing accessibility, recreation and active transport initiatives that support health, wellbeing and connectivity across East Gippsland.

Strong advocacy will continue for improved roads, health services, public land management, housing availability and workforce development, alongside targeted programs that support local businesses, industries in transition and employment pathways for our communities.

Investment in community infrastructure, including planning for growth areas, stormwater management, recreation facilities and cultural assets, will help support sustainable growth and enhance quality of life. We will also continue to maintain and renew our extensive road network to keep communities connected and improve resilience across the region.

Continuing to improve engagement, service delivery and digital transformation will help ensure our services remain accessible, responsive and easy to use.

Together with ongoing environmental stewardship, climate resilience initiatives and the transition to new waste and recycling services, these actions will help position East Gippsland as a connected, inclusive, resilient and financially sustainable community for the future.



Cr Ian Trevaskis, Orbost and District Chamber of Commerce and Industry Secretary, Garry Squires, Marlo Residents' and Ratepayers' Association President, Shayne Boyd, CEO Fiona Weigall and Place Facilitator Coordinator, Kath Macdonald at an Orbost Stakeholders' Meeting.

Section two: year in review



Waste and Recycling Education Officer, Megan West, Cr Ian Trevaskis and Orbst resident, Les Joiner, at the annual Orbst Show.

Summary of financial performance

The 2025-26 financial year reflected Council's continued commitment to responsible financial management, organisational resilience and creating long-term value for our community. Despite a challenging external environment, including escalating fuel costs, continued increases in construction pricing and project delivery delays, Council maintained a sound financial position, progressed key strategic priorities and retained a strong financial foundation to support continued service delivery and infrastructure investment. The year also highlighted the importance of maintaining a strong focus on long-term financial sustainability in an environment of rising costs and constrained revenue growth.

The Long-term Financial Plan remains central to Council's financial decision-making, providing a framework to guide the effective allocation of resources, respond to changing economic conditions and ensure the ongoing delivery of essential services.

While Council remains financially sound, as demonstrated by its financial sustainability indicators, longer-term risks associated with the underlying operating position have been identified. In response, Council has commenced the development of a Financial Sustainability Strategy that will provide a framework for identifying future efficiencies, reviewing service delivery, asset management and funding approaches, and strengthening Council's long-term financial sustainability.

The results achieved during the year demonstrate disciplined financial planning, a continued focus on maintaining essential services and a considered approach to capital investment, while laying the foundations for the Financial Sustainability Strategy to guide future decision-making and improvement opportunities.

Highlights

- » Council delivered a strong net operating result of \$7.7m. This was \$1.5m below the adopted budget, reflecting a range of timing and operational factors during the year. While the net operating result is an important financial measure, the underlying result provides a more meaningful indicator of Council's long-term financial sustainability, as it assesses whether recurring revenue is sufficient to fund ongoing services and operations. For 2025-26, Council recorded an underlying deficit of \$3.1m, indicating that recurring expenditure exceeded recurring revenue for the year.
- » Council generated \$152m in total revenue, which was 4.9% or \$7.2m above budget. This was driven by early financial assistance grant payments, stronger-than-expected user fees, and increased investment returns.
- » Operating expenditure totalled \$144.3m, exceeding budget by 6.4% (\$8.7m), largely due to higher employee costs, depreciation, and asset write-offs associated with capital renewals.
- » Council delivered \$30.4m in capital works, completing key infrastructure upgrades while rescheduling other major projects to 2026-27 due to design, planning, and environmental considerations. This represents 41.3% of the total adopted capital works budget of \$71.7m.
- » Cash and financial assets were maintained at \$118m, safeguarding Council's liquidity and ability to respond to future needs.
- » Debt remained steady at \$8.5m, well within sustainable levels and aligned with long-term projections.
- » Council achieved \$2m of the \$2.5m efficiency savings target set for 2025-26.

Financial sustainability indicators

Long-term financial sustainability is essential to our ability to continue delivering services, maintaining assets and responding to community needs. In 2025-26 there continued to be a strong focus on improving efficiency, managing costs and making the best use of available resources. This is particularly important as Council continues to respond to cost pressures and the legacy of major expenditure associated with recovery and resilience works following the Black Summer Bushfires.

Council is also continuing to advocate to the Victorian and Commonwealth governments for more equitable and sustainable funding arrangements to support local service delivery.

The table below shows the 2025-26 key financial indicators, measured against Victorian Auditor General's Office (VAGO) risk ratings.

Indicator	Target	2025-26 Result	2024-25 Result	Risk Indicator
Net operating result (%)	>0%	5.08%	14.70%	Low
Adjusted underlying result (%)	>0%	(2.21%)	(3.64%)	Medium
Adjusted underlying result \$	>0%	(\$3.121)	(\$5,135)	Medium
Liquidity (%)	150%	509.77%	333.37%	Low
Indebtedness (%)	< 60%	20.58%	16.97%	Low
Asset renewal gap (%)	100%	77.22%	103.02%	Medium



Charmaine Sellings and Deputy Mayor Tom Crook and Cr Arthur Allen with Colleen Harney at the Elders Gathering in 2026. The annual Elders Gathering brings Elders and community together to reflect, connect and celebrate the strength, wisdom and leadership of Aboriginal and Torres Strait Islander Elders across East Gippsland.

Asset renewal

Council remains committed to responsibly maintaining and renewing its infrastructure to ensure long-term service delivery for the community. In 2025-26, a total of \$23.1m was invested in asset renewal works, representing approximately 47.6% of the adopted renewal budget. While this was below target, the variance was due to the deferral of some major projects to 2026-27, including the Bairnsdale Runway Extension, IT system renewals, and road, drainage, waste, and open space improvements. These delays were primarily driven by timing, environmental approvals, and updated asset condition assessments.

Council's long-term asset management plans continue to guide renewal priorities, ensuring assets are maintained in a cost-effective and sustainable manner that meets current and future community needs.

Asset class	Renewal (\$'000)	Upgrade (\$'000)	New (\$'000)	Total (\$'000)
Property	2,365	982	924	4,271
Plant and Equipment	4,357	115	892	5,364
Infrastructure	16,422	1,235	3,091	20,748
Total Capital Expenditure	23,144	2,332	4,906	30,383

Cash holdings

Council's cash and cash equivalents totalled \$118m at the end of the 2025-26 financial year, a decrease on the prior year. This movement is primarily attributable to the timing of payments, with accounts payable invoices relating to the prior financial year settled during 2025-26.

Debt management

During the 2025-26 financial year, Council's debt levels decreased slightly, reflecting ongoing repayment efforts alongside investment in essential infrastructure and community facilities. Total borrowing at year-end stood at \$8.5m, down from \$9.1m in the previous year. Council continued making monthly repayments on the loan from Treasury Corporation Victoria (TCV) throughout the year. This reduction aligns with Council's Long-term Financial Plan and supports the delivery of major capital projects, many of which span multiple years and offer lasting benefits to the community.

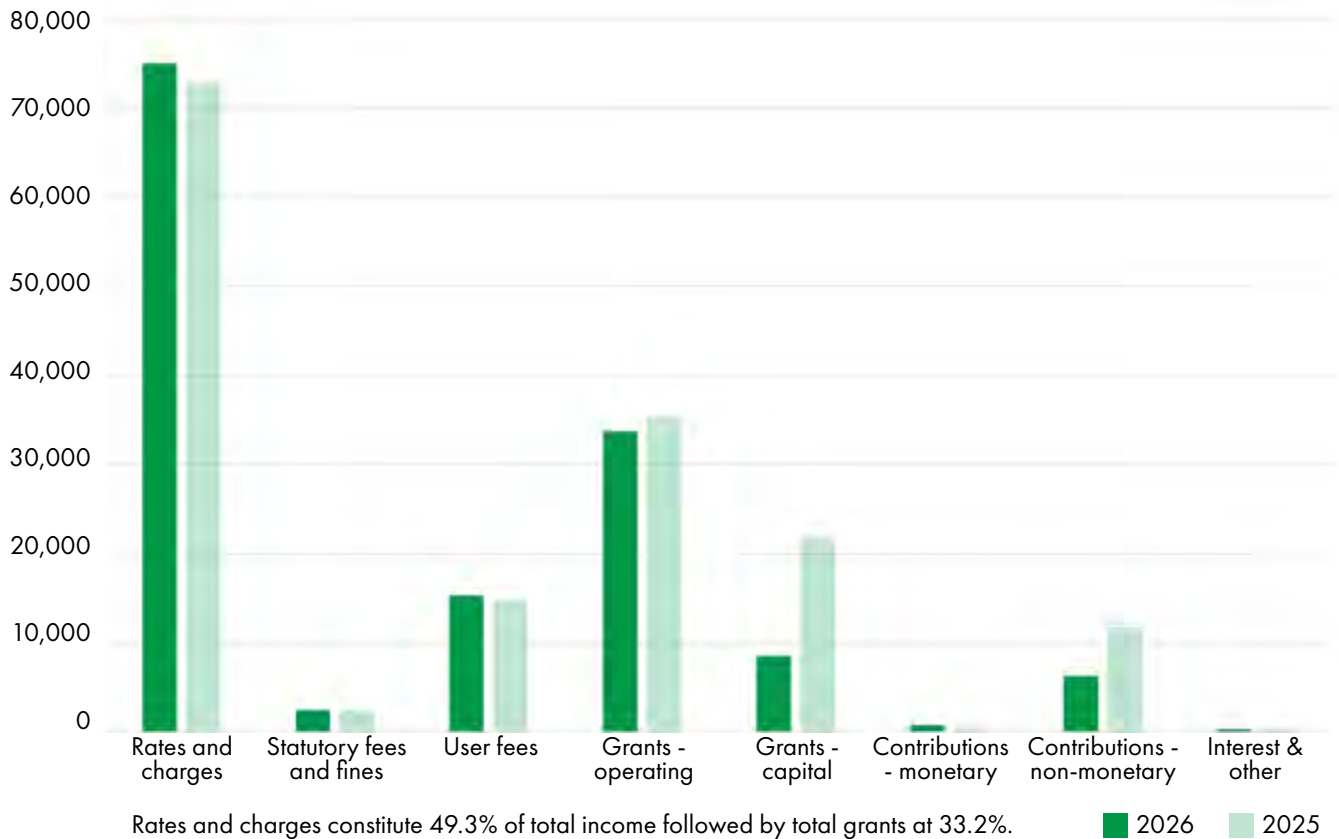
Operating revenue

In 2025-26, Council generated a total income of \$152m, representing an increase of \$7.2m above the 2025-26 adopted budget.



Deputy Mayor Cr Sonia Buckley and Cr Bernie Farquhar in the Mallacoota Service Centre during a Council in the Community visit.

Total revenue: 2026 vs 2025



Rates and charges

Rates income represents a significant source of income and contributed \$74.9m (49%) of total revenue. This income goes directly to maintaining essential services such as waste collection, road maintenance, and local facilities.



Mayor Cr John White and Cr Joanne Eastman participating in the 2025 NAIDOC March in Bairnsdale.

Grants

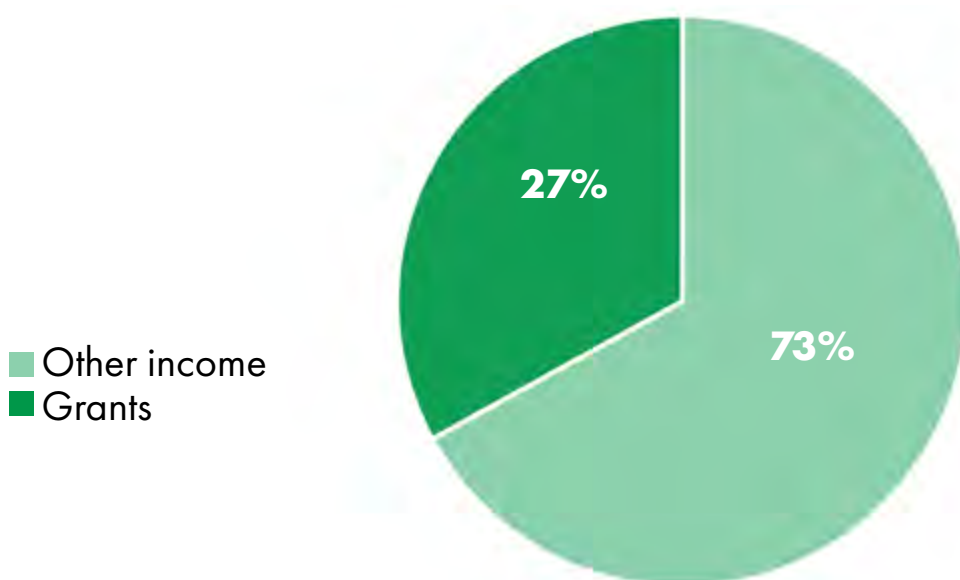
These remained a key source of income in 2025-26, collectively contributing \$42.1m (27%) of total revenue.

- » Operating grant revenue totalled \$33.7m in 2025-26, a decrease of \$1.74m (4.9%) compared with the previous year. The decrease reflects lower levels of one-off grant funding received during the year. Financial Assistance Grants from the Victorian Grants Commission, which provide flexible funding to support the delivery of Council services, increased by approximately 3%. Consistent with sector-wide funding arrangements, Council received \$17.7m in advance Financial Assistance Grant funding for 2026-27, which was recognised as revenue in the 2025-26 financial year.

- » Similarly, capital grants decreased slightly by \$13.3m (61%), from \$21.7m in 2024-25 to \$8.4m in 2025-26. The decline was mainly due to delays in the delivery of some major capital works projects, which will now be completed and recognised in the 2026-27 year.

Together, grants continue to play a critical role in supporting both day-to-day operations and long-term infrastructure investment.

Grant income as a % of total income



User charges

Income increased by \$532,000 in 2025-26. This increase was driven by higher patronage across indoor recreation centres and pools, strong performance at the Livestock Exchange, and increased bookings at key holiday parks such as Mallacoota Foreshore and Swift Creek, marinas and waste management services. These results reflect strong community and visitor engagement with Council facilities and help diversify revenue beyond rates.

Contributions: Monetary and non-monetary

Council recognised \$7.1m in contributions during 2025-26, including cash contributions and community infrastructure provided through development projects. These contributions help support local facilities and services without placing additional costs on ratepayers.

Of the total, \$763,000 was received as cash contributions, while \$6.3m related to assets transferred to Council, such as roads, footpaths, drainage and other infrastructure constructed by developers and then handed over to Council for ongoing management.

Total contributions were \$5.0m lower than in 2024-25, largely because fewer developer-constructed assets were transferred to Council during the year. In the previous year, a significant number of roads, footpaths and drainage assets were completed and handed over, resulting in a higher value of contributions being recognised.

Cash contributions increased by \$364,000 compared with the previous year, reflecting higher levels of developer and other operating contributions. While the value of infrastructure assets transferred to Council was lower than the exceptionally high levels seen in 2024-25, it remained above the amount anticipated in Council's 2025-26 budget.

These contributions continue to play an important role in supporting growth across the municipality and enhancing community infrastructure for current and future residents

Interest and other income

Interest and Other income totalled \$9.6m in 2025-26, \$2.2m lower than the previous year. This was mainly due to a reduction in interest earnings and lower natural disaster recovery funding compared with the elevated levels received in 2024-25. Despite this decrease, both revenue sources performed better than budgeted, providing additional support for Council's ongoing operations and recovery activities.

Operating expenditure

Operating expenditure totalled \$144.3m in 2025-26, down \$1.9m (1.34%) from the previous year. The most significant contributor to this reduction was a decrease in Other Expenses, reflecting lower asset write-off costs than those recorded in 2024-25.

Employee costs increased by \$1.3m (2.8%) during 2025-26. The increase was primarily driven by annual salary increases under Council's Enterprise Agreement, the employment of unbudgeted grant-funded positions, and increased use of casual staff to support service delivery. Employee costs also reflected the delivery of projects and initiatives by Council staff that had originally been planned to be undertaken by external consultants, resulting in expenditure being brought in-house rather than incurred through contracted services.

Materials and services expenditure increased by \$0.915m (1.6%), reflecting additional grant-funded works carried forward from the previous financial year, together with higher costs associated with delivering Council's ongoing operational and maintenance programs.

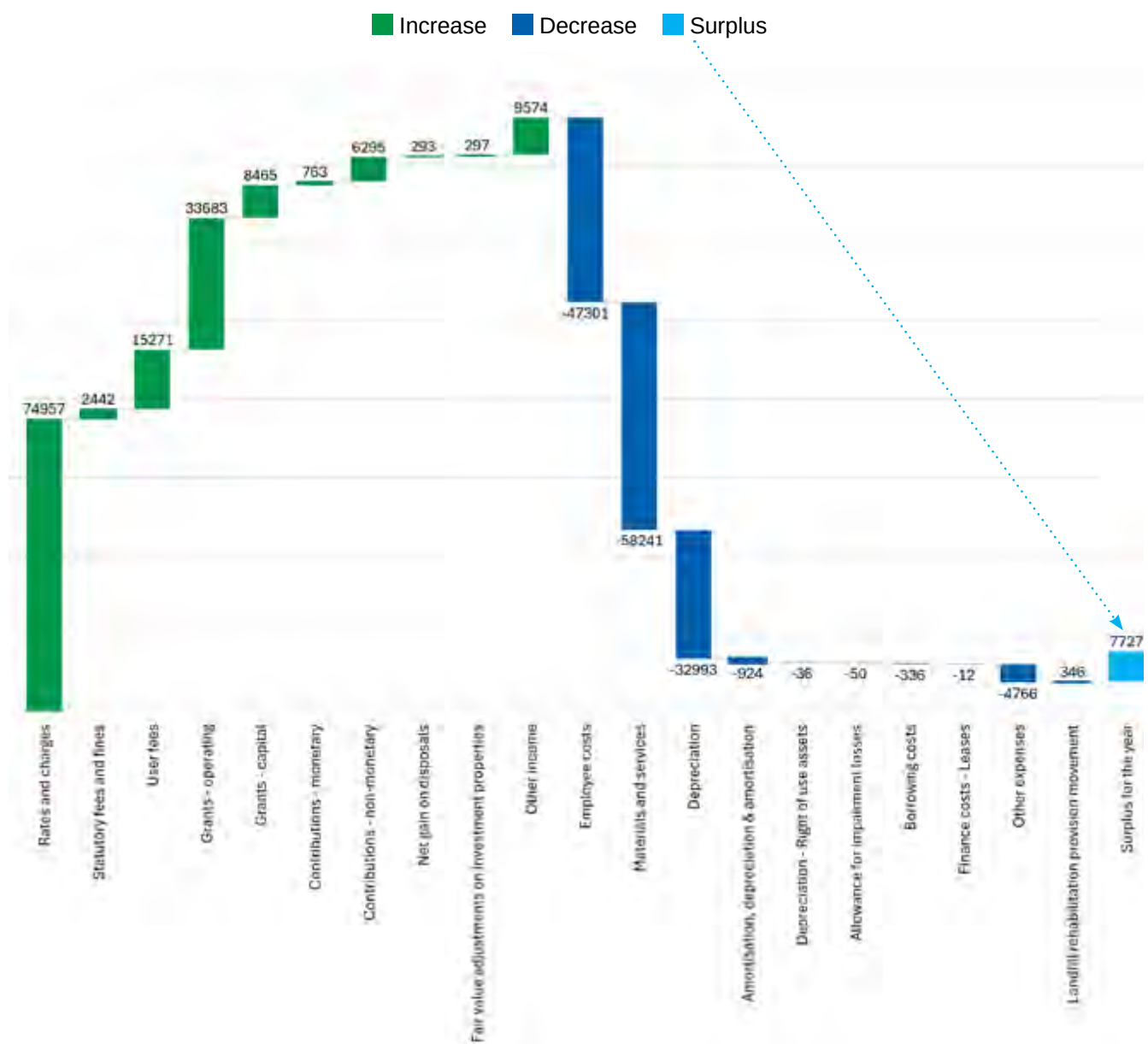
Depreciation and amortisation expenses increased by \$1.2m (4.0%) as new assets, including completed capital works and developer-contributed infrastructure, were added to Council's asset base and commenced depreciation. This increase was partially offset by lower amortisation of intangible assets, reduced depreciation of right-of-use assets and lower impairment expenses.

Other expenses decreased by \$4.7m, largely due to a reduction in asset write-offs associated with infrastructure renewal projects. Asset write-offs are non-cash accounting adjustments that remove the

value of assets from Council's records when they are replaced or renewed. The lower level of write-offs in 2025-26 was the most significant contributor to the reduction in operating expenditure for the year.

In addition, Council's landfill rehabilitation provision recorded a favourable movement of \$617,000, reflecting updated estimates of future rehabilitation costs and changes in discount rate assumptions used to calculate the long-term liability.

Income and expenditure flow chart: 2025-26



Summary of Capital Works allocations

Council's total capital works expenditure for the 2025-26 financial year was \$30.4m, representing an underspend of \$41.3m compared to the adopted budget of \$71.7m.

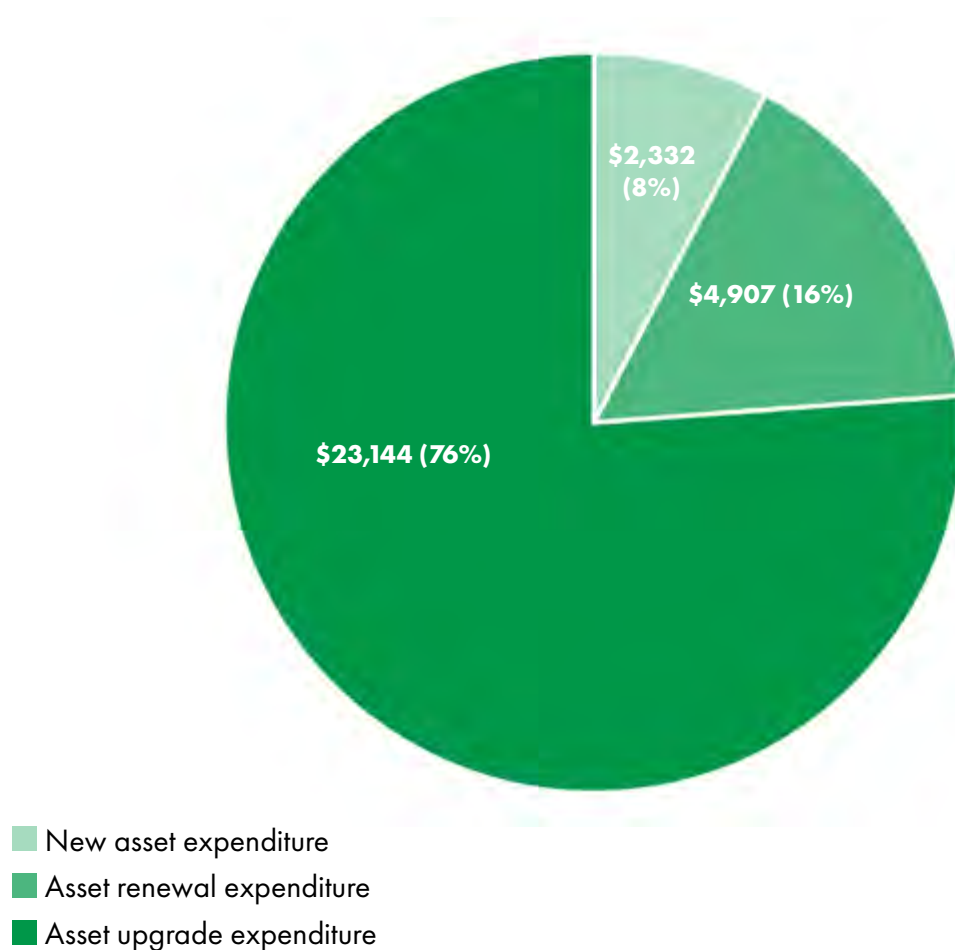
The underspend was due to several major infrastructure projects being carried forward into the 2026-27 financial year, including;

- » Bairnsdale Runway Extension and Lighting Upgrade – \$6.8m.
- » Bairnsdale Aerodrome Rehabilitation of Taxiway and Hangar Apron \$3m.
- » Gippsland Lakes Shared Community Hub \$2.5m.
- » Digital Services Initiatives \$4.9m.
- » Roads infrastructure \$3m.



Mayor Cr John White, Deputy Mayor Cr Sonia Buckley, Councillors and staff during a site visit to Bastion Point, Mallacoota.

Allocation of capital expenditure: 2025-26



Asset revaluation gain

Council's asset base increased by \$128.8m during 2025-26 following a revaluation of infrastructure and specialised building assets. In accordance with Council's asset valuation policy, infrastructure assets are comprehensively revalued every four years, with annual reviews of relevant construction cost indices undertaken in intervening years. Historically, index movements have not triggered a revaluation unless they exceeded 10 per cent.

During 2025-26, the relevant construction price index increased by more than 10 per cent. This increase reflected significant cost pressures experienced across the construction sector in recent months, driven by global supply chain disruptions, labour shortages, inflationary pressures and broader global economic uncertainty. Following advice from Council's external auditors, infrastructure asset values were updated to reflect these higher replacement costs.

The revaluation resulted in an increase of \$112.8m in the value of roads, bridges, drainage and other infrastructure assets, together with a \$16.0m increase in specialised buildings based on updated Valuer-General assessments. The revaluation ensures Council's asset values more accurately reflect current replacement costs and aligns Council's approach with valuation practices adopted across the Victorian local government sector.

The increase is a non-cash accounting adjustment and does not affect Council's rates, cash position or operating result. However, it increases the value of Council's net assets reported on the balance sheet and will result in higher depreciation expenses being recognised in future years, reflecting the higher replacement value of Council's assets.



Rohan and Hedley Clemm with Cr Barry Davis at the East Gippsland Field Days.

Advocacy

Advocacy is one of the ways we work to secure the investment, services and policy support East Gippsland needs to thrive.

We have an important role in advocating for projects and initiatives that matter to our communities and contribute to building a safe, sustainable and resilient shire. This advocacy, and supporting public communications, includes regular meetings with Members of Parliament from the Australian and Victorian governments and Opposition, local Members of Parliament, and maintaining positive working relationships with other local government organisations, regional and state advocacy groups, and statutory authorities.

Lobbying for projects, service improvements (eg train services) and funding streams (road maintenance) to be included in Commonwealth and Victorian budget development remained an ongoing important advocacy function.

Councillors and executive members can also hold representative positions on external advisory committees, boards and peak bodies to ensure that East Gippsland is represented in regional, state, and national arenas. These can include Rural Councils Victoria, National Timber Councils Association, One Gippsland, Australian Coastal Councils Association, Timber Towns Victoria, and Australian Local Government Association.

Our advocacy contributed to several positive outcomes for the region. This included supporting a \$2.75m Victorian Government investment in feral pig control and helping secure changes to the Emergency Services and Volunteer Fund levy.

Council supported a commercial fishing industry dinner in Lakes Entrance, where representatives shared insights into the sector's history, current challenges, and its critical role in the regional economy. Key discussion points included proposed offshore wind developments, their impact on fishing grounds, and the need for a community benefit fund that reflects potential local impacts.

We also adopted the Homes for Everyone Position Paper, setting out Council's role in supporting better housing outcomes across the region.

Victorian Election priorities

We strengthened our advocacy approach by reviewing and consolidating priorities to develop a clearer advocacy framework.

Twelve of those items, informed by the Council Plan and community needs, were identified as Victorian Election priorities.

- » \$1.5 billion statewide regional road maintenance package
- » Reform of the Emergency Services and Volunteer Fund levy
- » Improved investment in public land management
- » More focus on forestry transition
- » A new emergency department for Bairnsdale Hospital
- » Revitalisation of the Bairnsdale CBD
- » Improvements to traffic capacity on Princes Highway East – Bairnsdale to Lucknow
- » Drainage upgrades to improve flood resilience in Lakes Entrance
- » A new indoor stadium for Lakes Entrance
- » A new CFA station for Lakes Entrance
- » Drainage infrastructure to unlock housing development in Lucknow
- » Intersection upgrades to support growth in Paynesville



Cr Jodie Ashworth, Mayor Cr John White, Cr Joanne Eastman, Cr Bernie Farquhar, Cr Sonia Buckley, Senator Bridget McKenzie and Cr Arthur Allen during a meeting in October 2025.

Other advocacy

Council was proactive in putting items forward to the Municipal Association of Victoria State Council for discussion and adoption by councils across the state, calling on the Victorian Government to:

- » Make available a \$1.5 billion roads maintenance package to deliver urgent road maintenance and vegetation management works across the statewide road network, addressing the diminishing quality and safety of the road network, and to introduce a funding stream to identify and address road safety, reduced travel time and 'last mile constraints' impacts for the freight and visitor economy.
- » Protect and enhance the amenity of state-owned public land (including national parks and the natural estate, arterial roads and freeways and railway land) across Victoria by increasing investment and routine maintenance, workforce solutions and programs to address management practices on public land.
- » Make legislative changes to ensure a more equitable contribution from property owners within lifestyle/residential villages towards the services provided by councils, including property valuations and rating assessments on

individual dwellings, and residential/lifestyle villages paying municipal charges based on the number of individual dwellings within the village rather than as a single entity.

- » Resourcing to support health outcomes by adequately resourcing the management and delivery of programs across the state, with a particular focus on into rural and regional areas to support the complex social determinants that lead to negative health outcomes, such as domestic violence and homelessness.
- » Work with the Commonwealth Governments and Victorian local government to ensure councils are sustainably resourced to continue providing critical services and infrastructure to local communities.

Council was also active in supporting community-based advocacy, including:

- » Funding for a new Bairnsdale Regional Health Service emergency department
- » Bush nursing services
- » Omeo Community Hub as a Neighbourhood House
- » Family violence
- » Public transport (V/Line train services)



East Gippsland was represented at the Rural Councils Victoria Victorian Election Platform launch by Mayor Cr Jodie Ashworth and CEO Fiona Weigall, who joined Deputy Premier Ben Carroll and Eastern Region MP Tom McIntosh at Parliament House to advocate for investment in rural and regional communities.

Description of operations

We are committed to enhancing the wellbeing and prosperity of our community through a comprehensive range of services, programs, projects, and infrastructure. Our strategic objectives are achieved by providing essential services and facilities, offering support, and advocating for the needs of our community. To ensure these goals are met effectively, we employ a variety of performance indicators and measures.

Under both Victorian and Australian legislation, our responsibilities include:

- » Maintaining community infrastructure
- » Managing land use planning and building control
- » Overseeing domestic animal control
- » Protecting the environment
- » Supporting local businesses.

Each of these areas is integral to fostering a thriving and resilient community.



Corringale Creators, Susan Martin and Kylie Martin at the Deadly in Gippsland First Nations Expo with Aboriginal Engagement Officer, Courtney Pettersen (centre).

Major capital works – completed

We continued to invest in infrastructure that strengthens communities, improves safety, supports local economies and enhances quality of life across East Gippsland.

While several large projects will continue into 2026-27, many others were completed and are already delivering benefits for residents, businesses and visitors. The following highlight some of the capital works and infrastructure improvements delivered across the shire.

Buchan Recreation Reserve

The upgrade has delivered improved facilities to support sport, recreation, community activity, and emergency preparedness and response.

The redevelopment includes a new multi-purpose pavilion, upgraded netball courts, changerooms, community gathering spaces, storage, spectator areas, improved links between recreation spaces, a commercial-grade kitchen, solar and battery storage, backup generator capability, and emergency relief and shelter facilities.

A community celebration and official opening was held in June 2026 to mark completion of the project and recognise the contribution of funding bodies, local volunteers, community members and project partners.

Sarsfield Recreation Reserve and Community Hall revitalisation

The Sarsfield Recreation Reserve and Community Hall revitalisation project has delivered a new multi-purpose community centre and major upgrades across the reserve, including accessible amenities, a commercial kitchen, play and recreation spaces, fitness equipment, landscaping, improved access and parking, and upgraded sporting facilities.

The project was officially opened with a community celebration in May 2026, marking an important milestone in Sarsfield's ongoing recovery and resilience following the Black Summer bushfires.



