

ANNUAL REPORT

2012/13



What is the Annual Report?

East Gippsland Shire Council is committed to transparent reporting and accountability to its community. The 2012/13 Annual Report details Council's activities, achievements, challenges and financial performance during the financial year, and informs the community on how the commitments in the Council Plan 2009-2013 and the 2012/13 Annual Budget were delivered.

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

This report also gives information on the elected Council, the organisation and statutory information. Council's overall financial position and performance is reported in the Audited Financial Statements for the period 1 July 2012 to 30 June 2013.

Reporting framework

The Council Plan 2009-2013 details Council's vision, values and how it will deliver the strategic priorities identified in the long-term community vision 2030: Shaping the Future.

The plan gives a clear direction to the organisation about specific outcomes to be pursued over the four-year period. Full year results on Council's progress against these outcomes can be found in Section Two: Council Plan reporting.

Where to get a copy

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

Contact us

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

Telephone

Residents' Information Line 1300 555 886
Citizen Service Centre: (03) 5153 9500
(open 8.30 am to 5 pm Monday to Friday)
Hearing or speech-impaired customers contact Council through the National Relay Service on 133 677

Post

East Gippsland Shire Council
PO Box 1618
Bairnsdale 3875 Australia

Fax (03) 5153 9576
Web www.eastgippsland.vic.gov.au
Email feedback@egipps.vic.gov.au
Twitter @egsc

Centre locations

Corporate Centre:
Bairnsdale: 273 Main Street

Service Centres:
Lakes Entrance: 18 Mechanics Street
Omeo: 179 Day Avenue
Orbost: 1 Ruskin Street
Paynesville: 55 The Esplanade

Outreach Centres:
Bendoc Outreach Centre
Buchan Resource Centre
Cann River Community Centre

CONTENTS

Overview	5
Council Plan reporting	53
Statutory reporting	105
Financial performance	127
Glossary	195
Index	196

OVERVIEW

HOW TO READ THIS ANNUAL REPORT

This Annual Report is presented in four sections:

One - Overview

This section includes summaries of Council's achievements and financial performance, as well as information about East Gippsland, our Council and our organisation.

Two - Council Plan reporting

This section provides more information about:

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

Council's progress against each commitment is shown by the following symbols:

- Target Achieved/Completed (✓)
- Commenced and progressing to achieve target (➡)
- Delayed (🕒)

Where an action is delayed, an explanation of what is causing the delay is given.

Three - Statutory information

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

Four - Financial performance

This section of the Annual Report shows how East Gippsland Shire Council performed financially from 1 July 2012 to 30 June 2013. It also shows the overall financial position of Council as at 30 June 2013.

The financial report contains four sections:

- Summary Report
- Financial Statements
- Notes to the Accounts
- Standard Statements

OUR VISION, OUR VALUES

Work with the community to ensure a sustainable future through liveable and productive communities supported by a healthy environment.

This statement of purpose was made by the Council elected in November 2008.

East Gippsland Shire Council is committed to achieving the strategic outcomes outlined in the long-term community vision 2030: Shaping the Future through the following values:

- Leadership
- Sustainability
- Transparency
- Accountability
- Engagement
- Innovation
- Social Responsibility
- Financial Responsibility
- Strategic Thinking
- Responsiveness
- Respect
- Equity

MAYOR'S MESSAGE

As Mayor, it gives me great pleasure to commend to you the 2012/13 Annual Report for the East Gippsland Shire Council.

This report represents work undertaken during the final months of the previous four-year Council Plan and the commencement of the current Council Plan, which was adopted by a new Council following the Local Government election on 27 October 2012.

While not without its challenges, the past year has been a period of significant achievement. This report outlines those achievements and in particular, the work undertaken, to ensure the betterment of our wonderful region.

With our region's population expanding, and our community's expectations for high quality services increasing, Council has a challenging role to sustain the level of liveability, sustainability and productivity for our residents.

Council is responsible for managing and delivering a wide range of services from roads and waste management, to planning, libraries, marinas, events, recreational facilities, caravan parks, health, visitor information, arts, emergency management, tourism and caring for our parks and gardens.

Our long-term financial sustainability is crucial to maintain the community's vision of building for the future, and continuing the delivery of essential services to our communities.



Cr Richard Ellis

Mayor



CEO'S MESSAGE

Council achieved an operating surplus of \$16 million in 2012/13 which is \$2.5 million less than the \$18.5 million operating surplus forecast in the 2012/13 Annual Budget. This shortfall is due to unplanned natural disaster expenditure and an increase in the depreciation expense.

While the operating surplus was a good result the most important indicator of financial sustainability is the 'underlying' result, which is calculated by removing all capital income to show the 'true' operating position. An underlying surplus indicates that all operational expenditure including depreciation and amortisation has been fully funded.

Council recorded an underlying surplus of \$57,000 this year which compares very well with the \$250,000 surplus forecast in the 2012/13 budget. This result means that Council generated sufficient income to cover its operating income this year.

Through strategic financial planning and management, Council's long-term financial position remains sound to enable us to maintain our service levels, with an emphasis on innovation and efficiency. The organisation has maintained the capacity to adapt and respond to the new challenges set out in the Council Plan 2013-2017.

Significant progress was made in delivering on the range of projects and initiatives for the last financial year and in the preparation for new projects and changes to service delivery for the years ahead.



Steve Kozlowski
Chief Executive Officer



SUMMARY OF FINANCIAL PERFORMANCE

The financial highlights provide an overview of Council financial performance. Council has had significant financial challenges in previous years, including natural disasters, significant landfill rehabilitation costs and the defined benefits superannuation liability. This year the focus was on improving Council's financial position, ensuring its long term financial sustainability.

Council's business plan has changed significantly over the past few years, with a number of key services which were previously contracted, now being managed in-house. Council identified that significant savings could be made by managing these in house, these include: aquatic centres, parks and gardens, marinas and the latest is the Eagle Point Caravan Park. This move has shifted Council's expenditure pattern, reducing Contract Services and increasing Employee Costs.

Council has significantly improved its operating position this year and also achieved all of its financial key performance indicators. This was achieved by efficiency gains and imposing strict budget controls.

A summary of the key information contained in the Financial, Standard and Performance statements is provided below.

Council's operating results

Council achieved an operating surplus of \$16 million this year compared a \$5 million deficit in 2011/12. While this is a significant improvement on last year's result, it is \$2.5 million less than the \$18.5 million operating surplus forecast in the 2012/13 Annual Budget. This shortfall is due to unplanned natural disaster expenditure and an increase in the depreciation expense.

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

Council recorded an underlying surplus of \$57,000 this year compared to an underlying deficit of \$12.3 million last year. This year's underlying result compares very well with the \$250,000 surplus forecast in the 2012/13 budget. This means Council generated sufficient income to cover its operational expenditure this year.

Income

This year's operating income totalled \$93.5 million; \$4.1 million more than forecast. This was due to the receipt of natural disaster funding not included in the budget and Granted Assets being more than forecast.

Graph 1 shows the breakdown of Council's income in 2012/13.

Rates and Charges

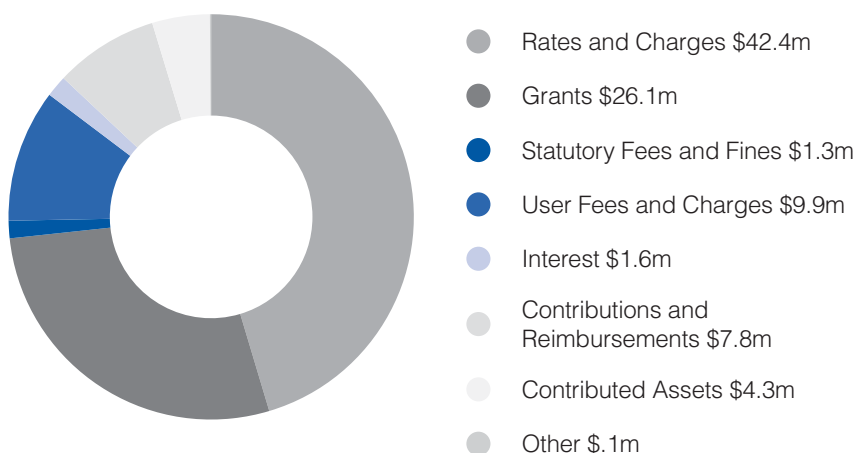
Rates and charges income was \$42.4 million this year. As a percentage of total income this is 45.4%, down from 47.3% in the previous year and in line with Council's aim of identifying new revenue sources to reduce the rate burden.

Other revenue sources

Grant funding was \$0.7 million more than last year and accounted for 27.9% of total income, compared to 31.6% last year.

Contributions and Reimbursements income was \$6.6 million more than last year and accounted for 10.6% of total income compared to 1.5% last year. This was due to the receipt of \$6.1 million received for the flood events in the 2011/12 year. As at 30 June 2013 Council had spent \$10.7 million on flood rehabilitation works over two years.

Graph 1: Breakdown of Council's income in 2012/13



As at 30 June 2013 Council had spent **\$10.7 million on flood rehabilitation** works over two years

Expenditure

This year's operating expenditure totalled \$85.2 million, which was \$6.6 million more than forecast in the budget. This was due to unplanned flood rehabilitation works and higher depreciation charges as a result of the revaluation of Council's infrastructure assets in 2011/12.

Graph 2 shows the breakdown of Council's operating expenditure this year.

Operating expenditure

Contract, Materials and Services expenditure was \$30.8 million this year, \$0.9 million less than last year and accounted for 39.7% of total operating expenditure compared to 37.2% in 2011/12.

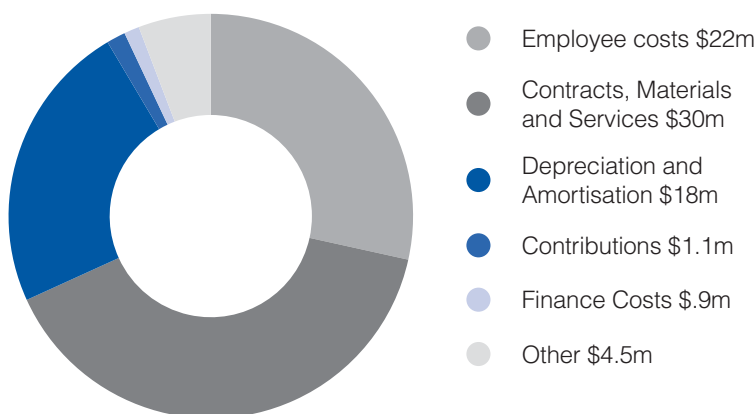
Depreciation was \$18.0 million this year, \$2.3 million more than last year and accounted for 23.3% of total operating expenditure compared to 18% last year. Council matches its asset renewal program to the depreciation charge to ensure that all assets including roads, bridges and community assets are maintained in line with their current consumption.

Capital expenditure

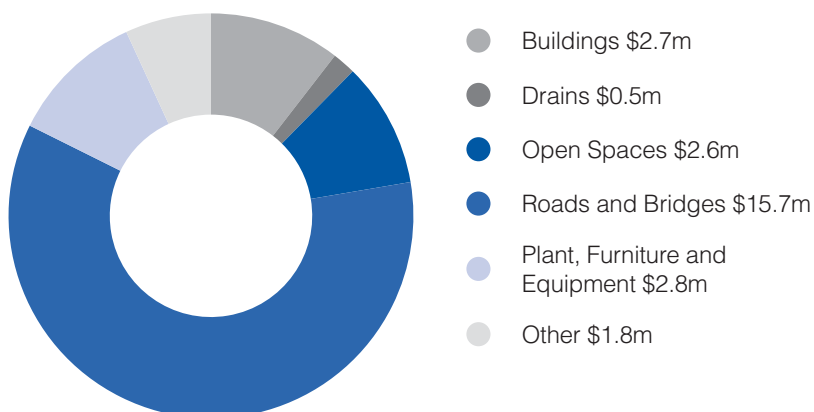
In addition to the operating expenditure Council spends money on capital projects that benefit the community for many years. This year's capital expenditure totalled \$26.1 million, which was \$13.2 million less than forecast. This was due the delay in the commencement of two significant projects, the Mallocoota Ocean Access Boat Ramp and Metung Marina stage 1.

Graph 3 shows the major capital expenditure categories.

Graph 2: Breakdown of Council's operating expenditure this year



Graph 3: Major capital expenditure categories



In addition to the operating expenditure **Council spends money on capital projects that benefit the community** for many years

Balance sheet

Roads and Bridges capital expenditure was \$15.7 million this year, \$4.8 million more than last year and accounted for 60% of total capital expenditure compared to 47.2% last year. Council's focus this year was to restore the roads and bridges damaged in last year's flood events; this year \$4.9 million was spent on capital works related to the flood events.

Buildings capital expenditure was \$2.7 million this year, \$1.2 million less than last year and accounted for 10.5% of total capital expenditure compared to 17% last year. This was due to the building maintenance budget being cut by \$0.5 million this year as a cost saving while Council investigated its future Council building requirements.

Open Spaces capital expenditure was \$2.6 million, while this was the same as last year it only accounted for 10% of total capital expenditure compared to 11.8% last year. This year, two significant projects were planned to take place, the Mallacoota Ocean Access Boat Ramp and Metung Marina stage 1, however due to delays these projects have been carried forward to the 2013/14 year.

Council has maintained a healthy balance sheet this year. Net Assets were \$767.5 million as at 30 June 2013 compared to \$734.9 million last year. This is an increase of \$32.6 million and is mainly due to the increase in value of Property, Infrastructure, Equipment, Furniture and Fittings, as a result of the revaluation of Infrastructure Assets this year and Council's positive operating results.

Debt Levels

No new borrowings were undertaken during the year and borrowing totalled \$8.5 million as at 30 June 2013, \$1.3 million less than last year.

Council borrowing is comprised of \$1.1 million which relates to Old Debt and \$7.4 million relating to the Tambo Bluff Infrastructure Project, which is being reimbursed by Tambo Bluff landowners by way of a Special Charge Scheme.

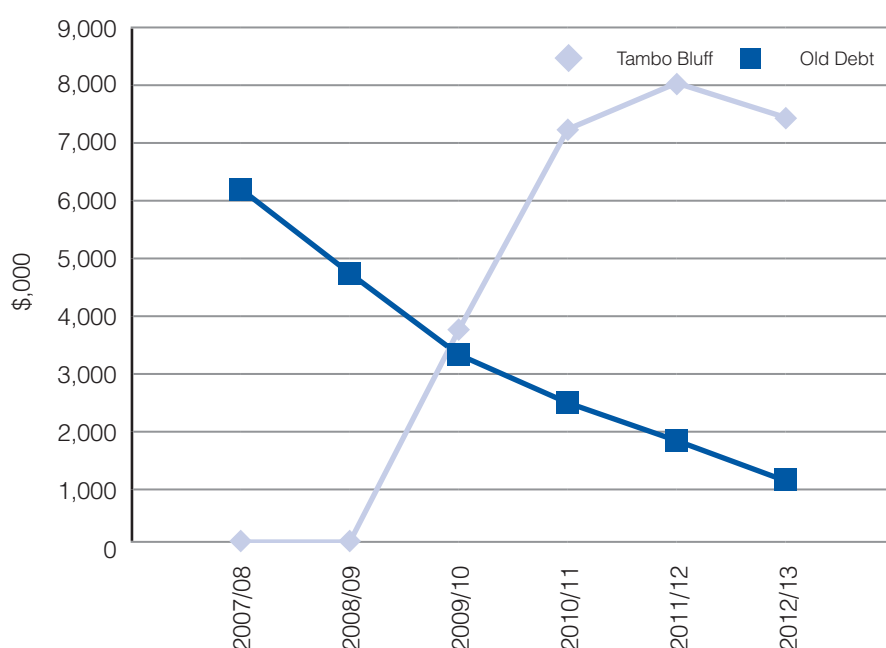
The focus is on retiring Old Debt and this borrowing is on track to be repaid in full by 30 June 2015. Loan interest costs this year equates to 0.9% of Council's total revenue, down from 1.0% in 2011/12.

Cash

Cash holdings totalled \$27.9 million as at 30 June 2013; this was \$2.8 million less than last year. Council repaid in full the defined benefits superannuation liability of \$3.8 million this year from cash reserves, which had an impact on cash holdings.

The Victorian Grants Commission paid 50% of the 2013/14 Federal Assistance Grant, totalling \$7 million, in advance this year. The 50% of the grant was also paid in advance last year; however, should this trend not continue it will have a significant impact on the end of year cash balance.

Chart 1: Council's debt levels as at 30 June 2013



Source: National Institute of Economic and Industry Research (NIEIR) ©2013

The financial results this year have provided **a strong foundation for Council to achieve its future goals**

The future

Council has recovered strongly from the adverse range of issues which were outside Council's control that impacted on last year's financial performance.

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

This year significant increases in the cost of power and utilities and maintenance costs relating to Council's increasing asset portfolio were absorbed as a result of efficiency gains. The financial results this year have provided a strong foundation for Council to achieve its future goals.



ACKNOWLEDGEMENT OF STATE GOVERNMENT FUNDING

East Gippsland Shire Council received the following grants from the State Government during 2012/13:

PROJECT NAME	FUNDING
Active Transport Innovation Fund	\$35,000
Bairnsdale CBD Marketing Plan implementation; including small business mentoring and training	\$47,000
Bairnsdale CBD Improvement Project	\$500,000
Bairnsdale CBD Improvement Project - taxi rank	\$83,285
Bairnsdale closed circuit television	\$110,000
Bairnsdale Kindergarten expansion	\$299,000
Bairnsdale Library Precinct: community access and connection	\$1,250,000
Bairnsdale Oval redevelopment	\$500,000
Bairnsdale Regional Landfill Cell 1 and Cell 3	\$200,865
Children's Week grants 2012	\$500
East Bairnsdale enabling infrastructure enhancement	\$1,733,000
East Gippsland All Abilities Playground	\$500,000
Far East Gippsland Kitchen to Compost Organics Diversion	\$89,450
Fire Access Road Subsidy Scheme - static water tanks at Gipsy Point, Newmerella and The Fingerboards	\$22,883
Flood recovery coordinator	\$120,000
Forge Theatre and Arts Hub - East Gippsland Art Gallery	\$90,000
FReeZA youth event program	\$73,500
Gippsland Regional Plan Executive Officer	\$167,407
Improving access to library services for a remote community - Mallacoota	\$150,397
Immunisation services	\$8,588
'Lady of History' Education Week performances	\$1,000
Mallacoota ocean access facility	\$6,115,000
Marlo foreshore geotechnical assessment Stage 2	\$28,000

PROJECT NAME	FUNDING
Municipal emergency service unit subsidy 2012/13	\$88,178
National Youth Week Artz	\$2,000
Old Slipway, Lakes Entrance redevelopment	\$20,000
Omeo Recreation Reserve toilet block replacement	\$100,000
Orbost and District Economic Revitalisation Plan	\$25,000
Orbost Pre-school	\$166,400
Paynesville and Eagle Point Land Use Plan	\$50,000
Paynesville and District Kindergarten expansion	\$300,000
Paynesville Esplanade boat ramp redevelopment	\$180,000
Regional Victoria Living Expo	\$10,000
Roadside weeds and pest management program 2012/13 - 2014/15	\$150,000
Secondary school immunisation promotion project	\$20,000
Service agreement 2012/2013 - Home and Community Care (HACC)	\$77,612
Service agreement - Rural Access Program 2012/13 - Building Inclusive Communities	\$130,657
Service agreement - Supported parent group and playgroups - 2012/13	\$43,888
Smoking ban patrolled beaches	\$2,000
Swan Reach and District Pre-school	\$100,432
Swifts Creek Memorial Swimming Pool planning project	\$12,000
Victorian Seniors Festival 2012	\$6,200
Wallagaraugh River bridge	\$1,000,000
Waterways to the Gippsland Lakes	\$3,000
Total	\$14,612,242

OUR REGION, OUR PEOPLE, OUR DIVERSITY

East Gippsland Shire Council acknowledges the Gunaikurnai nation and the Bidhawal (Bidwell) people as the traditional custodians of this land.

East Gippsland has a beautiful and bountiful environment, an engaged community and an economy that offers many opportunities. As we move into the future, we want to retain all that is special about our region. We want to be informed, effective and responsive to meet future challenges.

Our region

East Gippsland is a major geographic and economic region in eastern Victoria. The Shire stretches from west of Bairnsdale to the New South Wales border, covering over 21,000 square kilometres or approximately 10 per cent of the state.

The region is made up of substantial areas of national park, state park, lakes, rivers and coastal areas and is home to Australia's largest navigable inland water system – the Gippsland Lakes. A large section of the eastern coast is known as Australia's Coastal Wilderness, which,

together with the Australian Alps, is recognised by Tourism Australia as two of eight national landscapes. The combination of wonderful coastline scenery, a lakes and river system of international regard, rugged high country, fertile productive rural land and abundant fish reserves provide a strong resource base and recreational opportunities for the region.

With over 40 diverse localities, the region can be seen as a patchwork of communities, each with individual features and characteristics to be recognised and marketed. Each town

or community has its own distinct heritage, tourist attractions and economic focus.

The largest commercial centre is Bairnsdale, while Orbost serves as a district centre for the far east of the Shire. East Gippsland's best known tourist centre is Lakes Entrance. Other significant towns include Paynesville and Mallacoota, the half-way point between Melbourne and Sydney. To the north are Omeo and other townships of the Great Alpine Road.





Each town or community
has its own **distinct
heritage, tourist
attractions and
economic focus**

Our people

In the past decade population growth for East Gippsland has remained higher than the average for regional Victoria. The current estimated population of the region is 43,593 as at 30 June 2013.

The average age of East Gippsland residents is 47 years; however, there is an ongoing shift in population distribution to the 60+ age group, which represents 31.9 per cent of our population.

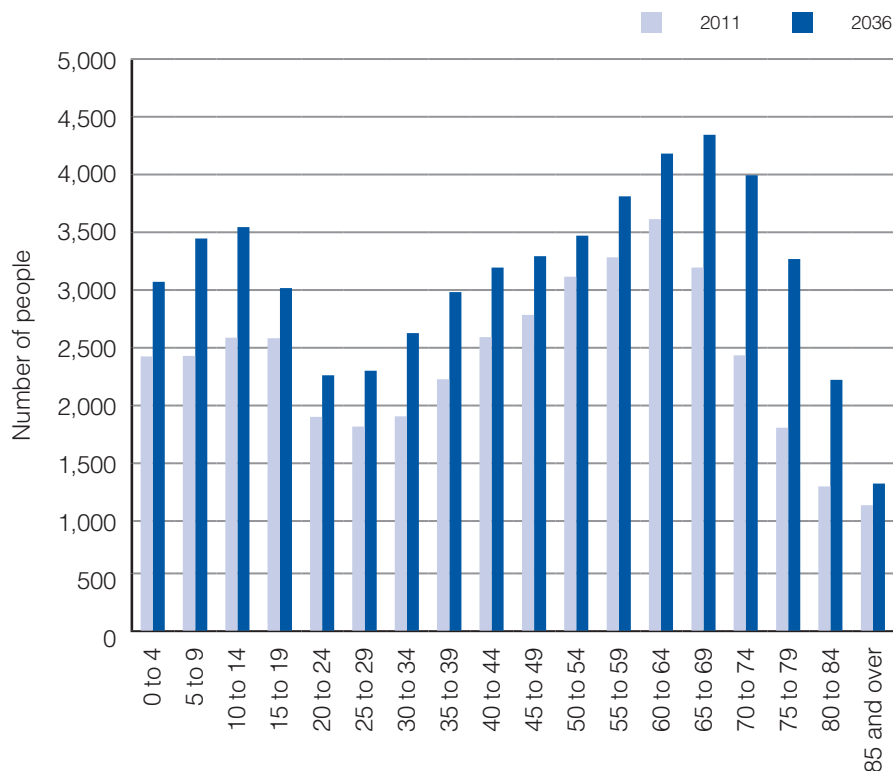
By 2021, 35 per cent of the population in East Gippsland is expected to be aged 60+ years. By contrast, 9.3% per cent of the current population is within the 15-24 years age bracket and this proportion is declining.

The population of East Gippsland is unevenly distributed, with a concentration around the Gippsland Lakes in the south-west and relatively sparsely settled areas elsewhere. Bairnsdale and surrounds is the region's major commercial and service centre with a population of over 13,694.

East Gippslanders report a higher than average (79.2%) Personal Wellbeing Index, an indicator of how satisfied residents are across a range of factors including health, safety, personal achievement, relationships and future security. (Source: Community Indicators Victoria)

The region has a significant Aboriginal population, representing 3.2 per cent of the total population. The proportion of the Aboriginal population in East Gippsland is the fourth largest in Victoria. (Source: Community Profile, profile.id®)

Chart 2: Forecast changes in the age profile of East Gippsland's population



Source: id Forecast 2013

28%
population increase predicted
between 2013 to 2036

Our heritage

The original inhabitants of East Gippsland were the indigenous Gunaikurnai nation, who bordered on the lands of the Bidjawal (Bidwell) people to the east around Cann River and Mallacoota. The historical Bataluk Cultural Trail follows significant traditional routes used by the Gunaikurnai.

European settlement dates from the 1830s, with land used mainly for sheep and cattle grazing and timber. Spurred by gold discoveries, growth took place in the 1850s and 1860s. Substantial growth occurred from the 1880s, as settlement spread into the more marginal forests and hills.

Expansion continued during the early 1900s and during the post-war years. The population increased slightly from the early 1990s, rising from nearly 38,000 in 1991 to over 41,000 in 2006. Within this period, the population was relatively stable between 1996 and 2001. (Source: Community Profile, profile.id@)

East Gippsland's major commercial centre, Bairnsdale, was proclaimed a city in 1990. The region is now a major tourism destination, drawing over one million visitors each year.



Our diversity

East Gippsland offers a strong competitive advantage with its diverse population and industry profile, growing economy and stable labour force. East Gippsland's economy, like the region itself, is diverse and robust.

An abundance of primary produce and natural resources along with good transport and logistics, affordable housing, ample water, good physical and telecommunications infrastructure and plentiful land supply add to the region's competitive advantages.

East Gippsland's economy, like the region itself is diverse and resilient. Construction, administrative and support services, agriculture, and accommodation and food are the four strongest industry sectors by financial output. Retail trade is the largest employer.

New business registrations show a continuing trend of new business growth, with 608 new business registrations recorded for the 2012 calendar year.

The total annual estimated gross regional product for East Gippsland (a measure of size or net wealth generated by the local economy) for the 2012 calendar year was \$1.349 million, down slightly from the previous year's figure of \$1.366 million. This reflects the slowing of the local economy and is similar to trends throughout much of Australia.

Structural change

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

This has been most apparent in rural townships dependent on timber milling and associated services.

However, during a time of global economic downturn, a drying climate, floods and bushfires, the East Gippsland economy has demonstrated resilience and an ability to adapt to change. The emerging agrifood and manufacturing sectors have provided new opportunities for the region, while regional population growth has supported a growing construction sector. Mining ventures proposed for the region are anticipated to further diversify the region's economy.

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

AWARDS AND RECOGNITION

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

Australia Day awards

Council recognised the major contribution of individuals to the community through the Australia Day awards presented on 26 January 2013 at Lakes Entrance. The recipients were:

Citizen of the Year Award

Ms Judith Williams, Mr John Armit

Young Citizen of the Year Award

Master Jack Wickfeldt

Community Event of the Year Award

Seafarers' Multicultural Festival

Our achievements

- Council received a Bronze Award for its 2011/12 Annual Report at the Australasian Reporting Awards (ARA). The ARA criteria focused on open and transparent reporting using world best practice.
- Municipal Association of Victoria Insurance Award for Excellence, in recognition of Council's first-placed audit ranking amongst eastern rural region councils.
- The Buy Fresh Local Project received a Commendation Award at the Local Government Professionals (LGPro) Awards 2013.
- LGPro Certificate of Recognition for the Strengthening Community Disaster Resilience initiative.
- Management Accountant Tammy Gilmore was one of 10 Victorian winners of a 2013 FinPro Vision Super Scholarship.
- The Council-owned Eagle Point Caravan Park achieved a 3-Star rating from AAAT.

An analysis of the valued added by industry sectors in East Gippsland Shire in 2011/12 shows the three largest industries were:

- Agriculture, Forestry and Fishing (\$179 million or 14.8%)
- Construction (\$127 million or 10.5%)
- Health Care and Social Assistance (\$123 million or 10.2%)

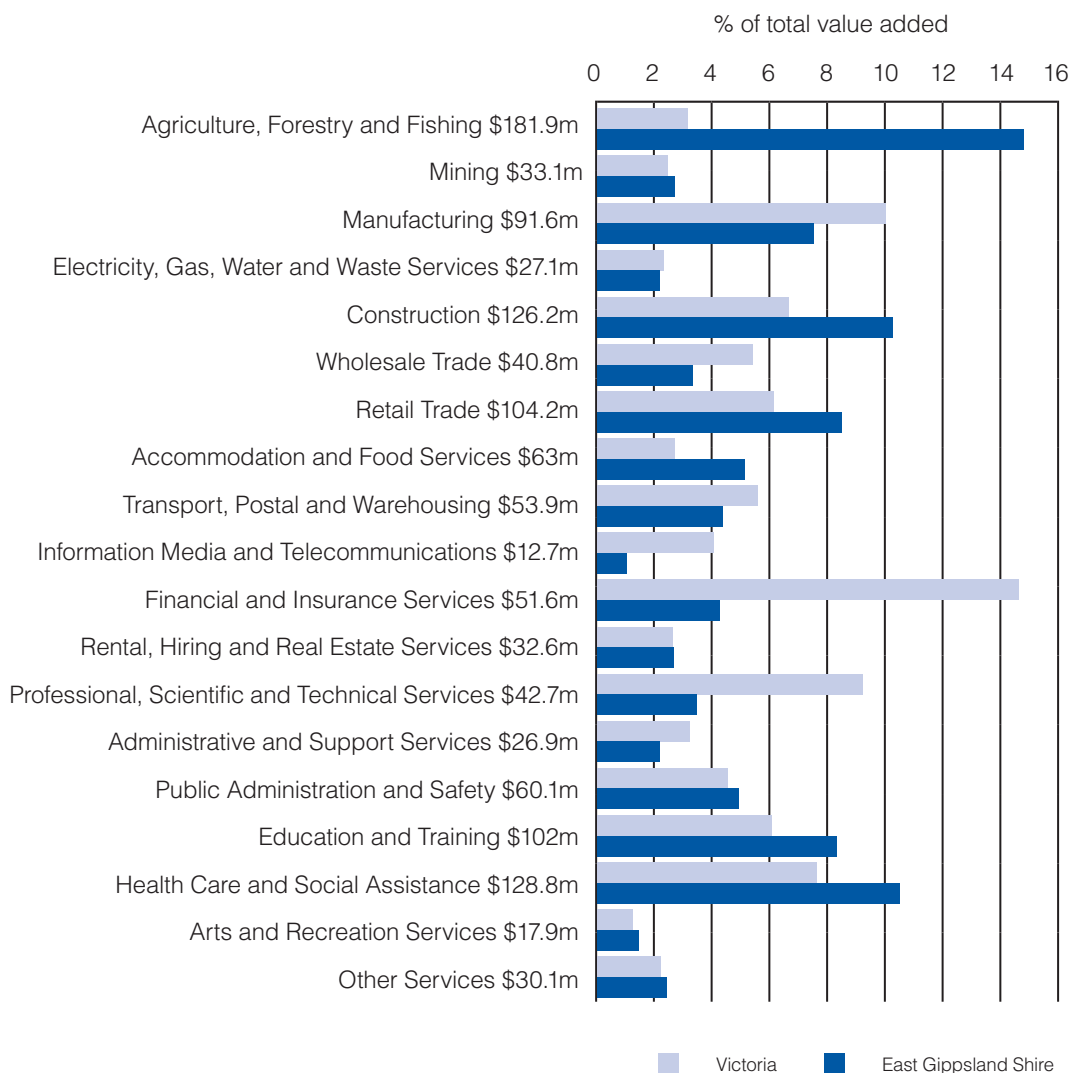
Combined, these three industries accounted for \$429 million in total or 35.5% of the total value added by industry in East Gippsland Shire.

In comparison, the same three industries in Victoria accounted for 3.1% in Agriculture, Forestry and Fishing; 6.6% in Construction; and 7.6% in Healthcare and Social Assistance.

Some of Australia's leading brands and businesses operate from East Gippsland including the world's largest pie manufacturer, Patties Foods Ltd, which began as a Lakes Entrance cake shop in 1966. Australia's largest trawling fishing fleet and largest fresh cut horticulture business, One Harvest Vegco

Innovation, is also strong in East Gippsland. A range of businesses and consultants base themselves in the region, using communications technology to service their customers around the world. (Source: Economic Profile, economy.id@)

Chart 3: Value added by industry sector, East Gippsland Shire and all Victoria 2011/12



Source: National Institute of Economic and Industry Research (NIEIR) ©2013

2012/13 EVENTS

Council worked proactively to attract a number of events into the region in 2012/13, including the Great Victorian Bike Ride, the Alpine Rally, Snowy River Sprint, Tour of Gippsland, Rural Councils Summit and Bairnsdale Rowing Regatta.

Council, through its Events unit, continued to coordinate and support permits for over 70 events, with advice provided to more than 100 event organisers. Twenty-two grants were awarded via Regional and District Events Sponsorship (RADES) and the Community Grants festivals and event funding stream.

A series of training sessions were held to enable community event organisers to be certified in Traffic Management. A series of 'Events – make them your business' booklets were developed to encourage and help local businesses become actively involved in events.

Funding was also secured to conduct an Events Capacity Study. The study will give Council and event coordinators a full list of venues available for events and the capacity of the region's accommodation sector to support overnight stays.



JULY 2012	Swifts Creek Blah Launch	NAIDOC Week activities, Bairnsdale and Lakes Entrance
Twin Rivers Bream Classic Supported by EGSC		
AUGUST 2012	Tour of Gippsland Supported by EGSC	
SEPTEMBER 2012	Bairnsdale Rowing Regatta	Spring Spectacular
Wall to Wall Ride	Open Gardens: East Gippsland Supported by EGSC	Bairnsdale Running Festival
OCTOBER 2012	Patties Foods Bairnsdale Cup Supported by EGSC	Metung Food and Wine Festival Supported by EGSC
GSI Business Awards Bairnsdale Supported by EGSC	Vic Bream Classic Mallacoota	Barry Sheene Tribute Ride
Nicholson Primary School Festival	Round 1: Vic Downhill Mountain Bike Series Supported by EGSC	Caravan Muster Supported by EGSC
Marathon Ski/Paddle Race Supported by EGSC		

NOVEMBER 2012	Lakes Entrance Business and Tourism Association (LEBTA) Melbourne Cup Weekend	LEBTA Public Holiday Foreshore Activities
Dahlsens Melbourne Cup Day Supported by EGSC	Mallacoota Fun Run	Bairnsdale Show
Remembrance Day Supported by EGSC	Australian Bass Tournament Supported by EGSC	Metung Fun Run Supported by EGSC
Bairnsdale Chamber of Commerce Inc. Bairnsdale Christmas Parade Supported by EGSC	Bruthen Carnival	Great Victorian Bike Ride
Alpine Rally - Historic Rally Association Supported by EGSC	Seafarers Festival Lakes Entrance Supported by EGSC	

DECEMBER 2012	Carols by the River: Bairnsdale	Lakes Entrance Triathlon
Christmas Carols: Paynesville	Bairnsdale 35th Toy Run	Lakes Entrance Christmas Carols
Toonalook Christmas Party	Paynesville Carols on the Straits	Bairnsdale Carols by Candlelight
Orbost Christmas Eve Festival	Rotary SkyFest Lakes Entrance Supported by EGSC	New Year's Eve Paynesville Supported by EGSC
Theos 2013 Scripture Union		

JANUARY 2013	Lakes Entrance January Activities Supported by EGSC	Australia Day Supported by EGSC
Audax Alpine Classic Supported by EGSC	Eagle Point Triathlon	Marlo Triathlon
Jazz at Domain Lakes Entrance		

FEBRUARY 2013	Daiwa Hobie Bream Series Supported by EGSC	Lakes Entrance Fishing Classic
Bairnsdale Motor Expo Supported by EGSC	Paynesville Music Festival Supported by EGSC	Mallacoota Bream Qualifier Supported by EGSC
Bruthen Blues and Arts Festival Supported by EGSC	Corporate Teams Triathlon	Dressage Club Competition Supported by EGSC

MARCH 2013	(f)routeville	Clean Up Australia Day
Surfing for Boys	Bairnsdale Pro-am	Dementia Prevention Seminar
Surfing for Boys Red Bluff	Alpine Discovery Festival	Mallacoota Fun Run
3 Peaks Challenge Bicycle Victoria Supported by EGSC	Orbost Agricultural Show	Relay for Life Bairnsdale

Easter Sunday Bream Fishing Competition	Lions Paynesville Market	Good Friday Fish Tasting
Metung Business and Tourism Association Easter Saturday Market	Tambo Valley Races and Family Fun Day	

APRIL 2013	Mount Nowa Nowa Challenge Fun Run	Paynesville Powerboat Cup
Cabanandra Campdraft	Sensory Garden Orbost Celebrating 20 Years Supported by EGSC	Lions Ride for Sight
East Gippsland Field Days Supported by EGSC	RAMP Rage	Stratford to Bairnsdale Cycle Race
Anzac Day – Lakes Entrance, Orbost, Bairnsdale	Buchan Tall Timber Endurance Ride Supported by EGSC	Omeo Rodeo Easter Saturday
Buchan Rodeo Easter Sunday		

MAY 2013	Creative Gippsland be Inspired Festival Supported by EGSC	Rural Council Summit Lakes Entrance Supported by EGSC
Glorious Gippsland Supported by EGSC	Gippsland Marathon Ski Race Supported by EGSC	Melbourne Uni Car Rally
Mothers Day Classic Fun Run		

JUNE 2013	Metung Food and Wine Festival Supported by EGSC	Bega Valley Rally Supported by EGSC
Cranka Bream Classic Supported by EGSC	Whiters Street Cranes Bairnsdale Cup Day Supported by EGSC	



2012/13 CIVIC EVENTS

Council hosted the following civic events across the Shire in 2012/13:

JULY 2012	NAIDOC Week Flag Raising Ceremony	Funding announcement by Jeanette Powell, Minister for Local Government at Bairnsdale Library
Staff achievement awards	Civic reception - Welcome to students from Taizhou China visiting Bairnsdale Secondary College.	Opening of Moulin Creek bridge
SEPTEMBER 2012	State Government funding announcement for Bairnsdale Library	
NOVEMBER 2012	Bairnsdale Visitor Information Centre reopening	
DECEMBER 2012	Opening of Lakes Entrance Aquadome extension	

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

FEBRUARY 2013	Opening of Mallacoota Scenic Coastal Walk	Launch of Reconciliation Action Plan and Deadly in Gippsland Conference
APRIL 2013	Opening of Orbost Sensory Gardens Pathway and Forest Park Playground	East Gippsland Field Days
MAY 2013	Launch of Indigenous Honour Roll Exhibition	
JUNE 2013	Official welcome - Pacific Lutheran University Jazz and Wind Ensembles from Washington State USA	



Citizenship

Seven citizenship ceremonies were hosted by Council in 2012/13 including a major ceremony as part of Council's Australia Day celebrations. A total of 34 East Gippsland residents became Australian citizens during the year.

Letters under seal of Council

One letter was presented under the seal of Council in 2012/13 to Mr Gil Sheppard, in recognition of his achievement in being awarded an Order of Australia Medal in the Queen's Birthday Honours 2012 for his services to veterans and their families, to local government and to the community.

Our volunteers

Every week hundreds of people generously volunteer their time, knowledge and energy to help delivery Council services, forming an integral part of our East Gippsland community.

Among them are students, retirees, new and intending Australian citizens wanting to contribute to their new country and skilled professionals.

Volunteers may vary in background, age and beliefs, yet they all share the desire to make a difference. They support our Visitor Information Centres in Lakes Entrance and Bairnsdale; help with cataloguing and delivery of programs in our libraries, assist in staging community events and deliver means to East Gippsland's aged and disability services clients.

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

Council has also met the cost of materials which have been provided to volunteer groups in the construction of public structures and facilities such as two barbecue shelters constructed by the Mallacoota Lions Club.

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

Going the extra mile

Student placements – Buy Fresh Local

Council hosted three final year dietetic and nutrition students for nine weeks. Along with the opportunity to complete their final course subject, the students experienced working in a regional context and in a Council environment. The students evaluated the Buy Fresh Local project and discussed their work with the Chief Executive Officer and Councillors. The students wrote two peer-reviewed journal articles for presentation at upcoming health conferences. All students enjoyed their experience working in Council and were positive about the opportunities for young professionals in East Gippsland.

Community infrastructure planning

The floods that hit the north-east of our Shire in June 2012 had a devastating impact on many of our assets in the Omeo area. One of the most impacted areas was Livingstone Park. The park was severely flooded and a large area of open parkland was washed away. This demonstrated that the park is vulnerable when subjected to a large flood.

Council partnered with North East Catchment Management Authority to develop a plan that not only recovered the park but also provided some protection of the park during future flood events. The outcome was a jointly-developed flood recovery plan that met community expectation in terms of reinstating the park and also meeting requirements for health of the waterway.

The works are being funded entirely by the National Disaster Relief and Recovery Arrangements. While the nature of the incident meant the project could not be planned in advance, by working together with other agencies and the community, a positive outcome has been achieved.

Asset maintenance by remote area works crews

Remote area works crews have received widespread community recognition for their maintenance activities; responding to after-hour calls to attend issues such as fallen trees. They have made themselves available outside work hours to support community events through implementing road closures, undertaking traffic management and collecting litter.

Coastcare – Summer by Sea program

Council, through its Sustainability unit, has provided support and built relationships with a number of community environmental organisations including conservation networks, Landcare and Coastcare. Staff participated in the Coastcare - Summer by Sea program sharing environmental knowledge on canoe trips at Lakes Entrance. Council has also maintained membership in International Council for Environmental Initiatives' Local Governments for Sustainability, Planet Footprint and Gippsland Climate Change Network.

Repair of the Orbost outdoor pool

The Works Unit was particularly pleased to successfully repair the ailing Orbost outdoor swimming pool. This has been a significant environmental and financial success with the team being able to stop the annual loss of hundreds of thousands of litres of water.

Cross-border collaboration – Public Health

Council, following the departure of key staff at a neighbouring Shire, provided Health and Community Laws unit staff to review and undertake immunisation services. This involvement allowed a continuation of the immunisation service in the neighbouring Council until adequate resourcing was returned.

HOW THE COUNCIL WORKS

Council's roles and responsibilities

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

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

Council is responsible for setting the organisation's direction and monitoring its performance on behalf of the community.

The primary goal of East Gippsland Shire Council is to achieve the best outcomes for its community. It does this by striving to:

- provide a wide range of services and facilities, and support many others;
- protect the community, making sure the environment is safe and clean;
- prevent things that cause harm to the community, such as disease, noise and pollution;
- plan for the future of the community;
- represent the needs and desires of local communities to the wider community, other levels of government and other organisations; and
- provide open, responsive and accountable governance, ensuring the resources available are used fairly, efficiently and effectively

Corporate governance

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

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

Accountability

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

Further information on Council decisions, projects and services is available through a weekly local community radio segment, information provided to electronic and print media on an ongoing basis, and via Council's website.

Representing the interests of the community

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

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

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

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

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



**East Gippsland
Shire Council is
committed to clear
and transparent
governance.**

Council meetings are
open to the public
whenever permitted

OUR COUNCILLORS

East Gippsland Shire Council is an unsubdivided municipality. The Council consists of nine Councillors, each representing the whole Shire. An election was held on 27 October, 2012 to elect the current Council.



Cr Richard Ellis
Mayor

Cr Ellis served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Lets Get Connected Gippsland East Transport Project Steering Committee

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

- Gippsland Local Government Network
- Gippsland Regional Waste Management Group (GRWMG)
- GRWMG Audit Committee
- GRWMG Industry Sub-Committee
- High Country Councils Coalition (Mayor ex officio)
- National Sea Change Taskforce (Mayor ex officio)



Cr Jane Rowe
Deputy Mayor

Cr Rowe served as Council's representative to the following external organisations in 2012/13:

- Municipal Association of Victoria
- Municipal Association of Victoria Management Board
- Municipal Association of Victoria – Emergency Management Reference Group



Cr Ben Buckley

Cr Buckley served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Livestock Exchange Consultative Committee

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

- Alliance of Councils for Rail Freight Development



Cr Michael Freshwater

Cr Freshwater served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Livestock Exchange Consultative Committee
- Marina Consultative Committee
- Recreational Vehicle Plan Reference Group

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

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



Cr Jeff McNeill

Cr McNeill served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Bairnsdale Central Business District Reference Group
- Disability Action Plan Advisory Committee

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

- Municipal Association of Victoria – Human Services Committee



Cr Peter Neal

Cr Neal served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Bairnsdale Central Business District Reference Group
- Marina Consultative Committee
- Lets Get Connected Gippsland East Transport Project Steering Committee
- Municipal Emergency Management Planning Committee
- Recreational Vehicle Plan Reference Group

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

- International Council for Local Environmental Initiatives – Oceania
- Municipal Association of Victoria
- Rural Councils Victoria



Cr Marianne Pelz

Cr Pelz was a Council representative to the following external organisations during 2012/13:

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



Cr Mark Reeves

Cr Reeves served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Disability Action Plan Advisory Committee

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

- Australian Alps National Landscapes Inc
- East Gippsland Local Aboriginal Justice Action Committee
- Gippsland Regional Aboriginal Justice Action Committee
- Municipal Association of Victoria – Environment Committee
- Municipal Association of Victoria – Multicultural Committee



Cr John Wilkin

Cr Wilkin served as a member of the following Advisory Committees and Working Groups in 2012/13:

- Bairnsdale Regional Landfill Environment Advisory Committee

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

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



Trudy Anderson

**Term - November 2008
to October 2012**

Former Cr Anderson was a member of the following Advisory Committees and Working Groups during 2012:

- East Gippsland Shire Council Community Planning Advisory Board
- East Gippsland Shire Council Livestock Exchange Consultative Committee

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

- Australian Alps National Landscapes Inc
- Municipal Association of Victoria – Substitute Delegate



Bill Gamble

**Term - November 2008
to October 2012**

Former Cr Gamble was a member of the following Advisory Committees and Working Groups during 2012:

- East Gippsland Shire Council Arts and Culture Strategic Advisory Board
- East Gippsland Shire Council Tourism Advisory Board
- Bairnsdale CBD Reference Group

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

- Local Aboriginal Justice Action Committee



Mendy Urie

**Term - November 2008
to October 2012**

Former Cr Urie was a member of the following Advisory Committees and Working Groups during 2012:

- East Gippsland Shire Council Arts and Culture Strategic Advisory Board
- East Gippsland Shire Council Environmental Sustainability Advisory Board

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

- East Gippsland Regional Youth Strategy Group
- National Sea Change Task Force Executive – Victorian representative
- Regional Aboriginal Justice Action Committee

FULFILLING COUNCILLORS' OBLIGATIONS

Councillor Code of Conduct

The Local Government Act 1989 requires East Gippsland Shire Council to adopt a 'Code of Conduct' to be observed by Councillors.