Officially opening the Buchan Recreation Reserve are Peter Favaloro, president of the Buchan Recreation Reserve committee and Buchan Pony Club, had the honour of cutting the ribbon on the front deck with Federal Member for Gippsland, Darren Chester, East Gippsland Shire Council Mayor Cr Jodie Ashworth, Buchan Recreation Reserve committee member, Susie Edwards and Member for Gippsland East, Tim Bull, and the crowd of local supporters.



Community members, project partners and dignitaries – including Senator Raff Ciccone, Federal Labor Senator for Victoria; Federal Member for Gippsland Darren Chester; Mayor Cr Jodie Ashworth, former Mayor Cr John White, and local leaders including Simon Hof, Kate Nelson and Cathy McLellan – gathered to mark the completion of the \$3.8m Sarsfield Recreation Reserve and Community Hall redevelopment.

Hoddinott Reserve, Lucknow, upgrade

Works included a new interactive and nature-based play elements, picnic facilities, seating, shade and landscaping have created a more inviting and accessible community space.

A key feature was the installation of a culturally significant turtle sculpture developed in partnership with the Gunaikurnai Land and Waters Aboriginal Corporation, recognising and celebrating the cultural heritage of the area. A community opening was planned for July 2026.



The Maccacoota Streetscape upgrade has made the town centre safer and easier to move through.

Maccacoota streetscape

Improved pedestrian connections, upgraded footpaths, landscaping, new street furniture, enhanced parking arrangements and traffic calming measures have transformed Maurice Avenue and the Maccacoota town centre.

The upgrade has made the town centre safer and easier to move through, while supporting local businesses and improving the visitor experience in one of East Gippsland's most popular coastal destinations.

Nicholson Street footpath renewal, Orbost

Around 115 metres of footpath between McLeod Street and Clarke Street was renewed, replacing infrastructure damaged by tree roots and reducing ongoing maintenance and accessibility issues.

Works included a new concrete footpath with exposed aggregate edging, garden beds, replacement tree planting and drainage investigations.

The upgrade created a safer, more accessible and more attractive town centre environment for residents and visitors.



Marlo Foreshore improvements works improved safety, access and amenity while supporting the long-term activation and management of the foreshore.

Marlo Foreshore improvements

Works progressed this year under the Marlo Foreshore Management Plan, helping improve one of East Gippsland's most popular coastal recreation destinations.

The project delivered barbecue and picnic facilities, pathways, accessible parking, seating, bicycle stands and supporting infrastructure.

These works improved safety, access and amenity while supporting the long-term activation and management of the foreshore precinct. Boat ramp access was maintained throughout construction to minimise disruption for the community and visitors.



The official ribbon cutting at the opening of Swifts Creek Recreation Reserve, attended by The Honourable Tom McIntosh MP, Victorian Legislative Council Member for Eastern Victoria; Darren Chester, Federal Member for Gippsland; Tim Bull MP, Member for Gippsland East; Mayor Cr John White; Deputy Mayor Cr Sonia Buckley; CEO Fiona Weigall; and representatives of the Swifts Creek Committee of Management, ODFNL, players, volunteers and supporters.

Buchan drainage investigations and renewal

Drainage investigations in Buchan have provided important new information about the condition and performance of the township's underground drainage network.

CCTV inspections and cleaning were completed for the first time since installation, helping identify future renewal priorities.

The project also delivered an innovative trenchless pipe repair beneath Buchan–Orbost Road, using fibreglass lining to restore a critical drainage asset without major excavation. This reduced disruption and strengthened local flood resilience.

Bosworth Road Dog Park upgrade, Bairnsdale

The upgrade has created a more accessible, welcoming and enjoyable space for dogs and their owners.

Works included new agility and play equipment, accessible pathways, improved gates, a picnic shelter, drinking water, landscaping, shade planting and upgraded amenities.

The improvements support recreation, social connection and greater use of public open space.



The transformation of a former landfill site at Bosworth Road, Bairnsdale, into a dog park has created a more accessible, welcoming and enjoyable space for dogs and their owners.

Swifts Creek Recreation Reserve

The \$2.9 million upgrade delivered a new multi-purpose pavilion and competition-standard netball and tennis courts. It replaced ageing facilities with modern, accessible infrastructure including changerooms, umpire facilities, court lighting and improved pedestrian access.

It's now a contemporary hub for sport, recreation and community events, supporting participation.

Buchan–Orbost Road landslip repair

Buchan–Orbost Road landslip repair works restored an important section of road connecting Buchan and Orbost – a key transport link for local communities, businesses and agriculture.

The project addressed a significant embankment failure risk that emerged following pavement movement and ground instability identified in 2024 and has improved the long-term stability of the road.

The repair works included construction of a 75m retaining wall supported by anchor rods beneath the road pavement, installation of new guardrail, reconstruction of road pavement and associated line marking.

This investment supports an ongoing commitment to maintaining resilient road infrastructure and ensuring safe and reliable access across our rural road network.



Our electric vehicle charging network now includes seven Council-managed charging stations, including one at Mallacoota.

Electric vehicle charging infrastructure

East Gippsland's public electric vehicle charging network continued to grow with new charging infrastructure installed in Buchan and Mallacoota and support provided for fast-charging facilities in Lakes Entrance.

The network now includes seven Council-managed charging stations, helping meet growing demand from residents and visitors while contributing to Council's sustainability objectives.

The network recorded more than 5,944 charging sessions and delivered 144MWh of renewable electricity, avoiding an estimated 64 tonnes of CO₂-equivalent emissions.



A new playground installation at Harry Clues Reserve in Johnsonville.

Community infrastructure improvements

Several community infrastructure projects were completed, improving the everyday facilities used by residents and visitors.

Works were completed on recreation reserve lighting upgrades, building renewals, access improvements and public amenity upgrades. These include a new playground installation at Harry Clues Reserve in Johnsonville, public amenity upgrades in Omeo, improvements at Gilsenan Reserve in Paynesville, and a new Changing Places facility in Cann River.



Road safety works in Church Street, Lakes Entrance.

Maintaining our road network

East Gippsland's road network is critical to connecting communities, supporting freight movement and providing access to services across the region.

During 2025-26, we continued to invest in the renewal of local road infrastructure through targeted road rehabilitation projects identified through asset condition assessments and ongoing network monitoring.

Corringle Road, Newmerella – major road rehabilitation

Road rehabilitation works were completed on a 1.6-kilometre section of Corringle Road, Newmerella. A cement, foamed bitumen and new crushed rock surface layer saved around 8,000 tonnes of crushed rock production and transport, finishing the job in just seven days.

Tamboon Road, Cann River – major road rehabilitation

Road rehabilitation works were completed on sections of Tamboon Road, Cann River.

The project renewed the road pavement and surface, improving road condition and long-term performance while extending the service life of the asset and supporting reliable access for road users.

Major capital works – in progress

While many major projects were completed during the year, progress also continued on large-scale projects that will shape East Gippsland in the years ahead. These projects span sport and recreation, transport, waste and community infrastructure, supporting wellbeing, economic development and regional resilience.

WORLD Sporting Precinct

Key achievements included finalising the detailed design and awarding of construction contracts for the new soccer pitches and pavilion.

The works, in addition to completed netball and hockey works already completed, will provide high-quality sporting facilities, support local participation and strengthen East Gippsland's ability to attract regional sporting events.

Construction is expected to continue throughout 2026-27.

Slip Road Maritime Precinct

Major upgrades on new seawalls, jetty berths, a service jetty, commercial boat ramp, drainage infrastructure and improved public access areas.

These works are transforming the precinct into a modern maritime hub that supports recreational boating, local marine businesses and tourism across the Gippsland Lakes. Final stages will be completed in early 2026-27.

Lakes Entrance Indoor Stadium

Community consultation was undertaken, including establishment of a community reference group to help shape the project. Detailed design progressed for a three-court facility that could support a range of indoor sporting and community activities.

The stadium remains a key regional priority, with Council continuing to advocate for funding to enable construction.



Construction contracts for the new soccer pitches and pavilion at the WORLD Sporting Precinct have been awarded. These works are in addition to completed netball and hockey works.



New seawalls, jetty berths, a service jetty, commercial boat ramp, drainage infrastructure and improved public access areas under construction at the Slip Road Maritime Precinct in Paynesville.

Cann River Waste Transfer Station upgrade

Planning progressed on detailed design, cultural heritage investigations and planning approvals.

The upgrade will improve waste management infrastructure and site functionality, supporting more efficient service delivery and meeting the future needs of the Cann River community.

Omeo Justice Precinct

Conservation and renewal works continued with a focus on the restoration of the precinct's historic courthouse buildings and associated heritage assets.

Works included building conservation, refurbishment, internal fit-out, painting and finishing works to preserve the structures and prepare them for future community and visitor use.

As one of Victoria's most intact 19th century police and court complexes, the precinct will play an important role in supporting heritage tourism, community activity and the preservation of Omeo's history. Works were nearing completion at the end of the financial year.

Bairnsdale Airport runway extension and lighting upgrade

Planning progressed on a major upgrade to aviation infrastructure at Bairnsdale Airport during 2025-26. Work focused on concept design, environmental approvals and tender preparation for the runway extension and upgraded lighting.

Once complete, the upgrade will improve access for air ambulance, firefighting and other critical service aircraft, strengthening emergency response capability while supporting future aviation growth and economic development.

Organic waste processing facility

Significant progress was made on a new organic waste processing facility next to the Bairnsdale Regional Landfill.

Environmental approvals and planning processes advanced, positioning the project for construction. Once operational, the facility will process organic waste, divert material from landfill and convert it into valuable resources.

The project will strengthen Council's resource recovery capability, reduce waste sent to landfill and support more sustainable waste management outcomes.



Stage one of the Bairnsdale Aquatic and Recreation Centre roof renewal was completed.

Bairnsdale Aquatic and Recreation Centre roof renewal

Stage one of the BARC roof renewal project was completed, addressing ageing roof infrastructure and priority repair requirements across key areas of the facility.

Works included upgrades to roof sections servicing the plant room, gym, reception area and wet change rooms, improving the safety, reliability and functionality of one of Council's most heavily used community assets.

Further stages of the renewal program will continue throughout 2026-27.

Howitt Park pedestrian bridge replacement

Planning commenced for the replacement of the existing pedestrian bridge at Howitt Park, Bairnsdale.

The project will deliver a new pedestrian bridge to improve safety, accessibility and connectivity for park users, providing a reliable crossing that supports access to sporting, recreation and open space areas throughout the reserve.

The project is scheduled for delivery in 2026-27.

Krauatungalung Walk, Lakes Entrance – Stage 2, Section 4

Construction commenced on the next stage of the Krauatungalung Walk in Lakes Entrance.

The project will deliver a new boardwalk connection along the foreshore, extending the shared path network and improving accessibility while supporting the long-term vision for a continuous waterfront walking experience.



The renewed Metung Boardwalk.

Metung Boardwalk revitalisation

Renewal works commenced on sections of the Metung Boardwalk as part of Council's asset renewal program.

The project will replace ageing boardwalk infrastructure and improve safety, accessibility and long-term durability, helping maintain this important community and visitor asset.

Timber bridge renewal

Planning and design activities continued for the renewal of timber bridges on Hollands & O'Briens Road and Healeys Road, Omeo.

These projects will replace the existing timber bridges with a modern structure designed to improve safety, reliability and long-term resilience for road users.

Once completed, the new bridges will provide a more durable crossing with reduced maintenance requirements, improved load capacity and greater resilience to bushfire and extreme weather events.

The project forms part of Council's ongoing program to replace its remaining timber road bridges and ensure reliable access for residents, freight operators, emergency services and visitors.

Road rehabilitation and safety improvements

Works continued across Council's sealed road network to renew road pavements that had reached the end of their service life and improve the safety and functionality of key transport routes. The program focused on rehabilitating and strengthening road infrastructure to improve road condition, extend asset life and support reliable access throughout East Gippsland.

Construction also continued on Stage 2 of the Marine Parade Safety Upgrade in Lakes Entrance. The project will deliver road, drainage and pedestrian safety improvements, together with upgraded intersections and supporting infrastructure, improving safety and functionality for all road users.

Awards and Recognition



East Gippsland Shire Council representatives Zoe Delaney and CEO Fiona Weigall receive the Award for Community Assets & Infrastructure (Projects \$5–\$20 million and population less than 50,000) from Sue Wilkinson, President of LGPro (left).

LGPro Award Winner – Community Assets & Infrastructure – Eagle Point Foreshore Hub Development

We received the LGPro Award in the Community Assets & Infrastructure category (Projects \$5–\$20 million and population less than 50,000) for the Eagle Point Foreshore Hub Development. The award recognised our commitment to delivering high-quality public infrastructure that enhances community wellbeing, accessibility and visitor experiences.

The \$5.5m project transformed the Eagle Point foreshore into a vibrant waterfront destination that complements the natural beauty of Lake King and meets the needs of residents and visitors alike. The development delivered a purpose-built community hub, upgraded play areas, improved pedestrian safety, modern amenities, erosion-control measures and environmentally sensitive landscaping.

Since its completion, the precinct has become a valued community gathering place that supports recreation, tourism and social connection.



East Gippsland and Wellington Shire Council representatives Phill Phillipou, Sharon Jankowiak and Denise Lovett receive the award for Innovative Leadership Initiative from Sue Wilkinson, President of LGPro (left).

LGPro Award Winner – Innovative Leadership Initiative

We received the LGPro Award in the Innovative Leadership Initiative category for the Shared Services Initiative: Rural Councils Records Management Transformation, delivered in partnership with Wellington Shire Council.

The project introduced a shared cloud-based Electronic Document and Records Management System (EDRMS), creating a contemporary and secure platform for managing information across both organisations.

The initiative strengthened information governance, improved data security and accessibility, and reduced costs through a collaborative shared-service model. By modernising records management practices and creating new opportunities for innovation and collaboration, we have established a strong foundation for future service improvements and enhanced outcomes for councils and their communities.

Sally Isaac Memorial Scholarship Fund Award

With Council support, Selina Lancaster received a High Commendation in the Sally Isaac Memorial Scholarship Fund Award, an LGPro award recognising emerging leaders in local government.

The recognition highlighted Selina's professional development, leadership and service to the East Gippsland community.



Council aerodromes staff Doug Sward and Richard Bakos at Bairnsdale Airport after it was named Small Regional (Non-RPT) Airport of the Year for 2025 at the Australian Airports Association National Conference.

Small Regional Airport of the Year Award – Bairnsdale Airport

Bairnsdale Airport was named Small Regional (Non-RPT) Airport of the Year for 2025 at the AAA National Conference. This was the airport's third national win in this category and fifth national award in eight years.

The nomination highlighted major upgrades that are strengthening emergency response, aviation safety and community resilience, including the Air Ambulance Patient Transfer Facility, modernised fuel facility and enhanced perimeter security fencing.

WORLD Sporting Precinct recognised

The WORLD Sporting Precinct, Bairnsdale, was recognised at an industry level when 'Transforming the WORLD' was shortlisted for the Parks and Leisure Australia Community Facility of the Year Award (Victoria/Tasmania), highlighting the value of the precinct as a major community and recreation asset.

Victorian Top Tourism Town Awards 2025 – three finalists

East Gippsland was well represented at the 2025 Victorian Top Tourism Town Awards, presented by the Victoria Tourism Industry Council, with three of our towns named finalists in their categories: Lakes Entrance (Top Tourism Town), Paynesville (Top Small Tourism Town) and Marlo (Top Tiny Tourism Town).

While the titles were awarded elsewhere, finalist status placed all three towns on the state-wide stage, recognising the strength of their visitor experiences and the collaborative efforts of local tourism operators, businesses, volunteers, and residents.

We were proud to support each town through the awards process, and this recognition reflects East Gippsland's growing reputation as one of Victoria's most compelling tourism destinations.



Mayor Cr John White and wife Leanne and the Melbourne Cup at Government House in 2025.

Civic events

Opportunities for community members to participate, engage and celebrate alongside Councillors, staff and project partners are provided through our civic events program. Activities include citizenship ceremonies, project openings, community celebrations, recognition events, and participation in major town and regional events such as agricultural shows. Council also supported the presentation of Rotary Community Awards at Council meetings, recognising individuals who have made an outstanding contribution to their local communities.

We also worked closely with local groups, schools and organisations to ensure a broad cross-section of the community is involved and represented.

In May 2026, as part of National Volunteer Week, 48 outstanding volunteers were added to the East Gippsland Volunteer Honour Roll. This roll acknowledges the dedication and years of service contributed by local community members. These new inductees joined a growing group of changemakers who embody commitment and generosity, bringing the Honour Roll to more than 300 recognised volunteers. The Honour Roll is permanently featured on Council's website.

This year, John Waller stood alone as East Gippsland's only 50+ year Honour Roll inductee. Five decades of volunteering is a remarkable legacy and a powerful reminder of the extraordinary contribution volunteers make to communities across the region.

Across three citizenship ceremonies we welcomed 94 new Australian citizens from around the world to East Gippsland. Ceremonies provided an opportunity to celebrate the diversity, stories and contributions of our newest community members.

Official project openings continued to play an important role in recognising community achievement and celebrating investment in local infrastructure. These events brought together residents, volunteers, funding partners and project stakeholders to acknowledge the collective effort behind each project and the benefits they will provide for communities into the future.

Communities celebrating official project openings:

- » Swifts Creek Recreation Reserve upgrade
- » Lakes Entrance Changing Places facility
- » Mallacoota –Mudbrick Pavilion, Hall and Streetscape
- » Omeo – Mountain Bike Trails, Livingstone Park and Streetscape
- » Crooke Street Wetlands, Bairnsdale
- » Sarsfield Recreation Reserve and Community Hall revitalisation
- » Lindenow South Recreation Reserve lighting upgrade
- » Wy Yung Recreation Reserve lighting upgrade
- » Buchan Recreation Reserve redevelopment



The Changing Places facility in Lakes Entrance was opened in November. The ribbon was cut by upper house member for eastern Victoria, Tom McIntosh, joined by East Gippsland Shire Mayor Cr John White, Councillors Tom Crook and Arthur Allen, representatives from the Lakes Entrance Action and Development Association including Bruce Hurley and Sharen Cameron, Gippsland Disability Advocacy Executive Officer Leanne Wishart, architect Angus McKay, and Council staff and community members. Changing Places facilities provide accessible, safe, and private changeroom and toilet amenities for people with disability and high support needs so they can fully participate in community life. Another Changing Places facility has since been constructed in Cann River.

East Gippsland Australia Day Awards

More than 200 people gathered at Lakes Entrance Surf Life Saving Club to celebrate the 2026 East Gippsland Community Awards ahead of Australia Day.

Set against the backdrop of dusk over the waterways, the event brought people together from across the region to recognise dedicated volunteers, community leaders and local events that make a lasting contribution to East Gippsland.

The awards recognised contributions across Citizen of the Year, Young Citizen of the Year and Community Event of the Year, with 23 nominations received.



Australia Day Ambassador Dr Patrick Kinsella, with Citizen of the Year Tracey Ah Sam and Mayor Cr Jodie Ashworth.

Citizen of the Year – Tracey Ah Sam

For more than 30 years, Tracey has contributed to the Omeo community through leadership, generosity and sustained volunteer service.

Her work has supported the Omeo Recreation Reserve, local clubs, community events and initiatives including the Omeo Alpine Shears and Omeo Rodeo.

Tracey's dedication has helped keep Omeo connected, resilient and active across generations.



Cr Arthur Allen, Cr Ian Trevaskis, Australia Day Ambassador Dr Patrick Kinsella, Young Citizen of the Year Chelsea Wellman, Cr Joanne Eastman, Mayor Cr Jodie Ashworth and Deputy Mayor Cr Tom Crook.

Young Citizens of the Year – Banjo Jackson and Chelsea Wellman

Banjo was recognised for his leadership as Chair of the Youth Ambassadors and College Captain at Nagle College. Through community events and advocacy on issues such as youth homelessness and access to opportunity, Banjo has shown strong leadership and commitment to young people across the region.

Chelsea was recognised for turning personal experience into advocacy, raising awareness of road safety and sharing her family's story with schools, sporting clubs and community groups across East Gippsland.



A crowd of more than 200 people came together in Lakes Entrance to celebrate the annual East Gippsland Australia Day Awards.

Community Event of the Year – The Breast Care Support Fund of East Gippsland

This volunteer-led initiative provides practical support to families affected by breast cancer, including groceries, fuel, meal vouchers, wigs, mastectomy bras and beauty treatments.

Fundraising events, including the 50 Shades of Pink Party and a high tea at Rivendell Farm Estate, raised \$25,000, with funds spent locally to support East Gippsland families and businesses.



Mayor Cr Jodie Ashworth with representatives from The Breast Care Support Fund of East Gippsland who were recipients of Community Event of the Year award.

Special Recognition Award – East Gippsland Winter Festival

The inaugural Special Recognition Award was presented to the East Gippsland Winter Festival, recognising its role in connecting communities across the shire through inclusive events that celebrate local creativity, places and people.



Adam Bloem, representing the East Gippsland Winter Festival, with Mayor Cr Jodie Ashworth.

Events and tourism

East Gippsland continued to strengthen its reputation as a destination for major sporting, recreational and community events. Through sponsorship and the Pathways to Growth program, we supported a diverse calendar of events that attracted participants and visitors from across Victoria and beyond, contributing to the local economy while showcasing the region's natural landscapes, waterways, towns and visitor experiences.

The East Gippsland Winter Festival once again brought communities together through a month-long celebration of food, arts, culture and nature across the region. Council support assisted in growing the festival's reach and profile, creating opportunities for local businesses, artists, event organisers and community groups to participate in one of East Gippsland's signature tourism events.

Major sporting and recreational events continued to draw competitors and spectators to the region and showcased East Gippsland as a destination for adventure, endurance and participation-based events.

The Paynesville Classic Boat Rally and Maritime Festival, Gippsland Lakes Boat Show and Hooked on Lakes (Lakes Entrance) and many bream fishing competitions celebrated the maritime heritage and recreational assets of our lakes and rivers while encouraging visitation, community participation and economic activity.

Dates	Event	Our role
20 June – 20 July 2025	East Gippsland Winter Festival 2025	Sponsorship and Pathways to Growth *
12 - 13 July	Winter Enduro 2025	Sponsorship
18 - 20 July	Twin Rivers Bream Classic 2025	Sponsorship
16 - 17 Aug	Marlo Bream Classics (Round 4)	Sponsorship
13 - 14 Sep	2025 Atomic East Gippsland Bream Classic	Sponsorship
13 - 14 Sep	The Joyride Rookie Cup	Sponsorship
4 - 5 Oct	2025 Victoria Mountain Bike Series (VDHS)	Sponsorship
22 - 23 Nov	Metung Bream Classic (Grand Final)	Sponsorship
28 - 30 Nov	Lovells Alpine Rally of East Gippsland	Sponsorship
13 - 15 Feb	Victorian Masters Open Squash Tournament	Sponsorship
27 Feb - 1 Mar	Paynesville Classic Boat Rally & Maritime Festival	Pathways to Growth *
27 Feb - 1 Mar	Gippsland Lakes Boat Show	Sponsorship
8 Mar	Hooked on Lakes	Pathways to Growth *
14 Jun	The Butterfly Effect Bairnsdale	Sponsorship

* Pathways to Growth is a program that helps event organisers improve their events and ensure they are sustainable and successful in the long term.

Culture and creativity

Culture and creativity continued to support community wellbeing, social connection, economic activity and regional identity across East Gippsland.

A major highlight was the *Summit on Tour* and inaugural Creative Summit, which brought together creatives, organisations, community members and partners to explore the future of creativity in East Gippsland.

Feedback from these events and broader engagement through the [Culture and Creativity Strategy 2023-2033](#) helped shape a new Culture and Creativity Funding Model. Endorsed during the year and commencing in 2027, the model will make creative investment across the shire clearer, fairer and easier to access.

In response to community feedback, we launched the Creative Link newsletter to share opportunities, celebrate local achievements and strengthen connections across East Gippsland's growing creative network.

Touring programs, exhibitions and creative partnerships helped bring arts and cultural experiences to communities across East Gippsland. Activities in places such as Mallacoota and Lake Tyers Beach, along with productions like *Shore Break*, gave regional audiences better access to contemporary performance close to home. The Forge also presented a broad program of performances and events, including Tiny Festival of Practice, which featured local, Australian and European artists and helped strengthen participation, connection and creative expression across the shire.

The annual Youth Art Prize also provided opportunities for emerging young artists to showcase their work and be recognised for their creativity and talent.

The Forge Theatre continued to play an important role as a cultural destination and community venue, with 16,208 tickets sold across performances, workshops, talks and community events. Audience research was undertaken for the first time during the year, with 23% of patrons saying their experience met expectations and 73% saying it exceeded expectations. Furthermore, 92% said they would attend future



events. These results show strong audience support for The Forge as a place for performance, learning, connection and creativity.

The Forge also launched its inaugural *IMMERSIVE* program, supporting 68 local creatives to develop and showcase new work. The program created more than 450 participant and audience engagements, with many projects continuing through new performances, exhibitions and creative ventures across East Gippsland.

Creative partnerships also supported broader Council priorities, including waste minimisation, tourism, education and community development. Projects such as *The Box Show* combined arts and sustainability education, while the Forge continued to host community events, workshops, talks and artist development opportunities.



Youth Art Prize winners Eliza Moore, Leah Brutovic, Ella Jansen, Holly Love, Lily Nickless and Asha Andrews at the presentation held at the Forge Theatre, Bairnsdale.

Section three: our Council



Human Resources Recruitment Officer, Justine Harms and Library Customer Service Officer, Emily McAlpine at the East Gippsland Jobs Expo.

Our Council

East Gippsland is characterised by its distinctive qualities, which present both advantages and challenges. The region boasts a remarkable natural setting, with the Gippsland Lakes and rugged coastline defining its southern boundary, and the High Country forming a picturesque backdrop. The area is marked by historical rural landscapes and pristine bushland, which encapsulate its communities. These features are fundamental to the region's thriving tourism industry.

Regional profile

East Gippsland's economy is anchored by primary industries including agriculture, forestry, and fishing, with beef, dairy, timber, wool, mutton/lamb and seafood being key outputs. Health care and social assistance are the largest employers, driven by an aging population. Construction and retail trade also play significant roles, supporting local development and services.

Tourism is vital, attracting visitors to our lakes, forests, and coastline, while education, manufacturing, and emerging renewable energy projects contribute to a steadily evolving regional economy. East Gippsland Shire's population is forecast to be 51,248 in 2026 and is expected to grow to 59,979 by 2046. The region supports 4,930 active and GST-registered businesses, while the unemployment rate was 5.0% in the December 2025 quarter, down from 6.1% at the same time the previous year.

These indicators point to ongoing population growth, a diverse business base and improving labour market conditions, while also highlighting the importance of continuing to support workforce development, housing availability and business resilience across East Gippsland.

Further information on East Gippsland's population, economy and community trends is available through Council's .id Community Profile and Economic Profile:

- » Community profile:
profile.id.com.au/east-gippsland
- » Population forecast:
forecast.id.com.au/east-gippsland
- » Economic profile:
economic.id.com.au/east-gippsland

Economic development

We continued to work with local businesses, industry, government and regional partners to support investment, employment, workforce development and economic resilience across East Gippsland.

- » Facilitated industry engagement and collaboration activities designed to strengthen relationships with local businesses and industry sectors, identify emerging opportunities and challenges, and inform advocacy on issues affecting economic growth. This included progressing actions to strengthen business and industry engagement, support industry transition, encourage investment and employment opportunities, and support initiatives aligned with the Gippsland Food, Drink and Agritourism Strategy.
- » Supported local procurement and business participation through initiatives such as an annual Contractors' Breakfast and Procurement Workshop, helping businesses better understand and access Council opportunities.
- » Enhanced digital engagement and regional promotion through the rollout of new online platforms, including the redevelopment of the Invest East Gippsland website and promotion of success stories.
- » Strengthened workforce pathways through partnerships with employers, education providers and training organisations to help meet current and future workforce demands.
- » Advocated for investment, infrastructure and policy setting changes that support business growth, tourism, agribusiness and regional development.

Agriculture

We supported East Gippsland's agricultural sector through leadership development, business resilience initiatives and advocacy on issues affecting farming communities.

- » Brought together graduates from all three cohorts of the Ag Leadership Program to reflect on the lasting impact of the initiative. Participants shared stories of increased confidence, stronger leadership skills, new business ventures and greater involvement in community advocacy.
- » Farmers explored strategies to strengthen business resilience, manage financial pressures and adapt to changing conditions through the Business of Farming series events.
- » Partnered with Gippsland Agricultural Group (GAgG) to undertake pasture improvement trials at our Skeene Creek property, supporting research and knowledge sharing to improve farm productivity and resilience.
- » The Agriculture Sector Advisory Committee continued to provide a strong voice for local farming communities, informing Council advocacy and helping identify priorities for the sector.
- » Hosted visits for Members of Parliament to demonstrate the impacts of drought and invasive pests on agricultural productivity and farming communities across the shire.
- » Shaped Council's Pest Animal Management Advocacy Paper.
- » Contributed to advocacy highlighting the impacts of feral pigs, wild dogs and deer on agricultural productivity and regional livelihoods. This included helping secure a \$2.75m investment in feral pig control activities across eastern Victoria.

Visitor economy

East Gippsland was promoted as a visitor destination through destination marketing, visitor servicing and regional partnerships. Bushfire activity in some parts of East Gippsland further afield impacted some of the summer holiday trade.

- » In partnership with Destination Gippsland, visitor marketing activities continued to build awareness of East Gippsland's tourism experiences, strengthen regional brand visibility and attract new audiences.
- » The tourism promotion Wonders Campaign reached an estimated two million people and generated more than 170,000 engagements.
- » A new Visit East Gippsland website was launched, supported by a summer visitor servicing campaign and ongoing enhancements to improve the visitor experience.
- » Twenty-five visitor signage kiosks featuring QR-code access to tourism information were installed across the region, providing visitors with easy access to local attractions and experiences.
- » The new Bairnsdale Visitor Information Centre at the Corporate Centre was opened, providing a modern and welcoming space and cost efficiencies.
- » Mobile visitor information services during peak visitation periods increased to ensure visitors could continue to access support and information where they needed it.
- » A collaborative photography and videography project produced more than 200 new promotional images and videos showcasing the region's landscapes, experiences and communities.
- » Media coverage in national and international tourism publications helped raise awareness of East Gippsland as a destination.
- » Marlo was named a finalist in the 2026 Victorian Top Tourism Town Awards, reflecting the strong partnership between Council, local businesses and the community in promoting the town's visitor appeal and unique character.



Youth Agritech Expo event organiser, Lily McCole, Agribusiness Development Officer, Kaylene Wickham, exhibitor Anthony James from Farm and Forest Drones and Youth Space volunteer, Barry Rogers.

Supporting forestry transition communities

A focus of our work with communities affected by the native timber harvesting transition was supporting locally led economic development in Swifts Creek, Orbost and Nowa Nowa.

As the host agency for the Swifts Creek Local Development Strategy and a key partner in the Orbost and Nowa Nowa initiatives, we worked alongside communities, government agencies and regional stakeholders to identify local opportunities, progress community-led projects and strengthen economic resilience. Through Local Development Strategy Innovation Working Groups, communities advanced local priorities and explored opportunities to support future economic growth.

A Business Support Voucher Program and related initiatives supported 31 local businesses to strengthen planning capability, access forestry transition funding opportunities and pursue business development and diversification opportunities. Working with DEECA, we promoted available support programs were promoted and we advocated for stronger long-term outcomes for transition communities.

Land use planning and strategic development work to help identify and enable future economic opportunities in transition communities was progressed, including advancing planning and investigation work for the Omeo and Swifts Creek Structure Plan to support future growth and investment.

In Swifts Creek, implementation of the community-led Local Development Strategy continued, supporting opportunities in areas such as nature-based recreation and tourism, education and skills, and value-added primary industries to help diversify the local economy.

We also played a strong advocacy role, calling for a review of forestry transition funding programs and advocating for a more transparent, flexible and place-based approach to funding delivery. This included advocating for streamlined grant processes, clearer reporting on funding outcomes, longer-term support for affected communities and greater investment in East Gippsland communities experiencing the impacts of forestry transition.

Councillors

East Gippsland Shire Council is an unsubdivided municipality consisting of nine Councillors, who represent the whole shire and its diversity.

The Council was elected and officially sworn in on 11 November 2024. It comprises five new Councillors along with four returning Councillors from the previous term. The Council is responsible for setting the strategic direction for the shire and providing leadership for its governance.



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Section four: our people and organisation



To bring our Council Plan strategies to life, we rely on a dynamic, diverse, and skilled team working together to achieve meaningful outcomes for our community. By fostering a strong, supportive culture and maintaining robust structures and adaptable systems, we empower our employees to thrive and make a real impact.

Open Space team members Jon Tew, Kim Kitchen and Harley Rose tending to the Main Street Gardens, Bairnsdale.

Our people, our purpose

Our people are at the heart of everything we do. Across the shire, our employees bring dedication, expertise and a strong commitment to serving the community, delivering the services, projects and support that help make East Gippsland a great place to live, work and visit. Their efforts, often behind the scenes, are fundamental to achieving the priorities of the Council Plan and responding to the evolving needs of our communities.

Aligning our organisation for the future

Recognising that strong community outcomes depend on a strong organisation, we adopted our inaugural Organisational Plan 2025–2029. The plan aligns our people, culture, leadership, service delivery, continuous improvement and financial sustainability efforts around a shared vision.

Developed with input from employees, the plan establishes a common direction, strengthens accountability and supports a high-performing, values-driven workplace.

Attracting and growing local talent

To support workforce growth and future skills development, we strengthened our workforce attraction initiatives through partnerships with schools, training providers and employment programs.

Activities included participation in the East Gippsland Jobs Expo, involvement in the Job Jump and Broadening Horizons programs and the development of an Industry Experience Program to help attract emerging talent to local government.

Building skills and capability

Seventeen corporate training programs were delivered to support workforce development and organisational capability, including corporate induction, designated first aid training, and peer support officer and fire warden training.



East Gippsland was proud to host the NIDR Gathering on Gunaikurnai Country – welcoming delegates from across Australia to our region for several days of connection, learning and collaboration.

Additional learning opportunities focused on leadership development, workplace health and safety, Equity Impact Assessments, emergency management capability and organisation-wide training to support the implementation of new business systems.

We continued to build cultural capability through the rollout of First Nations cultural awareness training. Developed in partnership with Traditional Owners and Aboriginal organisations, the program provides practical, place-based learning that deepens understanding of First Nations cultures, histories and knowledge.

Supporting staff through digital change

A significant organisational transformation was the implementation of new finance and payroll systems. This introduced more efficient ways of working and was supported by extensive staff training, testing programs, drop-in support sessions, and ongoing communication to help employees build confidence with the new systems.

The successful transition reflects the adaptability of our people and their commitment to continuous improvement.



Cr Arthur Allen attended the Anzac Day memorial event in Lakes Entrance.

Listening to our people

The annual all staff engagement survey provided employees with the opportunity to share feedback on workplace culture, leadership, communication, wellbeing and overall engagement.

Participation increased significantly, with 406 employees contributing feedback and an overall response rate of 65%, up 8% from the previous year.

Feedback is used to inform ongoing improvement initiatives and support a positive, connected and high-performing workplace culture.



Staff members from across different teams come together to connect and celebrate at the 2025 All-Staff Event.

Supporting wellbeing and inclusion

Supporting employee wellbeing remained a key focus throughout the year, with a range of initiatives designed to promote physical health, mental wellbeing, inclusion and social connection.

- » Employee Assistance Program and peer support – awareness of confidential wellbeing support was strengthened through the relaunch of the Peer Support Officer Program and ongoing promotion of wellbeing services, ensuring staff could access informal peer support and professional assistance when needed.
- » Gender Equality and Inclusion – Council's 2025–2029 Gender Equality Action Plan was developed, supported by staff engagement, capability building and activities that promoted understanding of equity, inclusion and respectful workplaces. New Equity Impact Assessment resources, training materials and an internal resource hub were developed to help embed equitable decision-making.
- » Staff connection and participation – through the Staff Consultative Committee and awareness campaigns, employees were encouraged to participate in significant health, wellbeing and inclusion events throughout the year, including World Mental Health Day, International Men's Day, International Women's Day, Inclusion at Work Week, Safe Work Month and the 16 Days of Activism campaign.

Workplace Health and Safety

We continued to strengthen our commitment to the health, safety and wellbeing of employees, volunteers and contractors through a range of initiatives designed to build a safer and more proactive workplace culture. The establishment of health and safety representatives, designated working groups and a formal OH&S Committee has improved communication, consultation and shared ownership of safety across the organisation.

To further enhance safety management, a new platform to improve incident and hazard reporting, injury management and safety performance monitoring was implemented. Monthly site inspections were introduced at employee-operated and customer-facing sites, helping teams identify hazards, strengthen local risk controls and build safety awareness in day-to-day operations.

A strong focus was placed on consultation, education and early intervention. Health and safety representatives were trained across the organisation, safety stewardship meetings were introduced with coordinators, and expanded health, safety and wellbeing education was delivered through onboarding induction, hazard awareness training and targeted programs, including bullying and harassment prevention.

Our approach to psychosocial health and wellbeing advanced, working through the requirements of new psychosocial hazard legislation and using survey insights. Key organisational risks were identified, and action planning commenced to address areas such as change management, organisational justice, workplace relationships and employee support. This work provides a foundation for continued improvement in workplace wellbeing and psychological safety.

For the year, 121 hazards and 54 incidents were reported across the organisation. Increased hazard reporting, supported by targeted training and stronger safety engagement, provides evidence of a growing safety culture where risks are identified and managed proactively. WorkCover outcomes also improved, with lost time injuries decreasing by 33.3% and lost days decreasing by 44.46% compared with the previous financial year.



The team behind the Omeo Mountain Bike Trails.

Organisational structure changes

To support the delivery of our strategic priorities and strengthen organisational capability, we implemented two structural changes.

In June 2026 we established a Projects and Planning directorate, bringing together key planning and project functions to provide greater coordination of strategic projects, growth planning and infrastructure delivery.

We also established a Project Management Office to improve project governance, consistency and oversight.

These changes strengthen our ability to deliver complex projects, manage future growth and ensure organisational resources remain aligned with Council priorities and community needs.

Organisational structure as at 30 June 2026



Staff profile

The *Local Government Act 2020* 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
- » Provide responsive service

The Staff 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 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, including casuals and limited-tenure staff.

Year	Total staff	FTE
2025–26	638 *	417.82
2024/25	639 *	440.4
2023/24	644 *	427
2022/23	602 *	383.4 **
2021/22	561 *	359.63

* Including casuals and limited-tenure staff. Excluding the Chief Executive Officer and staff on parental leave.

** Staff EFT numbers include limited-tenure Bushfire Recovery, other limited-tenure roles, and calculated component for casual and capitalised roles.



Our annual Living Our Values Awards recognise individuals and teams who demonstrate our values and make a positive contribution to our organisation and community.

Total staff numbers by salary band and gender (as at 30 June 2026)

Employment Classification	Total staff	Female staff	Male staff	Self-described gender staff	Undisclosed gender staff
Band 1	24	9	14	-	1
Band 2	42	21	19	-	2
Band 3	186	73	98	-	15
Band 4	106	74	26	-	6
Band 5	85	51	31	-	3
Band 6	102	56	41	-	3
Band 7	46	23	22	-	1
Band 8	25	14	11	-	0
Senior Executive Officer / Senior Officer	22	7	15	-	0
Total	638 * *	328	277	2 *	31

* To protect anonymity, self-described gender has not been declared at band level, due to low figures.

Job level by gender

Job level	Total staff	Female staff	Male staff	Self-described gender staff	Undisclosed gender staff
Chief Executive Officer	1	1	-	-	-
General Manager	3	1	2	-	-
Manager	19	6	13	-	-
Coordinator	56	32	24	-	-
All other staff	559	288	238	-	31
Total	638	328	277	2	31

* To protect anonymity, self-described gender has not been declared at band level, due to low figures.

Staff numbers by directorate (as at 30 June 2026)

Work type/ gender	Chief Executive Officer team	Assets and Environment	Business Excellence	Place and Community	Total
Full time – Female	9	27	52	33	121
Full time – Male	2	116	24	24	166
Part time – Female	2	25	44	27	98
Part time – Male	0	28	7	13	48
Casual – Female	0	14	35	60	109
Casual – Male	0	19	7	37	63
Non-Binary/ Undisclosed	0	10	11	12	33
Total	13	239	180	206	638

* To protect anonymity, self-described gender has not been declared at job level.

Section five: our performance

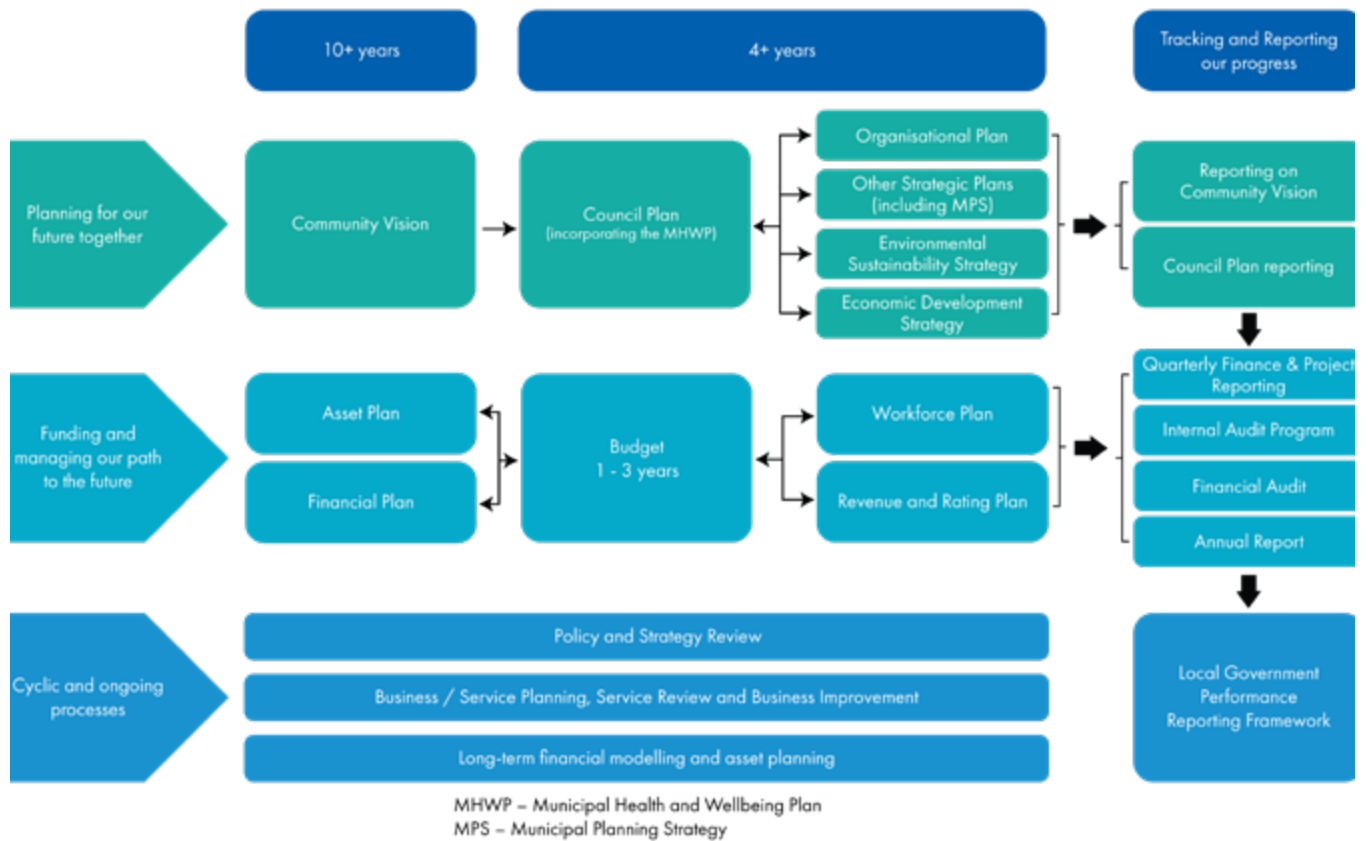


This section of the Annual Report offers a snapshot of our progress in achieving the strategic objectives outlined in the Council Plan 2025–29, along with key indicators to track our progress.

Cr Sonia Buckley officially opens the Omeo MTB Park with contractors, stakeholders and community members.

Integrated Planning Framework

Our Integrated Planning Framework sets out Council's approach to planning, monitoring and performance reporting, showing the relationships between our key planning and reporting documents.



Cr Bernie Farquhar and Mayor Cr Jodie Ashworth adding items to the Apex Club of Bairnsdale time capsule.



Cr Barry Davis attending the Anzac Day memorial event in Ensay.

Community Satisfaction Survey

The annual Victorian Community Satisfaction Survey helps us understand how the community views Council's performance, services and responsiveness. Conducted on behalf of the Victorian Government, it also allows results to be compared with similar councils and helps identify areas for improvement.

The 2026 results showed improvement across most key measures:

- » Overall performance increased by 2 points to 53
- » Council direction improved by 5 points to 48
- » Community views on how well Council spends public funds increased by 3 points to 45

These results show progress and reflect ongoing work to strengthen service delivery, communication and community engagement.

Communication and engagement results improved:

- » Satisfaction with opportunities to provide feedback increased by 9 points to 56
- » Perceptions of how well Council keeps the community informed increased by 9 points to 57
- » Customer service remained one of Council's strongest performing areas, maintaining a score of 66, with most residents who had interacted with Council reporting a positive experience.

The survey also highlighted areas where further improvement is needed, including value for money, decision-making and communication. These areas remain a focus for improvement and reflect broader challenges facing local government, including cost-of-living pressures and rising community expectations.

Results will help guide future service planning, customer experience improvements and community engagement.

The survey was conducted independently by Klein Research on behalf of Local Government Victoria. Further information and survey results are available on Council's website and through the Victorian Government's Community Satisfaction Survey reporting program.

In addition to this survey, we also sought feedback from our community and customers throughout the year. This feedback is used to continually review and improve services. Services for which customer feedback regular sought includes town planning, customer service and library services. Councillors are also briefed on this feedback quarterly.



Our Community Impact Grants support local groups, like the Swifts Creek Recreation Reserve Committee of Management, to deliver projects that strengthen communities.

Delivering on the Council Plan

The Council Plan 2025–29 sets out what we are working to achieve, how we will get there and how progress will be measured. It also incorporates the Municipal Public Health and Wellbeing Plan, helping guide Council's work to support healthier, more connected and more resilient communities.

The following pages report on our performance against the four strategic objectives of the Council Plan. They show what was delivered, how services performed and where further work is needed.

Performance is measured through:

- » Major initiatives set out in the Annual Budget
- » Council Plan strategic indicators
- » Local Government Performance Reporting Framework indicators
- » Cost of services

Theme 1 – Community wellbeing and social responsibility

We foster a strong sense of belonging, inclusion, and shared responsibility, ensuring that all members of our community are supported, valued, and empowered to thrive together.

Four-Year Outcomes:

- » A connected and inclusive community, endeavouring not to leave anyone behind
- » A stronger collaborative community that is actively engaged and supported

Theme 2 – Prosperity

We embrace sustainable economic growth, fostering opportunities that enhance livelihoods, innovation, and long-term financial stability for our diverse communities.

Four-Year Outcomes:

- » Thriving, self-sufficient communities with strong local businesses and social enterprises
- » A well-functioning planning system that responds to our communities' needs

Theme 3 – Making the most of what we've got

By using our assets and natural resources wisely, we protect them, adapt to change, and support future generations.

Four-Year Outcomes:

- » Natural assets are well-managed and protected
- » Our cultural heritage is managed and preserved
- » Our assets are well maintained, utilised and meet community needs

Theme 4 – Managing Council well

We ensure effective leadership, transparent decision-making, and responsible management, fostering trust and collaboration to build a resilient and forward-thinking community.

Four-Year Outcomes:

- » Council operates transparently and effectively with public trust
- » Decision-making is streamlined, efficient, and responsive to community needs

Theme 1 – Community wellbeing and social responsibility

Outcome: A connected and inclusive community, endeavouring not to leave anyone behind.

Major initiative: Develop place plans that strengthen community engagement across our region. These plans will align and prioritise community needs and service levels.

Progress: A place plan for the Omeo district was developed bringing together the district's vision, character, demographic profile and local priorities. Input was gathered through surveys, in-person sessions, a roadshow across Benambra, Omeo, Swifts Creek and Ensay, and a Place Planning Steering Committee. The plan will move into its final stage of engagement in early 2026-27. Work started on the Lindenow Place Plan, with data collection, background review and early engagement underway through a newly established working group.

Major initiative: Advocate for appropriate levels of accessible health and wellbeing services to address the needs of our growing and ageing community.

Progress: Advocacy priorities were refined and we worked with regional partners on improved health, wellbeing and transport services. This included advocacy for the Bairnsdale Regional Health Service emergency department, bush nursing services, family violence prevention and support services, and improved public transport connections.

Council also worked with health, education and community service providers to make sure local needs and service gaps were clearly represented to decision-makers.

Major initiative: Support participation in recreation and physical activity and pathways for our young and not so young community members.

Progress: We supported people of all ages to take part in sport, recreation and physical activity through recreation centres, community facilities and events. Major events, including the Bairnsdale and District Basketball Association Junior Regional Tournament and the NRL Hogs Tour, brought people together and encouraged participation. Council also worked with Committees of Management on future facility improvements, helping ensure recreation infrastructure continues to meet local needs and support active, healthy communities.

Major initiative: Work to enhance the accessibility of our towns and community health by developing and implementing active transport projects with a focus on promoting health and wellbeing and meeting infrastructure gaps.

Progress: We improved town accessibility through a range of active transport projects and footpath works. Priority footpath projects were delivered through capital works and in-house construction, giving us more flexibility to deliver pedestrian connections in communities including Bairnsdale and Orbost. Planning also progressed on future active transport projects, including early work to inform an integrated Active Transport Strategy. The strategy will guide investment in walking and cycling infrastructure, close network gaps and support safer, more connected pathways across East Gippsland.

Outcome: A connected and inclusive community, endeavouring not to leave anyone behind.

Major initiative: Identify the non-sporting facility needs of communities, supporting current and potential future user groups, and prioritise shared facility use.

Progress: Asset condition assessments were completed and a levels-of-service prioritisation tool developed to identify facility needs, understand asset capacity and guide future investment. Key milestones included completing the final draft Bairnsdale Education Hub Masterplan, securing grant funding for a new Bairnsdale Senior Citizens facility, completion of the Sarsfield Recreation Reserve and Community Hall Revitalisation, and progressing the Public Amenities Service Review. This work will inform future community infrastructure planning, support shared use of facilities and help respond to changing local needs.

Major initiative: In collaboration with community partners, advocate for improvements to public and community transport across the shire.

Progress: We completed the East Gippsland Community Transport Directory, working with local providers to map available services, confirm details and set up processes to keep information current. Demand for transport information remained strong, with transport among the most viewed categories in the directory. Community Directory roadshows raised awareness of available options and encouraged providers to keep their listings up to date. The directory has improved access to transport information and provides clearer evidence to support advocacy for better transport services across the shire.

Major initiative: Implement the Sporting Facilities Plan and the Public Open Space Strategy and undertake sporting facility planning for areas and sports not addressed through these existing plans.

Progress: Concept planning for the Lakes Entrance Indoor Stadium was completed and detailed design work progressed. Funding was secured for new netball changerooms at Lindenow Recreation Reserve and we also progressed the West Bairnsdale Master Plan review. The East Gippsland Open Space Strategy was adopted, with early actions underway including master planning for the Port of Bairnsdale, Fort King and Raymond Island. A new play space at Johnsonville and upgrades at Skidale Reserve were delivered. These projects will guide future investment in sport, recreation and open space, and help improve facilities used by communities across East Gippsland.

Major initiative: Implement engagement practices that encourage community involvement in our projects and services and respond to the engagement preferences of local communities.

Progress: We adopted a revised Community Engagement Policy, setting clearer expectations for how engagement is planned, delivered and reported. Staff were also supported with training, practical tools and improved processes to help strengthen engagement. Community engagement activity continued to grow, particularly on major infrastructure projects, with more focus on using methods that suit each community and keeping participants informed about project progress and outcomes. This work is helping Council listen more consistently and use community feedback to inform projects, services and decisions.

Major initiative: Provide inclusive and equitable access to our services, processes, and facilities for all community members.

Progress: Improvements were completed at Gilsenan Reserve, Paynesville, and Lakes Entrance Service Centre. Construction also commenced on the next stage of the Krauatungalung Walk, Lakes Entrance, and the Dinni Birraark walking trail extension, and planning progressed for the Slip Bight Marina carpark extension.

These projects improve access, connections and everyday facilities, helping more people move around and use community spaces across East Gippsland.

Outcome: A connected and inclusive community, endeavouring not to leave anyone behind.

Major initiative: Implement our Reconciliation Action Plan and deliver on our obligations under the Closing the Gap national agreement.

Progress: As part of our reconciliation work, we completed a two-year implementation plan and achieved conditional endorsement of our Reconciliation Action Plan from Reconciliation Australia. The year also included engagement with First Nations communities and activities to recognise National Reconciliation Week and NAIDOC Week. This work is helping build stronger relationships, improve cultural understanding and guide the next stage of Council's reconciliation work.

Major initiative: Manage recreation facilities, parks, and open spaces to meet the community's expectations and priorities.

Progress: The Public Open Space Strategy was completed providing guidance on the management and development of our public open spaces. We work closely with our Committees of Management to ensure our Recreation Reserves are well managed and maintained for community use as well as sporting activities. An upgrade of the Bosworth Road Dog Park was completed providing a range of upgrades to encourage and support use.

We commenced a review of developer-contributed recreation and open space infrastructure to support long-term planning.

The review is collecting information on asset condition, maintenance needs and future renewal requirements. This will help Council plan, maintain and fund recreation and open space assets more sustainably and make clearer decisions about future investment and service levels.



NRL HOGS Tour came to Bairnsdale for the first time, with a free clinic at the WORLD Sporting Precinct helping grow junior rugby league in East Gippsland.

Outcome: A stronger collaborative community that is actively engaged and supported.

Major initiative: Work with partners to support remote community health and wellbeing, and opportunities for youth.

Progress: Through place-based planning in the Omeo district and our place facilitation model across the Shire, we strengthened advocacy for better access to health, education and transport services. Local programs also supported community wellbeing, connection and resilience. We secured VicHealth funding for the East Gippsland Active Communities Project, creating new opportunities to support health and wellbeing for children and young people in rural and remote communities.

Major initiative: Implement our Culture and Creativity Strategy to enhance the cultural life of all our communities.

Progress: The Culture and Creativity Service Agreement Review was completed and implementing recommendations commenced. The review will support a more strategic, transparent and sustainable approach to funding and sector support. We connected artists and communities through initiatives including the Youth Art Prize, community pottery workshops, the Orbost Show, Paynesville Boat Rally and the Holi Festival in Bairnsdale. At the Forge Theatre, the month-long IMMERSIVE program and a diverse calendar of community-led and professional events attracted more than 4,850 patrons. These activities supported local creativity, showcased talent and added to the cultural life of communities across East Gippsland.

Major initiative: Develop plans for our community infrastructure to ensure sustainable growth and enhance our quality of life in a financially responsible manner.

Progress: We completed the Bullock Island Concept Plan Review, progressed the Fort King Landscape Management Plan, and advanced the Swifts Creek Public Realm Masterplan to detailed concept design for a new skate park and play space.

Significant progress was made on the Stormwater Management Plan, which will guide infrastructure investment and management over the next decade. Shaped by community and stakeholder input, these plans will help prioritise future projects, identify funding needs and support sustainable growth across the shire.

Major initiative: Provide a strong advocacy voice for health, education and support agencies that work on the ground to support communities.

Progress: We worked with health and education partners, Members of Parliament and Ministers to advocate on public transport, patient access to health services, a proposed Rural and Regional Growth Fund, the Bairnsdale Regional Health Service emergency department, the Omeo Community Hub, the Swifts Creek Bush Nursing Centre, education infrastructure, and social and affordable housing.

We worked with Gippsland TAFE, Federation University and workforce partners to align local education pathways with regional workforce needs, including transitioning industries, new energy and offshore wind. A key focus was linking education and training providers with workforce attraction and retention work, including development of the Workforce Welcome Program. This will help keep local learning opportunities connected to the region's business and residential attraction efforts.

Outcome: A stronger collaborative community that is actively engaged and supported.

Major initiative: Develop a policy position and advocacy program for homelessness and affordable and social housing.

Progress: The Homes for Everyone position paper was adopted to provide a clear position on the housing challenges facing East Gippsland. The position sets out our approach to housing diversity and homelessness response. Work will now focus on an action plan and reporting approach to support implementation and track progress against housing priorities.

Major initiative: Support social and affordable housing and housing diversity through land use planning.

Progress: Amendment C169egip was gazetted, strengthening local planning policy support for social and affordable housing. We also adopted a housing position paper to guide future work.

Permit-ready community housing and Victorian Government housing developments were prioritised to support timely delivery of new housing opportunities. We also continued to respond to planning system reforms, working with government and industry stakeholders and adapting our practices as changes emerged.

Major initiative: Advocate for and support initiatives that prevent all forms of violence, including family violence, by collaborating with local organisations and agencies to raise awareness through education and ensure those affected are supported.

Progress: Work continued with local organisations, service providers and government agencies on initiatives that prevent family violence and promote safer, more respectful communities. Through the East Gippsland Partners in Violence Prevention network, the East Gippsland Community Safety Committee and other community organisations, we delivered awareness campaigns, community events and training that encouraged respectful relationships and raised awareness of support services. Key initiatives included the 16 Days of Activism campaign, Domestic and Family Violence Prevention Month, the Respect Colour Fun Run and the inaugural East Gippsland Candlelight Vigil.

We also worked with Victoria Police and community partners to better understand and respond to increased family violence risks following emergency events, so people affected can be connected with appropriate support.

Major initiative: Support community organisations and health partners to deliver initiatives aimed at promoting healthy eating, active living (including active movement and shifting attitudes towards physical activity) and reducing harm from gambling addiction, alcohol, tobacco, e-cigarettes and other drugs.

Progress: Work continued with community organisations, health services and regional partners on initiatives that promote healthy eating, active living and community wellbeing, while also helping reduce harm from gambling, alcohol and other drugs. Through the Victorian Local Government Partnership and Engage! programs, we supported the Youth Art Prize, Gippy Girls Can and the Active Travel to School program, creating practical opportunities for young people and community members to be active and involved.

We also worked with Gippsland Lakes Complete Health, the Alcohol and Drug Foundation, GippSport, Reclink Australia and Orbost Regional Health to build local capacity and improve access to health and wellbeing programs. Regional partnerships, including Orbost District Together and the Gippsland Primary Prevention Partnership, continued to support healthier and more connected communities across East Gippsland.

Outcome: A stronger collaborative community that is actively engaged and supported.

Major initiative: Value, promote and celebrate the unique cultural, social, and individual differences within our community, fostering a welcoming environment and strengthening community bonds.

Progress: Council continued to guide communications, awareness activities, education campaigns and events that celebrate and recognise the diverse cultures, histories and lived experiences within our community, including during key dates of cultural and social significance such as NAIDOC Week, Domestic and Family Violence Prevention Month and Reconciliation Month. This year we also completed Equity Impact Assessments across a range of policies, programs and services to embed equity considerations into planning and decision-making.

Major initiative: Collaborate with partners to ensure the needs of the most vulnerable community members are planned for and addressed.

Progress: We worked closely with community organisations, health services, education providers, Aboriginal organisations and government agencies to better understand and respond to the needs of vulnerable community members. Through engagement, demographic analysis, district planning and partnerships, we identified emerging needs, service gaps and barriers to participation for children, young people, older residents and First Nations communities. Key initiatives included progressing our Reconciliation Action Plan, implementing the Kindergarten Central Registration Service and Infrastructure and Services Plan, supporting the Youth Ambassadors program and Youth Focus Network, and delivering resilience initiatives with health and emergency management partners. This work is helping inform our planning, advocacy and decision-making so the needs of vulnerable community members are recognised and addressed.



Mayor Cr John White and Cr Ian Trevaskis joined the Deddick Valley community in November and Council staff at Bonang Hall for an afternoon of connection and community spirit.



Council supports key cultural events including NAIDOC Week and Reconciliation Week.

Strategic indicators

Performance against the Council Plan's strategic indicators.

Strategic indicator	Target	2025-26	Comments
Community participation in Council engagement opportunities.	Increased participation year-on-year through the Your Say online engagement platform	50,347	Community participation increased in 2025-26, with 50,347 visits recorded on the Your Say platform, up from 19,100 in 2024-25.
Percentage of the municipal population that are active library members (recording a transaction in the past 3 years)	≥ 15%	29.13%	Recently purchased library collection results have remained consistent over recent years, with 51.83% of the collection purchased within the past five years. In response to rising collection costs, staff reviewed the size, quality and use of the library collection and adjusted expenditure strategically to ensure resources continue to meet community needs. This approach supports a relevant, well-managed and sustainable collection for library users across East Gippsland.
Number of community members volunteering in Committees of Management	≥ 500 volunteers	573	Committees of Management were supported by 573 volunteers. Their contribution helps keep local facilities, reserves and community spaces active, well cared for and available for community use. Council supports these committees with maintaining funding, guidance, master planning and project work.
Number of visits to aquatic facilities per population	≥ 11 visits	10.62	Aquatic facility visits were just below last year's achievement at 10.62 visits per head of population, mainly due to the temporary closure of the BARC for essential roof works from January to March 2026. The works were needed to keep the facility safe and functional and will support continued use by the community once complete.
Community perception of safety	Baseline year	67	Community perception of safety scored 67 in the 2026 Community Satisfaction Survey, indicating that residents generally feel safe across East Gippsland.

Strategic indicator	Target	2025-26	Comments
Percentage of affordable housing available for purchase and rent within the community.	31.1%	66.5% (purchase) 93.1% (rent)	Housing Monitor (.id) East Gippsland Shire dwelling sales data (December 2025) showed that 66.5% of dwelling sales in East Gippsland were classified as affordable, representing 636 of 957 sales. Most affordable sales were larger homes with three or more bedrooms (444 sales), indicating continued availability of family sized housing across the municipality. Rental data for the same period showed that 93.1% of rentals were classified as affordable, representing 524 of 563 rentals. The median weekly rent was \$500 for houses and \$380 for units. Affordability varied across townships, ranging from 57.1% in Mallacoota to 100 % in Bruthen, Orbost, and Omeo and Swifts Creek, with Bairnsdale at 96.4%, Lakes Entrance at 90.7% and Paynesville at 91.2%.



Councillors visited the High Country in November, meeting with residents and businesses to discuss tourism, infrastructure and opportunities for the town's future.

Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures relevant to this goal are shown below:

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Animal management					
Timeliness Time taken to action animal requests ¹	2.24	3.51	3.02	1.24	The average time taken to action animal requests improved significantly in 2025–26, reducing to 1.24 days compared with 3.02 days last year. This reflects a stronger focus on timely responses, improved internal processes and the ongoing commitment of the animal management team to responding quickly to community requests.
Service standard Animals reclaimed ²	23.08%	27.85%	24.46%	30.87%	The proportion of animals reclaimed increased to 30.87%, up from 24.46% last year. This improvement reflects continued efforts to reunite pets with their owners through timely responses, effective animal identification processes and ongoing community education about registration and responsible pet ownership.
Service standard Animals rehomed ³	21.85%	57.02% ⁴	40.53% ⁴	55.62%	The proportion of animals rehomed increased to 55.62%, up from 40.53% last year. This improvement reflects continued work to find suitable new homes for animals with Council and Animal Aid continuing to promote adoptions through media and Animal Aid holding some adoption specials on advertised evenings.
Service cost (\$) Cost of animal management service ⁵	14.99	15.20	14.82	15.90	The cost of the animal management service decreased slightly due to lower direct service delivery costs.
Health and safety Animal management prosecutions ⁶	100%	100%	100%	100%	There were two animal management prosecutions, both of which were successful. This maintains a 100% success rate and reflects Council’s focus on taking enforcement action where appropriate to support community safety, responsible pet ownership and compliance with animal management requirements.