Council has a Code of Conduct and Good Governance that establishes clear guidelines about ethical behaviour and personal standards for Councillors.

This Code is a 'living' document that continues to evolve over time in response to a range of factors including changes in legislation, emerging best practice and consultation with the local government sector, Councillors and the community. In essence, the Councillor Code of Conduct describes what constitutes the expected behaviours for East Gippsland Shire Councillors.

The Code is based on the understanding that the community is entitled to expect that:

- Council business is conducted with efficiency, impartiality and integrity;
- Councillors adhere to both the spirit and letter of the law with respect to the provisions of all relevant statutes, regulations and local laws; and
- Councillors always give absolute priority to their duty to the public ahead of any private interests.

A copy of the Code is available on Council's website.

Open and accountable decision making

The responsibility for making decisions rests with Councillors through a vote at formal Council meetings. Council staff do not vote on decisions, but provide independent advice to elected representatives to assist and inform them in decision making and to form policy.

Councillors are also required to disclose any direct or indirect 'conflict of interest' that may impact on their impartiality.

Conflict of interest

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

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

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

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

Training elected representatives

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

COUNCIL AND COMMITTEE MEETINGS

Council meetings are an opportunity for the elected Council to discuss issues that affect its community, make decisions on reports presented by officers and to regularly review Council's performance.

Ordinary Council Meetings are normally held on the first Tuesday of each month, excepting January (no meeting) and November and December (second Tuesday). Unless otherwise advised, Council meetings are held in the Corporate Centre, Bairnsdale starting at 6.00 pm.

East Gippsland Shire Council's Mayor and Councillors welcome and encourage the public to attend Council meetings.

Council meeting schedule 2012/13

During the 2012/13 year, a total of 11 Ordinary Council Meetings, six Special Council Meetings and 11 Planning Committee meetings were held. Meetings were advertised and open to the public.

Table 1 shows the Council meeting schedule for 2012/13.

Council meeting attendance

Table 2 shows Councillor attendance at Council meetings for the financial year.

Council agendas

The business to be considered by Council is set out in an agenda, which is available from 4.00 pm on the Friday before the Council meeting at the Shire's Corporate Centre, Service and Outreach Centres. Agendas can also be viewed on Council's website.

Council minutes

All resolutions made at each Council meeting are recorded. Council minutes can be viewed on Council's website and at the same locations as the agenda.

Table 1: Council meeting schedule 2012/13

ORDINARY COUNCIL MEETING	SPECIAL COUNCIL MEETING	PLANNING COMMITTEE MEETING
03/07/12	11/09/12	24/07/12
07/08/12	16/10/12	31/07/12
04/09/12	13/11/12	21/08/12
02/10/12	27/11/12	27/11/12
20/11/12	30/04/13	19/02/13
11/12/12	25/06/13	13/03/13
05/02/13		04/04/13
05/03/13		16/04/13
09/04/13		11/06/13
07/05/13		
04/06/13		

Table 2: Councillor attendance at Council meetings

COUNCILLORS	ORDINARY MEETING	SPECIAL MEETING
Richard Ellis	11 of 11	5 of 5
Ben Buckley	11 of 11	5 of 5
Michael Freshwater	10 of 11*	5 of 5
Peter Neal	10 of 11*	5 of 5
Marianne Pelz	9 of 11*	4* of 5
Jane Rowe	11 of 11	5 of 5
Jeff McNeill	7 of 7	3 of 3
Mark Reeves	5 of 7*	3 of 3
John Wilkin	7 of 7	3 of 3
Trudy Anderson	4 of 4	2 of 2
William Gamble	4 of 4	2 of 2
Meredith Urie	4 of 4	2 of 2

* = Leave of absence granted

Council advisory boards and committees

Council has a framework of advisory committees, advisory boards and reference groups. Councillors represent East Gippsland Shire Council on the boards and committees shown in Table 3 and 4.

Legislative impacts on Council

East Gippsland Shire Council undertakes a wide range of activities and performs services within a highly regulated environment. Many Acts and regulations, including those listed below, have a direct impact on Council.

Each contains specific provisions relevant to local government and has some form of direct or indirect influence or requires specific knowledge by Councillors and officers in performing their duties.

- *Aboriginal Heritage Act 2006*
- *Agricultural and Veterinary Control of Use Act 1992*
- *Association Incorporation Reform Act 2012*
- Australian Accounting Standards
- *Audit Act 1994*
- *Building Act 1993*
- *Building Regulations 2006*
- *Charter of Human Rights and Responsibilities Act 2006*
- *Children, Youth and Families Act 2005*
- *Children's Services Act 1996*
- *Country Fire Authority Act 1958*
- *Crown Land (Reserves) Act 1978*
- *Cultural and Recreational Lands Act 1963*

Table 3: Councillor advisory board membership

COUNCIL ADVISORY BOARDS	MEMBERSHIP AS AT 30 JUNE 2013
Arts and Culture Strategic Advisory Board	Cr Neal Cr Wilkin
Community Planning Advisory Board	Cr McNeill Cr Neal
Economic Development Advisory Board	Cr McNeill Cr Pelz
Environmental Sustainability Advisory Board	Cr Reeves Cr Wilkin
Tourism Advisory Board	Cr Freshwater Cr Neal

Table 4: Councillor advisory committees membership

COUNCIL ADVISORY COMMITTEES	MEMBERSHIP AS AT 30 JUNE 2013
Audit Committee	Mayor (ex officio) Cr Pelz Cr Rowe
Disability Advisory Committee	Cr McNeill Cr Reeves

East Gippsland Shire Council undertakes a wide range of activities and performs services within a highly regulated environment

- *Disability Act 2006*
- *Domestic Animals Act 1994*
- *Emergency Management Act 1986*
- *Environment Protection Act 1970*
- *Equal Opportunity Act 2006*
- *Financial Management Act 1994*
- *Fire Services Property Levy Act 2012*
- *Food Act 1984*
- *Freedom of Information Act 1982*
- *Geographical Place Names Act 1998*
- *Graffiti Prevention Act 2007*
- *Independent Broad-based Anti-corruption Commission Act 2011*
- *Health Records Act 2001*
- *Heritage Act 1995*
- *Impounding of Livestock Act 1994*
- *Information Privacy Act 2000*
- *Infringements Act 2006*
- *Land Acquisition and Compensation Act 1986*
- *Liquor Control Reform Act 1998*
- *Local Government Act 1989*
- *Local Government (General) Regulations 2004*
- *Local Government (Electoral) Regulations 2005*
- *Local Government (Finance and Reporting) Regulations 2004*
- *National Parks Act 1975*
- *Occupational Health and Safety Act 1985*
- *Planning Environment Act 1987*
- *Protected Disclosure Act 2012*
- *Public Health and Wellbeing Act 2008*
- *Public Records Act 1973*
- *Residential Tenancies Act 1997*
- *Road Management Act 2004*
- *Road Safety (Road Rules) Regulations 1999*
- *Road Safety Act 1986*
- *Sale of Land Act 1962*
- *Sex Work Act 1994*
- *Shop Trading Reform Act 1996*
- *Subdivision Act 1988*
- *Summary Offences Act 1996*
- *Surveillance Devices Act 1999*
- *Tobacco Act 1987*
- *Valuation of Land Act 1960*
- *Victorian Civil and Administrative Tribunal Act 1998*

OUR ORGANISATION

Executive management team

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

East Gippsland Shire Council's organisational chart comprises five key service-oriented divisions reporting through Directors to the Chief Executive Officer.

These divisions reflect Council's major operational activities, including services to the community and the business and governance functions necessary for an effective and publicly accountable body.



Steve Kozlowski
Chief Executive Officer



Maryanne Bennett
Director Corporate

- Administration and Governance
- Communication and Organisation Development
- Finance



Paul Holton*
Director Development

- Development Approvals
- Major Projects and Economic Development
- Projects



Chris Waites
Director Operations

- Asset Maintenance
- Environmental Health and Community Laws
- Parks and Gardens
- Waste Operations
- Works



Kate Nelson
Director Planning and Community

- Community Access and Arts
- Municipal Emergency Recovery
- Strategic Planning



Matt Youell
Director Services

- Commercial Business
- Information Services
- Recreation Centres
- Waste Management

* Paul Holton is on secondment from Wellington Shire Council as part of an exchange program with East Gippsland Shire director John Websdale.

COUNCIL SERVICES

Assets Maintenance

Manage and maintain Council's extensive infrastructure network including:

- Roads
- Drains
- Bridges
- Paths
- Aerodromes
- Raymond Island Ferry
- Street lighting

The unit also delivers Council's after hours on-call service.

Waste Management

Manage and operate waste collection and disposal services across the region:

- Kerbside collection
- Landfill management
- Waste Transfer Stations
- Transfer Trailers

Communications and Corporate Planning

- Prepare and publish media releases; provide photographs where required.
- Coordinate weekly Shire advertisement and other advertising.
- Publicise Council activities and events.
- Prepare a range of corporate documents including brochures, newsletters and our quarterly newspaper insert, Community Connect.
- Provide advice to other staff on Council's Corporate Style Guide, communications standards and processes.
- Coordinate development of the Annual Report and Council Plan.
- Manage the corporate planning framework.

Civic Events

- Organise citizenship ceremonies, civic events, corporate functions, openings and launches.
- Coordinate Council's program of regular meetings with Memorandum of Understanding partners and local Members of Parliament.

Emergency Management

- Ensure Council is prepared for, and able to respond to, emergency events impacting our community.
- Ensure Council is able to recover from emergencies impacting the municipality.
- Ensure Council meets its statutory obligations in minimising the impact of emergencies on our community.
- Annually update the Municipal Emergency Management Plan.
- Take part in Municipal Emergency Management Planning and Recovery Committees.

758

Twitter followers

up from 327 in 2011/12

Finance

Financial Management

- Manage the Annual Budget process
- Develop the long-term Financial Plan
- Manage budget review, revisions and reporting
- Prepare regular finance reports for management and Council
- Prepare Annual Financial Statements
- Bank reconciliation, manage investments, managing grants
- Management and maintenance of assets in general ledger
- Manage finance systems
- Complete taxation reporting for Goods and Services Tax and Fringe Benefits Tax
- Reporting to external bodies (e.g. Victorian Grants Commission annual questionnaire, Municipal Association of Victoria Rates Survey)
- Provide financial advice to other business units
- Provide training to all staff on finance systems

Rates and Property

- Generation of rates
- Issuing rate notices
- Managing the property database
- Responding to ratepayer enquiries on rates

Valuations

- Undertaking valuations and managing contract valuers
- Managing valuation objection and supplementary valuation processes
- Completion of biennial property valuations

Accounts Payable

- Payment of creditors and suppliers in a timely manner
- Manage purchasing and accounts payable systems
- Provide purchasing training to staff

Accounts Receivable

- Raising and creation of debtor invoices
- Management of debtor and rate debts including special charge schemes

Major Projects and Economic Development

- Attract new business and investment to East Gippsland.
- Facilitate the growth and resilience of existing businesses within East Gippsland Shire.
- Advocate on behalf of businesses on business issues of importance to the region.
- Manage projects designed to deliver business outcomes for the region in the areas of policy improvement, removal of barriers to growth and infrastructure improvements.

Strategic Planning

Land Use Planning

- Manage improvements to the East Gippsland Planning Scheme and all planning scheme amendments.
- Manage the development and implementation of local area plans, structure plans and urban renewal plans.
- Develop strategies and actions to guide future development.

Social Planning

- Build partnerships to develop and deliver social infrastructure and services for the region through social impact assessment tools.
- Undertake research and access data to ensure planning by East Gippsland Shire Council and our stakeholders reflects relevant data and trends for the region.
- Coordinate implementation of the Municipal Public Health and Wellbeing Plan.
- Review and report on Council Municipal Early Years Plan, Regional Youth Strategy and Positive Ageing Strategy.
- Maintain partnerships with key community and health service agencies and networks.
- Identify funding and policy opportunities to improve community health and wellbeing.

Facility Projects and Planning

- Develop strategies and plans to guide delivery of future community infrastructure.
- Produce detailed design of specific infrastructure.
- Project manage construction and delivery of infrastructure projects including new infrastructure and renewal of existing facilities and infrastructure.

Community Planning

Partner with local communities and organisations to deliver a range of infrastructure and projects identified as priorities for communities through their Community Plans.

Sustainability

- Develop strategies and policies to support environmental sustainability.
- Undertake projects to improve the environmental health of East Gippsland.
- Implement community education and behaviour change programs to encourage community members to focus on reduced resource use and energy reduction.
- Undertake projects to reduce the organisation's own resource and energy consumption.

Community Programs

- Deliver community development services.
- Manage the Shire's Community Grants.
- Coordinate community events and information.
- Deliver specialist programs in the areas of access, early years, youth, transport connections, and healthy eating.
- Develop strategies and policies to support community wellbeing.
- Partner with other agencies and stakeholders to plan, deliver and advocate for services for communities throughout East Gippsland.

Community Access and Arts

Library and Citizen Services which are located in:

- The Service Hubs of Bairnsdale Library and the Corporate Centre.

- The Service Centres of Lakes Entrance, Paynesville, Orbost and Omeo.

The services provided are:

- Council – receiving information from, and providing information to residents and visitors
- Library – loans, access to information and programs
- Mobile and outreach services
- Banking
- VicRoads
- Visitor information
- Centrelink

Arts, Culture and Heritage

Support and development of arts, culture and heritage initiatives.

Performing Arts

The Forge Theatre and Arts Hub in Bairnsdale seats 364 patrons and provides a varied program of performances.

10,538
people attended events and performances at the Forge Theatre and Arts Hub in 2012/13

37
community projects were funded by Council under the Community Grants Program

STAFF PROFILE

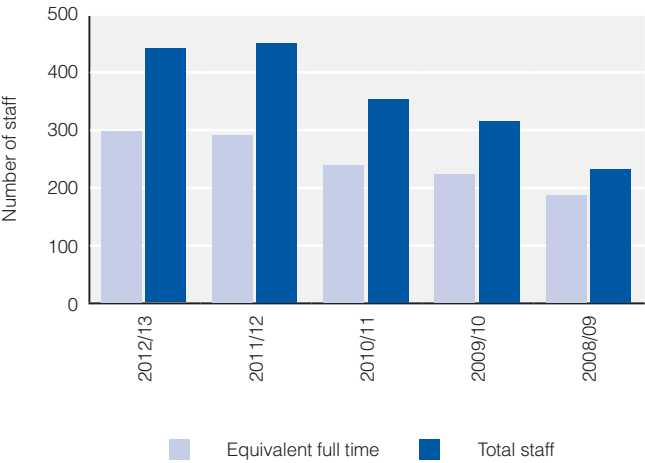
Council’s staff is one of its most valuable resources. East Gippsland Shire Council has a commitment to being an employer of choice, with a focus on attracting and retaining excellent staff to ensure a high level of customer service delivery.

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

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

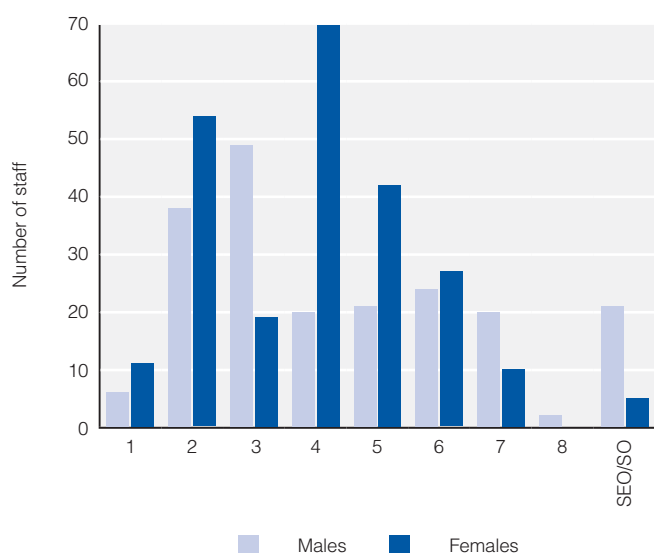
The Code of Conduct provides a set of guidelines that connect staff decision-making, behaviour and actions to the vision, objectives and standards of the organisation. It is designed to guide staff on the standards expected of them as they carry out their daily work. Those standards include honesty and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

Total staff numbers



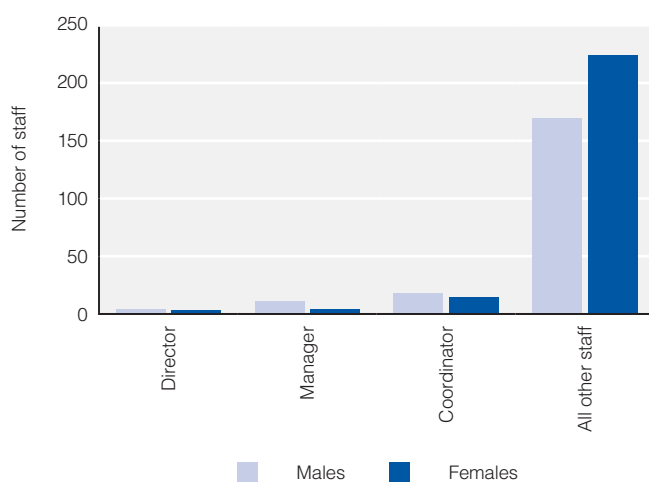
YEAR	EFT	TOTAL
2012/13	295.8	439
2011/12	289.9	449
2010/11	237	352
2009/10	222.6	314
2008/09	186	231

Total staff numbers by salary band and gender 2012/13



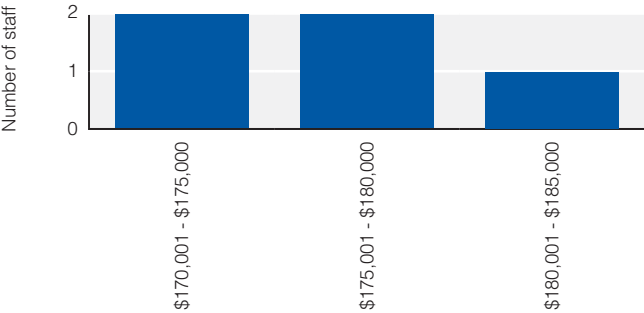
SALARY BAND	MALES	FEMALES	TOTAL
Band 1	6	11	17
Band 2	38	54	92
Band 3	49	19	68
Band 4	20	70	90
Band 5	21	42	63
Band 6	24	27	51
Band 7	20	10	30
Band 8	2	0	2
SEO/SO	21	5	26

Job level by gender



JOB LEVEL	MALES	FEMALES	TOTAL
Director	3	2	5
Manager	10	3	13
Coordinator	17	13	36
All other staff	168	223	391
Total	198	241	439

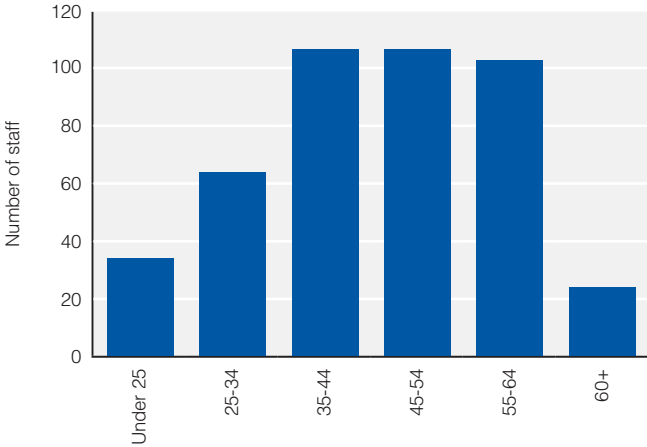
Contract staff (directors) salary range



SALARY RANGE*	TOTAL
\$170,001 - \$175,000	2
\$175,001 - \$180,000	2
\$180,001 - \$185,000	1
Total	5

* Total remuneration package

Percentage of staff by age group

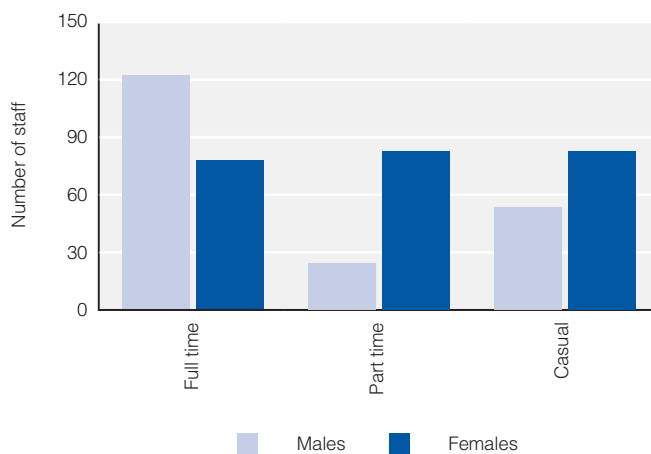


AGE	NUMBER OF STAFF	PERCENTAGE OF STAFF
Under 25	34	8%
25-34	64	15%
35-44	107	24%
45-54	107	24%
55-64	103	23%
60+	24	6%
Total	439	100%

Percentage of equivalent full-time staff by employment type

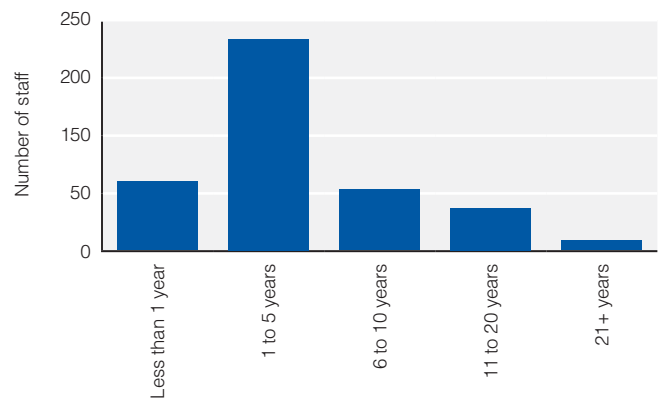
Council employs staff with a diverse range of skills in order to provide the services required by the community. The organisation understands the importance of flexible work practices that provide a supportive environment for staff to contribute and succeed, while maintaining work life balance.