¹ [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]

² [Number of animals reclaimed / Number of animals collected]

³ [Number of animals rehomed / Number of animals collected]

⁴ [Number of animals rehomed / Number of unclaimed collected animals]

⁵ [Direct cost of the animal management service / Number of registered animals]

⁶ [Number of successful animal management prosecutions / Total number of animal management prosecutions]

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Aquatic facilities					
Service standard Health inspections of aquatic facilities ⁷	0	0.5	1.0	1.0	As per the requirement of the <i>Public Health and Wellbeing Act</i> , all aquatic facilities were inspected at least once by an authorised officer during the reporting period. Aquatics staff also assessed water quality five times daily, with records of results maintained at each location.
Utilisation Utilisation of aquatic facilities ⁸	6.07	9.23	9.93	10.62	Aquatic facility visits were just below target at 10.62 visits per head of population, mainly due to the temporary closure of the BARC for essential roof works from January to March. The works were needed to keep the facility safe and functional and will support continued use by the community once complete.
Service cost (\$) Cost of aquatic facilities ⁹	4.06	5.25	5.08	5.89	The increase is associated with maintenance of facilities for essential roof works to keep the facility safe which also caused service disruptions that have decreased revenue.

⁷ [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]

⁸ [Number of visits to aquatic facilities / Municipal population]



Staff members Leonie and Claire at Bairnsdale Aquatic and Recreation Centre (BARC) indoor pool.

Indicator measure	Results				Comments
	2022- 23	2023- 24	2024- 25	2025- 26	
Food safety					
Timeliness Time is taken to action food complaints ¹⁰	1.73	2.25	2.18	2.20	Time taken to action food complaints has reduced from 2.48 to 2.2 days. For 2025 we investigated 44 food complaints compared to 31 in 2024. We ensure all food complaints are investigated within 3 days.
Service standard Food safety assessments ¹¹	124.64%	115.86%	99.74%	97.95%	382 of 390 registered premises received an annual food safety assessment in 2025 compared with 386 of 387 registered food premises in 2024.
Service cost (\$) Cost of food safety service ¹²	771.83	809.40	838.43	767.87	The cost of the food safety service decreased due to lower service delivery costs.
Health and safety Critical and major non-compliance outcome notifications ¹³	100%	100%	90%	100.00%	A total of three critical or major non-compliances were followed up, all of which are now compliant.
Food safety samples ¹⁴	-	107%	101.92%	103.92%	In accordance with Section 32A of the <i>Food Act 1994</i> , 102 food safety samples were required to be obtained and analysed during the calendar year. Council collected 106 samples.

¹⁰ [Number of days between receipt and first response action for all food complaints / Number of food complaints]

¹¹ [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment by the *Food Act 1984* / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment by the *Food Act 1984*] x100.

¹² [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the *Food Act 1984*]

¹³ [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

¹⁴ [Number of foods samples obtained / Required number of food samples]

Indicator measure	Results				Comments
	2022- 23	2023- 24	2024- 25	2025- 26	
Libraries					
Utilisation Library loans per population ¹⁵	-	5.23	5.67	5.61	We recorded 5.61 loans per head of population, reflecting continued community use of library collections and resources. This outcome was supported by strong borrowing of both physical and digital items, with libraries continuing to provide accessible collections, programs and mobile library services that support learning, connection and participation.
Resource standard Recently purchased library collection ¹⁶	51.24%	51.27%	51.69%	51.83%	Recently purchased library collection results have remained consistent over recent years, with 51.83% of the collection purchased within the past five years. In response to rising collection costs, staff reviewed the size, quality and use of the library collection and adjusted expenditure strategically to ensure resources continue to meet community needs. This approach supports a relevant, well-managed and sustainable collection for library users across East Gippsland.
Service cost (\$) Cost of library service per population ¹⁷	21.99	24.24	25.13	25.59	Cost of service has increased slightly during the year.

¹⁵ [Number of collection item loans (including digital materials eg. audio books, e-books) / population]

¹⁶ [Number of library collection items purchased in the last 5 years / Number of library collection items] x100

¹⁷ [Direct cost of the library service / population]



CEO Fiona Weigall and Mayor Cr John White were on hand to congratulate winemaker Alastair Butt, Lightfoot Wines, at the 2025 Wine Gippsland Awards.

Indicator measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Participation Library membership ¹⁸	-	12.34%	26.74%	29.13%	Library membership remained strong, with 29% of East Gippsland residents recording a library transaction in the past three years. Continued investment in library collections, programs, digital resources and community activities supported ongoing community participation and helped maintain strong membership levels across the municipality.
Library visits per population ¹⁹	-	4.99	5.10	5.30	Library visits increased to 5.30 visits per head of population, up from 5.10 last year, showing continued growth in community use of our library spaces and services. This result was supported by strong use of branch and mobile library services, community programs, and continued access to collections and resources across East Gippsland.

¹⁸ [The sum of the number of registered library members in the last three financial years / The population] x 100

¹⁹ [Number of library visits / The population]



Our library staff, including Jorja Box and Kay Quinn, create welcoming community spaces where people can learn, connect and discover something new.

Cost of our services

The following statement provides information about the services funded in the Annual Budget 2025-26.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance Surplus/ (deficit) \$'000
Committees of Management	We support 77 Committees of Management to maintain sportsgrounds, recreation reserves and halls. The partnership aims to improve the quality of life in communities, increase participation in sport, recreation, arts and environmental activities and overall enhance our facilities. Committees of Management are committees of volunteers appointed by Council to look after Council owned or managed facilities. Some have responsibilities under the Victorian Government and look after Crown assets.	296.13 <u>320.00</u> 23.87
Community resilience	We provide support and advocacy for sector and community members around social inclusion, accessibility, community planning, participation, capacity building, social activities and events. Our team conducts research and development on social issues affecting our community (mental health, affordable housing, violence prevention) and works directly with community and community organisations to connect community with available services while supporting Council's community engagement functions.	1,232.92 <u>920.70</u> (312.22)
Community Planning	This service is responsible for a broad range of project and community facilitation work including place facilitation functions for remote areas; developing place-based plans; developing long term plans for specific asset classes; and functions. It is future facing and delivers longer-term benefits for the community.	1,706.83 <u>2,009.93</u> 303.10
Emergency management	We have several key roles in emergency management, including implementing state preventative strategies, such as planning and building codes, and planning for natural disasters. Others include: Local risk management and emergency planning » Community education, awareness and preparedness » Risk reduction strategies » Equipment support » Support community recovery programs » Manage community needs in all emergency management processes » Provide support and recovery assistance to those affected by emergencies	1,689.95 <u>1,508.32</u> (181.64)

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (deficit) \$'000
Environmental and public health	Our role is to monitor and enforce public health regulations to provide community health and wellbeing. This is achieved through issuing permits and conducting inspections to gain compliance with food safety, public health and onsite wastewater management systems. We also provide vaccinations through the National Immunisation Program for infants, school children, and adults in a comfortable, safe and friendly environment across the shire.	437.80 <u>396.54</u> (41.27)
Libraries	We operate six libraries - Bairnsdale, Lakes Entrance, Mallacoota, Omeo, Orbost, and Paynesville - offering books, online resources, free computer and Wi-Fi access, training, activities, and more. Our mobile library serves remote locations fortnightly. An online catalogue, digital services, and self-scanners at two branches make it easier to browse and borrow from home, work, or on the go.	856.27 <u>850.13</u> (6.14)
School crossings	Our school crossing supervisors ensure local families get to and from school safely every morning and afternoon at 16 locations.	243.74 <u>210.82</u> (32.92)



Eva, Environmental Health Officer, carrying out an inspection as part of Council's work to protect public health.

Theme 2 – Prosperity

Outcome: Thriving, self-sufficient communities with strong local businesses and social enterprises.

Major initiative: Leverage local strengths to create more opportunities for businesses, enhancing economic resilience and ensuring spending positively impacts the community.

Progress: Direct business engagement, site visits, Business Concierge support and targeted industry forums helped build relationships, identify local opportunities and better understand business needs. Local procurement was also supported through the annual Contractors' Breakfast and Procurement Workshop, while ongoing promotion of VendorPanel helped suppliers learn about and access Council procurement opportunities.

Major initiative: Focus our effort on initiatives that drive business and job growth for communities and industries in transition, such as the timber industry.

Progress: Targeted business support, place-based economic development and advocacy continued to assist communities and industries experiencing transition. Through the Business Support Voucher Program, delivered in partnership with DEECA, 79 businesses accessed specialist advice and support. This helped generate 31 Expressions of Interest to the Forestry Transition Fund. We also continued to support community-led Local Development Strategy and Futures projects in Swifts Creek, Orbost and Nowa Nowa, while advocating for transition funding and investment opportunities. The East Gippsland Economy Value and Impact Assessment added evidence to support future advocacy, economic resilience, diversification and job creation.

Major initiative: Foster a supportive environment where agribusinesses can flourish and contribute to the local economy.

Progress: Agribusiness work focused on connecting producers, researchers, industry partners and government agencies to explore value-add opportunities and strengthen local supply chains. Work continued on the Towards 2030 Gippsland Food, Drink and Agritourism Strategy through industry engagement, investment promotion and support for initiatives including the Gippsland Wine Show and Seafood Market Opportunity Assessment. This work helped identify growth opportunities, support market diversification and reinforce the role of agribusiness in the local economy.

Major initiative: Plan and develop Council infrastructure and services to support business growth.

Progress: Infrastructure and service initiatives progressed across the region to support economic growth, tourism and community wellbeing. This included road safety improvements, intersection upgrades, new pedestrian crossings and ongoing advocacy for freight network enhancements. We also partnered with First Nations organisations to deliver the Lake Tyers Aboriginal Trust boomerang replacement project, the Hoddinott Reserve playground upgrade with GLaWAC, and the Orbost landfill revegetation project with Moogji. The Mallacoota Streetscape project was completed early in 2025-26, creating a more attractive and functional commercial precinct that supports local businesses and visitor activity. Planning also advanced for a new organic composting facility at the Bairnsdale Regional Landfill, strengthening local infrastructure, resource recovery and sustainable growth across the region.

Outcome: Thriving, self-sufficient communities with strong local businesses and social enterprises.

Major initiative: Review the Procurement Policy to prioritise local contractors (where feasible and competitive) to support local business and job growth.

Progress: In December a revised Procurement Policy was finalised with clearer procurement principles and a stronger focus on supporting local suppliers where appropriate and competitive. In addition, stage one of the new VendorPanel system was also implemented, improving communication with local suppliers, streamlining procurement processes and making Council opportunities easier to access.

Major initiative: Complete the Bairnsdale 2050 Plan and initiate projects that support growth, enhance the town's presentation to attract investment, and improve the quality of life for our community.

Progress: Work progressed on the Bairnsdale 2050 Plan, with Councillors briefed on the draft plan in May 2026. The plan will provide a long-term framework to guide growth, investment and improvements to Bairnsdale's liveability and presentation. Community consultation and finalisation of the plan will continue in 2026, helping shape future projects that support economic development and quality of life in Bairnsdale.

Major initiative: Proactively seek new investment opportunities for commercial and industrial areas.

Progress: We laid the groundwork for stronger investment attraction across commercial and industrial areas. The Regional Marketing Strategy and Action Plan progressed through stakeholder engagement, market analysis and participation in Economic Development Australia's Investment Facilitation Community of Practice. This work helped build a clearer picture of how East Gippsland is viewed by potential investors.

Phase one of the INVEST research program was completed to better understand investor perceptions, with local business engagement planned as the next stage. Investment case studies also progressed with Metung Hot Springs and Gippsland Lakes Medical Imaging, providing practical examples to support future investment promotion. While the Invest East Gippsland platforms were not relaunched during the year, this work established a stronger evidence base and project plan for future investment attraction.

Major initiative: Advance our planning for cultural and civic hubs, creating spaces that celebrate our heritage and support community activities.

Progress: Work continued on planning and advocacy for cultural and civic infrastructure, with a focus on revitalising Bairnsdale's CBD.

We explored alternative funding opportunities and continued advocacy ahead of the Victorian State Budget and election. This helped keep the opportunity on the agenda as a long-term priority for cultural participation, community activity and East Gippsland's creative identity and heritage.

Major initiative: Investigate mechanisms to address shop vacancies and revitalise CBDs.

Progress: A commercial vacancy mapping project was scoped, drawing on approaches used by other councils. Engagement with commercial real estate agents and the INVEST research program helped build a clearer picture of local market conditions and improved referral pathways to the Business Concierge.

The Local Law review commenced, supported by Business Acceleration Fund grant funding through a joint submission with Wellington Shire Council. Public safety and amenity in key centres were supported through completion of the 2025-26 public CCTV program requirements, including the 2026 CCTV Panel of Providers tender to improve procurement efficiency and program reliability across the Bairnsdale and Lakes Entrance CBDs.

Outcome: Thriving, self-sufficient communities with strong local businesses and social enterprises.

Major initiative: Our commercial services such as caravan parks, marinas, airports and livestock exchange meet the needs of our current and future communities.

Progress: Planning and review work helped set the future direction for commercial services. The Strategic Master Plan for the Mallacoota Foreshore Holiday Park commenced, supported by consultant engagement, technical analysis and community, stakeholder and First Nations engagement.

The Bairnsdale Airport Master Plan review advanced, with a consultant brief and request for quotation prepared to guide the next stage of work in 2026-27.

At the East Gippsland Livestock Exchange, the commercial review recommended retaining the current operating model, with future work to focus on business improvements. A revised leasing approach for the Eagle Point Foreshore Hub and Café was progressed, including engagement of a local real estate agent. This generated renewed market interest and an initial proposal now under review.

Major initiative: Actively promote East Gippsland as a vibrant and welcoming community to attract and grow a skilled workforce.

Progress: Marketing to promote East Gippsland as a great place to live, work and build a future progressed.

The Regional Marketing Strategy was developed through stakeholder engagement, refined messaging and a shared regional story, supported by research into how people outside the region view East Gippsland. Planning also began for a Faces of East Gippsland campaign to showcase the people, businesses and communities that make the region an attractive place to live and work. This work provides a stronger base for future workforce attraction and population growth initiatives.

Major initiative: Promote East Gippsland's features and experiences to investors and tourists.

Progress: A regional marketing framework was progressed to promote East Gippsland across the live, work, visit and invest pillars. The four-year Regional Marketing Action Plan was developed through stakeholder engagement, brand and perception research and investment attraction research. This work was integrated into the new 2026–2030 Economic Development Action Plan, creating a single framework to guide regional marketing and investment activity. While the Invest East Gippsland website was not relaunched during the year, completed INVEST research and investment case studies helped make future investment promotion more targeted and credible.

Major initiative: Support East Gippsland's tourism offerings to attract visitors.

Progress: A regional marketing framework was progressed to promote East Gippsland across the live, work, visit and invest pillars. The four-year Regional Marketing Action Plan was developed through stakeholder engagement, brand and perception research and investment attraction research. This work was integrated into the new 2026–2030 Economic Development Action Plan, creating a single framework to guide regional marketing and investment activity. While the Invest East Gippsland website was not relaunched during the year, completed INVEST research and investment case studies helped make future investment promotion more targeted and credible.

Outcome: Thriving, self-sufficient communities with strong local businesses and social enterprises.

Major initiative: Support our economy to grow, collaborate and attract new markets and increase market share.

Progress: We supported business growth, innovation and market development through targeted programs, partnerships and practical business support. Local businesses were connected with the Small Business Mentoring Program, Business Victoria resources, the Business Support Voucher Program, industry forums and succession planning support.

We also helped businesses explore interstate and international market opportunities, including connecting Lakes Entrance Fishermen Limited and the Mallacoota Abalone Cooperative with AusIndustry and supporting participation in the Why India, Why Now program.

Funding and training opportunities were promoted through *Business Matters*, *Agri News* and the East Gippsland Grant Finder. Council's participation in the Business-Friendly Councils initiative reviewed the end-to-end business journey and informed practical improvements, including the Business Kit, clearer enquiry pathways and a stronger Business Concierge service.

Major initiative: Support existing learning hubs to provide opportunities to study locally.

Progress: We worked with local employers, education providers and government agencies to support workforce development and local learning pathways. This included collaboration with TAFE Gippsland, the Agricultural Leadership Program, the Gippsland Jobs Hub, the Department of Families, Fairness and Housing, Monash Rural School of Health and Bairnsdale Regional Health Service. The live and work pillars of the Regional Marketing Strategy and Action Plan helped align workforce attraction, learning opportunities and local demand. This work provides a base for future initiatives that support people to study, train and build careers locally.

Major initiative: Advocate for reskilling to prepare the workforce for new opportunities.

Progress: Businesses and industries were supported to respond to changing economic conditions and prepare for emerging opportunities.

This included investment facilitation, business support and targeted project development across sectors such as hemp, agri-tech, renewable energy, seafood value-adding and tourism.

Through the Business Support Voucher Program, 31 businesses were assisted to pursue Forestry Transition Fund applications, helping build capability and explore new pathways for growth. We also delivered the Omeo and District Visitor Economy Prospectus, facilitated net zero supply chain discussions and released the Economic Insights report. These activities provided better information to support economic resilience, diversification and job creation.

Major initiative: Advocate for wrap around services to encourage and retain hard-to-get skills in the region, ensuring our community benefits from a stable and skilled workforce.

Progress: Advocacy continued for workforce attraction and retention initiatives to support economic growth and community sustainability. A key milestone was the development and submission of a funding application for the Community Connector Program, now known as the Workforce Welcome Program, to the Forestry Transition Community Development Fund. The proposal was informed by engagement through the Orbost, Nowa Nowa and Swifts Creek Futures projects and supported by education, health and government partners.

Outcome: Thriving, self-sufficient communities with strong local businesses and social enterprises.

Major initiative: Advocate for local training pathways to enhance skill development and career opportunities.

Progress: The East Gippsland Jobs Expo was delivered in partnership with Workforce Development Australia and the Department of Jobs and Skills, attracting 300 attendees and 29 exhibitors. The event connected job seekers with local employment, training and career opportunities with participation increasing significantly compared with previous years.. The Gippsland Jobs Hub was also launched, providing a digital platform to connect local employers and job seekers. Planning began for future Skills Expo and Jobs Expo activities, so these events continue to respond to changing labour market conditions and workforce needs.



Mayor Cr Jodie Ashworth joined the team at Paynesville Chemist to encourage our community to buy local and support local.

Outcome: A well-functioning planning system that responds to our communities' needs.

Annual initiative: Advocate to State Government for planning process efficiencies.

Progress: We advocated for planning reforms that work for regional communities and make planning processes more efficient. While opportunities to participate directly in the review of the *Planning and Environment Act 1987* were limited, we supported Municipal Association of Victoria advocacy and wrote to Legislative Council members outlining local concerns. We also monitored reforms linked to the Plan for Victoria, took part in planning reform seminars and updated permit assessment processes so we could respond to changes in the planning system.

Annual initiative: Simplify and streamline planning and regulatory processes.

Progress: We made practical improvements to make planning and regulatory processes clearer, more consistent and easier to navigate. The Statutory Planning Process Improvement Action Plan was adopted and implementation began, with several actions completed. Further template, process and standardisation improvements are underway through grant-supported project work. Planning Scheme Amendment C169egip was completed to provide clearer local policy direction. Amendment C159egip was gazetted and is now operating, strengthening Erosion Management Overlay provisions. Amendment C165egip, which corrects errors and anomalies in the planning scheme, was finalised and lodged with the Minister for approval.

Annual initiative: Assist businesses, developers and residents to navigate planning permits and regulations.

Progress: We improved access to planning and business support so residents, businesses and developers could better understand requirements and move through processes with more confidence. The Business Concierge service recorded more than 316 direct business engagements and site visits, and supported the Jobs Expo, Contractors' Breakfast and Buy Local campaign. Participation in the Business Friendly Councils initiative and development of a new Business Kit also helped improve the business journey. The MyLot self-service planning tool became fully functional on our website, providing property-specific planning information and achieving strong and increasing use with a confirmed 95 % accuracy rate.

The Local Law review commenced, which will support reducing red tape, especially for businesses needing permits. This is supported by Business Acceleration Fund grant funding through a joint submission with Wellington Shire Council.

Annual initiative: Secure future land and housing supply in accordance with the Housing and Settlement Strategy 2023, Plan for Victoria and associated plans for Paynesville, Eagle Point, Lucknow/East Bairnsdale, Lakes Entrance, Omeo/Swifts Creek and Lindenow.

Progress: Amendment C172egip was gazetted, rezoning significant land in Paynesville and helping unlock long-term residential growth.

The Lucknow Precinct Structure Plan refresh was finalised in draft, supported by grant funding, and prepared for Councillor briefing and community consultation. Structure planning for Omeo and Swifts Creek progressed following community consultation, with final drafts moving toward future Council consideration.

We continued to support and guide developer-led rezoning proposals at Lake Tyers Beach, and Racecourse Road and Lucknow Street in Bairnsdale and Lucknow. We also advocated for trunk infrastructure and headworks investment through Plan for Victoria submissions, engagement with the Department of Transport and Planning, and support for MAV advocacy to unlock housing-enabling infrastructure.

Outcome: A well-functioning planning system that responds to our communities' needs.

Annual initiative: Deliver the Lakes Entrance Northern Growth Strategy to enable long-term land supply.

Progress: Work continued on the Lakes Entrance Northern Growth Area as a long-term land supply priority. The planning scheme amendment was lodged with the Department of Transport and Planning for authorisation, positioning the project for public exhibition if authorised.

Design work advanced on the first stage of the Lakes Entrance Northern Growth Area Drainage Strategy. This included functional layout options for the regional wetland and review of supporting catchment and drainage information. This work supports future growth by planning for the infrastructure needed to enable sustainable development in Lakes Entrance.

Annual initiative: Finalise the Coastal and Marine Management Plan.

Progress: The East Gippsland Shire Council Coastal and Marine Management Plan was completed and adopted, setting direction for coastal and marine areas managed by Council. The plan has been submitted for Ministerial approval, with work underway on a Resource Plan to support implementation. This provides a foundation for coordinated coastal planning, asset management and environmental stewardship.

Annual initiative: Initiate strategies that facilitate adequate supply of zoned residential, industrial and commercial land to support growth shire-wide.

Progress: We advanced strategic land supply work to support future residential, industrial and commercial growth across the shire.

The draft industrial land supply analysis for Bairnsdale was completed and progressed through internal review, providing evidence for future consultation and Council consideration. Broader planning work also continued through growth area projects, planning scheme amendments and advocacy for infrastructure investment that supports development readiness. The review of Rural Living Zone schedules did not proceed further during the year, with available investment redirected to higher-priority land supply pressures, particularly industrial land.



The East Gippsland Shire Council Coastal and Marine Management Plan was completed and adopted, setting direction for coastal and marine areas managed by Council.

Strategic indicators

Performance against the Council Plan's strategic indicators.

Strategic indicator	Target	2025-26	Comments
Number of ABN registrations	Number of ABN registrations	4,776	The number of actively trading businesses in East Gippsland has remained relatively stable compared with 4,744 registrations in 2024-25. Business registrations continue to outpace known business closures; however, it should be noted that business exits are not directly tracked through this measure.
Number of visitors to our region	Increase in visitors compared to previous year Data source - djsir.vic.gov.au/tourism-industry-support/research	1,067,615	East Gippsland welcomed 1,067,615 visitors across the July and June 2026 financial year. This baseline year, using new DoTS data from Tourism Research Australia (TRA), reflects growth that supports local businesses, jobs and our communities' ongoing economic strength, while providing a benchmark for future visitation.
Feedback from local businesses on satisfaction with economic support and development efforts	Increased Satisfaction compared to previous year	Survey to commence in 2026-27	The local business satisfaction survey is to be distributed in July 2026.
Feedback from community members on their satisfaction with the planning system	≥ Large Rural Council average	47	Planning and building permit satisfaction improved significantly from 40 to 47, one point below the large rural council and statewide results of 48. In addition to the annual Community Satisfaction Survey, we introduced quarterly customer surveys to hear directly from people who have used planning services. This regular feedback is helping identify what is working well, where customers need clearer information, and where processes can be improved.
Percentage of planning applications decided within the specified timeframe (60 days for regular permits and 10 days for VicSmart permits)	55%	67.75%	Applications decided within the required timeframe reached 67.75%, surpassing the 55% target. This improvement reflects sustained effort to streamline planning processes and deliver more timely decisions for the community. Encouragingly, the result is supported by improved community satisfaction, evident through user surveys and the Community Satisfaction Survey 2026.

Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures relevant to this goal are shown below:

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Roads					
Satisfaction of use Sealed local road requests ²⁰	92.51	34.15	49.32	49.40	Sealed local road requests increased slightly, reflecting continued community attention on the condition, safety and maintenance of the local road network. We used these requests alongside routine inspections, defect reporting and asset data to help prioritise maintenance, renewal and response works across the shire.
Condition Sealed local roads below the intervention level ²¹	97.36%	96.03%	96.24%	96.19%	This represents a negligible decrease of 0.05% compared with the previous reporting period. Such a minor variation is within expected annual fluctuations and indicates that overall network condition has remained stable.
Service cost (\$) Cost of sealed local road reconstruction ²²	68.54	192.13	459.20	110.13	The increase was due to Council’s road maintenance contractor entering liquidation preventing the progression of the reseal program for an extended period. Following the procurement of a replacement contractor, construction rates were revised and increased to align with prevailing market conditions, resulting in higher reconstruction costs than those historically achieved under the previous contract.
Service cost (\$) Cost of sealed local road resealing ²³	8.43	10.75	9.60	58.44	The reason for the significant increase is because Council’s road contractor entered liquidation which impacted the amount of road reseals we could complete. As a result of having to engage a replacement contractor the costs to deliver the resealing program increased, this was also due to increased fuel costs. Costs were further impacted as the revised program comprised smaller, geographically dispersed priority works that did not achieve the economies of scale typically available through larger bundled contracts, as observed in previous years, resulting in higher than market unit rates and mobilisation costs.

²⁰ [Number of sealed local road requests / Kilometres of sealed local roads] x100

²¹ [Number of kilometres of sealed local roads below the intervention renewal level set by Council / Kilometres of sealed local roads] x100

²² [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]

²³ [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Satisfaction Satisfaction with sealed local roads ²⁴	43	41	40	50	Sealed local road satisfaction improved strongly from 40 to 50, showing a significant positive shift in how the community views the condition of local sealed roads. This reflects ongoing investment in road renewal, resealing, maintenance and safety works across our extensive road network. While maintaining roads across such a large municipality remains challenging, this result shows improved community confidence.

²⁴ [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]



Omeo streetscape revitalisation works were completed in July.

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Statutory Planning					
Timeliness Time taken to decide planning applications ²⁵	96	94	64	52.5	The median time taken to decide planning applications improved to 52.5 days, continuing a strong downward trend from 96 days in 2022/23. This reflects sustained effort to streamline assessment processes, with 67.75% of all applications and 72.88% of VicSmart applications now determined within the statutory timeframe. While more complex standard applications continue to take longer, this result demonstrates clear and consistent progress in delivering faster, more responsive planning decisions for the East Gippsland community.
Service standard Planning applications decided within 60 days ²⁶	37.12%	36.41%	56.07%	67.75%	Applications decided within the required timeframe reached 67.75% for the year, surpassing the target of 55%. This improvement reflects sustained effort to streamline planning processes and deliver more timely decisions for the community. Encouragingly, the result is supported by rising community satisfaction, evident in both the survey completed by service users and Community Satisfaction Survey 2026.
Service cost (\$) Cost of statutory planning service ²⁷	1,823.28	3,339.14	3,553.64	3,715.73	The cost of the statutory planning service increased slightly. During the same period, Council improved planning application processing times and increased the proportion of applications determined within statutory timeframe.
Decision making Council planning decisions upheld at VCAT ²⁸	70.00%	40%	61.54%	100.00%	Five Victorian Civil and Administrative Tribunal (VCAT) matters involving Council were recorded during the financial year. Three Council planning decisions were appealed to VCAT, with all three determined in Council’s favour. The remaining two matters were withdrawn or struck out.

²⁵ [The median number of days between receipt of a planning application and a decision on the application]

²⁶ [Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100.

²⁷ [Direct cost of statutory planning service / Number of planning applications received]

²⁸ [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.

Cost of our services

The following statement provides information about the services funded in the Annual Budget 2025-26.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance Surplus/ (deficit) \$'000
Economic development and business support	We aspire to nurture a thriving and diverse economy that attracts investment and generates inclusive local employment. This extends to providing business support in the form of workshops and mentoring programs as well as investment facilitation and attraction. We work closely with other government agencies and industry, particularly around tourism and agriculture.	1,030.05 <u>1,243.26</u> 213.22
Events	We support, promote and approve (through event permits, resources and funding) over 200 events each year in partnership with our community and business sectors. These range from national days of significance through to tourism-driven events that highlight our region and what we have to offer, helping to drive our visitor economy and enhance social wellbeing and liveability.	358.20 <u>370.50</u> 12.29
Livestock Exchange	The East Gippsland Livestock Exchange in Bairnsdale includes 351 pens with automatic refill water, scanning bays, weigh stations, 13 loading races, stock agent office facilities, AVDATA truck wash and shower facilities, and yarding capacity of 3,000 cattle and 3,500 sheep/lambs. The fully accredited saleyards host sales weekly, including sheep, prime cattle and store cattle.	(717.58) <u>(533.18)</u> 184.40
Planning and building	Strategic planning guides development, promotes sustainable design, and supports heritage conservation through regular updates to the East Gippsland Planning Scheme. Statutory Planning processes planning applications, ensuring orderly development in line with laws and policies, while providing advice, making decisions, and representing Council at VCAT. The services also enforce statutory building regulations under the Victorian Building Code. These include providing advice on building permits and legislation, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	1,910.96 <u>2,610.24</u> 699.28

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance Surplus/ (deficit) \$'000
Tourism	We operate accredited Visitor Information Centres in Bairnsdale and Lakes Entrance that help over 180,000 visitors each year with places to stay, play, eat and explore. Visitor information services extend to Bruthen, Cann River, Mallacoota, Omeo, Paynesville, Orbost and our mobile Visitor Information Service. We support promotion, industry development and networking of tourism businesses including via our official visitor guide, Visit East Gippsland website and social media. Council also invests in infrastructure that enhances the visitor experience and supports the visitor economy.	884.00 <u>714.62</u> (169.38)



The East Gippsland Winter Festival, including the Bruthen Medieval Winter Fire Festival, brought the community together for a month of unforgettable events, entertainment and winter fun across the Shire.

Theme 3 – Making the most of what we’ve got

Outcome: Natural assets are well-managed and protected.

Annual initiative: Invest in Council’s natural areas to manage the threat from pests, enhance preservation of biodiversity and explore future offset opportunities. Develop management plans for key areas, work with partners to deliver on-ground works and advocate for external funding.

Progress: We progressed development of the East Gippsland Bushland Strategy, including appointing a consultant, confirming the project plan and engagement approach, and completed key background work. This included a literature review, mapping refinement, review of the 2022 ETHOS Strategy and development of ecological prioritisation criteria. Engagement started with Youth Ambassadors and key agencies, with broader community engagement prepared for delivery in 2026-27. The strategy will guide future bushland management and inform environmental management plans for selected reserves.

Annual initiative: Advocate to State and Federal governments to promote the use of public land for nature-based recreation, natural values management and economic development opportunities.

Progress: A position statement was developed on the use of public land for recreation and economic development, informed by targeted engagement with Council, community members and stakeholders. The position recognises that well-managed public land can protect natural habitat and threatened species, reduce pest plant and animal impacts for adjoining landholders, and support recreation, tourism and local economic outcomes. Advocacy was supported by a supplementary Pest Management Study prepared by the Agriculture Sector Advisory Committee, Ministerial correspondence and communications.