The distribution between these employment types is:



EMPLOYMENT TYPE	MALE	FEMALE	PERCENTAGE OF STAFF
Full time	121	77	45%
Part time	24	82	24%
Casual	53	82	30%
Total	198	241	100%

Length of service profile



SERVICE PROFILE	TOTAL	PERCENTAGE OF STAFF
Less than 1 year	77	18%
1 to 5 years	236	54%
6 to 10 years	68	15%
11 to 20 years	47	11%
21+ years	11	2%
Total	439	100%

ORGANISATION DEVELOPMENT

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

Training and development opportunities allow staff to learn new skills and encourage retention of skilled personnel. Eight members of Parks and Garden, and Works units recently undertook Microsoft Word training. The staff all undertook the training in their own time after they had completed their full days work.

This optional training gave staff the opportunity to learn new skills that they would not gain whilst on the job, as well as gave them skills that will assist them in applying for other roles within Council. The training was provided by Council employees as part of our internal Skills Champion program. A computer has been placed at Council's works depot for outdoor crew members to access the staff intranet, and to practice their Microsoft Word skills.

Council looked at how technology could be used differently for officers who work mainly in the field, to help with timely response to enquiries and dispersal of information. A Mobile Computing Technology Pilot started in February 2013 and early results show that customer requests and complaints can be managed more efficiently, travel time is being reduced and other asset-related benefits are being achieved.

Achievements

- Developed an 18-month Learning and Development Program based on needs identified in staff work plans.
- Streamlined the recruitment process for business units and the Human Resources unit through the development of a new procedure.
- Developed a procedure to protect staff working alone or in isolated locations.
- Through interviews with newly-appointed staff, continuous improvement opportunities and new ways of working are being identified to improve processes, customer service and organisational efficiencies

Looking forward

- Negotiate Enterprise Agreement No. 4 for implementation on expiry of Agreement No. 3 on 30 June 2014.
- Develop a Workforce Plan to deliver Council and community requirements, ensuring we have the right skills in the right jobs.
- Continue to deliver a comprehensive reporting program and appropriate systems to provide timely and informative reports on Council's performance to Council and the community.
- Implement improved customer service models using technology to support officers in the timely execution of activities.



Occupational Health and Safety

WorkCover

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

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

In 2012/13:

- Eighty-one workplace incidents were reported compared with 54 the previous year. Only 13 of these incidents resulted in Workcover claims.

- Of the 13 WorkCover claims lodged 10 resulted in lost time. Four of these were above the employer excess (less than 10 days lost).
- WorkCover claims as a percentage of staff was 2.90%, compared to 0.67% in 2011/12.

The annual report reflects an increase in reported workplace incidents of 81 during 2012/13, an increase from 39 during 2011/12. The increase can be attributed to:

- Staff numbers increasing after Council brought a number of functions in-house that were previously contracted to external providers; and

- An increased emphasis on the importance of reporting all incidents and near-hits.

Council's indicative performance rating is 0.55. This means that our claim costs compared to remuneration is 44.86% better than the average for the industries in which we operated over the last three years.

The projected average industry premium rate for the industry in which Council operates is currently 1.6235%. Our projected premium rate is 0.8952%. This is the product of our indicative performance rate and our industry rate.

Table 3: WorkCover claims

POLICY YEAR	PREMIUM RATE	WEIGHTED INDUSTRY RATE	PAID CLAIMS PER \$1M REMUNERATION	CLAIMS COST PER \$1M REMUNERATION	CLAIMS INCIDENT RATE	AVERAGE CLAIM COST
2008/09	1.4697%	1.5070%	0.25	\$461	1.47	\$1,875
2009/10	0.9655%	1.5397%	0.40	\$4,758	2.39	\$11,949
2010/11	0.8938%	1.7432%	0.19	\$1,807	1.17	\$9,304
2011/12	1.0211%	1.8000%	0.05	\$324	0.32	\$6,030
2012/13	1.0793%	1.7536%	0.45	\$11,580	2.68	\$25,972

249,993
customer enquiries in 2012/13

COUNCIL PLAN REPORTING

PLANNING FRAMEWORK

East Gippsland Shire Council’s corporate planning and service delivery framework is structured around the four strategic themes identified in the long-term community vision 2030: Shaping the Future, together with a fourth theme of governance.

These four themes are:

Liveability: Strong and vibrant communities create healthy, productive and fulfilling places to live.

Sustainability: Proactive leadership and strategic partnerships protect and enhance our quality environment.

Productivity: Investment and visitation develop a sustainable and prosperous economy.

Governance: Strong leadership and prudent management of democratic and legislative requirements deliver good governance outcomes.

Each of these strategic themes is underpinned by:

- Outcome statements of what is to be achieved. For each outcome, indicators have been established that will form the basis of assessing progress.
- Strategies that provide direction on how the outcomes are to be achieved.
- Priority actions that are to be implemented and the timeframe for implementation.

The Plan also identifies the resources that will be needed to achieve the strategic objectives over the next four years.

The Council Plan is Council’s medium-term response to the community vision, outlining the key priorities over the four-year period.

A number of short-term strategies, policies and plans guide the activities Council undertakes to achieve its strategic objectives and to deliver its vision to work with the community to ensure a sustainable future through liveable and productive communities supported by a healthy environment.

The Corporate Planning Framework sets out the relationship between the community and the Council, together with the links progressing through the planning and action phases of the cycle. The corporate planning framework is represented in the following diagram:



STRATEGIES AND PLANS ADOPTED IN 2012/13

The following strategies, policies and plans were reviewed or adopted by Council in 2012/13:

Council Plan 2013-2017 (adopted June 2013)

The Council Plan is the key document that drives the strategic direction of Council. It expresses the Council's broad vision for the future development of East Gippsland Shire. This year marks the final year of the Council Plan 2009-13. Further information on Council's performance against the plan is provided from Page 57.

East Gippsland Shire Council needs to prepare and approve a Council Plan by 30 June following a general election. The Council Plan must include the strategic objectives of Council and the strategies for achieving the objectives for the next four years. The process to develop a new four-year Plan for 2013-2017 started with the new Council in November 2012.

The Council Plan has been developed using the principles documented in the long-term community vision. Council reviewed and revised this vision in September 2012. The Vision articulates what the community has told Council about the direction in which it would like Council to guide East Gippsland.

The East Gippsland community identified a number of long-term issues that are addressed through six themes:

- Natural environment
- Local economy
- Community
- Land use and built environment
- Infrastructure
- Governance

Council has used the document to determine how it will support the community vision and give a clear direction to the organisation about specific outcomes to be pursued over the next four-year period.

Annual Budget 2013/14 (adopted June 2013)

The Annual Budget defines the distribution of funds and resources required to achieve the priorities identified in the four-year Council Plan.

The Budget is based on the best practice guide for reporting in local government; it provides a range of financial information and recognises the differing levels of stakeholder interest in local government finances.

The Annual Budget 2013/14 is the first budget for the new Council Plan 2013-2017 and reflects the direction set in the Council Plan. Council has framed a budget to ensure long-term financial sustainability, while maintaining the community's vision of building for the future, and maintaining the delivery of essential services to the community.

OurPlace, OurPlan, OurFuture

Eight Community Plans were developed in 2011/12, the Lindenow and District Community Plan is being updated in partnership with the Lindenow community and the Orbost and District Community Plan, developed via another process, has been included in Council's Community Planning Program in 2012/13. These 10 Community Plans are transitioning into the implementation phase.

Council is working with Planning Partnership Groups across a number of communities to scope out and prioritise the projects in the Community Plans.

Council has committed significant capital funding over the next four years to progress capital works projects emanating from the community plans and will leverage other funds to support project implementation. Local Planning Partnership Groups, in some instances, have continued to be a vehicle for engagement and decision making.

Other strategies and plans

- Social Impact Assessment Guidelines for Development Applications
- Lakes Entrance Northern Growth Area-Social Impact Assessment
- East Gippsland Cycle Tourism Action Plan 2012-2017
- East Gippsland Visitor Information Services Review
- East Gippsland Freight and Logistics Study
- East Gippsland Education Vision 2022
- Re-imagining Bairnsdale CBD Master Plan
- Twin Rivers Land Use Plan
- Lakes Entrance Outline Development Plan
- Domestic Animal Management Plan 2012/2016
- Road Safety Strategy
- Urban Waterway Guidelines
- Urban Waterway Management Strategy
- Major review of Council's Rating Strategy
- Aquatic Feasibility Study
- Learn to Swim development plan
- 2030: Shaping the Future

HOW WE REPORT ON OUR STRATEGIES AND PLANS

East Gippsland Shire Council is committed to transparent reporting and accountability to the community. Regular reporting to the community is undertaken through formal quarterly reports to Council and the Annual Report. These reports track the progress of performance against the Council Plan.

Achievement of the Council Plan is tracked all through the year. Quarterly performance reports detail progress against each commitment, and the status of activities.

An annual community satisfaction survey is conducted by an independent research company to determine how the community feels about Council's overall performance, as well as performance within specific service areas. Council undertakes additional surveys annually to determine community satisfaction levels in relation to specific service areas.

Departmental business unit plans and individual performance plans are also reviewed regularly.

Through regular review and reporting on our progress against our plans, we are able to take action where necessary and adapt to the changing needs of the community and other impacts on the internal and external environment.

PERFORMANCE AGAINST THE COUNCIL PLAN 2009-2013

Results against the key activities outlined in the Council Plan for the 2012/13 financial year are listed under five sections:

Achievement and highlights

This details the highlights and achievements against Council's strategic objectives during 2012/13.

Council Plan progress report

The progress status of each Council Plan action is presented in accordance with the final quarterly progress report for the reporting period, which was adopted by Council in August 2013.

Three status classifications are used throughout the progress report:

- ✓ Target Achieved/Completed
- ➔ Commenced and progressing to achieve target
- ⌚ Delayed

Where an action is delayed, an explanation is given.

Challenges

This section outlines the challenges encountered in delivering Council's commitments.

Looking ahead

This section outlines what lies ahead for each of the commitment areas.





LIVEABILITY

Strong and vibrant communities
create healthy, productive
and fulfilling places to live

Highlights

Support, encourage and work with citizens and community groups to identify their own needs and aspirations and how to achieve them; and provide responsive, high quality services and facilities.

Completion of the East Gippsland Community Wellbeing Plan (2009-2013)

The Plan was well received by both local and regional agencies and provided a strong context for collaborative work across various health and community sectors. The Plan revised the previous ages and stages approach to population health planning and provided an opportunity to focus on broader outcome areas across the social determinants using the social model of health.

Development of the East Gippsland Education Vision 2022

The Vision provided an opportunity to define the goals, values and key pillars of a new conversation about education in East Gippsland in the light of major challenges and opportunities in the education sector.

Community infrastructure planning

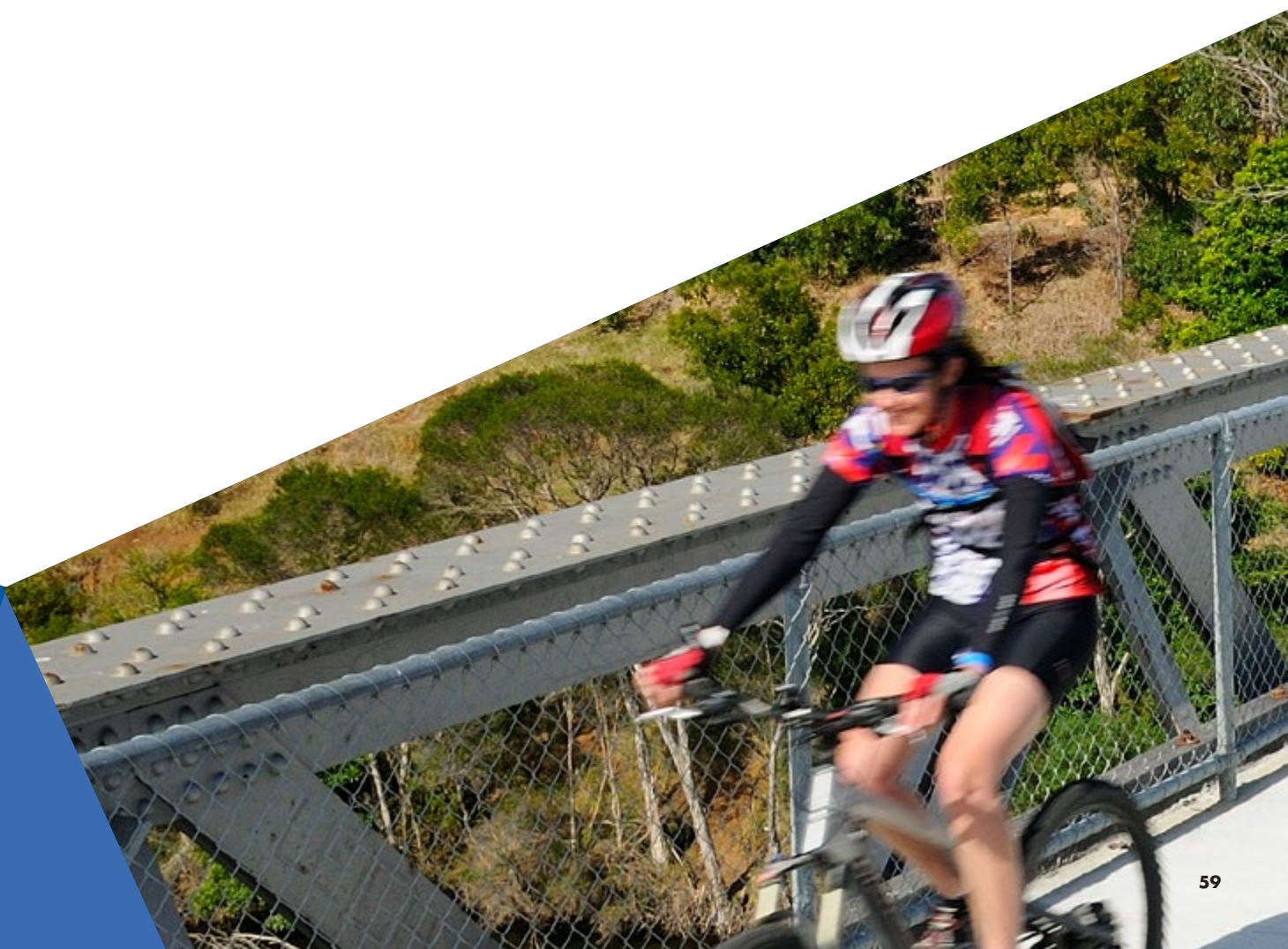
A new rowing landing was built on the Mitchell River in Bairnsdale in time for the Bairnsdale Rowing Club to celebrate its 140th birthday. The club put the landing to use hosting a major rowing regatta in September 2012.

New shared pathways were constructed in Buchan and Orbost, providing important connections between existing facilities and making travel safer and more enjoyable.

The finalisation of the Re-Imagining Bairnsdale Master Plan

saw the adoption of a framework for Bairnsdale in the 21st century; a sustainable, multi-faceted city with connected and interesting public spaces. The Plan includes proposals for the renewal of key public spaces, improvements to the quality of the town through the development of design guidelines for public spaces, a street tree planting program, and a program for diversifying and intensifying the range of activities in core areas.

The **Bairnsdale Library Precinct** re-development commenced. This significant project has generated a lot of interest and community ownership.



Arts and Culture

- Provided multi-faceted performing arts programs for the broader community through the Hub and Spoke approach. This concept extends the reach of an event or performance by taking a component of it, for example a workshop, beyond the main centre of Bairnsdale to smaller, more remote communities such as Orbest and Omeo.
- Two Arts Calendars outlining six months of events, shows and exhibitions have been developed.
- Indigenous Australians at War exhibition at Lake Tyers Aboriginal Trust.
- Successful collaboration with Australian Centre for the Moving Image project. Filming was undertaken in the Orbest, Lakes Entrance and Omeo communities with 72 participants and 1000 people attending the launches.
- Forty artisans were involved in the Locally Made project with Visitor Information Centres.

A new road maintenance contractor

brought improved maintenance practices, which has reduced complaints. This was helped in part by the use of non-descript crushed rock for the resurfacing of our gravel roads. This material results in fewer potholes and corrugations being formed between maintenance grades with extended rideability and less dust.

Improved presentation of town facilities, amenities, parks and gardens by Council's remote work crews based at Omeo and Mallacoota.

The **Gippsland Virtual Visiting pilot project** has East Gippsland Shire Council as the auspice and one of the key stakeholders. Wellington and Baw Baw shires, Advance TAFE and five designated aged care facilities worked together to improve the connectivity of aged care residents and their families. A virtual visit is set up using Skype and the aims are to reduce social isolation, a factor which affects rural residents.

East Gippsland Bike Parking Project

The Let's GET Connected project obtained \$17,500 to provide best practice and safe bike parking across East Gippsland townships. So far, seven towns have new bike racks.

Good Access is Good Business Guide

The Good Access is Good Business Guide included simple steps to improve accessibility to local businesses. The message to business was 'Could your business be missing out on customers because you don't provide the access they require?'

The guide and its ongoing promotion aim to influence access, social inclusiveness, employment, vocational development and connectedness to the community. Three grants have been awarded to local businesses and community spaces to improve access and two training/information sessions have been held.

Access to Council buildings project

The project supports improved access to Council buildings and Council has undertaken works so that a person with a disability can access Orbest and Omeo Service Centres, Omeo Memorial Hall and the Lakes Entrance Senior Citizens Centre.

274,199
items lent through Shire libraries

Universal Access to 15 hours of Kindergarten support

Kindergartens across East Gippsland have achieved a 100% success rate in implementing the Council of Australian Government Reform for Universal Access to 15 hours of Kindergarten by 2013.

Kindergarten support

Four kindergartens received grants from the State Government to build extensions to accommodate increased enrolments and specialist Early Years services.

- Orbost Kindergarten - \$166,400
- Paynesville Kindergarten - \$300,000
- Bairnsdale Kindergarten - \$299,000
- Swan Reach Kindergarten - \$100,432

Opportunities for young people

The shire hosted a Youth Empowerment Forum, attended by secondary school students. Following the forum, 17 young people showed interest in forming an ongoing youth action committee.

Thirteen people aged 15-19 who were disengaged from the education system participated consistently in the Chance program. The program uses hands-on learning, workshops and activities to give participants a range of skills to identify potential areas of work or study.

Run in conjunction with Advance TAFE, at the end of the 12-week program students transitioned into a range of courses.

Five 'Inspiring Young People' events were held during the year, involving 155 young people and 75 employers. Inspiring events are about information and knowledge sharing, which connect young people to inspiring adults in their community; increasing their awareness of opportunities and providing inspiration.

More than 700 young people took part in activities held across the Shire for National Youth Week.

The first tobacco test purchasing program was conducted. The program involves minors trying to purchase tobacco products from retailers. Twenty per cent of retailers sold to minors; follow-up testing will occur.

Council adopted the 'Stretrader' initiative introduced by the Department of Health. This centrally based, online registration/inspection service allows mobile food businesses to operate throughout Victoria without multiple Council registrations.

WE HAVE...

- Constructed new shared pathways in Buchan and Orbost.
- Installed two floating jetties in Lake Tyers.
- Built rowing landing on the Mitchell River in Bairnsdale.
- Mapped all East Gippsland Shire trails.

Challenges

- Conflicting Federal and State Government policy development especially in health and community services, education, social enterprise development and social inclusion and diversity. The inconsistency of the policy development area at both levels of government creates uncertainty with programs and funded agencies.
- Supporting the transition from the development and compilation of community plans to the next stage of prioritisation and scoping of projects. A challenge is to ensure this planning matches the budget cycle whilst also meeting the needs of local communities.
- Working within a constantly changing legislative environment in regards to planning legislation.
- Rapid advances in technological development and increasing community demand for online customer services.
- Increasing the opportunities for young people across the Shire to be meaningfully engaged, heard and involved within their local communities.
- Supporting local communities to plan and provide early childhood education and care services that are high quality, affordable, accessible and sustainable.
- Educating the community on their responsibilities on health laws and community laws.

Looking ahead

- The Community Health and Wellbeing Plan 2013-2017 will reflect many of the actions within the Council Plan especially those relating to the 'People' focus and in turn will provide a framework for plans which engage with specific community and quality of life issues.
- OurPlace, OurPlan, OurFuture community planning project completed, evaluated and acquitted.
- Develop Master Plans for Bullock Island and Old Slipway in Lakes Entrance and Mallacoota Recreation Reserve
- Complete Foreshore Management Plans for Bemm River and Marlo.
- Start redevelopment of Patterson Park, Metung.
- Complete of the Fleischer Street extension and additional parking in Paynesville.
- Commence Paynesville Esplanade upgrade works.
- Complete the All Abilities Playground in Bairnsdale.
- Complete the Bairnsdale City Oval Project.
- Complete Omeo's Livingstone Park flood recovery project.
- Implement the Howitt Park South, Lucknow, lighting project.
- Construct new croquet courts at Lakes Entrance.
- Upgrade of Omeo Recreation Reserve.
- Formalising and sealing of the Eastern Beach car park.
- Upgrade infrastructure on Nungurner Foreshore.

- Implement the walking and wayfinding project in Lakes Entrance.
- Facilitate risk workshops for recreation reserve committees.

Completion of Structure Plans for Lakes Entrance, East Bairnsdale/Lucknow and Paynesville/Eagle Point and their incorporation into the East Gippsland Planning Scheme.

The integration of the Urban Waterways Strategy and the Social Impact Assessment Guidelines into the East Gippsland Planning Scheme will ensure their consideration in the statutory planning process

Participate in a study to evaluate the bushfire risk in East Gippsland. This study will help to determine the relationship between vegetation and land use and the associated risks.

Respond to Commonwealth aged care reforms to ensure local service provision is relevant to the local needs of older residents and sustainable.

Participate in food sampling programs concentrating on state-wide food safety issues. Food sampling is an opportunity to educate food businesses on their food safety responsibilities.

Council plans the following maintenance and upgrade projects during 2013/14:

- Ongoing program to replace load limited bridges;
- Implementation of Stage 2 of the Urban Street Improvement Program;
- Complete eastern drainage infrastructure for Lakes Entrance;
- Upgrade Bairnsdale Aerodrome; and
- Complete the installation of new buffers and drive chains for the Raymond Island Ferry.