Annual initiative: Work with partners to champion the development of an ecological audit of the Gippsland Lakes and a Gippsland lakes research and education centre dedicated to environmental research and education, including regular auditing of the health of the Gippsland Lakes.

Progress: Through the Gippsland Lakes Coordinating Committee, we supported regional action to improve the health of the Gippsland Lakes and strengthen collaboration between agencies, community and government. The committee helped oversee Victorian Government investment and renewed its membership to support ongoing governance. Key outcomes included completion of the Crooke Street wetland project to improve water quality entering Jones Bay, protection of key flora and fauna on the outer barrier, and waterway improvements at Magees Gully to reduce urban stormwater impacts on MacLeod Morass. Working with the East Gippsland Catchment Management Authority as lead agency, this work supported monitoring, education and the evidence needed to consider a future Gippsland Lakes Research and Education Centre.

Annual initiative: Advocate for agreements between State, Local Government, and the community to ensure long-term stewardship of natural areas, including incorporating local knowledge and community aspirations in the management of Crown land.

Progress: We advocated for a strong outcome from the Great Outdoors Taskforce and reinforced public land management as a Victorian election priority. This work highlighted the importance of long-term stewardship of natural areas that reflects local knowledge, community aspirations and the environmental, social and economic value of East Gippsland’s public land.

Outcome: Natural assets are well-managed and protected.

Annual initiative: Review flood mapping, schedules, and policy using the best available data, considering climate change, sea level rise, and increased rainfall intensity.

Progress: Peer reviews of existing flood studies were completed and draft mapping was prepared. Following a Victorian Government announcement that Catchment Management Authorities are now responsible for flood studies and flood amendments, this work was handed to the East Gippsland Catchment Management Authority. We will continue to support future studies and amendments where required, helping ensure flood planning is informed by work completed to date and aligned with regional catchment management responsibilities.

Annual initiative: Incorporate findings of the Climate Risk Assessment Project into strategic planning and decision-making to mitigate risk and adapt to a changing environment, ensuring our community is well-equipped to handle these challenges.

Progress: Stages 2 and 3 of the Climate Risk Assessment progressed, completing data collection, validation and climate risk modelling across built, social, economic and infrastructure areas. Asset-level and district-level risk assessments, including infrastructure interdependency analysis, were developed to support future adaptation, resilience and investment decisions. Work also advanced on the online Climate Risk Assessment interface, including dashboards, reporting tools and adaptation planning functionality, with completion scheduled for 2026-27.

Annual initiative: Advocate for community-led forest management by creating opportunities for local involvement in managing sections of state forest, with a focus on biodiversity, fire mitigation, and other uses.

Progress: We advocated for more opportunities for locally led forest management through targeted engagement with government agencies and monitoring of emerging policy. Our advocacy focused on place-based decision-making that supports environmental stewardship, economic diversification and long-term community resilience, including engagement with the proposed Healthy Forest Plan for Orbost. Public land management remains an important advocacy priority, particularly in the context of forestry transition, and continues to inform our broader economic development and regional resilience work.

Annual initiative: Partner with community, industry and social enterprise to increase recycling and develop circular economy opportunities across East Gippsland.

Progress: We advanced circular economy and waste reduction initiatives with regional partners. This included participating in a Regional Development Victoria roundtable that identified practical reuse, recycling and materials recovery opportunities, and working with Tambo Waste to engage the building and construction sector on waste reduction and safe battery disposal. The East Gippsland Second-hand Guide was developed to promote local reuse, while the Skeene Creek demonstration farm partnership with Gippsland Agriculture Group continued through site upgrades and composting trials. We worked with East Gippsland Water on recycled Class A water, reuse and stormwater harvesting opportunities to support long-term water security for the Bairnsdale Sport and Recreation Reserve and environmental benefits for MacLeod Morass.

Outcome: Natural assets are well-managed and protected.

Annual initiative: Implement educational programs and awareness campaigns to enhance community resilience, readiness and understanding of climate-related issues and minimise the impact of natural disasters.

Progress: Climate resilience, adaptation planning and emergency management were strengthened through climate risk modelling across our asset base, creating a dataset to support future adaptation and investment planning. We continued to chair the Municipal Emergency Management Planning Committee and advisory groups, progressed the East Gippsland Fire Management Plan, static water tank planning and the Relief and Recovery Operational Plan, and secured and managed recovery and resilience funding.

Community-led initiatives also improved local preparedness, including Community Emergency Management Plans, RediCommunities, emergency information screens, more than 900 Metung Emergency Information Booklets and the National Indigenous Disaster Resilience Gathering.

Annual initiative: Partner with community, industry and social enterprise to increase recycling and develop circular economy opportunities across East Gippsland.

Progress: Council endorsed the Waste and Recycling Service Review and Transition Plan in November 2025 and progressed priority actions, including planning for future kerbside waste and recycling services and a public tender process. Council also participated in joint advocacy on the proposed introduction of mandatory glass collection services and the release of Victorian Government service standards to guide future kerbside requirements, aligning services with Recycling Victoria policy.

Annual initiative: Design waste services for efficiency and to reduce landfill.

Progress: Building on the endorsed Waste and Recycling Service Review and Transition Plan, we completed the first stages of the Waste Services Review, including planning for future kerbside services and a public tender process. An Expression of Interest process was also completed to advance construction and operation of the Organic Composting Facility. Following EPA licence approval and Council's decision to grant a planning permit, the next phase of the tender process is ready to commence in 2026-27.

Annual initiative: Work with communities to plan for natural disasters and emergencies, strengthening capacity, infrastructure, resilience, preparedness, and recovery.

Progress: Community-led emergency planning expanded across high-risk communities, Aboriginal organisations and remote townships. Community Emergency Management Plans were developed for Lakes Entrance, Lake Tyers and Nowa Nowa, alongside three Aboriginal Community Emergency Management Plans and completion of the tenth Aboriginal plan – a significant milestone in supporting Aboriginal-led emergency management and self-determination. Local Incident Management Plans were reviewed and updated for communities including Metung, Nungurner, Buchan, Flaggy Creek, Newlands Arm, Raymond Island and Orbost. The focus also shifted from plan development to implementation through preparedness workshops, community engagement and advocacy for sustainable models that strengthen preparedness, response, recovery and long-term resilience.

Outcome: Our cultural heritage is managed and preserved.

Annual initiative: Advocate for funding to create a heritage skills knowledge hub, dedicated to preserving and promoting heritage skills.

Progress: Early investigation and concept work continued for a heritage skills hub, including how it could align with broader public land management and heritage priorities. Related heritage work progressed through the collaborative History in Motion funding application. The project seeks to capture oral histories, digitise archival material and create a lasting digital storytelling archive for future generations.

Annual initiative: Manage, preserve, and promote the cultural heritage of our community by delivering projects and programs designed to protect historical sites, support cultural events, and engage the community in preserving their cultural identity.

Progress: Several initiatives that celebrate East Gippsland's history, culture and creative identity were advanced. The Omeo Justice Precinct Masterplan progressed through final public exhibition, with community feedback informing refinements ahead of formal adoption in 2026-27. Cultural and creative practitioners were promoted through CreativeLink, BraveArts and the Creative Summit, helping build sector connection and visibility.

Local cultural experiences were also promoted through Destination Gippsland and Visit Victoria, including the East Gippsland Winter Festival, the Holi Festival of Colour and new Australian Tourism Data Warehouse listing requirements. Local storytelling and heritage preservation were supported through *This is Swifts Creek* and the *History in Motion* funding application. The Service Agreement Review also recognised the need to explore greater support for heritage initiatives.

Annual initiative: Work with First Nations people to recognise and celebrate their rich cultural heritage, connection to country and rights to self-determination.

Progress: Working with Gunaikurnai Land and Waters Aboriginal Corporation, Aboriginal Community Controlled Health Organisations, Lake Tyers Aboriginal Trust and Moogji Aboriginal Council we supported First Nations cultural inclusion, self-determined planning and Aboriginal-led recovery. This included programming First Nations creative works such as *SAPLINGS*, Dane Simpson and *South East Now* through the East Gippsland Art Gallery, and incorporating First Nations perspectives into the draft Public Art Policy. Aboriginal Community Emergency Management Planning continued, alongside actions from the Aboriginal and Cultural Recovery and Resilience recommendations. First Nations and community engagement also informed the guiding principles of the Mallacoota Foreshore Holiday Park Master Plan and the Coastal and Marine Management Plan. The reinstated boomerang at the entrance to the Lake Tyers Aboriginal Trust was delivered in partnership with Trust management and was another important cultural outcome.



Deputy Mayor Cr Tom Crook presenting a Community Impact Grant to Tambo Valley Golf Club.

Outcome: Our assets are well maintained, utilised and meet community needs.

Annual initiative: Conduct a review of Council assets and actively engage with our community on the rationalisation of under-utilised and end of life assets and promote co-location of user groups rather than exclusive use.

Progress: We progressed planning for an organisation-wide asset optimisation review, with rationalisation opportunities identified for future consideration.

Condition data and emerging service levels for buildings and open space assets are being used to refine renewal planning and identify assets that are at end of life, underused or no longer aligned with Council Plan priorities.

Annual initiative: Continue to prioritise the maintenance of roads, drainage and footpaths, considering how important they are for our community.

Progress: Road, drainage and footpath maintenance continued to be a key priority, recognising the importance of these assets to community safety, connectivity and access.

Annual initiative: Complete a review of our aquatic and recreation facility assets to identify appropriate maintenance and renewal programming for each site.

Progress: We progressed a detailed review of aquatic and recreation facility assets, including new asset registers, condition assessments and critical systems reviews. Condition assessments were completed for the Lakes Entrance Aquadome and continued for the Bairnsdale Aquatic and Recreation Centre and Orbost Outdoor Pool. The East Gippsland Aquatic Strategy also progressed, with a Community Reference Group established, specialist consultants appointed and engagement underway. Following an independent safety assessment of the Bairnsdale Outdoor Pool, Council resolved in May 2026 to progress the Aquatic Strategy to help determine the facility's future role and guide future investment. This work supports more informed planning for aquatic and recreation facilities across the shire.

Annual initiative: Ensure the accessibility of community assets by mapping accessibility features and conducting audits.

Progress: Accessibility audits, advice and design work were actioned across priority infrastructure, including Swan Reach Recreation Reserve, the Nowa Nowa Sculpture Walk, Paynesville Library, the Council Corporate Centre, Bairnsdale Aquatic and Recreation Centre Changing Places and Omeo Soldiers Memorial Hall. Sport and Recreation Victoria's Design for Everyone Guide was incorporated into access audit benchmarks for Council's recreation spaces, creating a more consistent approach to accessibility across future projects. These audits and design investigations are informing future works to improve access, inclusion and usability across community facilities and public spaces.

Annual initiative: Increase our focus on maintaining and renewal of existing assets over the creation of new ones, focussing on cost management and community need.

Progress: Renewal planning across key asset classes, including stormwater drainage, open space, roads, footpaths, buildings, marine assets, fleet and plant, was advanced. Draft renewal programs are being developed using existing condition data to better understand asset performance, risk and future investment needs.

Service levels for buildings and open space are also under review to support future budget planning and ensure renewal priorities are informed by community needs, asset condition and long-term service expectations. This work will support more transparent and sustainable asset management across the organisation.

Outcome: Our assets are well maintained, utilised and meet community needs.

Annual initiative: Work with partners to identify strategies and incentives to encourage private landowners to take an active role in managing weeds on council and crown land adjacent to their properties.

Progress: Strong engagement with Landcare groups and the community through the Roadside Weeds and Pests Program was maintained.

Local knowledge was used to identify infestations, assess reports and include suitable sites in the annual treatment program. Advice was also provided on legislation, landholder responsibilities and control priorities. Regional partnerships continued through the Gippsland Lakes Coordinating Committee, the Far East Eden working group and the Regional Catchment Strategy. Completion of the Gippsland Lakes Invasive Pests Plan and support for the Good Neighbour Program and Southeast Coastal Ranges project helped advance shared priorities, advocacy and funding opportunities.

Annual initiative: Review renewal and maintenance programs to ensure our infrastructure, including public amenities remains safe, reliable, and efficient.

Progress: The Road Management Plan was reviewed, in line with statutory requirements. Reviewed the 2024-25 and 2025-26 (in progress) fire slashing seasons to identify improvements for future delivery. The review considered seasonal scheduling, coordination, environmental and cultural heritage requirements, and communication with CFA and DEECA. Maintenance planning also progressed for key coastal and marine assets.

A best-practice maintenance and dredging approach was implemented for Bastion Point Boat Ramp.



Celebrating the new Crooke Street Wetlands in Bairnsdale with Youth Ambassadors, community and project partners.

Strategic indicators

Performance against the Council Plan's strategic indicators.

Strategic indicator	Target	2025-26	Comments
Council sealed local roads and footpaths meeting service level needs	≥ 95%	96.19%	This result reflects the completion of road maintenance and renewal programs during the year, including resealing, pavement repairs, drainage works and other targeted improvements.
Capital renewal programs driven by renewal modelling using updated condition data	Capital renewal programs	To commence in 2026-27	Ten-year capital renewal programs have been developed for all asset classes using the latest condition data. Council officers are now progressing the development of service levels to clarify priorities and align these programs with service needs, balancing community expectations, the organisation's long-term commitment to financial sustainability and the value delivered through our services. This work is expected to be completed in 2026-27 to inform the 2027/28 renewal program.
Percentage of the Capital Program delivered by the end of the financial year	≥ 70%	74%	Council delivered 74% of its Capital Program during 2025-26, meeting the target of 70% against the revised budget. This result reflects continued investment in renewing and upgrading community infrastructure, including roads, drainage, buildings and recreation assets across the shire. Where projects extended beyond the financial year, works have been carried forward for completion in 2026-27.
Number of people utilising the Omeo Mountain Bike Trail	Increased utilisation compared to previous year	49,598 (baseline year)	The Omeo Mountain Bike Trail attracts visitors and supports tourism and economic activity in the high country. During the year, Council undertook ongoing trail maintenance and asset renewal activities to maintain trail quality, safety and the visitor experience, ensuring the trail remains a premier mountain biking destination.
Number of community members participating in environmental conservation projects	Baseline year	777	A total of 777 volunteers participated in Landcare grant projects across East Gippsland with EGCMA during 2024-25. This baseline result provides a benchmark for measuring future community participation in environmental conservation activities.
Community satisfaction with appearance of public areas	≥ Large Rural Council average	65	Community Satisfaction Survey result for Council's Appearance of Public Areas services are on par with those of other large shires in Victoria. The community perception for East Gippsland scored higher than the Victorian state average of 63.

Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures relevant to this goal are shown below:

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Waste collection					
Service standard Kerbside collection bins missed ²⁹	1.75	2.4	2.02	2.82	For every 10,000 scheduled bin lifts, 2.82 bins were missed. While this represents a slight increase on the previous year, the result remains well within Council's target. Council continues to work closely with contractors to monitor performance, identify recurring issues and improve collection outcomes for the community.
Service cost (\$) Cost of kerbside garbage collection service ³⁰	70.55	78.11	74.40	81.06	The cost of the kerbside garbage collection service increased slightly during the year due to higher service delivery costs, including higher fuel costs.
Service cost (\$) Cost of kerbside recyclables collection service ³¹	75.59	78.90	79.78	76.64	The cost of the kerbside recyclables collection service decreased slightly during the year due to the reduced volume associated with the Container Deposit Scheme. The reduction reflects lower direct service delivery costs relative to the number of kerbside recyclables bins serviced.
Waste Diversion Kerbside collection waste diverted from landfill ³²	53.07%	49.18%	49.30%	48.30%	The Container Deposit Scheme has continued to contribute to a decrease in the weight of kerbside collection waste diverted from landfill. Council continues to work with community to ensure waste is recycled where possible

²⁹ [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000

³⁰ [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]

³¹ [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]

³² [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

Cost of our services

The following statement provides information about the services funded in the Annual Budget 2025-26.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance Surplus/ (deficit) \$'000
Boat ramps and marinas	Our waterways contribute to our economy through industry, tourism, and recreation with over 1 million people visiting East Gippsland each year. We provide and maintain: » 3 marinas » 50 jetties » 31 boat launching ramps » 68 seawalls » 24 fishing platforms » 21 fish cleaning tables	(799.90) <u>(747.94)</u> 51.97
Aerodromes	We own and operate three airports, located at Bairnsdale, Mallacoota and Orbost. The airports accommodate both business and recreational aircraft, including aerial firefighting, air ambulance, chartered services and a flying school. Both Bairnsdale and Mallacoota also have fuel facilities, offering AVGAS and JET A1. The airports are important to facilitate access to air ambulance, emergency and visiting professional services.	1,049.49 <u>1,079.42</u> 29.92
Building maintenance	We own properties and buildings that serve various purposes, contributing to the community through direct Council services, community-based services, recreational and sporting activities, and commercial activities, including: » Recreation facilities » Community services buildings » Municipal buildings » Public amenities » Other buildings including children's services, commercial buildings and aerodromes.	4,084.34 <u>2,567.65</u> (1,516.69)
Caravan parks and campgrounds	We manage four caravan parks and stop-over campgrounds at Cann River, Genoa, Mallacoota, and Swifts Creek. Marlo, Orbost, Omeo, Eagle Point, Bemm River, Eastern Beach Lakes Entrance, and Bairnsdale Riverside caravan parks are on lease arrangements.	(1,243.40) <u>(1,100.52)</u> 142.87

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (deficit) \$'000
Environmental planning and sustainability	We address a range of environmental issues on Council-owned or -managed land, including the Mosquito Management Program, pest plants and animals, and urban waterways. Our team develops environmental policies and strategies, coordinates and implements various environmental projects, and collaborates with other services to improve the Council's environmental performance. A key focus is reducing greenhouse gas emissions and utility usage within Council operations. This also includes community awareness programs and initiatives aimed at encouraging and supporting reduced energy and resource consumption.	213.04 <u>567.83</u> 354.79
New and replaced infrastructure and Project Management	This service delivers infrastructure to meet the service needs of our community, this function manages the capital and major works program, from detailed design and community engagement through to the attraction of funding, tendering projects and managing contractors through the construction phase.	5,017.09 <u>4,167.84</u> (849.25)
Open Space	We maintain over 350 hectares (about 175 Melbourne Cricket Grounds) of open space across East Gippsland. This includes the maintenance and ongoing improvement of sporting facilities, gardens, recreational grounds, parks and natural bushlands to create active and passive environments for enjoyment of residents and visitors	6,657.81 <u>6,617.25</u> (40.56)
Raymond Island Ferry	The Raymond Island Ferry links Raymond Island to Paynesville. The ferry operates from early morning to late in the evening every day. Annually, the ferry services over 300,000 vehicles and over 250,000 pedestrians.	1,751.99 <u>1,624.33</u> (127.67)
Roads, bridges, footpaths and drainage	We maintain a 3,008km network of roads, registered on our Public Road Register- 1,338km sealed and 1,669km unsealed. We carry out maintenance on all our roads, mostly to a programmed schedule. We are responsible for road safety on roads we manage; advocate on road safety issues, including speed zones, to other road agencies; and consider road naming requests and tourist signage applications.	16,425.77 <u>16,858.47</u> 432.70
Waste and recycling services	We are striving to improve our waste facilities and services to maximise the recovery of waste before it enters landfill. We are responsible for waste collections, processing and disposal.	8,240.55 <u>8,620.03</u> 379.48

Theme 4 – Managing Council well

Outcome: Council operates transparently and effectively with public trust.

Our focus: We will enhance community engagement by:

- » Making our budgets and financial documents easier to understand.
- » Engaging with our community early to ensure their voices are heard from the start.
- » Targeting engagement to the ways our communities prefer to connect with us.
- » Using a range of approaches to engage with and report back to our community.

Progress: Community engagement was strengthened by making key information clearer, more accessible and easier to understand. Simple fact sheets were developed for the Budget, Long Term Financial Plan and Rating and Revenue Plan, covering topics such as the underlying result, capital investment, the rate cap and pensioner rebates. Quarterly performance reports were also improved with clearer commentary and graphs.

Engagement and communication plans supported major projects including public amenities, stormwater, foreshore planning and the Raymond Island Ferry pass review. Place-based engagement, including the Mallacoota Foreshore Holiday Park Master Plan, demonstrated the value of face-to-face conversations in building trust and informing decisions. Closing the loop updates, Your Say news items, newsletters and other engagement tools helped improve transparency, accountability and organisational capability.

Our focus: Deliver high-quality, responsive, and compassionate customer service to prioritise and effectively address the needs and well-being of our community

Progress: Customer Response Management (CRM) system improvements included embedding CRM dashboards into daily operations, enabling more consistent monitoring of customer enquiries, service performance and response times. Further enhancements commenced during the year, including workflow mapping, service category reviews and process improvements. These initiatives contributed to improved service delivery outcomes, with 98.87% of customer enquiries responded to within required timeframes.

Our focus: Through our Digital Transformation Program, we will simplify systems and processes to make it easier to do business with us and help the community find what they need. This includes a transparency hub, website upgrade, online mapping services, and a new finance system for online payments and improved self-services.

Progress: The Digital Transformation Program was progressed across several priority areas. The Council IQ transparency portal was developed and is ready to launch in 2026-27, while a new website with chatbot will go live alongside Council IQ. Stage one of a new online mapping system was completed through stakeholder engagement, scoping and collaborative procurement with Wellington Shire Council, with rollout planned for 2026-27.

The new finance system went live in February, including key finance and payroll modules. We are in the final stages of testing online payments which will also go live in 2026-27, further improving self-service in this area. MyLot, Council's online planning tool, is now fully functional, with strong take-up and a confirmed 95% accuracy rate.

Together, these improvements are making it easier for the community to access information, complete tasks online and do business with Council.

Outcome: Council operates transparently and effectively with public trust.

Our focus: Design and implement our Organisational Plan to drive continuous improvement.

Progress: The Organisational Plan was endorsed by the Executive Leadership Team, providing a clear internal roadmap to guide how Council delivers on its priorities over the next four years. The Plan strengthens alignment between the Council Plan, workforce planning and day-to-day operations, giving staff greater clarity about priorities, expectations and how their work contributes to organisational performance and community outcomes.

Our focus: Ensure that our services are efficient and meet the needs of our community

Progress: Service planning foundations were strengthened with the Service Planning Framework endorsed, the Project Management Framework completed and now being embedded across projects, and the General Local Law review started (supported by Business Acceleration Fund grant funding through a joint submission with Wellington Shire Council).

Significant work progressed on community services and public amenity (toilets) service reviews; while completion of two full reviews within the year was extended into the next reporting period to allow additional stakeholder consultation, establishing a robust, evidence-based foundation for future service optimisation.

Business service improvements delivered measurable efficiency gains, with improvements valued at approximately \$203,000. This result reflects the benefits of process redesign, service reviews, workflow improvements and better use of systems to reduce duplication and improve the way services are delivered.

The Financial Sustainability Strategy is progressing and, following delays at inception, is now expected to be completed in September 2026.



Our Open Space team connecting with students at a Careers Expo, in Cann River and Orbost, showcasing career opportunities at Council.

Strategic indicators

Performance against the Council Plan's strategic indicators.

Strategic indicator	Target	2025-26	Comments
Percentage of customer enquiries responded to within required timeframes	>95%	98.87%	Council consistently exceeded its target for responding to customer enquiries within required timeframes, demonstrating a strong organisational commitment to customer service. This performance reflects the collective effort of staff across the full customer journey, from accurately capturing customer requests, allocating them to the appropriate service area, through to timely completion and communication back to the customer. Continued monitoring of performance, refinement of processes and collaboration across service areas will ensure Council maintains this high standard of service while continuing to improve the customer experience.
Reduction in the number of customer complaints	Fewer complaints than previous year	180	The number of community complaints decreased from 361 in 2024-25 to 180 in 2025-26. Customer complaint numbers remained consistently low throughout the year, demonstrating a strong organisational focus on customer service and continuous improvement. While the nature of complaints changed throughout the year in response to emerging community issues, staff across Council worked proactively to resolve concerns, improve communication and strengthen service delivery. This sustained performance reflects a positive organisational culture where managing customer concerns is a shared responsibility and an important measure of service quality.
Community satisfaction with consultation and engagement	≥ Large Rural Council average	56	Community satisfaction has improved compared to the previous year, reflecting Council's continued focus on responding to community feedback, delivering priority projects and services, and strengthening communication and engagement with the community

Strategic indicator	Target	2025-26	Comments
Increased effectiveness of Council engagement activities	Increased engagement participation compared to previous year	6,426	We have improved the effectiveness of engagement activities by strengthening planning processes, increasing the use of digital engagement tools and in-person opportunities, and improving the quality and accessibility of project information. Earlier planning and adjustments to engagement approaches have increased our effectiveness in hearing from more people and closing the loop on decisions. Examples include earlier Budget engagement and the use of QR codes at sites for the public toilet engagement. Overall, the results show progress toward more timely, targeted and accessible engagement that supports informed community participation in Council decision-making.
Percentage of community engagement plans developed for Council projects	100%	100%	Engagement planning for Council projects has continued to mature, with plans developed for all key capital, strategic and service-related projects. Significant projects include the Raymond Island Ferry Pass review, development of the Mallacoota Foreshore Park Master Plan, the Public Toilets Review, Stormwater Management, Annual Budget and the Aquatic Strategy.
Efficiencies achieved from business service improvements	Increased efficiency	\$203,000	Business service improvements delivered measurable efficiency gains, with improvements valued at approximately \$203,000. This result reflects the benefits of process redesign, service reviews, workflow improvements and better use of systems to reduce duplication and improve the way services are delivered. These efficiencies are helping Council work more effectively, support better customer outcomes and strengthen long-term organisational performance.

Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures relevant to this goal are shown below:

Indicator Measure	Results				Comments
	2022-23	2023-24	2024-25	2025-26	
Governance					
Transparency Council resolutions at meetings closed to the public ³³	14.29%	14.29%	11.54%	11.20%	The proportion of Council resolutions made in closed meetings was 11.20%, compared with 11.54% in the previous year. Closed meetings are used where required to meet legislative obligations relating to confidentiality.
Consultation and engagement Satisfaction with community consultation and engagement ³⁴	41	41	46	56	Community satisfaction has improved compared to the previous year, reflecting Council’s continued focus on responding to community feedback, delivering priority projects and services, and strengthening communication and engagement with the community.
Attendance Councillor attendance at Council meetings ³⁵	91.98%	91.98%	99.26%	100%	Note – this indicator includes both attendance at Council Meetings and approved leave recorded in Council meeting minutes. Councillor attendance was 100%, with all Councillors recorded as attending all Council meetings held during the reporting period. Council supports attendance through advance meeting scheduling, provision of meeting materials and ongoing support for Councillor participation.
Service cost (\$) Cost of elected representation ³⁶	54,313.56	54,009.11	53,184.78	59,209.44	The increase in cost is attributed to the new mandatory professional development training that Councillors are required to do.
Satisfaction Satisfaction with Council decisions ³⁷	47	44	47	47	Community satisfaction with Council decision making is consistent with the previous year.

³³ [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

³⁴ [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]

³⁵ [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

³⁶ [Direct cost of the governance service / Number of councillors elected at the last council general election]

³⁷ [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]

Cost of our services

The following statement provides information about the services funded in the Annual Budget 2025-26.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance Surplus/ (deficit) \$'000
Customer service	We have Customer Service Centres in six locations, providing access to Council and library services, and meeting room facilities. Outreach centres in Bendoc, Buchan and Cann River help with lodging forms, witness documents, accessing our website and public documents and more. Our call centre operates from 8.30am to 5 pm Monday to Friday and an after-hours service is available outside of these times for urgent matters.	2,651.42 <u>2,593.81</u> (57.61)
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.	1,618.34 <u>1,877.39</u> 259.05
Finance	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances and the management of rates and charges.	(2,759.85) <u>(334.72)</u> 2,425.13
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; coordination of arrangements for Council and committee meetings; and the maintenance of statutory registers and the conduct of municipal elections. An Audit Committee supports this service. This service also provides the framework, oversight and advice to support Council in complying with statutory procurement and contracting provisions.	4,209.90 <u>4,325.29</u> 115.39
Communications, Community Engagement and Civic Events	This service oversees the delivery and provision of advice on communications and engagement activities. The service also conducts civic events to recognise and celebrate community achievements.	1,084.49 <u>1,484.00</u> 399.51

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (deficit) \$'000
Information services	The service provides a range of centralised and integrated services related to technology, data management, cybersecurity, ICT infrastructure and telecommunications, Information Management, Business Systems and Application Management and new and emerging technologies to assist Council to meet its business and legislative requirements and to assist staff to deliver services in a smart, productive and efficient way.	7,040.48 <u>6,832.71</u> (207.77)
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.	389.42 <u>423.12</u> 33.70
Risk management and compliance	This service oversees the Council's risk and compliance framework, fostering prudent and responsible management in decision-making and service delivery. It ensures the highest standards of legislative compliance across all Council functions and minimises risk exposure through proactive and comprehensive systems and processes. Additionally, this service addresses Occupational Health and Safety, safeguarding the health and safety of all employees, contractors, and volunteers through robust management systems, procedures, and adherence to relevant legislation.	2,659.58 <u>2,903.74</u> 244.16
Human resources	This service provides human resource management including recruitment, learning and development, payroll and industrial relations services.	2,057.30 <u>2,191.12</u> 133.82
Strategy and performance	This service supports the development of the Council Plan and organisational performance reporting functions. It drives continuous improvement and conducts regular service reviews, sets improvement targets, and ensures our people resources are allocated effectively to meet service needs.	805.29 <u>892.38</u> 87.09

Section six: governance, management and other information



Our mobile visitor information vans bring visitor information to our tourist areas.

East Gippsland Shire Council is a public statutory body, which operates under the legislative requirements of the *Local Government Act 2020* (the Act).

The Act sets out the role of Council, as an elected body, to provide leadership for the good governance of the East Gippsland Shire. Council's elected members and employees work within systems and processes to ensure they comply with all Acts administered by the Council.

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

Council's roles and responsibilities

Council is committed to working in partnership with the wider community and other levels of government, to create and achieve the best opportunities possible for all people in East Gippsland. Key responsibilities of Council include:

- » Guaranteeing good governance in the performance of its roles and responsibilities.
- » Prioritising the best outcomes for the East Gippsland community.
- » Making decisions that consider economic, social, and environmental sustainability of East Gippsland, including, where possible, mitigating and planning for climate change.
- » Addressing the diverse needs of the local community in decision making.
- » Advocating for the needs and desires of the community across East Gippsland.
- » Providing leadership through strategic objectives, monitoring progress, and adapting to changes to support the community.
- » Fostering community cohesion and encouraging active participation in the Council activities.
- » Ensuring transparency of decision making and accessibility to publicly available information.



Wayne Burton - Sustainability and Climate Change Coordinator, Carina Turner - Sustainability and Waste Minimisation Officer, Nathan Misiurka - Manager Sustainability and Waste Minimisation, and Michelle Shugg, East Gippsland Landcare Facilitator, at Gippsland Agricultural Group's Spring Field Day in Bairnsdale.

Meetings of Council

Council is committed to transparent governance in decision-making. Council meetings are open to the public and are also livestreamed via Council's YouTube channel. Meetings are generally held on Tuesday evenings from 6pm. Meeting dates are published on Council's website.

Meetings provide an opportunity for community members to submit a question to the Council and speak on matters of interest to the community. Details for this are available on Council's website.

The business to be considered by Council is set out in an agenda, which is available on Council's website from 1pm on the Friday before the meeting.

In 2025-26, there were 15 Council meetings, comprising 12 scheduled, two unscheduled and one statutory meeting for the election of the Mayor and Deputy Mayor.

Council meeting attendance

The following table provides a summary of Councillor attendance at Council meetings in 2025-26:

Councillor	Council meetings
Cr Arthur Allen	15
Cr Jodie Ashworth	15
Cr Sonia Buckley	15
Cr Tom Crook	15
Cr Barry Davis	13
Cr Bernie Farquhar	15
Cr Joanne Eastman	14
Cr Ian Trevaskis	15
Cr John White	14

Councillor allowances

Under section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duty. The Mayor and Deputy Mayor are also entitled to receive a higher allowance. The Victorian Independent Remuneration Tribunal (the Tribunal) is responsible for setting allowances for the Mayor, Deputy Mayor, and Councillors.

The Tribunal has classified each Council into one of four Council allowance categories. East Gippsland is classified as a Category 2 Council.

The annual allowances that applied from 1 July 2025 to 17 December 2025 were Mayor \$115,347, Deputy Mayor \$57,673 and Councillor \$35,049. From 18 December 2025, the annual allowances were Mayor \$118,303 and Deputy Mayor \$59,152. The Councillor allowance remained unchanged throughout the reporting period.

Councillor expenses

Under section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors in accordance with section 41 of the *Local Government Act 2020*.

The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

The following table details the total expenses for all Councillors during the 2025-26 financial year.

Councillor	Base allowance \$	Remote area travel allowance \$	Total allowances paid \$
Cr Arthur Allen	35,851	0	35,851
Cr Jodie Ashworth	84,449	0	84,449
Cr Sonia Buckley	43,688	2,172	45,860
Cr Tom Crook	47,777	0	47,777
Cr Barry Davis	35,145	0	35,145
Cr Joanne Eastman	35,145	0	35,145
Cr Bernie Farquhar	35,145	0	35,145
Cr Ian Trevaskis	33,893	0	33,893
Cr John White	66,691	0	66,691
Total	417,784	2,172	419,956

Office Expenses include Telephone and Stationery. Conferences/Training, Delegate and Other Council representation costs include related accommodation and travel expenses.

Model Councillor Code of Conduct

In accordance with the *Local Government Act 2020*, Councillors must observe the Model Councillor Code of Conduct. The purpose of the Model Councillor Code of Conduct is to include the standards of conduct expected to be observed by Councillors while performing their duties and functions as Councillors, including prohibiting discrimination, harassment (including sexual harassment) and vilification.

The Model Councillor Code of Conduct applies to all Victorian Councils and is prescribed by the *Local Government (Governance and Integrity) Regulations 2020*.

Conflict of interest

A conflict of interest arises when a personal or private interest of a Councillor or officer in a matter may compromise their ability to act impartially and in the best interests of the community.

The *Local Government Act 2020* outlines the scope for determining conflicts of interest by an individual. Only an individual can decide if they have a conflict of interest in a matter. Council's Governance Rules address how a Councillor or staff member deals with a conflict of interest. The Governance Rules are available on the Council's website. A Conflicts of Interest Register captures the conflict disclosures by Councillors and is publicly available on Council's website.

Committees

The *Local Government Act 2020* allows councils to establish the following types of committees:

- » Delegated committees
- » Joint delegated committees
- » Community asset committees
- » Audit and Risk Committee

Councils may also establish advisory committees for the purpose of providing advice to Council.

Delegated committees

Under section 63 of the *Local Government Act 2020*, a delegated committee established by Council must include at least two Councillors and may include other persons appointed by Council who are entitled to vote. Pursuant to section 11 of the Act, Council may delegate powers, duties and functions to a delegated committee.

Council has no delegated committees.

Joint delegated committees

Under section 63 of the *Local Government Act 2020*, two or more Councils may resolve to establish a joint delegated committee. A joint delegated committee must include at least one Councillor from each of the participating councils.

Council has not established any joint delegated committees.

Community asset committees

Council may also establish a community asset committee under section 65 of the *Local Government Act 2020* for the purpose of managing a community asset in the municipality and may consist of as many members as necessary in order to achieve its purpose.

These types of committees act under the power of delegation by the Chief Executive Officer, subject to any specified conditions and limitations specified in the Instrument.

Council has not established any community asset committees.

Advisory committees

Advisory committees have no decision-making powers and may only make recommendations to the Council. The following table contains a list of all advisory committees established by the Council that are in operation and the purpose for which each committee was established:

Committee	Councillors	Officers	Other	Purpose
Audit and Risk Committee	2	0	3	The Committee's primary role is to provide oversight, advice and guidance on Council's frameworks, systems and controls relating to: » Legislative and good governance compliance; » Financial and performance reporting; » Risk management with a focus on strategic risks; and » Internal and external audit.
Chief Executive Employment and Remuneration Committee	4	0	1	Considers and makes recommendations to Council regarding the: » Selection and appointment of an Independent Member » Performance monitoring of the Chief Executive Officer (CEO), including achievement of Key Performance Indicators (KPIs) » Annual review of the CEO's performance against the KPIs » CEO's remuneration Recruitment, appointment (or reappointment) of a CEO, where required.

Committee	Councillors	Officers	Other	Purpose
East Gippsland Agriculture Sector Advisory Committee	2	0	14	Provides advice, guidance and recommendations to Council on matters affecting the agriculture sector in East Gippsland and its communities.
Marina Consultative Committee	2	0	6	Forms part of Council's consultation framework for the operation of services and facilities at the Metung, Chinaman's Creek and Slip Bight marinas.

Audit and Risk Committee

Under section 53 of the *Local Government Act 2020* Council must establish an Audit and Risk Committee.

The Audit and Risk Committee's role is to monitor and provide advice to Council on financial reporting, internal control, compliance, and risk management. It does this by providing independent advice on matters within its Charter to support Council decision-making.

The Committee performs an advisory function only. It has no executive powers or authority to implement actions in areas over which management has responsibility, and no delegated financial responsibility. It does not have any management functions and operates independently of management.

In December 2025, Council adopted an updated Audit and Risk Committee Charter to strengthen governance arrangements and align with best practice. This included clarifying that the Independent Chair is appointed by Council, formalising recruitment processes through a dedicated panel, and revising the Committee's membership composition to support independence and effective oversight.

The Committee now comprises five members: three independent external members, one of whom is appointed by Council as Chair, along with the Mayor of the day and one other Councillor appointed annually by Council.

This revised structure supports clear accountability in appointments, strengthens the Committee's independence, and enables more focused and effective oversight of Council's governance, risk, and financial management practices.

In 2025–26 the Audit and Risk Committee members were:

Councillors

- » Cr John White (Mayor): July 2025 – November 2025
- » Cr Jodie Ashworth (Mayor): November 2025 – June 2026
- » Cr Jodie Ashworth (Councillor): July 2025 – November 2025
- » Cr Joanne Eastman: July 2025 - June 2026

Independent Committee Members

- » Celeste Gregory: July 2025 – November 2025 (Chair 2024 and 2025)
- » Jason Hellyer: July 2025 – October 2025
- » Susan Lloyd: July 2025 – June 2026
- » Mark Dupè (Chair): February 2026 – June 2026
- » Sarah Philpott: February 2026 – June 2026

Internal audit

The internal audit process assists Council and the Chief Executive Officer to assess, monitor and improve the effectiveness of risk management and governance processes and controls. The Internal Auditor reports on activities to the Audit and Risk Committee regularly throughout the year.

The function is undertaken by an independent external provider. A risk-based three-year Internal Audit Plan (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems, or the business environment, prior audit coverage, outcomes and management input. The IAP is reviewed and endorsed by the Audit and Risk Committee annually.

External audit

Council is externally audited by the Victorian Auditor-General's representatives to provide an assurance that financial statements reflect the financial position at the end of the financial year.

For 2025-26, the annual external audit of Council's Financial and Performance Statements was conducted by the Victorian Auditor-General's representative, RSD Audit.

Risk management

Council remains committed to strengthening organisational resilience and supporting effective decision-making through a proactive and integrated approach to risk management. During 2025-26, Council continued to enhance its risk management framework through the implementation of an updated Risk Management Strategy, strengthened risk management practices and enhanced risk reporting.

A significant focus during the year was the redevelopment of risk registers and review of risk profiles across Council's business units to strengthen the identification, assessment and management of strategic, operational and emerging risks. This work increased risk ownership, improved consistency in risk assessments and enhanced oversight of key risks, controls and treatment actions.

Council also continued to build its resilience and preparedness through ongoing business continuity planning. Together, these initiatives have strengthened Council's risk management capability, supported a more consistent approach to managing risk across the organisation and enhanced oversight of strategic, operational and emerging risks.

Governance and management checklist

As outlined in section 98(3)(d) of the *Local Government Act 2020* (the Act) and regulation 9(2)(c) of the *Local Government (Planning and Reporting) Regulations 2020* (the Regulations), the results of Council's assessment against the Governance and Management Checklist are set out below in the form prescribed by the Regulations.

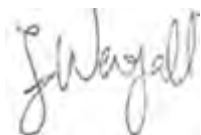
Governance and management Items	Assessment	
1 Community Engagement Policy Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest.	Policy adopted in accordance with section 55 of the Act. Date of adoption: 17 February 2026	
2 Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community.	Guidelines Date of commencement of current guidelines: 17 February 2026	
3 Financial Plan Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.	Plan adopted in accordance with section 91 of the Act. Date of adoption: 23 June 2025	
4 Asset Plan Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.	Plan adopted in accordance with section 92 of the Act. Date of adoption: 23 June 2025	
5 Revenue and Rating Plan Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.	Plan adopted in accordance with section 93 of the Act. Date of adoption: 23 June 2025	
6 Annual Budget Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required.	Adopted in accordance with section 94 of the Act. Date of adoption: 23 June 2025	
7 Risk Policy Policy outlining council's commitment and approach to minimising the risks to Council's operations.	Policy Date of commencement of current policy: 21 October 2025	
8 Fraud Policy Policy outlining Council's commitment and approach to minimising the risks to Council's operations.	Policy Date of commencement of current policy: 5 May 2020	

Governance and management Items	Assessment	
9 Municipal Emergency Management Planning Participation in meetings of the Municipal Emergency Management Planning Committee.	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year Dates of MEMPC meetings attended: » 5 September 2025 » 4 December 2025 » 5 March 2026 and » 4 June 2026	
10 Procurement Policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council.	Policy adopted in accordance with section 108 of the Act Date of adoption: 16 December 2025	
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 Date of commencement of current plan: 29 May 2026	
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.	Plan Date of commencement of current plan: 29 May 2026	
13 Complaint Policy Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.	Policy developed in accordance with section 107 of the Act. Date of commencement of current policy: 16 December 2021	
14 Workforce Plan Plan under section 46 of the Act outlining Council's commitment and approach to planning for current and future workforce requirements.	Plan developed in accordance with section 46 of the Act. Date of commencement of current plan: 1 July 2025 (finalised March 2026)	
15 Payment of Rates and Charges Hardship Policy Policy outlining Council's commitment and approach to assisting ratepayers who are experiencing financial hardship or difficulty paying their rates.	Policy Date of commencement of current policy: 27 August 2024	
16 Risk Management Framework Framework outlining Council's approach to managing risks to the Council's operations.	Framework Date of commencement of current framework: 21 October 2025	

Governance and management Items	Assessment	
17 Audit and Risk Committee Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions.	Established in accordance with section 53 of the Act. Date of establishment: 16 December 2025	
18 Internal Audit Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.	Engaged Date of engagement of current provider: 30 October 2024	
19 Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act.	Framework Date of adoption of current framework: 29 June 2021	
20 Council Plan Report Report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.	Report Date of report: » 21 October 2025 » 18 November 2025 » 17 March 2026 » 19 May 2026	
21 Quarterly Budget Reports Quarterly reports to the Council under section 97 of the Act comparing actual and budgeted results and an explanation of any material variations.	Reports presented to Council in accordance with section 97(1) of the Act Dates reports presented: » 21 October 2025 » 18 November 2025 » 17 March 2026 » 19 May 2026	
19 Risk Reports (6-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Dates of reports: » 25 August 2025 » 23 February 2026 » 25 May 2026	
23 Performance Reports Six-monthly reports of indicators measuring financial and non-financial performance, including performance indicators referred to in section 98 of the Act.	Reports Dates of reports: » 21 October 2025 » 19 May 2026	

Governance and management Items	Assessment	
24 Annual Report Annual Report under sections 98 and 99 of the Act of containing a report of operations and audited financial and performance statements.	Presented at a meeting of the Council in accordance with section 100 of the Act. Date of presentation: 21 October 2025	
25 Councillor Code of Conduct Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.	Reviewed and adopted in accordance with section 139 of the Act Date reviewed and adopted: 20 November 2024	
26 Delegations Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act.	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review under section 11(7): 21 October 2025	 
27 Meeting Procedures Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 30 August 2022	

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



Fiona Weigall

Chief Executive Officer

Dated: 17 September 2026



Cr Jodie Ashworth

Mayor

Dated: 17 September 2026

Statutory information

Information available for public inspection

Council has a Public Transparency Policy that commits to making Council information publicly available except where the information is confidential by virtue of legislation or not in the public interest. Publicly available information can be accessed on our website, where possible. Information not able to be placed on the website may be accessed on request for viewing in person.

Our Public Transparency Policy, available on our website, outlines the information that is publicly accessible.

Freedom of Information

The *Freedom of Information Act 1982* (the FOI Act) provides individuals with the right to request access to Council documents. There is an application procedure, and rights of access are limited by exemptions detailed in the FOI Act. Applications must be accompanied by an application fee and specific details of the documents requested.

Council received 43 applications during the reporting year. One request was transferred to or from another agency within this financial year. Additionally, three requests were carried forward from 2024-25.

	2025- 26	2024- 25	2023- 24	2022- 23	2021- 22
New applications / requests	43	33	36	39	26
Access granted in full	18	4	6	1	15
Access granted in part	3	6	3	12	6
No documents existed in the requested form / Act does not comply	1	1	1	5	2
Access denied	0	0	0	4	2
Withdrawn	1	1	2	2	1
Requests outstanding at end of financial year	5	3	3	3	0
Review by Office of Victorian Information Commissioner	1	0	2	1	0
Appeals lodged with VCAT	0	0	0	0	0
Fees collected (\$)	739.20	294.30	445.20	642.60	752.50
Fees waived (\$)	126.00	98.10	7	428.40	408.00
Charges collected (\$)	924.03	189.86	386.00	424.30	0

Public Interest Disclosures

Council is committed to ensuring transparency and accountability throughout the organisation and compliance with the *Public Interest Disclosures Act 2012*. The Act supports integrity in the public sector by encouraging the reporting of suspected improper conduct and detrimental action and providing protections for those who make disclosures.

Council's Public Interest Disclosure Policy and associated procedures establish the framework for receiving, assessing and reporting public interest disclosures and encourage the making of disclosures by staff, Councillors and members of the public. The Policy is publicly available on Council's website and includes information on how disclosures may be made and managed.

Council made no public interest disclosure notifications to the Independent Broad-based Anti-Corruption Commission (IBAC).

Privacy and Data Protection Act

The *Privacy and Data Protection Act 2014*, along with the *Health Records Act 2001*, are designed to protect personal information.

Council's Privacy Policy was adopted on 30 April 2024 which guides how Council collects, uses and discloses 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.

Further details about Council's approach to privacy are available on our website.

Contracts

Section 108(1) of the *Local Government Act 2020* requires Council to adopt a Procurement Policy which specifies the principles, processes and procedures that apply in respect to the purchase of works, goods and services.

Council's Procurement Policy was adopted 16 December 2025. Fifty formal procurement processes (including Requests for Tender, Requests for Quotation and Expression of Interest requests) were advertised. These complied with the expenditure thresholds and market engagement requirements as detailed in the Procurement Policy.

The details of all contracts are:

Year	Contracts awarded by Chief Executive Officer (\$)		Total Contracts awarded	Contracts awarded by Council (\$)	Total Contracts awarded
	< 250,000 (inc. GST)	< 500,000 (inc. GST)		>500,000 (inc. GST)	
2025-26	9	9	18	32	50

Domestic Animal Management Plan 2026-29

The *Domestic Animals Act 1994* requires Council to prepare a Domestic Animal Management Plan every four years. Council adopted the Domestic Animal Management Plan 2026–2029 in March 2026 following community consultation, providing a four-year framework for responsible pet ownership, animal welfare, education and compliance activities across the municipality.

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 completed the following actions during the year:

- » Attended the East Gippsland Field Days and the Orbost Show to provide education on responsible pet ownership.
- » Enrolled two officers in required training courses, including Certificate IV in Animal Regulation and Certificate IV in Government Investigations
- » Presented to the Animal Studies student group at TAFE Gippsland on animal management.

Year	Animal Impoundments	Reclaimed	Adopted	Euthanised	Transferred to Animal Aid Coldstream ¹
2025-26	555	163	203	130	22
2024-25	656	167	267	131	15
2023-24	474	134	219	67	8
2022-23	572	132	145	97	4

¹ Coldstream is the headquarters of Animal Aid, Council's pound services contractor

Food Act Ministerial Directions

Under 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.

Road Management Act Ministerial Directions

Under 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.

Infrastructure and Development Contributions

Under section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind and publish this report in its Annual Report.

For the 2025-26 year there were no infrastructure and development contributions made. Council did not collect any Community Infrastructure Levies or payments.

Section seven: Financial reports



Ella and Chase visiting the Mobile Library Van at East Gippsland Field Days in April.

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Annual Financial Report

for the year ended 30 June 2026

Certification of the Financial Statements

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



Ernest Mhande

Responsible Accounting Officer

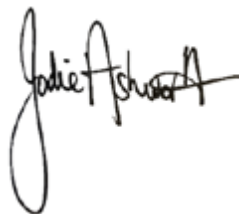
Dated: 18 September 2026

Bairnsdale

In our opinion, the accompanying financial statements present fairly the financial transactions of East Gippsland Shire Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

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

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

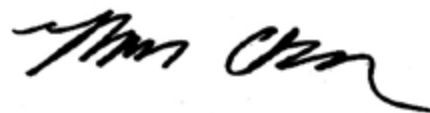


Jodie Ashworth

Mayor

Dated: 18 September 2026

Bairnsdale



Tom Crook

Deputy Mayor

Dated: 18 September 2026

Bairnsdale



Fiona Weigall

Chief Executive Officer

Dated: 18 September 2026

Bairnsdale

Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	I have audited the financial report of East Gippsland Shire Council (the council) which comprises the: • balance sheet as at 30 June 2026 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
21 September 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

for the year ended 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Income / Revenue			
Rates and charges	3.1	74,957	72,720
Statutory fees and fines	3.2	2,442	2,398
User fees	3.3	15,271	14,739
Grants - operating	3.4	33,683	35,424
Grants - capital	3.4	8,465	21,718
Contributions - monetary	3.5	763	399
Contributions - non monetary	3.5	6,295	11,708
Net gain on disposal of property, infrastructure, plant and equipment	3.6	293	329
Fair value adjustments on investment properties	6.2	297	377
Other income	3.7	9,574	11,871
Total income / revenue		152,040	171,683
Expenses			
Employee costs	4.1	47,301	45,997
Materials and services	4.2	58,241	57,326
Depreciation	4.3	32,993	31,704
Amortisation - Intangible assets	4.4	924	997
Depreciation - Right of use assets	4.5	36	80
Allowance for impairment losses	4.6	50	105
Borrowing costs	4.7	336	355
Finance Costs - Leases	4.8	12	14
Other expenses	4.9	4,766	9,427
Landfill rehabilitation provision movement	5.5	(346)	271
Total expenses		144,313	146,276
Surplus for the year		7,727	25,407
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	128,847	—
Total items which will not be reclassified subsequently to the operating result		128,847	—
Total other comprehensive income		128,847	—
Total comprehensive result		136,574	25,407

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

Balance Sheet

as at 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	80,044	86,005
Other financial assets	5.1	38,038	37,159
Trade and other receivables	5.1	11,437	10,417
Contract assets		3,515	2,337
Other assets	5.2	2,249	2,738
Total current assets		135,283	138,656
Non-current assets			
Trade and other receivables	5.1	59	99
Other financial assets	5.1	10	10
Property, infrastructure, plant and equipment	6.1	1,505,107	1,375,817
Investment property	6.2	13,318	13,030
Intangible assets	5.2	1,129	1,959
Right-of-use assets	5.8	429	465
Total non-current assets		1,520,052	1,391,380
Total assets		1,655,335	1,530,036
Liabilities			
Current liabilities			
Trade and other payables	5.3	9,198	16,105
Trust funds and deposits	5.3	4,022	3,821
Contract and other liabilities	5.3	3,737	7,204
Provisions	5.5	7,682	13,743
Interest-bearing liabilities	5.4	1,878	695
Lease liabilities	5.8	21	24
Total current liabilities		26,538	41,592
Non-current liabilities			
Contract and other liabilities	5.3	179	265
Provisions	5.5	13,844	8,067
Interest-bearing liabilities	5.4	6,622	8,501
Lease liabilities	5.8	514	547
Total non-current liabilities		21,159	17,380
Total liabilities		47,697	58,972
Net assets		1,607,638	1,471,064
Equity			
Accumulated surplus		540,704	533,426
Reserves	9.1	1,066,934	937,638
Total Equity		1,607,638	1,471,064

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

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2026					
Balance at beginning of the financial year		1,471,064	533,426	934,911	2,727
Surplus for the year		7,727	7,727	—	—
Net asset revaluation gain	6.1	128,847	—	128,847	—
Transfers to other reserves	9.1	—	(449)	—	449
Balance at end of the financial year		<u>1,607,638</u>	<u>540,704</u>	<u>1,063,758</u>	<u>3,176</u>
2025					
Balance at beginning of the financial year		1,445,657	508,156	934,911	2,590
Surplus for the year		25,407	25,407	—	—
Transfers to other reserves	9.1	—	(137)	—	137
Balance at end of the financial year		<u>1,471,064</u>	<u>533,426</u>	<u>934,911</u>	<u>2,727</u>

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

Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 Inflows/ (Outflows) \$ '000	2025 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		74,033	72,187
Statutory fees and fines		2,349	2,397
User fees		19,653	15,855
Grants - operating		33,367	37,139
Grants - capital		6,664	13,976
Contributions - monetary		763	425
Interest received		5,031	5,754
Reimbursements		3,194	4,675
Trust funds and deposits taken		10,947	9,870
Other receipts		1,541	1,803
Net GST refund		2,601	4,058
Employee costs		(47,091)	(45,256)
Materials and services		(73,425)	(59,932)
Trust funds and deposits repaid		(11,077)	(10,258)
Other payments		(2,153)	(3,117)
Net cash provided by operating activities	9.2	26,397	49,576
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(31,723)	(44,461)
Proceeds from sale of property, infrastructure, plant and equipment		651	1,949
Payments for investments		(205)	(37,159)
Net cash (used in) investing activities		(31,277)	(79,671)
Cash flows from financing activities			
Finance costs		(337)	(355)
Repayment of borrowings		(696)	(663)
Interest paid - lease liability		(12)	(14)
Repayment of lease liabilities		(36)	(60)
Net cash flow (used in) financing activities		(1,081)	(1,092)
Net (decrease) in cash and cash equivalents		(5,961)	(31,187)
Cash and cash equivalents at the beginning of the financial year		86,005	117,192
Cash and cash equivalents at the end of the financial year ¹		80,044	86,005
Financing arrangements	5.6	10,300	10,996

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

Statement of Capital Works

for the year ended 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Property			
Land		121	104
Total land		121	104
Buildings		4,075	7,615
Heritage buildings		75	19
Total buildings		4,150	7,634
Total property		4,271	7,738
Plant and equipment			
Plant, machinery and equipment		4,008	4,763
Fixtures, fittings and furniture		455	551
Computers and telecommunications		693	938
Library books		208	207
Total plant and equipment		5,364	6,459
Infrastructure			
Roads		6,665	11,872
Bridges		108	1,528
Footpaths and cycleways		1,022	1,326
Drainage		1,937	2,506
Recreational, leisure and community facilities		6,540	5,619
Waste management		512	161
Parks, open space and streetscapes		1,881	4,000
Aerodromes		24	53
Off street car parks		47	1,147
Other infrastructure		2,012	1,416
Total infrastructure		20,748	29,628
Total capital works expenditure	6.1	30,383	43,825
Represented by:			
New asset expenditure		4,907	9,652
Asset renewal expenditure		23,144	32,663
Asset upgrade expenditure		2,332	1,510
Total capital works expenditure		30,383	43,825

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 1. Overview

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 1. Overview (continued)

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

Goods and Services Tax (GST)

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

1.2 Impacts of other external events

Council has considered the ongoing external economic conditions that have contributed to volatility in international markets, disruption to global supply chains and continued inflationary pressures. Council has assessed the implications of these conditions for the financial report and has identified the following significant impacts and areas of estimation uncertainty:

Fuel prices:

Higher fuel prices during the year resulted in an unfavourable variance of \$119,519 in relation to Council's own fleet and associated service delivery costs. This amount excludes indirect cost increases incorporated into the prices charged by contractors engaged across Council's capital and operating programs. While these impacts are not separately quantifiable, they are expected to have contributed to additional cost pressures across Council's capital and operating expenditure.

Infrastructure asset revaluation:

Higher-than-anticipated indexation rates applied in the valuation of infrastructure resulted in a net revaluation increment of \$112,821,826, recognised in the asset revaluation surplus. The higher indexation reflects continued increases in construction, labour and material costs across the sector and the broader inflationary pressures affecting infrastructure delivery and replacement costs.

These matters involve significant judgement and estimation uncertainty, particularly in determining the expected future movement in input costs, construction costs, supply availability and market-based indexation rates. These factors remain subject to economic and market volatility and may change as conditions evolve. Council will continue to monitor these external factors and their potential impact on its financial position and financial performance and will revise relevant estimates and assumptions in future reporting periods as more reliable information becomes available.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	74,425	74,957	532	0.71%	
Statutory fees and fines	2,693	2,442	(251)	(9.32)%	
User fees	14,268	15,271	1,003	7.03%	1
Grants - operating	23,973	33,683	9,710	40.50%	2
Grants - capital	18,929	8,465	(10,464)	(55.28)%	3
Contributions - monetary	430	763	333	77.44%	4
Contributions - non monetary	4,000	6,295	2,295	57.38%	5
Net gain on disposal of property, infrastructure, plant and equipment	725	293	(432)	(59.59)%	6
Fair value increment on investment properties	—	297	297	∞	7
Other income	5,364	9,574	4,210	78.49%	8
Total income / revenue	144,807	152,040	7,233	4.99%	
Expenses					
Employee costs	43,368	47,301	(3,933)	(9.07)%	9
Materials and services	55,602	58,241	(2,639)	(4.75)%	10
Depreciation	32,270	32,993	(723)	(2.24)%	11
Amortisation - intangible assets	1,133	924	209	18.45%	
Depreciation - right of use assets	76	36	40	52.63%	12
Allowance for impairment losses	23	50	(27)	(117.39)%	13
Borrowing costs	369	336	33	8.94%	
Finance costs - leases	1	12	(11)	(1,100.00)%	
Other expenses	2,734	4,766	(2,032)	(74.32)%	14
Landfill rehabilitation provision movement	—	(346)	346	∞	15
Total expenses	135,576	144,313	(8,737)	(6.44)%	
Surplus/(deficit) for the year	9,231	7,727	(1,504)	(16.29)%	

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance	Explanation
Ref	

1. User fees exceeded budget by \$1.003 million, mainly due to higher usage and activity across several facilities. The strongest contributors were the Livestock Exchange, which generated an additional \$297,613 from increased sales, and the Eagle Point Foreshore Hub, which was \$181,562 above budget. Waste landfill operations and transfer stations also exceeded budget by \$148,348, while indoor recreation centres and pool memberships were \$72,317 higher than expected due to increased patronage. Booking fees at Mallacoota Foreshore Holiday Park and Swifts Creek Caravan Park were \$69,700 above budget, reflecting higher visitor numbers. The remaining \$234,000 favourable variance related to other activities, including customer service centres, aerodromes and libraries.
2. Grants Operating: Grant income was \$9.710 million higher than the adopted budget, mainly because an advance payment of \$17,696 million being received in June 2026 from the Victoria Grants Commission for the 2026/27 financial year as an early payment of 80% of our Financial Assistance Grants.
3. Grants – Capital: Capital grants were \$10.464 million below the adopted budget, mainly due to delays in several capital projects. As these projects are now expected to be completed in the 2026/27 financial year, the related grant funding was not recognised in the current year. Key projects with funding carried forward include Bairnsdale Runway 04/22 Extension and Lighting Upgrade (\$5.000 million), Gippsland Lakes Shared Community Hub (\$1.250 million), World Sports Precinct (\$0.55 million), Bairnsdale Aerodrome rehabilitation of taxiway & hanger apron (\$0.57 million) and Krauatungalung Walk Stage 2 - section 4 (\$0.4 million).
4. Contributions Monetary: Monetary contributions were \$333,000 above budget, mainly due to unbudgeted contributions received during 2025/26. These included Swifts Creek Recreation Reserve (\$17,724), Lindenow Bowling Green (\$30,188), Roads Sealed Area – Orbost (\$69,000) and planning permits (\$77,267). The remaining \$140,000 related to other contributions.
5. Contribution-Non monetary: Non-monetary contributions were \$2.295 million above budget, with contributed assets totalling \$6.295 million compared with a budget of \$4.000 million. Developer-contributed assets can vary significantly from year to year, depending on subdivision activity and the timing of asset handovers. In 2023/24, 2024/25 and 2025/26, the value of assets transferred to Council was higher than usual due to the completion of several subdivisions. These contributions are difficult to forecast accurately, as the timing of development completion is often uncertain.
6. Net gain on disposal of property, infrastructure, plant and equipment: During the year, Council sold property, infrastructure, plant and equipment, resulting in a net gain that was \$432,000 lower than budget. Variations in gains or losses on asset disposals are common, as the timing and value of asset sales can vary significantly and are difficult to predict in advance. The net proceeds realised depend on a range of factors, including market conditions, the condition of the assets at the time of sale, and Council's operational requirements. As a result, actual outcomes may differ from the amounts originally budgeted.
7. Fair Value Adjustments on investment properties: At the end of the year, the fair value of investment properties increased by \$297,000. This increase was not included in the budget because fair value adjustments are difficult to predict accurately. Market conditions and property values can fluctuate unexpectedly due to factors beyond the Council's control, making it challenging to estimate these changes at the time of preparing the budget.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

8. Other Income: Other income was \$4,210 million higher than budgeted. This was due to additional investment income of \$1.115 million earned during the year. The increase resulted from higher-than-expected interest rates and more cash available for investment. The cash came from grants received in advance of project delivery, along with unspent funds carried forward from incomplete capital projects at the end of the 2025/26 financial year.

External Agency Reimbursement contributed \$1,449 million (which related to the Bogong High Plains Road Landslip \$1.069 million, East Coast Low Flood Event July 2025 \$0.260 million; Rain Event February 2025 \$0.034 million and Severe Weather Event August 2024 \$0.034 million and other \$0.05 million) and the balance of \$1,644 million is accounted by income from rental property and insurance recoveries.

9. Employee costs: Employee costs were \$3.933 million above budget for the 2025/26 financial year. Council adopted a revised forecast for employee costs of \$45,100 million in February 2026, increasing the budget by \$1,732 million. The additional forecast was made up of:

1. \$561K in grant-funded roles that were not included in the adopted budget. These positions are fully funded by external grants
2. \$501K in budget transfers from Materials and Services to Employee Benefits, where work originally planned for consultants and contractors has been delivered internally by staff.
3. \$731K increase in casual wages, following a detailed budget review completed in Q2 to ensure adequate resourcing to maintain service delivery for the remainder of 2025/26.

In the final quarter of 25/26, there was an additional \$168K in grant funded roles that were not budgeted, and an additional \$232K transferred from materials and services to employee costs. In addition to that we had \$449K in employee costs that were not capitalised due to projects being carried forward.

This accounts for \$2.6M of the overspend. The remaining \$1.291 million can be attributed to not achieving the budgeted vacancy rate of \$2 million dollars which is built into the budget. This has been represented through exceeding budget for permanent wages, casual wages and overtime. This demonstrates that when we have vacancies or people who are sick we are filling those roles with existing permanent staff working more hours, casual staff and overtime which has fully realised the budgeted vacancy rate.