Major projects delivered

Retail Access to Fresh Fruit and Vegetables

Buy Fresh Local was an action research project in collaboration with the Department of Health, Bass Coast Shire Council and Monash University. It researched the availability and affordability of fresh fruit and vegetables in stores identified through the Healthy Food Basket Surveys conducted in 2011 and 2012 as having poor variety and/or high cost of these foods. Actions were evaluated to provide evidence of successful/unsuccessful interventions. The project will be completed in late 2013.

DID YOU KNOW?

- East Gippsland Shire residents were significantly more likely to volunteer; almost half (48.4%) volunteering at least once a month, compared with the Victorian average (34.3%).
- Compared with the state average (50.5%), residents of East Gippsland were significantly more likely to report participation in citizen engagement in the previous 12 months (62.2%).
- Family Incident Reports to Victoria Police in 2011/12 were 15 per 1000 residents compared with the Victorian level of 9.5 per 1000.
- Arts Alliance Grant has had a positive impact – 10 grants allocated, 15 artists employed over a 12 month period within the following project categories: two Visual Arts, four Community Cultural Development, four Performing Arts.
- Café Culture Series in tours beyond Bairnsdale – four shows with 341 attendees.
- The libraries welcomed 1,890 new members in 2012/13. Total membership is currently 18,158, an increase of approximately 10 per cent.

COUNCIL PLAN PROGRESS REPORT

✓ Target Achieved/Completed

➔ Commenced and progressing to achieve target

🕒 Delayed

Strategic Objective: Cohesive communities with a strong sense of identity involved in the development and implementation of shared vision

Strategy: Encourage and promote a sense of community and belonging

ACTIVITY	COMMENT	STATUS
Develop a Cultural Diversity Plan.	The development of a Cultural Diversity Plan, together with a review of the Disability Action Plan, to create a Diversity, Access and Social Inclusion Plan will be pursued as part of the process of developing a revised Community Wellbeing Plan to be completed by October 2013. Work has commenced on scoping these studies and investigating if they can be amalgamated.	🕒
Develop programs that promote Aboriginal reconciliation and promote indigenous culture.	Council continues to undertake a range of activities that support the building of improved relationships with the Aboriginal community. Key projects include the Deadly in Gippsland event which is planned for late 2013 and the development of a Reconciliation Action Plan for East Gippsland Shire Council, which is included as a strategic priority in the Council Plan 2013-2017.	✓
Support the provision of mechanisms including new technologies to help communities interact with each other alongside the implementation of the Strategic Accessible Information and Lifelong Learning Plan through the library service.	Council is working with TAFE and other stakeholders to attract Technology Enabled Learning Centres to East Gippsland's outlying areas. Council has appointed a part-time Virtual Visiting officer for six months to work with community members on use of technology to replace face-to-face contact. This will help address issues of isolation. New Mobile Library vehicles have improved technology that may ultimately support the delivery of programs to communities across the municipality.	✓

Strategy: Support, encourage and work with citizens and community groups to identify their own needs and aspirations and how to achieve them, and to provide responsive, high quality services and facilities

ACTIVITY	COMMENT	STATUS
Develop Community Plans with the eight identified communities of Omeo Region, Buchan and District, Metung-Nungurner District, Twin Rivers District, Bonang and District, Mallacoota and District, Bruthen-Nowa Nowa District and Paynesville surrounds.	Council has eight adopted Community Plans - Omeo, Mountain Rivers District, Twin Rivers, Metung-Nungurner, Bruthen, Buchan, Nowa Nowa and Paynesville District.	➔
Implement Council's high priority actions from each Community Plan within three years following the endorsement of each plan.	A process for prioritisation and implementation of key actions with communities is being developed. This will ensure that where possible actions are embedded in existing processes within Council. Priority capital projects arising from the endorsed Community Plans have been included in the 2012/13 Capital budget and proposals for capital projects to implement high priority actions from Community Plans have been submitted as part of Council's capital budget process for 2013/14 - 2022/23.	➔
Conduct community capacity building programs to support the development of individual community plans that enhance connectivity, increase self-reliance and reduce vulnerability.	Community capacity building is occurring in parallel with community planning. Council is also developing a Community Plan implementation program that will further develop capacity in areas with adopted Community Plans.	✓
Operate Advisory Boards to assist Council in setting strategy and undertake a review of the role of the Boards.	Council's Advisory Boards continue to meet quarterly in accordance with their adopted Terms of Reference. The review of the role of the Boards has commenced with a workshop held to gather feedback from Board Members and officers about the current operation and potential future approaches. The workshop was structured with the new Council Plan framework as context for understanding Council's future strategic challenges. The outcomes of this process will help inform the role and structure of Advisory Boards into the future and Council will conclude this review before the end of 2013.	➔
Review the Unlocking the Future - East Gippsland Long-Term community vision, having regard for significant community impacts.	The revised long-term community vision 2030: Shaping the Future was endorsed by Council at the meeting held 11 September 2012.	✓
Implement Council's high priority actions of the East Gippsland Regional Performing Arts Strategy.	High priority actions are reported quarterly to the Arts and Culture Strategic Advisory Board and Council. The Advisory Board met on 1 May 2013 where a workshop was held to discuss the implementation of a range of actions in the Strategic Plan.	✓

Strategic Objective: An active, healthy and safe community engaged in recreational, arts and cultural activities

Strategy: Promote active living and participation in community life

ACTIVITY	COMMENT	STATUS
Implement Council's high priority actions of the Community Wellbeing Plan within three years of adoption.	The <i>Public Health and Wellbeing Act 2008</i> requires an annual review of progress made on implementation and relevance of the Community Wellbeing Plan. The outcomes of this review were made available to Councillors. Development of the next version of the Community Wellbeing Plan has started in consultation with key community health organisations. A review of the current Plan is complete and will be presented to Council separately.	➔
Review the East Gippsland Access and Mobility Plan.	This plan focuses on continuous paths of travel that will meet the access needs of our residents and, in particular, disabled and older residents. The Access and Mobility Plan will ultimately see the development of accessible footpath networks across 22 East Gippsland locations. Council has also worked closely with other projects, such as recreational shared pathway and townscape improvement projects (Paynesville and Buchan) to encourage an integrated planning and delivery approach.	✓
Implement Council's high priority actions of the East Gippsland Access and Mobility Plan.	During the first two years of the plan over six kilometres of footpaths identified as high priorities have been constructed with some of the notable projects being Crooke St, East Bairnsdale; Henry St, Lindenow; Stirling Road, Metung; Hazel Road, Kalimna and Bullumwaal Road, Wy Yung. Footpath networks have also been significantly extended in Orbost, Marlo and Buchan over this period.	➔

Strategy: Enhance the level of safety and security currently experienced by the community

ACTIVITY	COMMENT	STATUS
Implement Council's high priority actions of the East Gippsland Municipal Emergency Management Plan. This includes ensuring Council's readiness to respond to emergencies, community preparation for each fire season, conducting ongoing training of Officers involved in emergency activities, and ensuring good communication and cooperation with the community.	The Municipal Emergency Management Plan is being actively managed. Actions include: • Regular meetings with key agencies and organisations, especially in the lead up the fire season • Involvement in regional meetings dealing with emergency management planning and preparation • Undertaking necessary planning and approvals processes to approve Township Protection Plans and Neighbourhood Safer Places, including working with communities to organise Local Incident Management Plans where required. • Ensuring that the organisation is well prepared, staff are trained and rostered, if required to respond to events. • Assisting in the development of Flood Management Plans, improved processes and responding to flood events.	
Implement education, enforcement and service delivery of Council's local laws and public health programs to enhance community safety.	A range of local laws and public health programs have been implemented across this Council Plan. New activities include test purchasing on tobacco retailers, with 20% found to be selling tobacco products to a minor. Community Laws rangers also staffed a community education marquee at the Animal Aid open day at Council's pound/shelter; and 19 new dog enforcement signs, dog-waste bag dispensers and two signs about dogs on beaches have been installed in the region.	
Maintain strategic relationships with emergency services, community groups and relevant agencies to support community safety.	Strategic relationships are actively managed with key organisations and agencies through Council's emergency management structures and functions. This includes the conduct of quarterly meetings of the combined Municipal Emergency Planning and Recovery Committees that bring together a wide range of agencies involved in emergency planning and activities. Emergency Management officers are participating in Regional Emergency Management planning processes and have roles in working at a state level on Emergency Management improvement projects, including working with the Municipal Association of Victoria and Department of Human Services to ensure that Council's planning and preparation responsibilities are met. Officers continue to work with a range of communities across the Shire to develop Local Incident Management Plans tailoring community responses to a wide range of potential incidents. The Local Incident Management Plan process was showcased by the State Government in the recently-released Emergency Management Reform White Paper.	

Strategy: Plan, develop and provide opportunities for the community to participate in recreational and cultural activities

ACTIVITY	COMMENT	STATUS
Implement and review the East Gippsland Strategic Sporting Infrastructure Plan.	A range of infrastructure planning activities from the Plan have been completed and continue to be implemented. These include improvements at Bairnsdale Oval, investigation of rowing facilities, discussions with the Department of Education regarding regional sporting facilities at the Bairnsdale Secondary College site, and support for sporting clubs to obtain grants and improve facilities through Sport and Recreation Victoria. Work has started on the scope for a new East Gippsland Open Space Strategy, budgeted over two years (2012/13 - 2013/14).	➔
Develop the East Gippsland Integrated Trails and Shared Pathways Strategy including the Bicycle Strategy.	Council has adopted both the East Gippsland Trails Strategy and Guidelines and the East Gippsland Cycle Tourism Action Plan.	✓
Replace the Bairnsdale Outdoor Swimming Pool in line with user needs.	This project has not met its deadline. This is a result of delays in negotiations with the Department of Education on land use and the timing of land availability to build the new pool at the Bairnsdale Aquatic and Recreation Centre. Council is required to endorse a pool option to finalise the Feasibility Study grant and has therefore sought a grant extension until September 2013 to allow more time to negotiate with the department.	🕒
Implement Council's high priority actions of the Arts and Culture Strategic Plan.	Progress on priority actions is reported to the Arts and Culture Strategic Advisory Board and to Council quarterly. The Board held a workshop to discuss the implementation of actions at its meeting on 1 May 2013. The Arts and Culture Strategic Plan continues through to 2015. Actions have been included in the new Council Plan to further progress plan activities.	➔

Strategic Objective: Services and facilities that support community diversity and connectivity, and promote quality lifestyles

Strategy: Anticipate and respond innovatively to diverse and changing needs in our community

ACTIVITY	COMMENT	STATUS
Implement a Strategic Accessible Information and Lifelong Learning Plan through the Library Service.	A submission has been made to the Ministerial Advisory Council on Public Libraries for Stage 2 of the Tomorrow's Library review. The Strategic direction adopted by Council and the particular challenges to service delivery in East Gippsland were presented. Plans are in place to ensure that resources and processes in the new Bairnsdale Library will meet community needs.	➔
Implement Council's high priority actions of the Positive Ageing Strategy.	A number of actions in the Positive Aging Strategy have been completed this year. These include improved transport support for older residents, support for Home and Community Care (HACC) providers and re-contracting of HACC service providers. Council received funding for a virtual visiting project that will help older residents stay connected with family and friends.	✓
Implement Council's high priority actions of the East Gippsland Youth Strategy.	Council partners with other agencies on a range of initiatives focused on implementing the East Gippsland Youth Strategy. Further implementation of this strategy will continue in the new Council Plan. Particular focus has been directed to the development of a three-year externally funded Engage! program. This has resulted in employment of a Youth Engagement Officer to support Council activities.	➔
Investigate and implement ways to communicate, connect and engage with young people in line with the Youth Strategy.	Council will collaborate with three Youth Strategy Group providers through the Engage! program on engagement activities through to 2014. Ongoing work continues with group members to support young people, in line with the outcome areas of the Regional Youth Plan. Youth forums have been held as part of a partnership project with GELLEN. Council is also involved in projects to identify suitable youth spaces in Bairnsdale and has actively participated in the retention of the Community College site for community use and as a potential site for future training (including youth training). FReeZA funding has also been received to continue roll-out of youth coordinated events and activity.	➔
Implement Council's high priority actions of the East Gippsland Early Years Plan including the improvement of facilities for families and young children.	High priority activities that have been completed and are underway include: • A Universal Access Change Management Plan, in consultation with communities across the Shire which includes support for individual centres seeking funding. • Delivery of an Early Literacy Project. External funding has been secured for the Orbost Early Years Hub project. • Input on Early Years has been provided to the Community Planning Program. • Support for the Omeo Early Years Action Group to plan for future community needs. Council has also worked with local groups who were successful in attracting funding to upgrade three early years facilities.	➔

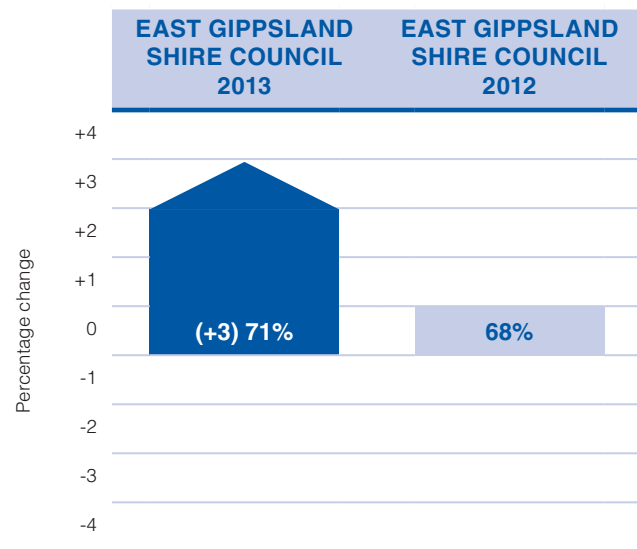
Strategy: Support quality community services and facilities that are responsive to the needs of the community and assist citizens to realise their full potential

ACTIVITY	COMMENT	STATUS
Implement Council's high priority actions of the East Gippsland Disability Action Plan.	Council has completed an evaluation of the current plan. This evaluation involved consultation with the Disability Advisory Committee and internal staff feedback. Of the 86 actions scheduled for delivery 75 actions are complete, seven actions ongoing; and four have not been completed. This Plan will be incorporated into a Disability, Access and Social Inclusion Plan that has been included in the new Council Plan.	✓
Implement a revised remote community service delivery model.	Ongoing development and support is being provided through Shire Service Centres and our remote works crews. In the final quarter of this Plan, the focus has been on establishing Visitor Information Centre operations from the Omeo Service Centre and continuing to develop and refine the model of service to be delivered from the Mallacoota Service Centre.	➔
Review the operations and opportunities associated with the property at 55 Palmers Road Lakes Entrance.	This action has been integrated into a broader Outline Development Plan for the residential growth area of Lakes Entrance. This project is proceeding and detailed investigations into constraints and opportunities for the precinct are underway. The Outline Development Plan has been sent to the Minister for Planning for permission to advance to public exhibition phase.	➔
Upgrade Bairnsdale Library.	Construction work is progressing according to plan. The installation of the underground tank has been completed and the foundation work is well underway. The community is kept informed of progress via the Library page of Council's website.	➔
Undertake a review of all leases and licences to ensure they provide the community with the best outcome.	All leases and licences are reviewed prior to renewal. Assessment criteria have been finalised to clearly define whether a community rental rate applies or a commercial rental by valuation is required. This also includes procedures on expiration of leases or licences to determine the way in which renewal occurs. A revised process for renewal of leases and licences has been implemented. All renewals are now advertised publicly prior to re issue.	✓
Review the Community Allocations Policy for Community Facilities and work in partnership with Committees of Management.	Council supported more than 70 incorporated committees of management over recreation reserves and community halls last year.	✓
Develop a five-year capital works program and implement new projects that respond to community growth and changing needs	A 10-year Capital Works Program for 2013–14 onwards has been completed and adopted by Council as part of budget process.	✓

COMMUNITY SATISFACTION

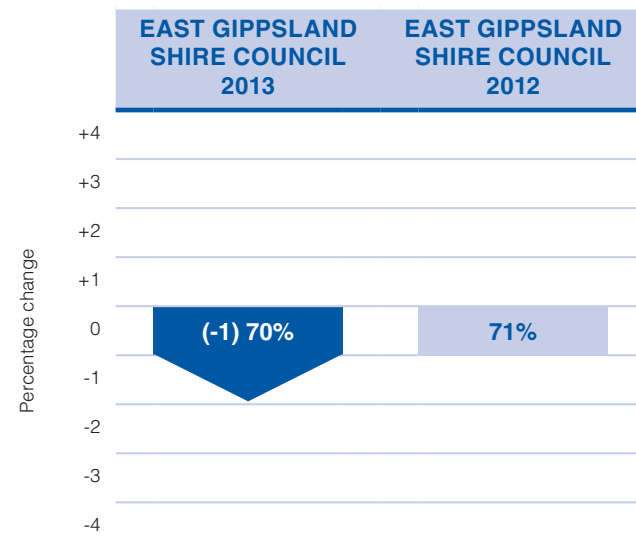
Customer service based on recent contact

Target: 69% (Large Rural Shires 2013)



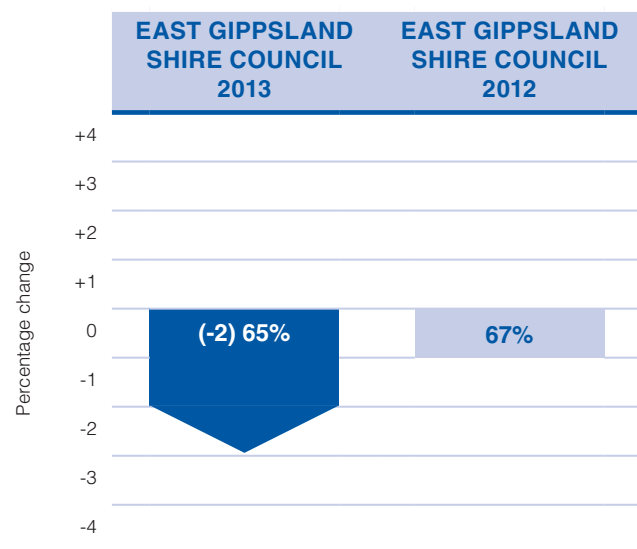
Appearance of Public Places

Target: 69% (Large Rural Shires 2013)



Recreation Facilities

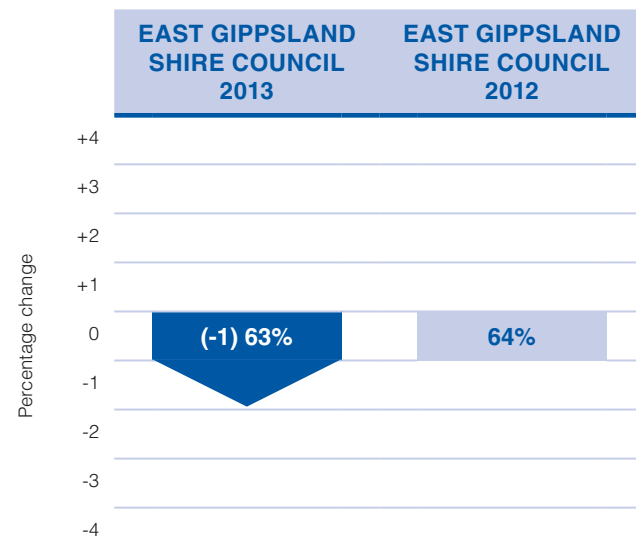
Target: 66% (Large Rural Shires 2013)



Health and Human Services

Family Support Services

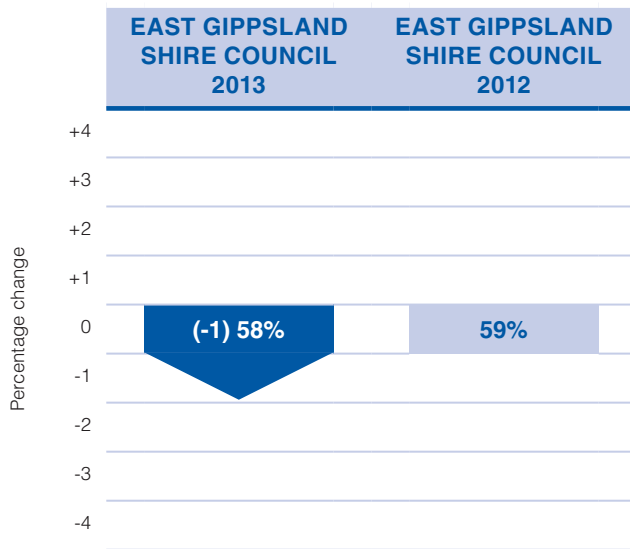
Target: 67% (Large Rural Shires 2013)



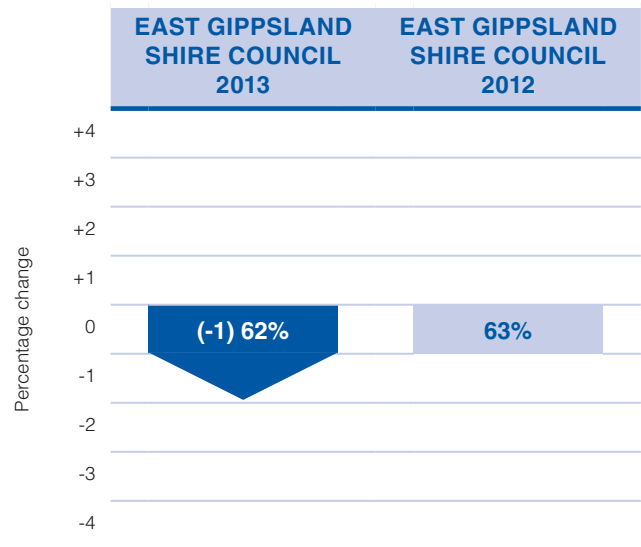
Local Laws Enforcement

Disadvantaged Support Services

Target: 62% (Large Rural Shires 2013)

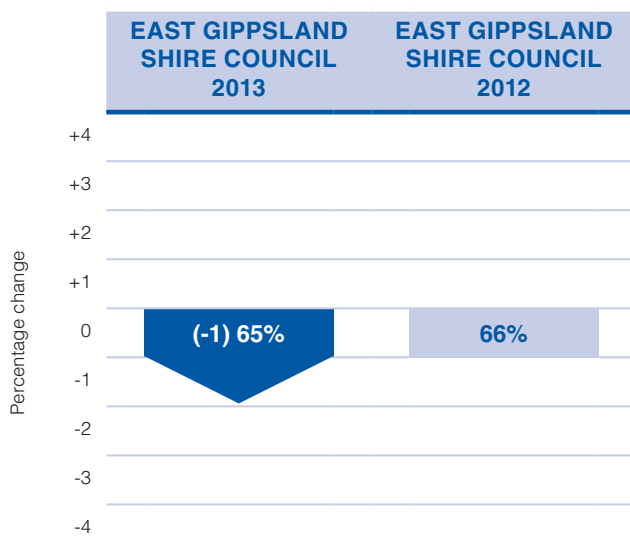


Target: 65% (Large Rural Shires 2013)



Elderly Support Services

Target: 69% (Large Rural Shires 2013)



Source: Department of Planning and Community Development (DPCD) Annual Local Government Community Satisfaction Survey 2013





SUSTAINABILITY

Proactive leadership and strategic partnerships protect and enhance our quality environment

Highlights

Urban Waterway Strategy Development

The Urban Waterway Guidelines and Management Strategy were adopted by Council in March 2013. The documents provide advice on progressing towards a best practice approach to the management of waterways in the urban environment, has clear policy principles, and includes rehabilitation options.

They will assist Council in implementing works on urban waterways, and considers the importance of partnerships with other organisations and the community.

As an outcome of the project Council is in the process of integrating the Guidelines into the East Gippsland Shire Planning Scheme. Council received \$45,000 from Victorian Local Sustainability Accord, and contributed \$15,645 of in-kind support to this project.

Lakes Entrance Northern Growth Area

A biodiversity assessment was completed with a survey for rare and threatened frogs showing it was unlikely they still existed in the area. A native vegetation precinct plan was developed and put on public display as part of the proposed Outline Development Plan for the Lakes Entrance Northern Growth Area.

The plans for the Lakes Entrance Northern Growth Area will be further developed so that findings from current additional studies into bushfire hazard and risk can be included. The amendment will result in a detailed approach to planning for long term growth, providing guidance for future sustainable development of all the land within the area.

Energy Use Reduction Plan

An internal steering committee was formed to assist in the development of an Energy Use Reduction Plan; the Plan has been drafted. The draft Plan focused on embedding sustainability throughout the organisation to reduce energy use and carbon emissions and helping the community to be energy efficient.

Funding has already been made available to implement energy efficient projects including lighting upgrades at the East Gippsland Livestock Exchange and in a number of Council buildings. This will yield ongoing savings.

Other highlights:

- Completed further stages of the Bruces Road depot to accommodate Council's Parks and Gardens crew and equipment.
- Constructed new footpaths across the Shire; improving access in many communities.
- Purchased a footpath sweeper and started a footpath sweeping program in key commercial areas.

2,897 km
of roads maintained and
managed by Council

Challenges

- Keeping informed of State and Federal Government sustainability priorities including grants, policy and programs.
- Responding to grant funding opportunities which often have short time frames and are not aligned with Council's budgeting processes/requirements.
- Heavy rain affected our road networks and drainage systems, which requires increased maintenance and funding.
- The impact on our roads of increased use and mass limits of heavy vehicles.
- Upgrading gravel urban roads to meet residents expectations and requirements with dust issues, especially in summer.
- Ability to maintain an ageing building stock to meet community expectations in regard to retention of these public facilities.
- Providing an Environment Protection Authority-compliant waste management program in an increasingly stringent regulatory framework.

Looking ahead

Environmental Sustainability Strategy review

Refine the vision and objectives, promote the achievements of the initial Strategy, develop a communications plan and revise the actions. A revised Strategy will be developed in 2013/14.

Roadside Vegetation Strategy implementation

Two key areas of action from this Strategy are almost ready to be embedded into how we work. A partnership with Advance TAFE will see the delivery of accredited environmental management training for all our hands-on staff responsible for managing Council land with important natural values. This training will become part of our annual training program. This follows on from a workshop to look at law relating to Council's land management obligations for all the staff in related decision making roles.

Mallacoota Sustainable Energy Project

Community members in Mallacoota have negotiated with SP AusNet to develop a pilot project that proposes a feasibility study into potential methodologies for providing self-contained power for Mallacoota. Council has an interest in this project from a sustainability, economic development and emergency management perspective. It is considered that this project will provide guidance for a broader examination of this issue across the Shire. Council is a lead partner and has contributed funding towards the study.

Bushfire projects

The State Government provided \$120,000 for Council to undertake strategic bushfire planning projects. The projects are to inform local planning policies and support the implementation of new Victorian Planning Provisions. Four projects began in 2013. Two link to the overall planning for the Lakes Entrance Northern Growth Area. The remainder of the funding will provide the community with information to improve their understanding of the new bushfire regulations and how they relate to native vegetation management, along with building greater links between emergency management plans and the East Gippsland Planning Scheme.

Other aims for 2013/14

- Implement a Shire-wide waste strategy and rationalisation of waste facilities.
- Purchase or lease appropriate vehicles and equipment to resource the in-housing of Council's landfill and transfer station operations.
- Complete high priority projects including the Mallacoota Service Centre and commencement of Cell 3 at the Bairnsdale Landfill.



Major projects delivered

Environmental Sustainability Awareness Program

Activities this financial year included promotion and participation in Earth Hour, distributing Myrtle Rust information, Renewable Energy Demonstration Trailer sponsorship, creeping backyards program, the Environmental Film Festival in Orbost and a sustainable gardening booklet. Environmental sustainability was also a feature at the Shire's East Gippsland Field Days stand.

ResourceSmart AuSSI Vic

Council secured funding for a ResourceSmart Australian Sustainable Schools Initiative (AuSSI) VIC project officer to support schools in their sustainability journey. Schools already part of the program include Clifton Creek, Marlo, Nungurner and Tambo Upper primary schools and Mallacoota P-12 College. Recent schools to join the program are Gippsland Grammar (Bairnsdale Campus) and Paynesville Primary School. The project officer will assist these schools and encourage others to join the program.

Local roads

- Shire-wide gravel resheeting Program \$1,714,000
- Shire-wide bitumen resealing and asphalt program \$3,621,600
- Black resheeting program (sealing of rural gravel roads) \$248,700
- Upgrading of bridges, major culverts and guard fencing \$273,900
- Replacement of Basin Creek Bridge \$350,000
- Bairnsdale Aerodrome Upgrade \$881,200

DID YOU KNOW?

- Council provided Environmental Sustainability education at three major events: Orbost Sustainability Festival, Bairnsdale Home and Trade Expo, and East Gippsland Field Days.
- Council delivered two targeted 'Creeping Backyard' campaigns following community requests to protect important foreshore vegetation.
- Council sponsored the Renewable Energy Demonstration Trailer – which attended eight events across the Shire and had over 1,380 direct contact/discussions with event attendees.

COUNCIL PLAN PROGRESS REPORT

✓ Target Achieved/Completed

➔ Commenced and progressing to achieve target

⌚ Delayed

Strategic Objective: Communities equipped for sustainable living

Strategy: Work actively with the community and other levels of government to protect and improve the environment for future generations

ACTIVITY	COMMENT	STATUS
Ensure the development of Council facilities incorporates environmentally efficient design and technologies.	All building design tenders now incorporate environmental design as a key component, and is part of the evaluation criteria.	✓
Implement the Council's high priority actions of the East Gippsland Environment Sustainability Strategy.	A recent audit on implementation of strategy reported that 19% of actions have been completely achieved, 39% mostly achieved, 27% partially achieved and 16% not achieved. All of the high priority actions have been completed or commenced. A review is in progress to determine actions for future years. Progress on implementation of high priority actions is reported separately to the Environmental Sustainability Advisory Board.	➔
Undertake a climate change risk assessment for East Gippsland Shire operations and work with other levels of government to address issues relating to climate change and sea level rise.	Council has endorsed a Climate Change Adaptation Action Plan that provides strategic guidance on action that Council can plan for in response to key areas of climate change exposure. Council is actively working to pilot the development of adaptation plans for Gippsland Lakes communities as this is a significant area of vulnerability for East Gippsland Shire. As a result, Council is in the process of supporting the development of better information to understand and plan for future impacts.	➔

Strategic Objective: A sustainable, healthy and diverse natural environment

Strategy: Responsibly manage the natural environment to ensure its sustainability and diversity

ACTIVITY	COMMENT	STATUS
Implement initiatives to minimise the impact of dryness on parks, gardens, vegetation and sporting grounds.	A number of initiatives have been implemented in response to this action. These include: - Moisture sensors installed to control irrigation systems at Bairnsdale Recreation Reserve and Bairnsdale Main Street gardens with good water savings achieved. - Similar systems installed in the Bruthen gardens lawn area and the water tower median lawn area, Bairnsdale. - Further moisture sensors installed at Cunningham Quay gardens lawn area, Lakes Entrance; Progress Jetty, Fisherman's Wharf lawn and garden areas in Paynesville; and around the Cenotaph and 'Brick Shed' areas of the Main Street gardens in Bairnsdale. - A separate program for installations to other recreation reserves, lawns and garden areas. - Negotiations with East Gippsland Water on recycled water/ storm water harvesting for use on Bairnsdale Main Street gardens and various recreation reserves. Replanting to more drought tolerant plant species in the Bairnsdale area, together with their inclusion in new landscaping designs.	✓
Implement priority actions of the Sustainable Water Use Plan.	Implementation of the Sustainable Water Use Plan is ongoing. A range of projects have been completed and further initiatives are currently being scoped for consideration in future years as funding becomes available. Initiatives have been implemented in the construction of the Bruces Road depot, Kalimna. Also, pool vacuum systems at the Bairnsdale and Orbost outdoor pools were replaced with automatic units that recycle the pool water rather than discharging the wastewater to the sewer. This automated system has resulted in considerable water savings and frees up staff to complete other duties.	➔
Review roadside vegetation control practices concerning fire safety considerations.	A review of internal processes for managing roadside vegetation clearing applications has commenced to ensure that processes are transparent and efficient. Roadside vegetation quality references have been included for all Council-managed roadsides. A range of specific roadside vegetation assessments have also been completed as part of Council's roadside vegetation control practices.	✓

ACTIVITY	COMMENT	STATUS
Complete the Lakes Entrance Eastern Creek project.	This project will continue through to 2014/15. Ongoing Council funding is included in capital works programs for these years. A number of project milestones have been completed over the course of this Council Plan, including: - Awarding of the contract for the upgrade works. - Construction of a high flow diversion pipeline. - Detailed design of the retarding basins. - Final amendments have been made to the Nutrient Stripping Wetlands documentation. - Acquisition of the six properties, as defined by the Public Acquisition Overlay for the wetlands. Federal Government funding has been expended for this project and it has been provided with a final report.	➔

Strategy: Minimise and effectively manage waste generated by the community

ACTIVITY	COMMENT	STATUS
Develop an East Gippsland Waste Management Strategy.	While developing this strategy the Environment Protection Authority (EPA) published new guidelines and advice. The strategy has therefore been modified to take account of this advice. Recent surveys of existing landfills and transfer stations have also been considered. The final Strategy is being reviewed and will be put forward for consideration by Council in 2013/14.	➔
Implement Council's high priority actions of the East Gippsland Waste Management Strategy	This action has not progressed because of further review and development on the strategy. Implementation of the strategy is dependant on this being finalised.	🕒
Implement a 'Tip Shop' concept across all appropriate waste management sites.	The concept is complete at large landfills operated by the contractor.	✓

Strategic Objective: A built environment that is adequately maintained and is sensitive to the region's natural attributes

Strategy: Responsibly manage the natural environment to ensure its sustainability and diversity

ACTIVITY	COMMENT	STATUS
Develop a Coastal Inundation Management Plan for Gippsland Lakes townships.	Implementation of the Lakes Entrance Inundation and Adaptation Project has commenced. The first stages have been integrated with the Department of Sustainability and Environment's Future Coasts program. Work completed so far includes the development of a Coastal Hazard Assessment for the Gippsland Lakes and Ninety Mile Beach. Once finalised, this base data will support the development of detailed adaptation plans for Lakes Entrance and ultimately other Gippsland Lakes townships.	➔
Update the Urban Design Framework Master Plans and implement Council's high priority actions.	A number of additional amendments and actions have been implemented to progress planning outcomes in the Urban Design Frameworks (UDF), including: • The Metung Marina land based design concept has been completed. • A review of the Metung Village Centre Master Plan has commenced. • Reviews of Master Plans in Bemm River and Marlo are currently underway. • Funding for the development of structure plans for Eagle Point and Paynesville has also been sought to review and refine the Paynesville UDF. Implementation of further priority actions has been included in the 2013/14 Capital Works program.	➔
Implement Council's high priority actions of the Bairnsdale Growth Strategy	Council has worked with a CBD Reference Group to plan for future improvements as part of this strategy. Progress has been made on the following priority actions: • A Walkability and Wayfinding Strategy has been completed and signage installed around the Bairnsdale CBD. • The design of the CBD streetscape, mall and Main Street gardens upgrades is nearly complete. • The CBD Parking Strategy is being prepared. • The Bairnsdale Library upgrade is under way. • Main Street traffic improvements have been endorsed and VicRoads has commenced implementation. • Participation in Bairnsdale Education Hub Steering Committee. • Resolution of East Bairnsdale drainage issues is progressing. • Planning for CBD public art project has commenced but has been delayed due to staff changes in partner organisations. • Structure planning for East Bairnsdale has started.	➔

ACTIVITY	COMMENT	STATUS
Review Statutory Planning processes to maximise efficiencies	Planning officers have commenced working out of Council's Service Centres to provide accessible services to customers in remote areas. This gives these customers the opportunity to discuss proposed developments, planning applications and general planning enquiries without the need to travel to larger centres. Planning Scheme Amendments are being progressed to reduce the need to obtain planning permits where there is little merit or value in the processing and obtaining of a permit.	✓

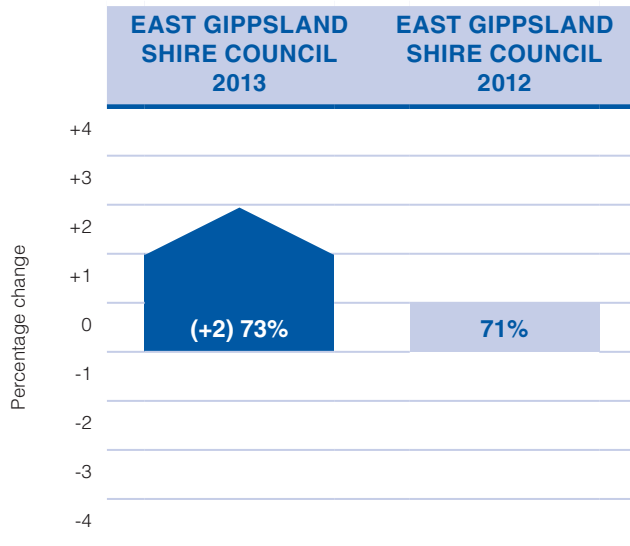
Strategy: Develop and implement effective strategies and systems to manage Council's physical assets

ACTIVITY	COMMENT	STATUS
Implement an Asset Management System that ensures Council is ranked above the average of similar Victorian rural municipalities in the State-managed STEP program.	The Asset Management Policy and Strategy have both been adopted by Council. These are the key components of the system to enable compliance with both STEP and the National Asset Management Framework. Results for the 2012 STEP program show that Council is at the top of, or exceeds, the requirements for indicators in 7 of the 11 STEP categories for Large Rural Shires, placing East Gippsland Shire Council above the average for similar municipalities.	✓
Implement Bairnsdale and Lakes Entrance Urban Street Improvement Plan.	Upgrades to the first two street sections are nearing completion. Stage 2 of this project is underway with plans and specifications for a further two street sections now in place to commence in 2013/14. The implementation of the Urban Street Improvement Plan will continue over the coming years with funding provided in Council's 10-year Capital Works Program.	➔
Complete construction of the Tambo Bluff Estate Infrastructure project.	Practical completion has been achieved. The project is now in a defects liability period to address any defects that may come to light during this time. Final completion will be issued at the end of this period in June 2013, subject to all matters identified being addressed.	✓
Implement renewal projects through the five year capital works program to ensure sustainability of assets that meet community needs.	Project initiatives are submitted annually for consideration in future Capital Works programs. Potential projects are considered and evaluated when presented or requested. Further initiatives have been included for 2013/14 and onwards in Council's 10-year Capital Works Program.	✓

COMMUNITY SATISFACTION

Waste Management

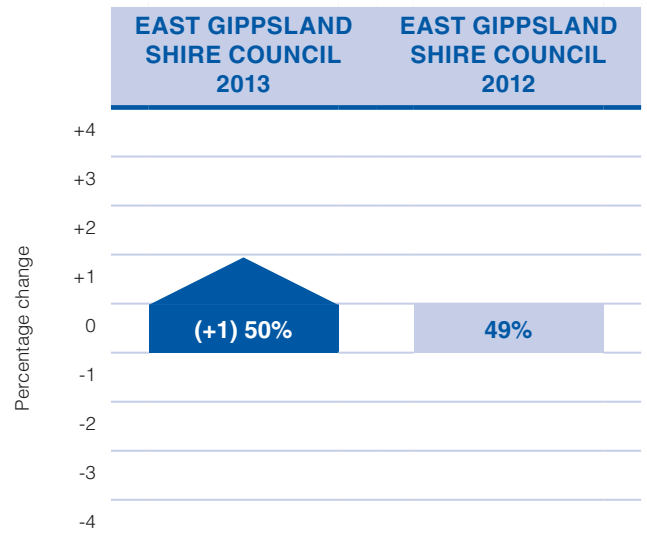
Target: 68% (Large Rural Shires 2013)



Local Roads

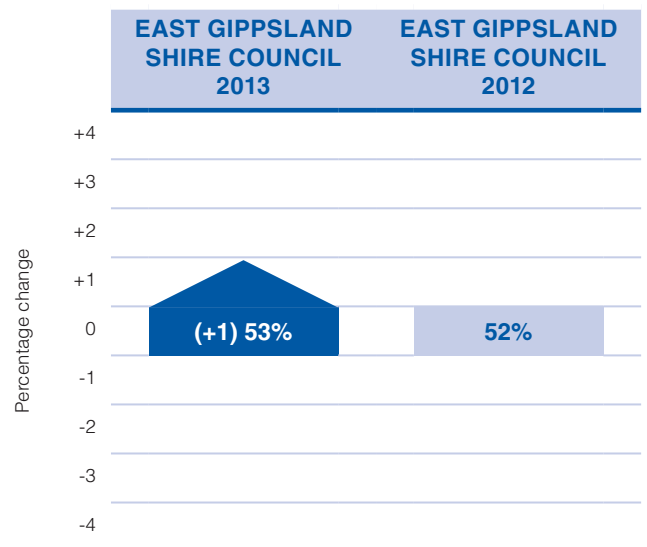
Local Streets and Footpaths

Target: 52% (Large Rural Shires 2013)



Parking Facilities

Target: 60% (Large Rural Shires 2013)



PRODUCTIVITY

Investment and visitation
develop a sustainable and
prosperous economy





Highlights

Discover East Gippsland website redevelopment

The Discover East Gippsland website upgrade was completed at a cost of \$64,500. The website is managed by Council and East Gippsland Marketing Inc. The site is vastly improved from the previous site for ease of navigation, aesthetics and updated information. The project was supported by East Gippsland Marketing Inc. and Business and Tourism East Gippsland.

Rural Council Summit

Council hosted the 2013 Victorian Rural Council Summit in May at Lakes Entrance. Approximately 160 delegates from across the state attended the two-day summit. Speakers included Bernard Salt who spoke about 'What's in Store for Rural Communities'. Delegates were then invited to contribute to a 'Think Tank' session to identify challenges faced by rural areas and ways to support change. A report on the findings of the summit will be released by Rural Council Victoria in the future.

Bairnsdale CBD Marketing Project

The project coordinators will work with local CBD business operators to deliver training in customer service, window display, business planning and selling on-line. Several events will also be supported for retailers in conjunction with the infrastructure upgrades in the CBD and a new 'branding Bairnsdale' campaign will be launched.

East Gippsland Education Vision 2022 developed

In recognition that education is one of the foundations of community wellbeing and economic prosperity an Education Vision has been developed. The vision states the strategic intent and goal for education in East Gippsland. Council developed the vision collaboratively with industry, educators, young people and local residents.

Finalisation of design to alleviate flooding in East Bairnsdale

Surface water and flood issues have been a major barrier to industrial and residential growth in East Bairnsdale. After many years of studies, Council now have a design that will address surface water issues and ensure that the water entering the internationally-significant Gippsland Lakes is of good quality.

An independent analysis of the design found the project has the ability to unlock development that will generate an additional 857 new jobs and an additional \$14 million of gross regional product.

Bairnsdale Aerodrome development

Works included installation of a fuelling facility and upgrading the north and east taxiway pavements along with installation of taxiway lighting to comply with Civil Aviation Safety Authority requirements.

Council also installed a new access road to service the new commercial aviation lots for lease; and new taxiways to service the new recreational hanger development. The commercial lots and recreational hangers are now being advertised for Expression Of Interest lease in Aviation Trader magazine.

Council negotiated the removal of trees obstructing the runway path at the **Mallacoota Aerodrome** with designated tree offsets provided. Works are planned for priority tree removal in 2013/14 with the remaining trees to be removed in the following financial year.

East Gippsland Livestock Exchange

maintained its quality assurance rating and continues to be graded as one of the best livestock selling centres in the country by buyers and industry representatives.

The software at the East Gippsland Livestock Exchange now has the ability to print out reports from districts of origin, enabling Council to track where stock numbers are increasing or decreasing. This will allow the Shire to conduct targeted marketing campaigns.

Other highlights:

- Completion of the Great Coastal Walks of East Gippsland in association with Parks Victoria. The \$2.1 million project developed two iconic walks – the Snowy River Estuary Walk at Marlo and the Mallacoota Coastal Walk.
- Completion of the Bairnsdale Visitor Information Centre upgrade. This was a priority project as part of the implementation of the Visitor Information Services review.
- Establishment of a Locally Made sales area in Bairnsdale and Lakes Entrance Visitor Information Centres, including the selection and presentation of suitable material for sale. This initiative showcases local product as opposed to commercially-made and imported items.

107

projects completed

\$21.3 million

in expenditure

Capital Works program

The 2012/13 Budget contained one of the largest Capital Works programs in the Shire's history, with \$39.3 million allocated to a range of projects across the region.

Anderson Street roundabout

Total Project Cost \$ 542,563

Total Expenditure for 2012/13 \$ 510,113

Buchan Shared Path

Total Project Cost \$ 146,044

Total Expenditure for 2012/13 \$ 146,044

Wy Yung Calulu Road

Total Project Cost \$ 233,391

Total Expenditure for 2012/13 \$ 233,391

Stirling Drive and Thorpes Lane rehabilitation

Total Project Cost \$ 378,807

Total Expenditure for 2012/13 \$ 233,799

B Road Orbest surface drain

Total Project Cost \$ 28,215

Total Expenditure for 2012/13 \$ 28,215

Basin Creek bridge

Total Project Cost \$ 355,439

Total Expenditure for 2012/13 \$ 328,944

Lake Tyers Beach boat ramp

Total Project Cost \$ 52,911

Total Expenditure for 2012/13 \$ 52,518

Challenges

- Preparation for projected algae bloom and then the response to and recovery from effects of Harrietville Bushfire especially in the High Country.
- Maintenance of and increasing regular staff with a pool of casual staff to an acceptable level to effectively operate Visitor Information Centre's at a high professional level.
- The potential for blue green algae in the Gippsland Lakes and fire in the region was of major concern in late 2012 and the Economic Development Advisory Board recommended that Council provide \$20,000 to prepare and deliver mitigation activities. Funding was released to East Gippsland Marketing to undertake marketing activities encouraging visitors to the region.
- Marlo Aerodrome - Excessive rains in autumn caused significant delays and additional damage to the taxiway substructure requiring Council to seek a further extension to the project timelines.
- Staged replacement of the Metung Marina with limited funds.
- Attracting livestock throughput commitments to sustain business viability in a competitive market.
- Strengthening financial governance, to ensure a clear and transparent model is developed.