10. Materials & Services: Expenditure was \$2.639 million above budget. Of this variance, \$1.570 million relates to grant-funded projects carried forward from 2024/25 that were not included in the original 2025/26 adopted budget. The remaining \$1.062 million is made up of:
- Fuel – \$0.120 million, reflecting increased fuel prices due to the events in the Middle East.
 - Vehicle and plant repairs and maintenance – \$0.198 million, reflecting higher costs associated with maintaining Council's vehicle and plant fleet.
 - Government waste levy - \$0.285 million increase in the State Government charge imposed on waste that is disposed of at landfill, noting that this is offset by increased landfill disposal revenue.
 - Utilities - \$0.330 million the largest difference attributed to gas.

Overall, the variance is therefore partly attributable to additional grant-funded works carried forward from the previous financial year, with the remainder reflecting higher costs incurred in delivering Council's ongoing operational and maintenance activities.

11. Depreciation expenses were \$0.723 million higher than budgeted for the 2025/26 financial year. The main driver of this variance was an increase in the remaining useful lives of several infrastructure assets, following condition assessment updates made during the 2025/26 asset assessments. Another contributing factor was the significant volume of contributed assets, particularly roads and footpaths transferred to Council ownership through completed subdivisions. These contributed assets totaled approximately \$6 million in 2025/26 (budget \$4 million) compared to \$9 million in 2024/25.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

12. Depreciation -right of use assets: This variance reflects the actual depreciation expense for leased assets during the year.
13. Allowance for impairment losses: Allowance for Impairment Losses was \$27,000 higher than budgeted. This variance arose from the end-of-year assessment of doubtful debts, which identified a greater need for provision than initially expected. It reflects changes in payment behavior, economic conditions, and the age of outstanding debts, it can be difficult to estimate accurately at the time the budget is prepared.
14. Other Expenses: Other expenses are \$2,032 million above budget driven by asset Write-Offs totaling \$2,801 million for the year, despite \$0.769 million savings across other lines items. When an asset—such as a road, footpath, or bridge—is upgraded or renewed, the old component it replaces is removed from the asset register and its remaining value is written off. This is standard accounting practice and ensures Council's asset records reflect only the current condition and value of infrastructure. While this appears as an expense in the financial statements, it aligns with the renewal and upgrade of community assets and does not represent a loss in service.
15. Landfill Provision Movement: This variance is due to an end-of-year adjustment to the present value calculation of Council's future obligation to rehabilitate landfill sites. Under AASB137 Provisions, Contingent Liabilities and Contingent Assets, councils are required to set aside a provision for the future cost of restoring and monitoring landfill sites after they are closed. This provision is based on estimates of future rehabilitation costs, the expected timing of those costs, and discount rates used to calculate their present value. In this case, changes in assumptions such as updated cost estimates, revised timelines, or movements in the discount rate resulted in a \$346,000 decrease in the required provision. While this does not represent an immediate cash inflow, it ensures that the financial statements accurately reflect Council's long-term environmental responsibilities.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Land	250	121	(129)	(51.60)%	1
Total land	250	121	(129)	(51.60)%	
Buildings	8,639	4,075	(4,564)	(52.83)%	2
Heritage buildings	105	75	(30)	(28.57)%	
Total buildings	8,744	4,150	(4,594)	(52.54)%	
Total property	8,994	4,271	(4,723)	(52.51)%	
Plant and equipment					
Plant, machinery and equipment	5,107	4,008	(1,099)	(21.52)%	3
Fixtures, fittings and furniture	50	455	405	810.00%	4
Computers and telecommunications	5,592	693	(4,899)	(87.61)%	5
Library books	209	208	(1)	(0.48)%	
Total plant and equipment	10,958	5,364	(5,594)	(51.05)%	
Infrastructure					
Roads	9,678	6,665	(3,013)	(31.13)%	6
Bridges	250	108	(142)	(56.80)%	7
Footpaths and cycleways	1,509	1,022	(487)	(32.27)%	
Drainage	4,620	1,937	(2,683)	(58.07)%	8
Recreational, leisure and community facilities	8,062	6,540	(1,522)	(18.88)%	9
Waste management	2,394	512	(1,882)	(78.61)%	10
Parks, open space and streetscapes	12,887	1,881	(11,006)	(85.40)%	11
Aerodromes	11,585	24	(11,561)	(99.79)%	12
Off street car parks	362	47	(315)	(87.02)%	13
Other infrastructure	412	2,012	1,600	388.35%	14
Total infrastructure	51,759	20,748	(31,011)	(59.91)%	
Total capital works expenditure	71,711	30,383	(41,328)	(57.63)%	
Represented by:					
New asset expenditure	10,685	4,907	(5,778)	(54.08)%	
Asset renewal expenditure	48,587	23,144	(25,443)	(52.37)%	
Asset upgrade expenditure	12,439	2,332	(10,107)	(81.25)%	
Total capital works expenditure	71,711	30,383	(41,328)	(57.63)%	

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

VarianceExplanation Ref

1. Land: The Land Acquisitions budget was under spent by \$129,000 mainly due to the timing for purchase of Tambo bluff reserves (\$105,000). These acquisitions are still expected to occur and have been carried forward for completion in the 2026/27 financial year.
Land purchase delays occur due to factors such as extended negotiations, changes in project scope, dependencies on planning and legal processes.
2. Buildings: The building expenditure budget was underspent by \$4.564 million. The variance is largely attributable to delays in the delivery of several projects, the majority of which are still underway and have been carried forward into 2026/27 and the Gippsland Lakes Shared Community hub (\$2.505 million) is being rescope and will be delivered in the future. These projects represent a total value of \$2.059 million:
 - The balance remaining after completing the Bairnsdale Airport - Air Ambulance Victoria Transfer - \$0.987 million, in consultation with the grant body, the remaining grant allocation has been directed to Bairnsdale Aerodrome rehabilitation of taxiway & hanger apron project.
 - Lakes Entrance Indoor Courts - \$0.487 million.
 - Mallacoota Foreshore Holiday Park Fire Safety - \$0.388 million.
3. Plant, machinery and equipment: The plant replacement program was under spent by \$1.099 million and carried forward to 2026/2027 financial year.
The variance was also due to updated condition assessments, which determined that some assets were still in good working order and did not yet require replacement.
4. Fixtures, fittings and furniture: expenditure exceeded budget by \$405,000. The unfavorable variance is attributable to a budgeting methodology difference rather than additional expenditure. At the time of budget preparation, a number of capital projects were budgeted at the aggregate project level, without disaggregation into individual asset-class components. Following completion of year-end procedures, actual project costs were reviewed on an item-by-item basis and allocated to the appropriate asset class in accordance with their nature and function, consistent with the requirements of the applicable accounting standards. This process identified costs that had initially been budgeted against other asset categories(e.g. Buildings, Plant & Equipment) but were, on review, more appropriately classified as Fixtures, Fittings and Furniture.

Accordingly, the reported variance reflects a reclassification between asset categories rather than a change in total project expenditure or overall capital spend. Total capital expenditure across the affected projects remains materially consistent with the approved budget; the variance is presented at the individual asset-class level to ensure the financial statements accurately reflect the composition of assets delivered during the year.
5. Computers and telecommunications: Spending on computers and telecommunications was \$4.899 million below budget. This variance was primarily driven by the deferral of several key projects, which have been carried forward for completion in 2026/27 and 2027/28. Major projects affected include the Renewal and Upgrade of Corporate Systems (\$1.223 million - 2026/2027) and the Digital Services Project (\$2.479 million - 2027/28). In addition, approximately \$364,923 related to the Public CCTV Refresh project.
6. Roads: Expenditure was \$3.013 million below budget, primarily due to a contractor ceasing works, which required Council to reassign the affected contracts and procure alternative contractors. This resulted in unavoidable delays to a number of planned road projects. The unspent budget has been carried forward to 2026/27 to enable the outstanding works to be completed.
7. Bridges: Comprises of Major Culvert Renewal Program which underspend by \$0.142 million and the work will be carried forward to 2026/27.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

8. Drainage : Expenditure was \$2.683 million below budget, primarily due to the timing, deferral and completion of some of drainage projects. The Marlo Town Drainage Upgrade (\$0.886 million) was deferred and is now scheduled for delivery in 2027/28. Similarly, the Integrated Water Management – Bairnsdale project (\$0.223 million) has been deferred to 2027/28. The Lanes Road, Lucknow Drainage Solution (\$0.205 million) was not completed during 2025/26, with the remaining budget carried forward to 2026/27 to enable completion of the works. The Eastern Beach Road Drainage Improvements (\$0.517 million) were also not completed during the year, with the unspent budget carried forward to 2026/27.

In addition, two drainage projects were completed for less than their approved budgets, resulting in savings of \$0.503 million. The LENGA Drainage Project has also been deferred and will be considered for delivery in future years.

9. Recreational, leisure and community facilities: Expenditure is \$1.522 million under budget with the projects listed below being deferred to future years pending Project Management Framework review:
- West Bairnsdale Recreation Reserve Redevelopment – \$0.587 million
 - Nowa Nowa Boat Jetty – \$0.460 million
 - Seawall Renewal Program – \$0.324 million

10. Waste management: Expenditure was \$1.882 million below budget, primarily due to delays in the delivery of several projects:
- Cann River Waste Transfer Station – \$0.515 million
 - Bairnsdale Recycling Centre – \$0.426 million
 - Bairnsdale Landfill Fire Ring Main – \$0.331 million
 - Extension to Existing Recycling Storage Area – Bairnsdale WTS – \$0.265 million
 - Extension to Existing Recycling Storage Area – Bairnsdale WTS – \$0.128 million

11. Parks, open space and streetscapes: Expenditure was \$11.006 million below budget, primarily due to delays in delivering a number of planned projects, changes to project scope and the reclassification of projects to other asset categories.

Projects deferred to 2026/27: Several projects were not completed during 2025/26 and have been deferred to 2026/27, including:

- The Slip Road Maritime Precinct – \$0.603 million
- Livingstone Park, Omeo Stage 1 & 2 – \$0.478 million
- Krauatungalung Walk Stage 2 – \$0.710 million
- Foreshore Management Plan Implementation – Marlo – \$0.168 million
- Benambra Dejarlais Park/Public Toilet – \$0.270 million
- Metung Boardwalk Revitalisation – \$0.377 million

Projects withdrawn or completed below budget: Two projects totaling \$0.410 million were withdrawn and will be reconsidered in a future financial year. The Livingstone Park Community Facilities project was completed with a reduced scope, resulting in an underspend of \$0.930 million.

Reclassification of projects: The Slip Road Maritime Precinct project, originally budgeted within Parks, Open Space and Streetscapes, was reclassified to Recreational, Leisure and Community Facilities at year-end, resulting in \$6.097 million being transferred to that asset category.

Overall, the variance largely reflects the timing of project delivery and changes in the classification or scope of projects, rather than a permanent reduction in Council's planned investment in parks, open spaces and streetscapes.

12. Aerodromes: Expenditure was \$11.561 million below budget, primarily because a number of major aerodrome projects were not completed during 2025/26 and their budgets have been carried forward to future financial years.

The main projects contributing to the underspend were:

- Bairnsdale Runway 04/22 Extension and Lighting Upgrade – \$6.839 million
- Bairnsdale Aerodrome Rehabilitation of Taxiway and Hangar Apron – \$3.143 million
- Other aerodrome projects – \$1.579 million relates to the timing of other project expenditure and associated carry-forwards. The underspend therefore primarily reflects project timing and the deferral of planned works, rather than the cancellation of the aerodrome program.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

13. Off street car parks: The off street car parks budget was underspent by \$0.315 million due to projects being carried forward including ; Parking Upgrade Lakes Entrance \$0.100 million, Extension to Carpark - Slip Bight Marine Jetty 5 \$0.183 and McCulloch Street Bairnsdale Carpark \$0.032 million.
14. Other infrastructure: The other infrastructure budget was over spent by \$1.600 million. The reclassification of \$1.214 million Bairnsdale Runway 04/22 Extension & Lighting Upgrade from Aerodrome to Other infrastructure and two projects were reclassified out to roads and drainage amounting to \$ 0.119 million.

Notes to the Financial Report

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Office of the CEO

Activities associated with municipal governance including the Chief Executive Officer, communication engagement and advocacy .

Business Excellence

Activities associated with financial management, rate collection, risk management, valuations, information services and human resources, procurement, the cost of Councillors, corporate planning, customer service, libraries, regulatory services, governance administration and property services.

Place and Community

Activities associated with strategic and statutory planning, economic development and tourism, emergency management, family and childrens services, aged services, community planning, recreation facilities, Forge Theatre, development and bushfire recovery activities.

Assets and Environment

Activities associated with roads, bridges, drainage, signs, footpaths and street sweeping, parks and reserves, tree management, playgrounds, public toilets, waste and environmental management, asset management, capital works program, commercial business operations and fleet and plant management.

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

	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2026					
Office of the CEO	2,869	2,869	—	—	—
Business Excellence	34,968	27,241	7,727	20,346	139,268
Place and Community	22,835	22,835	—	1,324	87,573
Assets and Environment	91,368	91,368	—	20,478	1,428,494
	152,040	144,313	7,727	42,148	1,655,335
2025					
Office of the CEO	1,852	1,852	—	—	—
Business Excellence	53,098	27,691	25,407	22,314	150,766
Place and Community	28,195	28,195	—	1,545	78,850
Assets and Environment	88,539	88,539	—	33,283	1,300,420
	171,684	146,277	25,407	57,142	1,530,036

Notes to the Financial Report

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services

	2026 \$ '000	2025 \$ '000
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3.1 Rates and charges

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

The valuation base used to calculate general rates for 2025/26 was \$19,909 million, (2024/25 \$19,834 million). Commercial / Industrial rates valuation base for 2025/26 was \$1,701 million (2024/25 \$1,628 million), Farm rates valuation base for 2025/26 \$3,004 million (2024/25 \$2,970 million) and General rates valuation base for 2025/26 \$15,204 million (2024/25 \$15,236 million). The 2025/26 rate in the dollar for General rates was 0.00271314 (2024/25 0.00265466), Commercial / Industrial rates 0.00349995 (2024/25 0.00358379) and Farm rates 0.00200773 (2024/25 0.00199100).

General rates	53,238	51,642
Municipal charge	8,442	8,186
Waste management charge	12,013	11,664
Supplementary rates and rate adjustments	624	639
Interest on rates and charges	537	488
Revenue in lieu of rates	103	101
Total rates and charges	74,957	72,720

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

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

3.2 Statutory fees and fines

Infringements and costs	306	309
Application Registration Fees	358	333
Animal Registrations	410	428
Town planning fees	1,032	773
Land information certificates	142	112
Permits	65	69
Other	129	374
Total statutory fees and fines	2,442	2,398

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

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
3.3 User fees		
Leisure centre and recreation	3,341	3,361
Raymond Island Ferry	317	382
Arts and Culture	253	213
Caravan Parks	2,565	2,724
Saleyards	1,380	1,245
Marinas	1,292	1,200
Child care/children's programs	51	72
Tourism	42	79
Building services	31	27
Waste management services	5,432	5,019
Other fees and charges	567	417
Total user fees	15,271	14,739
User fees by timing of revenue recognition		
User fees recognised over time	2,375	2,516
User fees recognised at a point in time	12,896	12,223
Total user fees	15,271	14,739

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

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
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3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	35,662	45,608
State funded grants	6,486	11,534
Total grants received	42,148	57,142

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	28,266	31,064
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Recurrent - State Government

Arts and Culture	60	60
Asset Maintenance	186	226
Community Development	14	23
Community Laws	129	125
Emergency Management	240	120
Environmental Management	106	104
Libraries	384	383
Public Health	34	34
Total recurrent operating grants	29,419	32,139

Non-recurrent - Commonwealth Government

Community Development	–	(44)
Emergency Management	19	56
Recreational, Leisure and Community Facilities	2,858	360

Non-recurrent - State Government

Community Development	178	186
Community Laws	70	9
Arts and Culture	4	(6)
Economic Development	118	225
Bushfire Recovery	–	330
Emergency Management	650	385
Waste Management	–	55
Roads	7	10
Strategic planning	165	128
Human resource	4	2
Recreational, Leisure and Community Facilities	148	1,542

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
Non-recurrent - Other		
Other - Environmental Management	19	2
Other- Community Development	7	—
Other - Economic Development	11	9
Other - Strategic planning	—	22
Other - Libraries	6	14
Total non-recurrent operating grants	4,264	3,285
Total operating grants	33,683	35,424
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	3,933	2,950
Recurrent - State Government		
Recreational, Leisure and Community Facilities	9	9
Total recurrent capital grants	3,942	2,959
Non-recurrent - Commonwealth Government		
Buildings	25	318
Aerodrome	—	962
Footpaths and cycleways	—	1,177
Parks, Open Space and Streetscapes	353	2,394
Recreational, Leisure and Community Facilities	—	2,584
Roads	208	4,044
Other Infrastructure	—	(257)
Non-recurrent - State Government		
Buildings	1,241	990
Other	—	189
Parks, Open Space and Streetscapes	2,132	2,234
Plant and Equipment	101	21
Recreational, Leisure and Community Facilities	—	3,766
Waste Management	20	—
Environmental sustainability	—	150
Roads	443	—
Non- recurrent - Other		
Other - Environmental sustainability	—	187
Total non-recurrent capital grants	4,523	18,759
Total capital grants	8,465	21,718

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
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(c) Recognition of grant income

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

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

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

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

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

General purpose	29,288	31,791
Specific purpose grants to acquire non-financial assets	8,538	22,345
Other specific purpose grants	1,444	1,480

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	2,878	1,526
	42,148	57,142

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

Balance at start of year	2,727	1,393
Received during the financial year and remained unspent at balance date	–	2,727
Received in prior years and spent during the financial year	(658)	(1,393)
Balance at year end	2,069	2,727

Capital

Balance at start of year	4,177	14,014
Received during the financial year and remained unspent at balance date	914	1,578
Received in prior years and spent during the financial year	(3,775)	(11,415)
Balance at year end	1,316	4,177

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
3.5 Contributions		
Monetary	763	399
Non-monetary	6,295	11,708
Total contributions	7,058	12,107

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

Land	1,322	4,162
Buildings Specialised	38	–
Roads	1,788	3,248
Drainage	2,155	2,973
Other infrastructure	35	113
Other	1	205
Footpath	956	1,007
Total non-monetary contributions	6,295	11,708

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

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

Proceeds of sale	651	1,949
Written down value of assets disposed	(358)	(1,620)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	293	329

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

3.7 Other income

Interest	4,660	5,568
Investment property rental	1,349	1,239
Reimbursements - Other	1,759	1,487
Reimbursements - Natural Disasters	1,435	3,188
Other	371	389
Total other income	9,574	11,871

Interest is recognised as it is earned.

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 4. The cost of delivering services

	2026 \$ '000	2025 \$ '000
4.1 Employee costs		
4.1 (a) Employee costs		
Wages and salaries	40,662	39,509
WorkCover	1,602	1,897
Superannuation	4,886	4,469
Fringe benefits tax	151	122
Total employee costs	47,301	45,997

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	22	21
	22	21

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,442	1,430
Employer contributions - Australian Super	628	531
Employer contributions - Hostplus	416	370
Employer contributions - Vic Super	198	196
Employer contributions - other funds	2,184	1,921
	4,868	4,448

Employer contributions payable at reporting date	128	109
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Contributions made exclude amounts accrued at balance date.

Most employees in the group are members of various accumulation funds including Vision Super, and other industry and retail funds. As of 30 June 2026, there were 2 employees in the defined benefit funds.

For 30 June 2026 the Vested Benefits Index (VBI) for the defined benefits fund is 116.9% and in a good financial position, and therefore it is expected that there will be no change to the Defined Benefit category's funding arrangements from prior years.

In the unlikely event that the Fund Actuary determines there is a shortfall, the Fund's participating employers would be required to make an employer contribution to cover the shortfall. It is anticipated any shortfall in subsequent years would be immaterial to the Council.

Notes to the Financial Report

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026 \$ '000	2025 \$ '000
4.2 Materials and services		
Contractors		
- Road maintenance	10,343	10,709
- Vegetation management	632	534
- Ferry maintenance	930	—
- Aerodrome Operations and maintenance	109	104
- Building maintenance	514	278
- Electrical Services	5	137
- Buchan recreation reserve	3,326	2,156
- Environmental Management	184	—
- Waste collection	5,029	4,906
- Waste Management	1,686	1,156
- Animal pound services	311	285
- Cleaning	1,132	1,123
- Swifts Creek Recreation Reserve	—	1,887
- Sarsfield recreation reserve	3,084	—
- Parks and gardens	101	638
- Consulting	19	—
- Other	435	220
Other materials and services		
Building maintenance	1,567	1,102
General maintenance	13,833	15,362
Utilities	2,544	2,427
Office administration	2,026	2,392
Information technology	4,492	3,589
Insurance	1,842	1,776
Consultants	2,450	4,665
Contributions	1,554	1,880
Other	93	—
Total materials and services	58,241	57,326

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026 \$ '000	2025 \$ '000
4.3 Depreciation		
Property		
Heritage buildings	287	285
Buildings - specialised	4,213	4,040
Total depreciation - property	4,500	4,325
Plant and equipment		
Plant machinery and equipment	2,646	2,379
Fixtures fittings and furniture	739	889
Computers and telecomms	906	683
Library books	205	182
Total depreciation - plant and equipment	4,496	4,133
Infrastructure		
Roads	14,891	14,596
Bridges	1,264	1,506
Footways and cycleways	1,286	1,357
Drainage	1,143	1,084
Recreational, leisure and community	823	1,014
Waste management	1,205	1,197
Parks open spaces and streetscapes	1,618	808
Aerodromes	245	241
Off street car parks	289	248
Other infrastructure	1,233	1,195
Total depreciation - infrastructure	23,997	23,246
Total depreciation	32,993	31,704

Refer to note 5.2(b), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software	14	92
Landfill Airspace	910	905
Total Amortisation - Intangible assets	924	997

4.5 Depreciation - Right of use assets

Property	36	70
Plant and Equipment	–	10
Total Depreciation - Right of use assets	36	80

Notes to the Financial Report

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026 \$ '000	2025 \$ '000
4.6 Allowance for impairment losses		
Parking fine debtors	16	53
Animal fine debtors	50	17
Rates debtors	(14)	33
Other debtors	(2)	2
Total allowance for impairment losses	50	105
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	1,339	1,249
New allowances recognised during the year	56	105
Amounts already allowed for and written off as uncollectible	(11)	(18)
Amounts allowed for but recovered during the year	5	3
Balance at end of year	1,389	1,339

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

4.7 Borrowing costs

Interest - Borrowings	336	355
Total borrowing costs	336	355

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

4.8 Finance Costs - Leases

Interest - Lease Liabilities	12	14
Total finance costs	12	14

Notes to the Financial Report

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026 \$ '000	2025 \$ '000
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	70	65
Auditors' remuneration - Internal Audit	55	48
Councillors' allowances	511	421
Operating lease rentals	157	281
Memberships/Subscriptions	447	419
Bank fees and charges	176	206
Legal fees	479	596
Assets written-off - Buildings	244	274
Assets written-off - Bridges	—	185
Assets written-off - Roads	1,118	3,372
Assets written-off - Open Space	106	37
Assets written-off - Drainage	19	129
Assets written-off - Other infrastructure	—	64
Assets written-off - Work in progress	811	—
Assets written-off - Car Park	—	273
Assets written-off - Other	41	1,939
Assets written-off - Footpath	420	193
Assets written-off - Recreation	43	197
Assets written-off - Software	—	707
Bad debt written off	6	20
Others	63	1
Total other expenses	4,766	9,427

Notes to the Financial Report

for the year ended 30 June 2026

Note 5. Investing in and financing our operations

	2026 \$ '000	2025 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	11	11
Cash at bank	80,033	43,001
Term deposits	—	42,993
Total cash and cash equivalents	80,044	86,005
(b) Other financial assets		
Current		
Term deposits	38,038	37,159
Total current other financial assets	38,038	37,159
Non-current		
Shares in Community Banks	10	10
Total other financial assets	38,048	37,169
Total cash and cash equivalents and other financial assets	118,092	123,174
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.		
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	8,250	7,018
Special rate assessment	606	607
Infringement debtors	1,221	1,134
Allowance for expected credit loss - infringements, rates and schemes	(1,320)	(1,268)
Net GST receivable	622	1,170
<i>Non-statutory receivables</i>		
Other debtors	2,127	1,827
Allowance for expected credit loss- other debtors	(69)	(71)
Total current trade and other receivables	11,437	10,417
Non-Current		
<i>Statutory receivables</i>		
Special rate scheme	59	99
Total non-current trade and other receivables	59	99
Total trade and other receivables	11,496	10,516

Notes to the Financial Report

for the year ended 30 June 2026

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

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

	2026 \$ '000	2025 \$ '000
(d) Ageing of receivables		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,418	1,193
Past due by up to 30 days	185	35
Past due between 31 and 180 days	309	442
Past due between 181 and 365 days	64	81
Past due by more than 1 year	81	5
Total trade and other receivables	2,057	1,756

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$69,000 (2025: \$71,000) were impaired. The amount of the allowance raised against these debtors was \$69,000 (2025: \$71,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by more than 1 year	69	71
Total trade and other receivables	69	71

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
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5.2 Non-financial assets

(a) Other assets

Accrued income	445	731
Prepayments	1,804	2,005
Other	–	2
Total other assets	2,249	2,738

(b) Intangible assets

Software	121	41
Landfill air space	1,008	1,918
Total intangible assets	1,129	1,959

	Software \$ '000	Landfill \$ '000	Total \$ '000
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Gross Carrying Amount

Balance at 1 July 2025	1,116	8,472	9,588
Other additions	93	–	93
Balance at 30 June 2026	1,209	8,472	9,681

Accumulated amortisation and impairment

Balance at 1 July 2025	1,075	6,554	7,629
Amortisation expense	13	910	923
Balance at 30 June 2026	1,088	7,464	8,552

Net book value at 30 June 2025

	41	1,918	1,959
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Net book value at 30 June 2026

	121	1,008	1,129
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Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	1,008	13,063
Accrued expenses	8,190	3,042
Total current trade and other payables	9,198	16,105
(b) Trust funds and deposits		
Current		
Refundable deposits	2,809	2,470
Emergency Services and Volunteers Fund	489	427
Retention amounts	724	924
Total current trust funds and deposits	4,022	3,821
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	2,069	2,727
Caravan Park and other	247	174
Prepaid Marina Income	105	126
Total current contract liabilities	2,421	3,027
Other liabilities		
Current		
Deferred capital grants	1,316	4,177
Total current other liabilities	1,316	4,177
Total current contract and other liabilities	3,737	7,204
Contract liabilities		
Non-current		
Prepaid Marina Income	179	265
Total non-current contract liabilities	179	265
Total contract and other liabilities	3,916	7,469

Trust funds and deposits

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

Contract liabilities

Contract liabilities reflect consideration received in advance from Marina and Caravan Park customers in respect of leases and licences paid in advance as well as grant funding for various operational projects that Council has yet to gain the right to the funds in accordance with funding agreements. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Notes to the Financial Report

for the year ended 30 June 2026

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

Other liabilities

Grant consideration was received from government funding bodies to support the construction of a number of capital projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the related capital projects. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of items

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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.

	2026 \$ '000	2025 \$ '000
5.4 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	728	695
Other borrowings - secured	1,150	–
Total current interest-bearing liabilities	1,878	695
Non-current		
Treasury Corporation of Victoria borrowings - secured	6,122	6,851
Other borrowings - secured	500	1,650
Total non-current interest-bearing liabilities	6,622	8,501
Total	8,500	9,196

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

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

Not later than one year	1,878	695
Later than one year and not later than five years	3,785	4,283
Later than five years	2,837	4,218
Total	8,500	9,196

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

Notes to the Financial Report

for the year ended 30 June 2026

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

	Employee provisions \$ '000	Landfill restoration \$ '000	Other \$ '000	Total \$ '000
5.5 Provisions				
2026				
Balance at the beginning of the financial year	8,298	13,250	262	21,810
Additional provisions	897	—	2	899
Amounts used	(618)	(253)	(8)	(879)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	42	(346)	—	(304)
Balance at the end of the financial year	8,619	12,651	256	21,526
Provisions				
Provisions - current	7,588	94	—	7,682
Provisions - non-current	1,031	12,557	256	13,844
Total Provisions	8,619	12,651	256	21,526
2025				
Balance at the beginning of the financial year	7,853	13,234	186	21,273
Additional provisions	1,353	—	78	1,431
Amounts used	(912)	(255)	(2)	(1,169)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	4	271	—	275
Balance at the end of the financial year	8,298	13,250	262	21,810
Provisions				
Provisions - current	7,249	6,494	—	13,743
Provisions - non-current	1,049	6,756	262	8,067
Total Provisions	8,298	13,250	262	21,810
			2026 \$ '000	2025 \$ '000

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	3,004	2,875
Long service leave	378	395
Other Leave	91	120
	3,473	3,390

Current provisions expected to be wholly settled after 12 months

Annual leave	288	306
Long service leave	3,827	3,553
	4,115	3,859
Total current employee provisions	7,588	7,249

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
Non-Current		
Long service leave	1,031	1,049
Total Non-Current Employee Provisions	1,031	1,049
Aggregate Carrying Amount of Employee Provisions:		
Current	7,588	7,249
Non-current	1,031	1,049
Total Aggregate Carrying Amount of Employee Provisions	8,619	8,298

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- discount rate	4.76%	4.20%
- index rate	2.25%	2.25%

(b) Landfill restoration

Current	94	6,494
Non-current	12,557	6,756
Total	12,651	13,250

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	4.74%	4.20%
- index rate	4.00%	4.00%

(c) Native vegetation offset provision

Non-current	256	262
	256	262

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2026.		
Bank overdraft	1,500	1,500
Credit card facilities	300	300
Treasury Corporation of Victoria facilities	6,850	7,546
Other facilities	1,650	1,650
Total Facilities	10,300	10,996
Used facilities	8,545	9,263
Unused facilities	1,755	1,733

Notes to the Financial Report

for the year ended 30 June 2026

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

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2026					
Operating					
Cleaning	1,301	1,104	60	—	2,465
Ferry					
Operations/Maintenance	465	51	45	—	561
Road Infrastructure					
Maintenance	720	61	—	—	781
Waste Management	3,483	219	24	—	3,726
Other Service Contracts	232	—	—	—	232
Total	6,201	1,435	129	—	7,765
Capital					
Roads	485	—	—	—	485
Recreation	9,498	—	—	—	9,498
Waste	108	—	—	—	108
Parks and Open Space	3,796	—	—	—	3,796
Drainage	2,036	—	—	—	2,036
Other	1,088	—	—	—	1,088
Total	17,011	—	—	—	17,011
2025					
Operating					
Recreation	3,510	—	—	—	3,510
Cleaning	1,063	691	749	—	2,503
Ferry					
Operations/Maintenance	570	193	92	—	855
Road Infrastructure					
Maintenance	701	701	58	—	1,460
Waste Management	5,034	3,180	1	—	8,215
Other Service Contracts	276	52	—	—	328
Total	11,154	4,817	900	—	16,871
Capital					
Recreation	5,228	—	—	—	5,228
Waste	666	—	—	—	666
Parks and Open Space	4,821	—	—	—	4,821
Drainage	837	—	—	—	837
Other	1,205	—	—	—	1,205
Total	12,757	—	—	—	12,757

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026	2025
	\$ '000	\$ '000

(b) Operating lease receivables

Operating lease receivables

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

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

Not later than one year	935	1,151
Later than one year and not later than five years	2,319	2,896
Later than five years	1,743	2,011
Total	4,997	6,058

5.8 Leases

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

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

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

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

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

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

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

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

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

Notes to the Financial Report

for the year ended 30 June 2026

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

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

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

Council has 53 peppercorn/low value leases on land and buildings. Use of these properties is restricted to community service and welfare activities.