Looking ahead

- Council will complete construction of the first hanger in the recreational hanger development and continue to attract commercial aviation business to the Bairnsdale Aerodrome.
- Council will continue to participate in attracting new business with the upcoming Project Air 5428 Defence contract.
- Start staged replacement of the Metung Marina and the jetty development within the Chinaman's Creek Marina.
- Proactively market the East Gippsland Livestock Exchange to attract more livestock throughput commitments from south-east New South Wales.
- Council will market test its revised lease arrangements through tenders for the Swifts Creek Caravan Park and the Cann River Rainforest Caravan Park.

Major projects delivered

Replaced and upgraded the stock agent selling platforms in the sheep yards at the East Gippsland Livestock Exchange to comply with industry standards, at a cost of around \$60,000.

\$2.2 million

income generated from
Shire caravan parks

88,951

livestock processed through the
East Gippsland Livestock Exchange

COUNCIL PLAN PROGRESS REPORT

✓ Target Achieved/Completed

➔ Commenced and progressing to achieve target

⌚ Delayed

Strategic Objective: A vibrant and dynamic economic environment in which to do business

Strategy: Foster business, employment and marketing opportunities to enhance the social and economic wellbeing of citizens and business

ACTIVITY	COMMENT	STATUS
Implement Council's high priority actions of the East Gippsland Economic Development Strategy 2006-2011.	Council has, directly and through partnerships, been engaged in 100% of the activities identified in the East Gippsland Economic Development Strategy. Reports of economic development activity are provided to Council and the Economic Development Advisory Board quarterly. Work has commenced on a new four-year combined Economic Development and Tourism strategy.	✓
Develop and implement a relationship management plan to enhance the level of engagement with key businesses, partners, agencies and sectors that contribute significantly to the regional economy.	A number of programs have been implemented from this plan to engage with high priority stakeholders. These include: - regular liaison meetings with priority partners and agencies; - regular meetings with Memorandum of Understanding partners, including Council briefings and quarterly Chairman/Mayor meetings; - a new tourism industry newsletter that is distributed electronically to over 300 businesses. - a new e-newsletter 'Business Connect' was developed and has been distributed bi-monthly to a database of approximately 1,700 businesses. - Workshops and business information sessions - Revamped Council's website content to improve relevance. - Business breakfasts and forums on key topics and a media program using media releases, local press and radio to reach a broad range of stakeholders.	✓
Prepare a Productivity Strategy to replace the existing Economic Development and Tourism Strategies and align the new strategy to Council's long term community vision.	A process for preparing this strategy has been developed and a project reference group established. Development of this strategy has been included as a strategic priority in the new Council Plan recently adopted by Council.	➔

Strategy: Promote and market the East Gippsland region to attract visitors and stimulate the economy

ACTIVITY	COMMENT	STATUS
Review and Implement East Gippsland Strategic Tourism Plan 2006-2011 and Council's high priority actions.	Council has, directly and through partnerships, been actively engaged in 100% of the activities identified in the East Gippsland Strategic Tourism Plan. All identified actions have been assessed and completed, other than those agreed to be obsolete. Completed actions include a Cycle Tourism Action Plan; project management of tourism infrastructure development; participation in regional marketing and product development initiatives and roll out of a Recreational Vehicle Plan.	✓
Review East Gippsland Shire's provision of Visitor Information Services.	A review of Visitor Information Services was completed and the report adopted by Council in May 2012.	✓
Implement Council's Events Policy and Plan.	Implementation of Council's Events Policy and Plan is ongoing. Activities that have taken place include: processing event permits; management of two Regional and District Event Sponsorship (RADES) funding rounds; managing funding and acquittal of grants; event traffic management training for event organisers; development and distribution of a new quarterly events calendar; developing content and an events calendar for a new corporate website to promote events; support for major events in the region including the Barry Sheene Tribute Ride, Great Victoria Bike Ride and Bairnsdale Rowing Regatta.	➔
Continue to support low-cost holiday options through the provision of Council managed and leased caravan parks.	A capital works improvement program at Omeo, Marlo, Orbost, Bemm River and Mitchell Gardens caravan parks has started. Capital funding has also been allocated for works in future years. Minor improvement works have been completed at Orbost and Bemm River. Council has maintained reduced site fees for Mallacoota Foreshore Holiday Park and Cann River Rainforest Caravan Park to offer low cost holiday options whilst attracting additional patronage for local businesses	➔

Strategic Objective: Infrastructure and information systems that support diverse economic and social development in the region

Strategy: Develop capital works programs that provide new and upgraded infrastructure that supports economic sustainability

ACTIVITY	COMMENT	STATUS
Enhance the provision of long stay car parking in Lakes Entrance	Works have been carried out to improve long stay parking within the town centre.	➔
Implement the Paynesville Maritime Precinct Master Plan including the Slip Road Development	A detailed feasibility study and business case for the Centre for Wooden Boats has been completed with stakeholder involvement and a concept plan has been prepared for re-development of Gippsland Ports' Paynesville Boatyard. The Master Plan was adopted by Council and priority actions have been identified; however, no capital funds have been allocated. Council was briefed on the project in early 2012–13.	🕒

Strategy: Advocate for improved infrastructure and communication systems

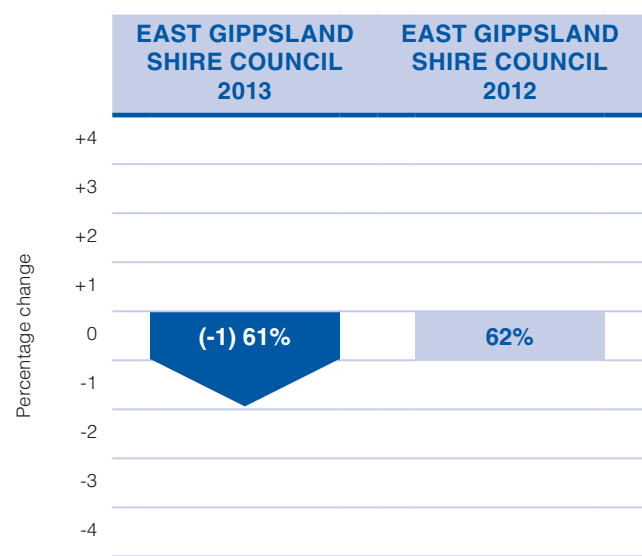
ACTIVITY	COMMENT	STATUS
Advocate for the availability of broadband and mobile communications to all East Gippsland communities and work with the High Country Councils Coalition to improve telecommunications in the region	A project, in partnership with other Gippsland Councils, to prepare Gippsland businesses for technology upgrades has begun. The project will also encourage eligible businesses to take up wireless and satellite National Broadband Network services. A consultant has been appointed to deliver an engagement program across Gippsland.	✓
Advocate for the extension of natural gas to Orbost and Lakes Entrance	An offer of a State Government subsidy has been made to potential energy providers. Council has forwarded information to the State Government to support the process to select a distributor.	✓
Lobby state government for the development of an intermodal transport hub to support the export and import of goods to East Gippsland	A freight transport strategy is required to support the advocacy effort for the hub. This work has been included in the new Council Plan to develop a strategy for an improved freight network and intermodal hub that will drive state and federal investment into freight-related infrastructure in the region. Funds have been allocated within internal budgets to prepare the strategy and a consultant's brief has been prepared to engage a suitable consultant. This project is also a component of the Industrial Land Use Strategy.	➔
Continue membership of and input into the South East Australia Transport Strategy (SEATS) as the peak lobby group for major transport infrastructure improvements and advocate for funding for roads and bridges	SEATS has been successful in achieving upgrade works to various Gippsland highways, addressing cross state border freight issues and identifying the Port of Hastings as an important facility requiring future upgrading to benefit the movement of Gippsland products. A Council officer will continue as an executive member of SEATS and has been appointed Treasurer for 2013/14 onward.	✓

ACTIVITY	COMMENT	STATUS
Develop a Shire-wide transport strategy	Council has provided input into Gippsland transport planning issues. A freight only strategy has been developed by Aecom Australia Pty Ltd using a grant received by Council. The final draft is under review. Once finalised the strategy will be presented to Council for approval and endorsement.	✓
Advocate for funding to support the long-term sustainability of East Gippsland's rural farming communities, to help prevent decline	Council is a member of, and provides financial support to, Gippsland Agribusiness Inc., which undertakes a range of agribusiness viability projects and advocacy work for East Gippsland. Ongoing support is also provided for East Gippsland Food Cluster initiatives; Council is also a part of the Mitchell Valley Water Security Project. Council officers are also involved in the preparation of the Gippsland Integrated Land Use Plan, which amongst other things identifies high priority agricultural areas and features that should be preserved and protected via planning controls. Further work is included in the new Council Plan with a focus on support for the growth of the region's agrifood and seafood sectors through partnerships, specific projects and infrastructure.	➔
Develop an Industrial Estates Strategic Plan.	Council commissioned a report assessing demand for, and appropriate location of, future industrial land in Bairnsdale, Paynesville, Lakes Entrance, Orbost and Mallacoota. Councillors were briefed on the plan for implementation in July 2013.	➔
Implement Council's high priority actions of the Industrial Estates Strategic Plan.	Priority actions have progressed to allow for specific community feedback and input into appropriate industrial land capacity across the key towns in the Shire. In the interim work has begun to increase industrial land in the Bairnsdale South industrial estate through improved drainage. The availability of industrial land has been restricted by a lack of dedicated fire service mains impacting on development of industrial businesses in East Bairnsdale.	➔

COMMUNITY SATISFACTION

Business and Community Development and Tourism Economic Development

Target: 60% (Large Rural Shires 2013)



Source: Department of Planning and Community Development (DPCD) Annual
Local Government Community Satisfaction Survey 2013





GOVERNANCE

Strong leadership and prudent management of democratic and legislative requirements deliver good governance outcomes

Highlights

Council refined its property database and modified and tested its property software in preparation for it collecting the Fire Services Property Levy on behalf of the State Government from 1 July 2013. This was a recommendation from the 2009 Victorian Bushfires Royal Commission to ensure all property owners contribute to funding fire services, when previously the levy was only paid by people with property insurance.

Operations staff participated in the Tablet Pilot Project where they used computer tablets in the field. This allowed staff to input detail/responses to enquiries and inspections while out onsite. Staff also received new enquiries/issues that required action without having to return to the office, which resulted in a more efficient use of time.

Council advanced key property purchases including the former police station in Pyke Street, Bairnsdale and the former Community College East Gippsland site in Dalmahoy Street, Bairnsdale. These purchases are nearing completion. In addition, contracts were signed for Council's purchases of land at Kalimna West for new native vegetation offsets and to correct a long-standing anomaly at the Omeo War Memorial Reserve.

The lack of major Council property or liability insurance claims received during the year resulted in a reduction in expenditure from the claims budget against the previous year. Council was particularly pleased to be recognised for achieving the highest regional score in the Municipal Association of Victoria liability insurance audit in 2012/13.

Council successfully renewed leases and licences as they fell due. A high profile achievement was the tenanting for summer 2012/13 of Council's newly-purchased premises at 70 Maurice Avenue, Mallacoota as a restaurant facility.

A number Integrated Communications Strategy actions were completed. Council employed a graphic designer which provides expertise to produce high quality publications in-house, instead of using external consultants. The benefits include consistent branding across all communications material and significant cost savings.

The Raymond Island Ferry exterior was redesigned, along with associated signage.

A new format was developed for the Shire's quarterly report to the community, Community Connect.

The Shire's community information tent at the East Gippsland Field Days engaged with the community through an interactive and informative exhibit, which demonstrated the range of things Council is involved in. It was also an opportunity for residents to talk to Councillors and senior Shire staff about services.

Challenges

The volume of new property-related tasks and enquiries arising from Council's 200 leased premises and 1,500 land and buildings assets continued to create challenges in achieving the Property and Risk unit's medium and longer term objectives.

Meeting the diverse needs of our community, who require both traditional and emerging media be used for the distribution of information.

Modification of Council's property database, valuation and rating software to enable the implementation of the Fire Services Property Levy, including redesigning the 2013/14 rate notice.

The financial statements continue to be impacted by significant financial issues (e.g. defined benefits superannuation unfunded liability, natural disasters, tightening government grant environment, increasing utility costs) that create challenges for Council in the operating results in the short term and have an impact on Council's Long-term Financial Plan.

Looking ahead

Finalise the purchase of properties at Pyke and Dalmahoy Streets, Bairnsdale and determine the use and occupancy of these buildings.

Undertake a Capital Works program for a number of Council-owned caravan parks.

Finalise and implement a new risk management policy and strategy across the organisation, using a new risk register model.

Review the Integrated Communications Strategy to maximise communications opportunities.

Conduct civic events to commemorate and celebrate the successful delivery of significant Council programs, infrastructure and projects.

Implement Best Practice procurement processes to ensure improved efficiency, better outcomes and good governance.

- New debt management contract to be tendered.
- Introduction of new performance indicators and setting up Council systems to be able to measure and report to the indicators.
- Proactive financial management in the face of a tightening fiscal environment.
- Refined / improved financial reporting on Council's Capital Works program and commercial enterprises.
- Procurement and implementation of dedicated contract management software and associated supporting procedures.
- Contain utility costs through energy savings.

COUNCIL PLAN PROGRESS REPORT

✓ Target Achieved/Completed

➔ Commenced and progressing to achieve target

⌚ Delayed

Strategic Objective: Well managed finances to maintain financial security

Strategy: Develop sustainable long term Financial Plans and maintain sound financial management practices

ACTIVITY	COMMENT	STATUS
Review the four-year Long-term Financial Plan annually.	The Long-term Financial Plan has been reviewed and updated as part of the 2012/13 budget process. The budget has been adopted.	✓
Implement the recommendations of the Asset Management Plans to determine Asset Renewal funding levels.	The first stage to determine asset renewal levels for Council's road and bridge network was completed in October 2012. The balance will follow in future years.	➔

Strategic Objective: A responsible organisation that works actively with the community providing strong leadership and advocacy

Strategy: Lead, advocate for and represent the community

ACTIVITY	COMMENT	STATUS
Represent East Gippsland Shire communities and advocate for their needs with Federal and State Government representatives and other authorities and organisations.	Council's ongoing advocacy program involves meeting local Members of Parliament, Government Ministers and industry peak bodies on specific issues. A number of East Gippsland Councillors are appointed to a range of Municipal Association of Victoria (MAV) committees with a focus on areas as diverse as Transport and Infrastructure, Emergency Management, Environment and Arts and Culture. A number of meetings were held with State Parliamentary representatives on a range of issues of interest to East Gippsland residents. These included meetings with the Hon. Peter Ryan MP, Deputy Premier and Minister for Regional and Rural Development; the Hon. Peter Hall MP, Minister for Higher Education and Skills and Minister responsible for the Teaching Profession; the Hon. Gordon Rich Phillips MP, Minister for Technology and Minister responsible for the Aviation Industry; and Mr Tim Bull MP, Member for Gippsland East. In April, a meeting was held with Victorian Labor MPs who represent the region in Parliament. A guest at this particular meeting at the request of MPs was John Lenders MP, who holds the portfolios of Leader of the Opposition in the Legislative Council; Shadow Minister for Agriculture and Food Security; Shadow Minister for Water; Shadow Minister for Resources; and Shadow Minister for Commonwealth State Relations. During the year, a number of government representatives visited the region to announce funding initiatives and to celebrate the provision of new / refurbished infrastructure and services.	✓

ACTIVITY	COMMENT	STATUS
Work in partnership with appropriate stakeholders to identify and deliver projects and services.	Council continues to work with its Memorandum of Understanding (MoU) partners within Local Government to identify and take advantage of any potential for the delivery of cross border services. Collaboration is also ongoing with Council's other MoU partners e.g. with Gippsland Ports on provision and maintenance of marine based services and facilities; and with Advance TAFE and others on the provision of educational opportunities. Council has entered into a lease with the Department of Education and Early Childhood Services for the former Community College East Gippsland site for a 12-month period, to ensure the community groups currently accommodated within the building retain stability of occupation while longer term arrangements for community groups and the facility are investigated.	
Maintain and strengthen relationships with Memorandum of Understanding (MoU) partners, and explore new MoU partners, including metropolitan Councils.	In accordance with its ongoing program, Council held eight meetings with with six of its Memorandum of Understanding (MoU) partners during the financial year: Wellington Shire Council (both Executive and Councillors), Gippsland Lakes Community Health, East Gippsland Water, Advance TAFE, Gippsland Ports and Alpine Shire Council. Contact with MoU partners occurred at officer level on an 'as needs' basis to ensure delivery of agreed partnership outcomes. Information on the potential to form a 'sister' relationship with a metropolitan municipality was sourced from the Victorian Local Governance Association some time ago, together with a recommendation that these relationships are rarely successful unless 'driven' by the local business community. This advice was subsequently confirmed through officers' research. Accordingly, the most appropriate approach to the issue is considered to be through the peak body Business and Tourism East Gippsland (BTEG), which has recently undergone a name change. Due to this restructure this project has not advanced.	
Actively support and contribute to regional advocacy through memberships of Gippsland Local Government Network, Regional Managers Forum, High Country Councils Coalition and others.	The CEO and Mayor are active participants of the Gippsland Local Government Network (GLGN), being the Chairs for 2013. Implementation of the initiatives of the Gippsland Regional Plan has been a focus this year. Major issues have been considered at regional forums through GLGN and High Country Councils Coalition (HCCC) meetings. The Mayor and CEO, on behalf of HCCC, met with the Hon Catherine King and discussed two priority issues.	

Strategy: Maintain a capable, skilled, innovative workforce committed to delivering responsive quality service

ACTIVITY	COMMENT	STATUS
Implement the program to ensure continual improvement in the provision of quality citizen services	A schedule has been created for customer satisfaction surveys that have been completed, subsequent follow up actions and additional surveys to be completed. The areas of Council that have been surveyed to date include Parks and Gardens, Development Approvals, Saleyards, Community Laws, Recreational Facilities, Performing Arts, Customer Service and Communication, Visitor Information Centres, Library Services, Waste Management, Public Health, and Committees of Management.	✓
Implement programs that contribute to local employment including traineeships, apprenticeships, young professionals, work experience and mentoring.	This program has not received funding approval. Plans to expand Council's Local Employment and Training Program have therefore not progressed. The existing program of apprenticeships, traineeships, bursary support and work experience placements continue to be implemented.	🕒

Strategy: Enhance communication systems to deliver services more effectively and provide improved public access to Council information

ACTIVITY	COMMENT	STATUS
Implement the high priority actions from the Integrated Communications Strategy.	Council employed a Graphic Designer in 2012 which provided us with the expertise to produce high quality publications with consistent branding in-house, across a broad range of communications activities. A new eight-page Community Connect format was developed, which includes a map of East Gippsland highlighting the small and large works and projects across the region.	➡
Improve utilisation of East Gippsland Shire's web site through the introduction of increased interactivity	Enhancements to Council's corporate website are ongoing, based on user feedback received from the thumbs up/thumbs down function. A review of the high traffic web pages was completed to improve search engine optimisation. A live feed of Council's Twitter account is now on our website home page to increase two-way communication and increase online participation. The Communications and IT teams have held a number of training sessions for content authors to increase their capability to improve the content of the web pages for which they have responsibility.	✓

Strategy: Actively encourage partnerships to strengthen community contribution to policy development

ACTIVITY	COMMENT	STATUS
Encourage citizen participation and involvement in civic activities and decision making.	Council's Community Engagement Policy has been embedded in key Council processes and information. Guidance is provided to staff across the organisation on application of the principles and appropriate approaches to encourage citizen participation and involvement in decision making. Regular opportunities are provided for community members to contribute to, and provide input on, Council projects and services.	➡

Strategic Objective: An open and accountable system of governance that reflects the highest level of good management

Strategy: Implement open and transparent processes and provide strong accountability to the community

ACTIVITY	COMMENT	STATUS
Conduct annual performance reviews for Council as a whole and for individual Councillors.	As a general municipal election was held in October 2012, a review of the performance of Council and/or individual Councillors during 2012/13 was not undertaken.	➔
Conduct an annual program that supports the professional development of councilors.	As a general municipal election was held in October 2012, late 2012 and early 2013 saw the incoming Council and its individual members undertook a comprehensive induction program in late 2012 and early 2013. Through this program, Councillors participated in a range of workshops, briefings and planning sessions covering a diverse range of issues, including: setting Council's priorities, goals, aspirations and direction for the next four years (Council Plan 2013-17); budget development (Long-term Financial Plan and Budget 2013/14); formulating a 10-year Capital Works Program; legislative compliance; conflict of interest obligations; teamwork; Council policies and procedures; and meeting procedures. In addition, throughout this period Councillors were kept informed about professional development opportunities as details of relevant courses became known. It is considered that this work will provide an excellent foundation for Councillors' further professional development in 2013/14.	✓

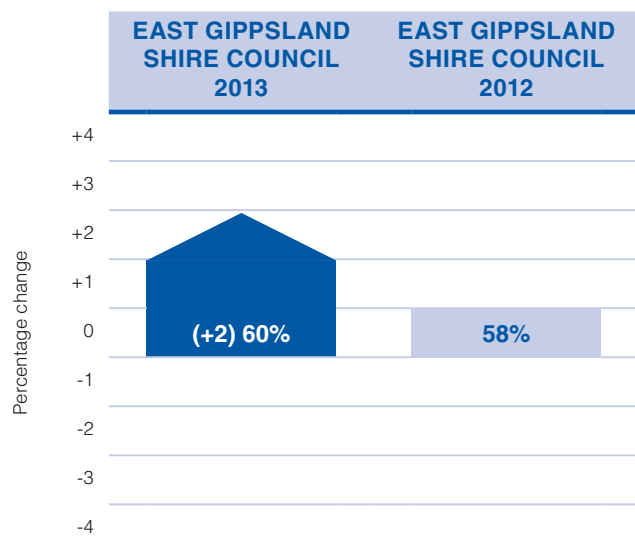
Strategy: Provide effective organisational leadership through strategic planning, accountability and ethical standards of practice