Right-of-Use Assets

	Property \$ '000	Equipment \$ '000	Total \$ '000
2026			
Balance at 1 July 2025	465	–	465
Depreciation charge	(36)	–	(36)
Balance at 30 June 2026	429	–	429
2025			
Balance at 1 July 2024	558	35	593
Disposal	(23)	(25)	(48)
Depreciation charge	(70)	(10)	(80)
Balance at 30 June 2025	465	–	465

Notes to the Financial Report

for the year ended 30 June 2026

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

	2026 \$ '000	2025 \$ '000
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	33	37
One to five years	147	140
More than five years	458	498
Total undiscounted lease liabilities as at 30 June:	638	675
Lease liabilities included in the Balance Sheet at 30 June:		
Current	21	24
Non-current	514	547
Total lease liabilities	535	571
Short-term and low value leases		
Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.		
Expenses relating to:		
Short-term leases	130	219
Leases of low value assets	28	55
Total	158	274
Variable lease payments (not included in measurement of lease liabilities)		
Variable lease payments	38	73
Total	38	73
Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.		
Non-cancellable lease commitments - Short-term and low-value leases		
Commitments for minimum lease payments for short-term and low-value leases are payable as follows:		
Payable:		
Within one year	49	54
Later than one year but not later than five years	20	67
Later than five years	30	34
Total lease commitments	99	155

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2025 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2026 \$ '000
Property	329,381	–	1,360	16,026	(74)	(4,500)	(243)	3,056	345,006
Plant and equipment	21,798	–	–	–	(285)	(4,496)	(17)	5,432	22,432
Infrastructure	983,719	–	4,935	112,821	–	(23,997)	(1,720)	10,858	1,086,616
Work in progress	40,919	30,384	–	–	–	–	(811)	(19,439)	51,053
Total	1,375,817	30,384	6,295	128,847	(359)	(32,993)	(2,791)	(93)	1,505,107

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	7,157	4,271	(317)	(4,277)	6,834
Plant and equipment	406	5,364	–	(5,358)	412
Infrastructure	33,356	20,749	(494)	(9,804)	43,807
Total	40,919	30,384	(811)	(19,439)	51,053

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Total land and land improve- ments \$ '000	Heritage buildings \$ '000	Buildings specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
(a) Property								
At fair value 1 July 2025	195,648	4,770	200,418	20,299	221,142	241,441	7,157	449,016
Accumulated depreciation at 1 July 2025	—	—	—	(11,376)	(101,102)	(112,478)	—	(112,478)
	195,648	4,770	200,418	8,923	120,040	128,963	7,157	336,538
Movements in fair value								
Additions	—	—	—	—	—	—	4,271	4,271
Contributions	1,322	—	1,322	—	38	38	—	1,360
Revaluation	—	—	—	2,757	28,967	31,724	—	31,724
Disposal	(74)	—	(74)	—	—	—	—	(74)
Write-off	—	—	—	—	(879)	(879)	(317)	(1,196)
Transfers	113	—	113	—	2,943	2,943	(4,277)	(1,221)
	1,361	—	1,361	2,757	31,069	33,826	(323)	34,864
Movements in accumulated depreciation								
Depreciation and amortisation	—	—	—	(287)	(4,213)	(4,500)	—	(4,500)
Revaluation movement	—	—	—	(1,582)	(14,116)	(15,698)	—	(15,698)
Accumulated depreciation of write off	—	—	—	—	636	636	—	636
	—	—	—	(1,869)	(17,693)	(19,562)	—	(19,562)
At fair value 30 June 2026	197,009	4,770	201,779	23,057	252,211	275,268	6,834	483,881
Accumulated depreciation at 30 June 2026	—	—	—	(13,246)	(118,795)	(132,041)	—	(132,041)
Carrying amount	197,009	4,770	201,779	9,811	133,416	143,227	6,834	351,840

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
(b) Plant and Equipment						
At cost 1 July 2025	28,826	13,991	4,840	5,938	406	54,001
Accumulated depreciation at 1 July 2025	(15,123)	(9,695)	(2,187)	(4,792)	–	(31,797)
	13,703	4,296	2,653	1,146	406	22,204
Movements in carrying value						
Additions	–	–	–	–	5,364	5,364
Disposal	(1,268)	–	–	–	–	(1,268)
Write-off	(200)	(141)	(1,223)	–	–	(1,564)
Transfers	6,219	(3,137)	2,034	208	(5,358)	(34)
	4,751	(3,278)	811	208	6	2,498
Movements in accumulated depreciation						
Depreciation and amortisation	(2,646)	(739)	(906)	(205)	–	(4,496)
Accumulated depreciation of disposals	983	–	–	–	–	983
Accumulated depreciation of write off	185	139	1,223	–	–	1,547
Transfers	(1,591)	2,394	(695)	–	–	108
	(3,069)	1,794	(378)	(205)	–	(1,858)
At cost 30 June 2026	33,577	10,713	5,651	6,145	412	56,498
Accumulated depreciation at 30 June 2026	(18,192)	(7,901)	(2,565)	(4,996)	–	(33,654)
Carrying amount	15,385	2,812	3,086	1,149	412	22,844

Plant and equipment are carried at historical cost.

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and community \$ '000	Waste management \$ '000	Parks open spaces and streets- capes \$ '000	Aerodromes \$ '000	Off street car parks \$ '000	Other infra- structure \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
(c) Infrastructure												
At fair value 1 July 2025	874,419	129,324	76,410	119,128	44,497	14,047	47,129	12,777	15,250	46,563	33,356	1,412,900
Accumulated depreciation at 1 July 2025	(228,515)	(27,290)	(23,532)	(45,761)	(16,646)	(7,316)	(22,741)	(2,698)	(3,474)	(17,852)	–	(395,825)
	645,904	102,034	52,878	73,367	27,851	6,731	24,388	10,079	11,776	28,711	33,356	1,017,075
Movements in fair value												
Additions	–	–	–	–	–	–	–	–	–	–	20,749	20,749
Contributions	1,788	–	956	2,155	–	–	1	–	–	35	–	4,935
Revaluation	100,951	13,018	8,105	13,550	3,362	1,624	9,584	1,479	1,932	4,170	–	157,775
Write-off	(2,097)	–	(719)	(25)	(100)	–	(242)	–	–	(26)	(494)	(3,703)
Transfers	8,282	(16,652)	(3,327)	1,379	(13,643)	–	38,658	742	2,433	(6,906)	(9,804)	1,162
	108,924	(3,634)	5,015	17,059	(10,381)	1,624	48,001	2,221	4,365	(2,727)	10,451	180,918
Movements in accumulated depreciation												
Depreciation and amortisation	(14,891)	(1,264)	(1,286)	(1,143)	(823)	(1,205)	(1,618)	(245)	(289)	(1,233)	–	(23,997)
Revaluation movement	(26,146)	(2,437)	(2,488)	(5,264)	(1,252)	(810)	(4,136)	(305)	(477)	(1,639)	–	(44,954)
Accumulated depreciation of write off	979	–	299	6	58	–	136	–	–	11	–	1,489
Transfers	(2,241)	6,038	1,483	–	5,677	–	(13,859)	–	(730)	3,524	–	(108)
	(42,299)	2,337	(1,992)	(6,401)	3,660	(2,015)	(19,477)	(550)	(1,496)	663	–	(67,570)
At fair value 30 June 2026	983,343	125,690	81,426	136,188	34,115	15,671	95,130	14,998	19,615	43,836	43,807	1,593,819
Accumulated depreciation at 30 June 2026	(270,814)	(24,953)	(25,525)	(52,163)	(12,985)	(9,331)	(42,218)	(3,248)	(4,970)	(17,189)	–	(463,396)
Carrying amount	712,529	100,737	55,901	84,025	21,130	6,340	52,912	11,750	14,645	26,647	43,807	1,130,423

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

*Acquisition**Initial measurement*

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided at the date of acquisition plus any incidental costs attributable to the acquisition.

Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer to Note 8.4 for more information on how Council measures fair value.

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

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

	Depreciation Period	Threshold Limit \$ '000
Asset recognition thresholds and depreciation periods		
Land and land improvements		
land	-	-
Buildings		
buildings	15-80 years	5
Plant and Equipment		
ferry equipment	40 years	1
plant, machinery and equipment	2-50 years	1
fixtures, fittings and furniture	5-50 years	1
computers and telecommunications	5-10 years	1
library books	10 years	1
Infrastructure		
road pavements and seals	18-80 years	5
road wearing course	15-60 years	5
road formation and earthworks		5
road kerb, channel and minor culverts	70 - 80 years	5
bridges	60-100 years	5
footpaths and cycleways	15-65 years	5
drainage	70 -100 years	5
recreational, leisure and community facilities	10-60 years	5
aerodromes	15-80 years	5
waste management landfill cells	4 years	5
waste management infrastructure	60 years	5
parks, open space and streetscapes	15-80 years	5
car parks	15-80 years	5
Intangible assets	10 years	1

Land under roads

Council recognises land under roads it controls at fair value after 30 June 2008.

Depreciation and amortisation

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

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date there were no leasehold improvements.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Todd Svanberg, Certified Practising Valuer CPV API Member: 63110, Senior Director, Commercial Compliance and Quality of JLL Public Sector Valuations Pty Ltd and Mark Pastor, Certified Practising Valuer CPV API Member: 63501, Senior Valuer JLL Public Sector Valuations Pty Ltd as at 30 June 2023. 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. Where land use is not restricted, highest and best use is assumed to be current use, except the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

An index based revaluation was conducted in the current year for buildings only. This valuation was based on the Victoria Valuer-General's indices. A full revaluation of these assets will be conducted in 2026/27.

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Specialised land	—	—	197,009	Jun/23	Independent
Non - Specialised land	—	4,770	—	Jun/23	Independent
Heritage buildings	—	—	9,811	Jun/26	Indexation
Buildings	—	—	133,416	Jun/26	Indexation
Total	—	4,770	340,236		

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuer Josef Wang B.Eng, Quantity Surveyor, Infrastructure valuer and Regina Sun Quantity Surveyor, APV Valuers and Asset Management as at 31 December 2023.

An index based revaluation was conducted in the current year as at 30 June 2026, this valuation was based on Construction industries producer price indices for Victoria, a full revaluation of these assets will be conducted in 2027/28.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	—	—	712,529	Jun/26	Indexation
Bridges	—	—	100,737	Jun/26	Indexation
Footpaths and cycleways	—	—	55,901	Jun/26	Indexation
Drainage	—	—	84,025	Jun/26	Indexation
Recreational, leisure & community facilities	—	—	21,130	Jun/26	Indexation
Waste management	—	—	6,340	Jun/26	Indexation
Parks, open space & streetscapes	—	—	52,912	Jun/26	Indexation
Aerodromes	—	—	11,750	Jun/26	Indexation
Off street car parks	—	—	14,645	Jun/26	Indexation
Other Infrastructure	—	—	26,647	Jun/26	Indexation
Total	—	—	1,086,616		

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 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.20 and \$450.00 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$84 to \$6,730 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 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 current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 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.

Notes to the Financial Report

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	2026 \$ '000	2025 \$ '000
Reconciliation of specialised land		
Land under roads	3,058	2,642
Parks and reserves	69,612	68,864
Recreation and Leisure	59,497	59,443
Residential Land	844	825
Commercial Land	362	362
Aerodrome Land	15,802	15,802
Community Services Land	9,766	9,766
Business Centre/Library Land	4,669	4,669
Caravan Park Land	2,616	2,616
Carpark Land	4,642	4,642
Depot Land	832	832
Quarry Reserve Land	356	356
Drainage Reserve Land	16,177	16,053
Saleyard and Pound Facility Land	1,941	1,941
Waste Management Land	6,368	6,368
Road Reserves	467	467
Total specialised land	197,009	195,648

6.2 Investment property

	2026 \$ '000	2025 \$ '000
Balance at beginning of financial year	13,030	10,787
Additions	—	424
Transfer	—	1,442
Disposals	(9)	—
Fair value adjustments	297	377
Balance at end of financial year	13,318	13,030

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Todd Svanberg, Certified Practising Valuer CPV API Member 63110, Senior Director, Commercial Compliance and Quality of JLL Public Sector Valuations Pty Ltd and Mark Pastor, Certified Practising Valuer CPV API Member 63501, Senior Valuer JLL Public Sector Valuations Pty Ltd as at 30 June 2023.

The valuation is at fair value, based on the current market value for the property. An index based valuation was conducted in the current year. This valuation was based on Indices provided by the Victoria Valuer-General.

A full valuation of these assets will be conducted in 2026/27.

Notes to the Financial Report

for the year ended 30 June 2026

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillors Jodie Ashworth (01/07/2025 to 20/11/2025)
	Councillors Jodie Ashworth (Mayor 21/11/2025 to 30/06/2026)
	Councillors Arthur Allen (01/07/2025 to 30/06/2026)
	Councillors Sonia Buckley (Deputy Mayor 01/07/2025 to 20/11/2025)
	Councillors Sonia Buckley (21/11/2025 to 30/06/2026)
	Councillors Tom Crook (01/07/2025 to 20/11/2025)
	Councillors Tom Crook (Deputy Mayor 21/11/2025 to 30/06/2026)
	Councillors Barry Davis (01/07/2025 to 30/06/2026)
	Councillors Joanne Eastman (01/07/2025 to 30/06/2026)
	Councillors Bernard Farquhar (01/07/2025 to 30/06/2026)
	Councillors Ian Trevaskis (01/07/2025 to 30/06/2026)
	Councillors John White (Mayor 01/07/2025 to 20/11/2026)
	Councillors John White (21/11/2026 to 30/06/2026)
Management	Fiona Weigall, Chief Executive Officer
	Sarah Johnston, General Manager Business Excellence
	Chris Stephenson, General Manager Place and Community (01/07/2025 to 07/06/2026)
	Chris Stephenson, General Manager Projects and Planning (08/06/2026 to 30/06/2026)
	Stuart McConnell, General Manager Assets and Environment
	Stuart McConnell, Acting Chief Executive Officer (07/07/2025 to 14/07/2025)

	2026 No.	2025 No.
Total Number of Councillors	9	14
Total of Chief Executive Officer and other Key Management Personnel	4	6
Total Number of Key Management Personnel	13	20

Notes to the Financial Report

for the year ended 30 June 2026

Note 7. People and relationships (continued)

(b) Remuneration of Key Management Personnel

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

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

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

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

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

	2026 \$ '000	2025 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,386	1,300
Other long-term employee benefits	26	24
Post-employment benefits	124	103
Total	1,536	1,427

	2026 No.	2025 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	1	6
\$20,000 - \$29,999	—	6
\$30,000 - \$39,999	5	1
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	1
\$70,000 - \$79,999	1	1
\$80,000 - \$89,999	1	—
\$210,000 - \$219,999	—	1
\$230,000 - \$239,999	—	1
\$240,000 - \$249,999	—	1
\$270,000 - \$279,999	1	—
\$280,000 - \$289,999	1	1
\$290,000 - \$299,999	1	—
\$330,000 - \$339,999	1	—
Total	14	20

Notes to the Financial Report

for the year ended 30 June 2026

Note 7. People and relationships (continued)

(c) Remuneration of other senior staff

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

	2026 \$ '000	2025 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	175	172
Post-employment benefits	22	20
Total	197	192

	2026 No.	2025 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
\$190,000 - \$199,999	1	1
Total	1	1

	2026 \$ '000	2025 \$ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	197	192

Notes to the Financial Report

for the year ended 30 June 2026

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

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

For the year ended 30 June 2026, Council paid \$19,836.61 to suppliers and contractors related to Key Management Personnel on normal commercial terms and conditions. Details of these related party transactions for Key Management Personnel are as follows:

Cr Allen	Leftrade Pty Ltd - \$6,700.26 for goods and service
	Paper Cranes Sushi Pty Ltd - \$3,194.40 for catering services
Cr White	Melwood Investments Proprietary Limited - \$6,171.20 for contract slashing
Cr Farquhar	Bernard Farquhar Pty Limited (T/A Powerhouse Shop) \$ 3,170.75 for plumbing services

(b) Outstanding balances with related parties

The following balances totalling \$343.20 are outstanding at the end of the reporting period in relation to transactions with related parties on normal commercial terms and conditions.

Cr Allen	Paper Cranes Sushi Pty Ltd - \$343.20
----------	---------------------------------------

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Notes to the Financial Report

for the year ended 30 June 2026

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(i) Council is currently undergoing a process over a three year period to identify old drainage assets that are not currently recorded. At this stage Council is currently unable to value any of these found assets and will bring them to account in the future when valuations have been calculated.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Superannuation

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

Landfill

Council operates a number of landfills. Council will have to carry out site rehabilitation works in the future. 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.

Liability Mutual Insurance

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

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Notes to the Financial Report

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued *AASB 18 Presentation and Disclosure in Financial Statements*. When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and

Notes to the Financial Report

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.0% and - 1.0% in market interest rates (AUD) from year-end rates of 4.35%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

8.4 Fair value measurement

Fair Value Hierarchy

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

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

For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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

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

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

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

Revaluation

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset Class	Revaluation frequency
Land	1 to 4 years
Buildings	1 to 4 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Recreational, leisure and community facilities	1 to 4 years
Waste management	1 to 4 years
Parks, open space and streetscapes	1 to 4 years
Aerodromes	1 to 4 years
Other infrastructure	1 to 4 years

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

Impairment of assets

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

The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measure at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement (Fair Value Measurement in italic font), with the consequence that AASB 136 Impairment of Assets (Impairment of Assets in italic font) does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

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

Notes to the Financial Report

for the year ended 30 June 2026

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2026			
Property			
Land and land improvements	153,259	—	153,259
Heritage buildings	—	1,175	1,175
Buildings	90,944	14,851	105,795
	244,203	16,026	260,229
Infrastructure			
Roads	507,762	74,805	582,567
Bridges	69,004	10,581	79,585
Footpaths and cycleways	31,594	5,617	37,211
Drainage	34,087	8,286	42,373
Recreational, leisure and community facilities	16,025	2,110	18,135
Waste management	1,329	814	2,143
Parks, open space and streetscapes	5,967	5,448	11,415
Aerodromes	3,389	1,174	4,563
Offstreet car parks	2,238	1,455	3,693
Other infrastructure	19,313	2,531	21,844
	690,708	112,821	803,529
Total asset revaluation reserves	934,911	128,847	1,063,758
2025			
Property			
Land and land improvements	153,259	—	153,259
Buildings	90,944	—	90,944
	244,203	—	244,203
Infrastructure			
Roads	507,762	—	507,762
Bridges	69,004	—	69,004
Footpaths and cycleways	31,594	—	31,594
Drainage	34,087	—	34,087
Recreational, leisure and community facilities	16,025	—	16,025
Waste management	1,329	—	1,329
Parks, open space and streetscapes	5,967	—	5,967
Aerodromes	3,389	—	3,389
Offstreet car parks	2,238	—	2,238
Other infrastructure	19,313	—	19,313
	690,708	—	690,708
Total asset revaluation reserves	934,911	—	934,911

Notes to the Financial Report

for the year ended 30 June 2026

Note 9. Other matters (continued)

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

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2026				
Car Parking	193	—	—	193
Development Contribution Plans	196	—	—	196
Lakes Entrance Northern Growth Area	1	—	—	1
Recreational Land	2,193	330	(53)	2,470
Road Upgrading	126	—	—	126
Street Trees Reserve	18	172	—	190
Total Other reserves	2,727	502	(53)	3,176
2025				
Car Parking	193	—	—	193
Development Contribution Plans	196	—	—	196
Lakes Entrance Northern Growth Area	1	—	—	1
Recreational Land	2,074	119	—	2,193
Road Upgrading	126	—	—	126
Street Trees Reserve	—	18	—	18
Total Other reserves	2,590	137	—	2,727

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

Development Contribution Plans receive contribution from developers upon the sale of land in a prescribed planning area.

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.

Lakes Entrance Northern Growth Area receive contributions in accordance with the development plan.

Notes to the Financial Report

for the year ended 30 June 2026

Note 9. Other matters (continued)

	2026 \$ '000	2025 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	7,727	25,407
Non-cash adjustments:		
Depreciation/amortisation	33,953	32,781
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(293)	(329)
Fair value adjustments for investment property	(297)	(377)
Contributions - Non-monetary assets	(6,295)	(11,708)
Financing cost in financing activities	348	369
Write off property, plant and equipment	2,802	7,370
Bad debt written off	6	20
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(980)	(193)
(Increase)/decrease in prepayments	201	(649)
Increase/(decrease) in contract assets	(1,178)	1,315
Increase/(decrease) in other assets	288	162
Increase/(decrease) in trade and other payables	(6,249)	3,873
Increase/(decrease) in provisions	(284)	537
(Decrease)/increase in trust funds and deposits	201	(316)
(Decrease)/increase in contract and other liabilities	(3,553)	(8,686)
Net cash provided by/(used in) operating activities	26,397	49,576

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2025-26 year.

East Gippsland Shire Council

Performance Statement

For the year ended 30 June 2026

Certification of performance statement

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



Ernest Mhande, CPA
Principal Accounting Officer
Dated: 18 September 2026

In our opinion, the accompanying performance statement of the East Gippsland Shire Council for the year ended 30 June 2026 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

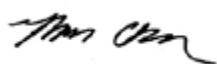
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

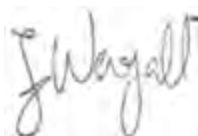
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Jodie Ashworth
Mayor
Dated: 18 September 2026



Tom Crook
Deputy Mayor
Dated: 18 September 2026



Fiona Weigall
Chief Executive Officer
Dated: 18 September 2026

Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	I have audited the accompanying performance statement of East Gippsland Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of East Gippsland Shire Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

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

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

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

MELBOURNE
21 September 2026



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of municipality

East Gippsland is a large and vibrant region in a beautiful natural setting, home to proud and involved communities that embrace and encourage self-reliance, responsibility and new ideas. The past 30 years have seen East Gippsland evolve from its rural origins to a flourishing economic and tourism region in Eastern Victoria, drawing more than one million visitors each year.

The region has kept its identity and sense of place as it has grown. The shire stretches from west of Bairnsdale to the New South Wales border, covering approximately 21,000 square kilometres or 10 percent of the State. East Gippsland has an Estimated Residential Population of approximately 49,669 residents (as of 30 June 2025¹).

East Gippsland's unique qualities are both its strength and challenges. The region is distinguished by its natural setting, with its southern 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 surrounding its communities.

As of 30th of June 2026, we are responsible for maintaining 3,008 km of roads, 3 timber and 188 concrete bridges, 31 pedestrian bridges, 267.5 hectares of parks and gardens and 296 km of footpaths and shared paths.

¹ .idcommunity East Gippsland Shire Estimated Residential Population Data

Section 2. Service Performance Indicators

For the year ended 30 June 2026

Dimension/indicator/measure	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> <i>[Number of visits to aquatic facilities / Municipal population]</i>	9.23	9.93	10.64	11.10	10.62	Aquatic facility visits were just below target at 10.62 visits per head of population, mainly due to the temporary closure of the BARC for essential roof works from January to March 2026. The works were needed to keep the facility safe and functional and will support continued use by the community once complete.
Animal management Health and safety <i>Animal management prosecutions</i> <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	100.00%	100.00%	0.00%	100.00%	100.00%	There were two animal management prosecutions, both of which were successful. This maintains a 100% success rate and reflects Council's focus on taking enforcement action where appropriate to support community safety, responsible pet ownership and compliance with animal management requirements.
Food safety Health and safety <i>Critical and major non-compliance outcome notifications</i> <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100.00%	100.00%	90.00%	100.00%	100.00%	A total of 3 critical or major non-compliances were followed up, all of which are now compliant.

Dimension/indicator/measure	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> <i>(Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</i>	45	41	46	54	56	Community satisfaction has improved compared to the previous year, reflecting Council's continued focus on responding to community feedback, delivering priority projects and services, and strengthening communication and engagement with the community.
Libraries Participation <i>Library membership</i> <i>[percentage of the population that are registered library members] x100</i>	NA	12.34%	26.74%	N/A	29.13%	Library membership remained strong, with 29% of East Gippsland residents recording a library transaction in the past three years. Continued investment in library collections, programs, digital resources and community activities supported ongoing community participation and helped maintain strong membership levels across the municipality.
Roads Condition <i>Sealed local roads below the intervention level</i> <i>(Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</i>	97.37%	96.03%	96.24%	95.00%	96.19%	This represents a negligible decrease of 0.05% compared with the previous reporting period. Such a minor variation is within expected annual fluctuations and indicates that overall network condition has remained stable.
Statutory Planning Service standard <i>Planning applications decided within the relevant required time</i> <i>(Percentage of planning application decisions made within the relevant required time)</i>	37.12%	36.41%	56.07%	55.00%	67.75%	Applications decided within the required timeframe reached 67.75% for the year, surpassing the target of 55%. This improvement reflects sustained effort to streamline planning processes and deliver more timely decisions for the community. Encouragingly, the result is supported by rising community satisfaction, evident in both the survey completed by service users and Community Satisfaction Survey 2026.

Dimension/indicator/measure	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	53.06%	49.18%	49.30%	48.00%	48.30%	The Container Deposit Scheme has continued to contribute to a decrease in the weight of kerbside collection waste diverted from landfill. Council continues to work with community to ensure waste is recycled where possible.

Section 3. Financial Performance Indicators

For the year ended 30 June 2026

Dimension / indicator / measure	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency Expenditure level Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,617.96	\$3,990.98	\$4,371.01	\$3,988.00	\$4,267.22	\$4,085.88	\$3,959.20	\$4,016.27	\$4,108.85	The reason that the expenses increase in 2024/25 and 2025/26 is due to two significant bushfire funded projects to rebuild community assets in Sarsfield and Buchan. These are operating expenses as Council does not own the land on which they are built.
Revenue level Average rate per property assessment <i>[Sum of all general rates and municipal charges / Number of property assessments]</i>	\$1,691.66	\$1,764.72	\$1,806.87	\$1,834.20	\$1,842.25	\$1,889.54	\$1,941.22	\$1,989.77	\$2,039.51	Increase in line with the Council rate cap decision.
Liquidity Working capital Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	307.46%	282.70%	333.37%	247.09%	509.77%	278.56%	214.26%	195.37%	189.28%	The ratio was higher than target due to the landfill rehabilitation project being deferred to 2027/28. This resulted in the associated rehabilitation provision being reclassified from current to non-current liabilities, reducing current liabilities and increasing the liquidity ratio.

Dimension / indicator / measure	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	
Unrestricted cash Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	89.62%	137.45%	86.26%	154.06%	129.55%	N/A	N/A	N/A	N/A	This is a result of current liabilities being less than the previous year which is a result of less trade and other payables and less provisions because of project delivery timelines that have moved to 2027/28. Due to the changes in the performance framework, these indicators no longer form part of the 2026/27 budget, therefore no future forecast has been made.
Obligations Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	4.44%	14.11%	12.65%	11.42%	11.34%	N/A	N/A	N/A	N/A	This indicates that borrowings are decreasing and no new loans have been taken up. Due to the changes in the performance framework, these indicators no longer form part of the 2026/27 budget, therefore no future forecast has been made.
Loans and borrowing repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	0.27%	0.57%	1.40%	1.43%	1.38%	2.85%	1.33%	1.19%	2.28%	A lump-sum loan repayment of \$1.15 million is due in 2026/27, with a further loan repayment of \$0.5 million due in 2029/30. These significant repayments increase the ratio in both years.

Dimension / indicator / measure	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	7.96%	18.17%	16.97%	16.72%	20.58%	13.79%	11.52%	8.92%	10.15%	This result reflects project delivery timeframes being shifted into future years.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	97.34%	126.50%	107.79%	189.11%	77.22%	137.83%	162.52%	99.37%	105.94%	The actual result is less than the target due to \$35.08 m of renewal and upgrade works being carried forward for completion in the 2026/27 year.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	13.92%	-23.30%	-3.64%	-6.18%	-2.21%	-3.36%	-1.48%	-1.61%	-1.88%	For 2025/26 we reported an underlying deficit. We are currently completing a Financial Sustainability Strategy to assist in getting to a more sustainable financial position.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	47.77%	65.56%	51.52%	58.91%	53.09%	58.01%	59.95%	60.66%	60.95%	Whilst rate income has been consistent and increased largely in line with the State Government rate cap, the timing of the receipt of the Financial Assistance Grants has impacted the adjusted underlying revenue which has caused variances over time.

Dimension / indicator / measure	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments
	Actual	Actual	Actual	Target as per Budget	Actual	Forecast	Forecast	Forecast	Forecast	
Rates effort Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.41%	0.36%	0.37%	0.37%	0.38%	0.38%	0.39%	0.39%	0.39%	

Section 4. Sustainable Capacity Indicators

For the year ended 30 June 2026

Indicator / measure [formula]	Results				Comment
	2023	2024	2025	2026	
	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i> <i>[Total expenses / Municipal population]</i>	\$2,417.94	\$2,672.75	\$2,974.36	\$2,905.49	
<i>Infrastructure per head of municipal population</i> <i>[Value of infrastructure / Municipal population]</i>	\$25,544.50	\$23,687.77	\$23,900.42	\$26,240.27	The Infrastructure per Head of Municipal Population indicator increased by 9.79% compared to the previous year. This increase was mainly driven by the revaluation of Council's infrastructure assets during the year, which increased the recorded value of Council's infrastructure portfolio.
<i>Population density per length of road</i> <i>[Municipal population / Kilometres of local roads]</i>	16.46	16.34	16.39	16.51	
Own-source revenue <i>Own-source revenue per head of municipal population</i> <i>[Own-source revenue / Municipal population]</i>	\$1,875.75	\$1,995.40	\$2,082.88	\$2,070.39	
Recurrent grants <i>Recurrent grants per head of municipal population</i> <i>[Recurrent grants / Municipal population]</i>	\$571.89	\$94.02	\$713.68	\$671.67	Financial Assistance Grants are the Council's largest recurrent grant funding source. The inconsistency 2023/24 is due to the fact that we received the full grant payment in 2022/23 for 2023/24. Overall, we have little control of when the grants are paid to Council.

Indicator / measure [formula]	Results				Comment
	2023 Actual	2024 Actual	2025 Actual	2026 Actual	
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	3.0	3.0	3.0	3.0	
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	14.20%	13.10%	13.20%	18.04%	Staff turnover increased from 13.20% in the previous year to 18.04% at the end of 2025/26. Continued monitoring of workforce retention and labour market trends will better support workforce planning and organisational capability.

Section 5. Notes to the accounts

5.1 Basis of preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year, and the results forecast for the period 2026-27 to 2029-30 by the council's financial plan.

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

5.2 Definitions

Key term	Definition
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council

Key term	Definition
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3 Other Matters

Overview of 2026

During the financial year Council continued to operate in a challenging environment shaped by rising costs, growing service demand and increasing expectations from our community. Our key challenges for 2025/26 included:

- Rising costs, growing service demand and increasing community expectations continued to place pressure on Council's resources and financial sustainability.
- Global economic conditions and fuel price increases contributed to higher operating, transport and waste service costs.
- Cost shifting from other levels of government, including changes to levies and regulatory requirements, continued to increase financial pressure on councils and ratepayers.
- Securing external funding remains critical to delivering infrastructure and services in a constrained funding environment.
- Housing affordability and availability continued to affect communities across East Gippsland, reinforcing the need for coordinated action and advocacy.
- Bushfire activity during the summer highlighted the ongoing importance of emergency preparedness, resilience and recovery planning.
- The increasing frequency and complexity of emergency events continue to place pressure on communities, infrastructure and service delivery.

While these challenges are significant, they also reinforce the importance of long-term planning, collaboration and advocacy. We will continue to work with communities, government partners and industry to address emerging issues, advocate for a fairer share of investment, and ensure East Gippsland remains a resilient, sustainable and prosperous region into the future.

East Gippsland Shire Council

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EastGippyShire



PO Box 1618, Bairnsdale 3875

Council Offices

Bairnsdale

Corporate Centre

273 Main Street (PO Box 1618),
Bairnsdale VIC 3875

Lakes Entrance

18 Mechanics Street, Lakes Entrance

Mallacoota

70 Maurice Avenue, Mallacoota

Omeo

179 Day Avenue, Omeo

Orbost

1 Ruskin Street, Orbost

Paynesville

55 The Esplanade, Paynesville