ACTIVITY	COMMENT	STATUS
Conduct systematic reviews of internal processes and systems to maximise efficiency, transparency and accountability, and minimise risk.	The Organisation Development unit has been engaged in a systems improvement initiative with Parks and Gardens, Development Approvals, Saleyards, Public Health, Community Laws and a number of other areas for process improvement. The Corporate Records unit has been engaged in staff training in the management of corporate records. The training directly targets risk minimisation in the capturing and managing corporate records in compliance with legislation and Public Record Office Victoria guidelines. Council's Information Technology unit has also been focusing on service delivery and risk minimisation efforts. A new communication link is being installed to provide redundancy in communication systems between Bairnsdale and Lakes Entrance.	➔
Investigate and where appropriate introduce technology that will deliver flexible and accessible services and information.	As part of an ongoing continuous improvement program, IT implemented a technology hub concept in one of Council's meeting rooms. This concept explores more flexible ways to work and provide services using available technologies, while ensuring a secure and safe technology environment that is compliant with information security standards.	➔
Develop and implement a risk management program throughout the organisation to ensure a proactive and preventative approach to managing risk.	Operational risk assessments have been completed for all business units. Risk reviews are taking place for risks identified as 'high' or 'extreme'. Development of a strategic risk register has started in consultation with relevant Council officers. Progress on this project has been slower than anticipated. A new risk management policy/strategy is being prepared and development of an internal audit and control framework to ensure a proactive approach to risk management is included in the new Council Plan.	➔
Identify, develop, review and contribute to policies and strategies that guide Council planning and decision-making and affect the region.	The CEO chairs the Gippsland Regional Plan leadership group overseeing the implementation of the 10 priority projects being undertaken by the Executive Officer. The Plan highlights a number of East Gippsland's priorities that are supported by the six Gippsland Councils, the Committee for Gippsland and the Regional Development Australia Gippsland Committee. The regional advocacy group 'One Gippsland' was in Canberra in late June and discussed funding opportunities for the region's priority projects.	✓

COMMUNITY SATISFACTION

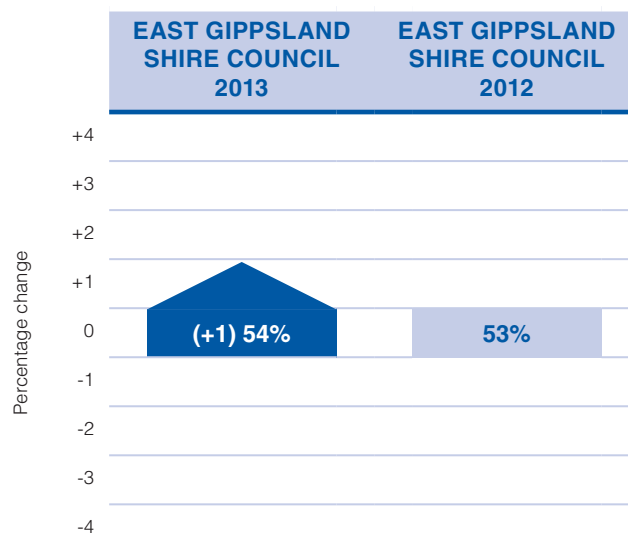
Overall performance generally of the Council

Target: 57% (Large Rural Shires 2013)



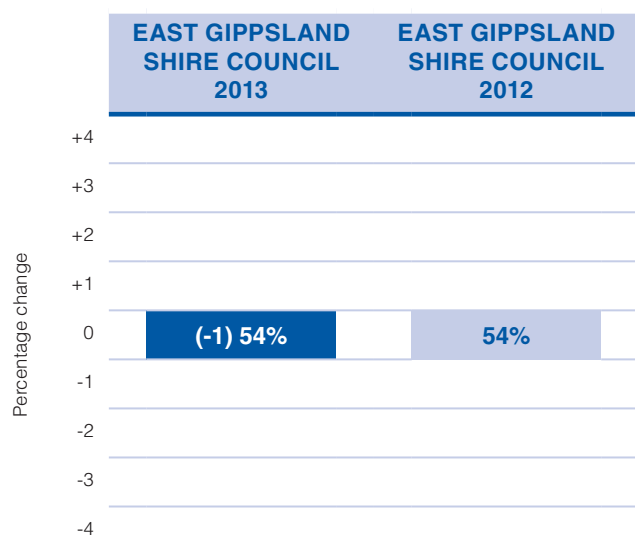
Council's engagement on key local issues

Target: 53% (Large Rural Shires 2013)



Advocacy and representation on key local issues

Target: 55% (Large Rural Shires 2013)



Source: Department of Planning and Community Development (DPCD) Annual Local Government Community Satisfaction Survey 2013



STATUTORY REPORTING

Audit Committee

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

The Committee is a Council Advisory Committee for the purposes of the *Local Government Act 1989*. The Audit Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Audit Committee does not have any management functions and is therefore independent of management.

The Audit Committee's duties are to:

- review the Draft Annual Report and Performance Statement and recommend adoption to Council if appropriate;
- discuss with the External Auditor the Annual Audit and Management Letter. This process will include an opportunity to make recommendations where appropriate and to receive follow-up briefings on any remedial action deemed necessary;
- subject to appropriate advice from Council's Internal and External Auditors, overview compliance with statutory requirements for financial reporting;
- review Council's performance reporting framework to ensure a system is in place that facilitates delivery of the four-year Council Plan and meets Council's policy objectives;
- based on the written and verbal reports of relevant Council officers, conduct an annual review of Council's risk management policies and program and report to Council accordingly;

- ensure that effective and efficient systems are in place for the review of other relevant policies and procedures (e.g. accounting, business continuity, delegation, Equal Employment Opportunity, Occupational Health and Safety, Privacy, WorkCover, etc.);
- receive reports from the Chief Executive Officer and other Council officers relevant to Council's compliance with relevant legislation, policies and procedures;
- in consultation with the Internal Auditor, establish a program of internal control reviews, and regularly review internal controls;
- receive a written report on any claims, legal or otherwise, which may have an effect on Council's financial performance or otherwise expose Council to risk;
- receive written and verbal reports relevant to the progress of any major legal action in which Council is involved;
- receive reports relevant to Council's compliance with the National Competition Policy and any significant issues arising therefrom;
- where such matters fall within the Committee's general Terms of Reference, receive reports on specific projects and investigations deemed necessary by the Chief Executive Officer and Council, including suspected cases of fraud or other defalcation by Council officers or others having business with Council. On receipt of such reports the Committee may take further action or make recommendations as it deems appropriate in each case;
- address relevant issues brought to the attention of the Committee, including requests from Council for advice on matters that fall within the Committee's Terms of Reference;

- once every two years, review and assess the adequacy of the Audit Committee Terms of Reference and as appropriate, present recommendations for amendment of the document to East Gippsland Shire Council; and
- on an annual basis, conduct an evaluation of the performance of the Audit Committee and provide a confidential report on the outcome to East Gippsland Shire Council.

The Audit Committee has seven members: four independent members (one of whom is required to be Chairperson), the Mayor of the day and two other Councillors. In 2012/13 the Audit Committee members were:

- Michael McStephen, Chair
- Peter Fiddian
- Noel Matthews
(1 June to 6 November 2012)
- Warren Prentice
(1 December 2012 to 30 June 2013)
- Greg Waugh
(1 June to 30 November 2012)
- Christine Wrench
(1 December 2012)
- Cr Dick Ellis, Mayor
- Cr Michael Freshwater
(1 June to 13 November 2012)
- Cr Marianne Pelz
(14 November 2012)
- Cr Jane Rowe

The Audit Committee meets on a quarterly basis with an additional special meeting called annually to consider the audited accounts.

Following each Audit Committee meeting, a report is presented to Council outlining all issues considered together with any recommendations for Council's consideration.

Internal audit

The 2012/13 year saw a change in Council's internal audit services contractor, from MDHC Audit Assurance Pty Ltd to Oakton Services Pty Ltd, which has been appointed for a five-year term commencing from April 2013.

Internal auditing is an independent, objective exercise that aims to improve the operations of Council. 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 its activities to the Audit Committee at least five times each year, or as required.

During 2012/13, the internal auditor reviewed the following systems and procedures:

- Contaminated sites management
- Contract management
- Information technology security
- Knowledge and records management system

Information available for public inspection

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

- Mayor and Councillors allowances
- Senior officers' total salary packages for the current financial year and previous year
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any Council staff in the previous 12 months
- Names of Councillors and Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Agendas and minutes for Ordinary and Special Council meetings held in the previous 12 months
- Special committees established by the Council and the purpose for which each committee was established. Also a list of special committees that ceased to function during the financial year
- Minutes of meetings of special committees established under Section 86 of the Act and held in the last 12 months
- Register of Delegations kept under the Act
- Submissions received under Section 223 of the Act during the previous 12 months

- Agreements to establish regional libraries under Section 196 of the Act
- Details of all property, finance and operating leases entered into by Council
- Register of authorised officers appointed under Section 224 of the Act
- Donations and grants made by the Council during the financial year
- Names of the organisations of which the Council was a member during the 2012/13 and details of fees and services provided to Council
- a list of contracts valued at \$100 000 (or such higher amount as is fixed from time to time) or more which Council entered into during 2012/13 without first engaging in a competitive process and that are not contracts referred to in Section 186(5) of the Act

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

Freedom of Information

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

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

Council received 11 applications for the period 1 July 2012 to 30 June 2013.

Freedom of Information requests

	2012/13	2011/12
Number of new applications / requests	11	9
Access granted in full	4	0
Access granted in part	5	7
No documents existed in the requested form	0	0
Access denied in full	2	1
Requests outstanding at end of financial year	0	1
Internal reviews	1	3
Appeals lodged with VCAT	0	0
Fees collected	\$276.10	\$219.60
Fees waived	0	0

Whistleblowers Protection Act / Protected Disclosure Act

Council has a policy for handling disclosures made under the *Whistleblowers Protection Act 2001* and *Protected Disclosure Act 2012*, as required by those Acts. The purpose of the Acts and policy is to encourage and facilitate the disclosure of any improper conduct by Councillors or Council officers.

Protected Disclosure Act 2012

The Protected Disclosure Policy and Procedures were adopted by Council on 2 July 2013. The policy and procedures are available from Council's website or on request at the Corporate Centre, 273 Main Street, Bairnsdale.

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

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

There were no disclosures notified to the Independent Broad-based Anti-corruption Commission for the year ended 30 June 2013.

Information Privacy Act

The *Information Privacy Act 2000* and *Health Records Act 2001* are designed to protect the private information of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or when required by law. Formal complaints can be made if people believe their privacy has been breached. Community members can access their personal records held by Council.

Council's Privacy Policy is available on Council's website under the 'Statutory Information' heading. If you would like a copy of the policy sent to you, please contact Council's Citizen Service Centre.

East Gippsland Shire's Health and Community Laws Unit is responsible for education and enforcement of State Acts, Regulations and Codes of Practices related to domestic animal management, environment protection, public health, food safety, Council local laws, parking enforcement, school crossing supervision and related complaint investigation and resolution.

Local Laws

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

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

The major achievements of Local Laws during the reporting year were:

- The adoption of the Domestic Animal Management Plan (more detail on Page 111).
- Exceeded the minimum Food Act requirements for number of inspections conducted and number of food samples analysed
- Implementation of Department of Health's new Food Act statutory reporting requirements
- Conducted an animal registration audit
- Undertook a test purchasing program of tobacco retailers.

Risk management

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

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

Initial entry of operational risks with proposed responses/solutions into the Interplan risk register has been completed for all business units, with registered risks now subject to ongoing review, reporting and audit. This will enable further improvements on monitoring, responding to and reporting risks to management and the Audit Committee. A comprehensively revised risk management strategy and risk register will be implemented across the organisation during 2013/14.

Insurances

Municipal Association of Victoria (MAV) Liability Mutual Insurance

An audit is conducted every two years by the Municipal Association of Victoria (MAV) Insurance, the public liability and professional indemnity insurance scheme for local government. In the intervening years, a review and targeted risk appraisal is undertaken.

Liability Audit performance summary

During 2012/13 Council completed the first year of the latest two year MAV Insurance liability audit. Council's overall first year audit score is 84%, which compares reasonably well with the 2010/11 audit first year score of 89%. Whilst state and regional Council rankings by audit score are not yet available, MAV Insurance has advised that average first year scores across the state appear to be lower than for the previous audit, which started in 2010/11.

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

An audit is conducted every two years to ensure that appropriate risk management processes are in place to protect Council's property assets. A progress review is undertaken in the intervening years. Council was not subject to a JMAPP audit during 2012/13.

Commercial Crime Fidelity Audit performance summary

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

Council was not subject to a fidelity audit during 2012/13.

Insurance Claims Management

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

Fraud Prevention Policy

A major review of Council's Fraud Prevention Policy is currently underway. The Policy's emphasis is on the prevention of any forms of fraud. Council is committed to an internal audit program to conduct rigorous risk assessments in all areas of its operations to reduce the likelihood of fraud occurring.

Internal audit reports are referred to the Council's Audit Committee for review.

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

Best Value Victoria

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

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

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

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

Investigations and compliance inspectorate

The Inspectorate's compliance audit of Council in October 2011 identified two 'close to compliant' audit items. The issues and the Inspectorate's recommendations were:

Primary and Ordinary Returns – Councillors

Recommendation: Council must ensure that Councillors continue to be aware of their obligations under the Act and all future primary and ordinary returns submitted comply with the Act.

Procurement

Recommendation: Council must review its current procurement policy at least once every financial year and may, in accordance with section 186A (7), amend the policy.

In response to these recommendations, Council developed a procedure for monitoring and receipt of Councillor Returns, which includes twice-yearly issue of return forms for completion and follow up of outstanding documentation. Council also conducted a comprehensive review of the Procurement Policy.

In December 2012 the Inspectorate reviewed these compliance audit items and found that Council had fully complied with the recommendations, with no further action being recommended.

National Competition Policy compliance

Council has complied with the requirements of the National Competition Policy for the period 1 July 2012 to 30 June 2013 in respect to:

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

Charter of Human Rights and Responsibilities

The Charter of Human Rights and *Responsibilities Act 2006* (Charter) sets out a number of important human rights. The Charter contains 20 rights that reflect the four basic principles of freedom, respect, equality and dignity.

The Charter introduces standards to ensure that human rights are considered when making laws and decisions and when providing services. Council's policies are consistent with the Charter.

Carers Recognition Act

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

- Council's Disability Advisory Committee will consider the Act during the development of the Diversity, Access and Social Inclusion Plan (DASIP). The plan broadens the scope of the Disability Action Plan to incorporate the key components of diversity and social inclusion.
- It is anticipated the DASIP will be finalised by October 2013. The plan aligns with Council's corporate plans, Commonwealth and Victorian legislation and State Government plans, and will refer to the Act.

Domestic Animal Management Plan

The Domestic Animal Management Plan 2012-2016 (DAMP) was adopted by Council on 2 October 2012.

The Plan was prepared in response to the *Domestic Animals Act 1994* and aligns with Council's objectives for 'fostering strong and vibrant communities, create healthy, productive and fulfilling places to live through a range of high quality services'.

The DAMP caters for the needs of pets and their owners whilst achieving a balance with the needs of others in the community. In developing the plan, input was sought from the community and identified stake holders which have ensured that the actions outlined are representative of our community's expectations. The primary objective is to develop a strategic plan to assist Council in providing a professional, consistent and proactive approach to domestic animal management services which includes education and promotion of responsible pet ownership.

Council achieved a number of significant service enhancements and implemented new initiatives over the first year of the Plan. These included:

- Rewarded owners of animals registered with an approved organisation (i.e. Cats Victoria Inc, Dogs Victoria) with a reduced registration fee
- Assisted and participated in pet expo open day run by Council's animal pound provider, Animal Aid which provided the public with an insight into the running of the pound and responsible pet ownership
- Provided extra dog faeces bag dispensers in popular dog walking areas

- Continued sponsorship and endorsements for dog obedience clubs to promote the responsible dog ownership message along with monthly education lectures
- Increased advertising on Council's website on responsible pet ownership, lost and found pets has increased chances of reuniting pets with owners.
- Audited all domestic animal business' within the Shire
- Completed Authorised Officer training including Certificate IV in Government Investigations, Bureau of Animal Welfare training and ASP Baton (dog bite stick) training
- Research and delivery of improved animal containment vehicles which has resulted in improved safety to both the animal and the officer
- Increased services to remote areas resulting in improved community interaction
- Published weekly pound information in local papers
- Audited all properties with dangerous, menacing and restricted breed dogs to ensure owners are compliant with legislation
- Sourced a new provider to undertake the animal registration renewals process which resulted in substantial cost savings

Council worked productively with their animal pound provider, Animal Aid, in their successful submission to State Government for funding for an improved animal shelter. As part of this initiative, Council has funded sewerage and drainage connections for this new facility. This upgrade has increased animal shelter capacity allowing a larger number of pets to be rehoused.

Animal Impounds 2012 – 13

ANIMAL IMPOUNDS	RECLAIMED	ADOPTED	EUTHANIZED
784	242 (30%)	190 (24%)	82 (10%)

Animal Impounds 2011 – 2012

ANIMAL IMPOUNDS	RECLAIMED	ADOPTED	EUTHANIZED
1366	328 (24%)	312 (22%)	142 (10%)

The decrease in animal impoundments can be attributed to increased community education and is subject to fluctuation given circumstances arising from events such as floods, fires and storms.

The increase in animals reclaimed can be attributed to Council's increased advertising of impounded animals on Council's website, along with proactive community education and promotion of responsible pet ownership.

The percentage of animals euthanized remains steady at 10%.

A total of 76 infringements were issued for breaches of the Domestic Animals Act.

Council looks forward to ensuring its legislative responsibilities in animal management are exceeded. Implementation of further community education initiatives and to providing a broad range of services.



OurPlace, OurPlan, OurFuture

Eight Community Plans were developed in 2011/12, the Lindenow and District Community Plan has been updated and the Orbost and District Community Plan has been included in Council's Community Planning Program in 2012/13. The 10 Community Plans are transitioning into the implementation phase.

Working with Planning Partnership Groups across a number of communities to scope out and prioritise the projects in the Community Plans.

Council has committed significant capital funding over the next four years to progress capital works projects emanating from the community plans and will leverage other funds to support project implementation. Local Planning Partnership Groups, in some instances, have continued to be a vehicle for engagement and decision making.

Municipal Emergency Management Report

	2012/13	2011/12
Local Incident Management Plans commenced or updated.	13	6
Involving community in individual community risk planning to achieve increased community resilience.	11	0
Streamlined fire inspection regime to achieve greater compliance with notices.	8 forced clearances	85 forced clearances

The Emergency Management unit has responsibility to ensure Council is prepared for, responds to and recovers from emergency events affecting our community. Council has a range of statutory obligations and is a key stakeholder in ensuring that the impact of emergency events on our community are minimised.

The Emergency Management unit has continued to ensure that Council is meeting its emergency management obligations. This has included the ongoing improvement of the Municipal Emergency Management Plan (MEMP), the East Gippsland Fire Management Plan (EGFMP) and the East Gippsland Flood Emergency Plan (EGFEP).

These three plans are updated annually. A focus this year has been the redevelopment of the Community Risk Register. This process now allows individuals to anonymously vote at community meetings on how they personally assess risks to their community. The process then establishes the basis for emergency planning across the community taking into account a wide range of risks for East Gippsland.

Preparation and updating of the MEMP is supported by the Municipal Emergency Management Planning Committee, which meets quarterly. The EGFMP and the EGFEP are sub plans to the MEMP. This committee includes a wide range of stakeholders with a role in ensuring that East Gippsland can respond to and recover from emergencies and natural disasters. This input and support is appreciated by Council.

Achievements

Council was involved in three major fires over summer 2012/13: Aberfeldy, Harrietville and East Gippsland. Parts of the shire also experienced heavy rain/floods in June 2013 while still recovering from the June 2012 flood. The response involved providing a range of resources through the events, and assisting the community to recover. Shire staff also participated in Victoria Police's formal evaluation of the response to the fires. As a result, a range of initiatives have been implemented to ensure Council is well placed to respond to emergencies.

Implementation of Council's obligations from the Victorian Bushfires Royal Commission and the review into 2010-11 Flood Warnings and Response has been a key focus. The State Government will provide funding for a 12-month emergency management role to ensure Council can focus on new obligations regarding emergency events. This funding needs to be continued so Council's response to the State Government White Paper may be fulfilled.

Staff worked closely with community members across the municipality to improve their understanding of how communities and the Shire can work together to improve their preparedness for emergency situations.

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

DONATIONS AND GRANTS

Community Grants

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

Community Small Grants Program

Animal Aid East Gippsland	\$4,685
Australian Breastfeeding Association - Bairnsdale Far Eastern Group	\$938
Australian Volunteer Coastguard Association - Lakes Entrance	\$4,545
Bairnsdale Adult Equestrian Club Inc	\$5,000
Bairnsdale City Oval Committee of Management	\$800
Bairnsdale Kindergarten Inc	\$2,208
Bairnsdale Neighbourhood House Inc	\$2,783
Bengworden Hall and Recreation Reserve Committee Inc	\$5,000
Buchan South Public Purposes Reserve Committee of Management	\$385
Cassilis Recreation Reserve Committee of Management	\$4,200
Clifton Creek Public Hall & Recreation Reserve Committee of Management	\$2,200
East Gippsland Family History Group Inc	\$2,500
East Gippsland United Football Club	\$4,745
Evelt Park Committee of Management	\$3,365
Flaggy Creek Trail Riding Club Inc	\$4,400
Gippsland Lakes Community Health - Bruthen	\$680
Lakes Entrance Business and Tourism Association	\$5,000
Lakes Entrance Garden Club Inc	\$1,000
Lakes Entrance Senior Citizens Inc	\$3,960
Lindenow South Recreation Reserve Committee of Management	\$2,600
Lions Club of Lakes Entrance Inc	\$1,500
Mallacoota Gymnastics	\$5,435
Mallacoota Halls and Recreation Reserve Grounds Committee Management	\$3,910
Mallacoota Mouth Community Newspaper	\$5,000
Newlands Arm Residents and Ratepayers Association Inc	\$500
Nowa Nowa Public Hall Committee of Management	\$500
Nowa Nowa Recreation Reserve Management Committee	\$1,180
Orbost Bowls Club Inc	\$1,796
Orbost Community Sports Centre	\$5,000
Orbost Garden Club Inc	\$2,500
Paynesville Bowling Club Inc	\$2,961
Regional Centre for Expertise in Education for Sustainable Development Gippsland	\$4,000
Sarsfield Recreation Reserve Committee of Management Inc	\$2,475
Wulgulmerang Recreation Reserve Committee of Management Inc	\$5,000
Total	\$102,751

Other Contributions and Donations

Advance TAFE - 2013 Awards	\$2,000
Agribusiness Gippsland Inc - Conference Sponsorship 2013	\$5,000
Australian Galaxy Pageants - Sponsorship Entrant Evelyn Macartney	\$220
Bairnsdale & District Model Aero Club Inc	\$500
Bairnsdale Rowing Regatta	\$2,000
Bairnsdale Secondary College	\$100
Bairnsdale Senior Citizens	\$5,600
Barry Sheene Memorial Ride	\$3,000
Benambra Neighbourhood House - Active Social Seniors 2013	\$1,800
Bruthen & District Citizens Association - Australia Day 2013	\$600
Bruthen Senior Citizens Centre	\$6,400
Buchan Tourist Association - The Bluff	\$4,510
Centre for Rural Communities Inc - The f(route) Collective	\$9,100
Deddick Valley Isolated Community Group	\$2,000
Destination Gippsland Limited	\$25,000
Destination Gippsland Limited - Contribution 2012 Show Stand	\$2,000
East Gippsland Art Gallery - Contemporary Art Naïve	\$4,840
East Gippsland Bowls Division - Sponsorship for Shirts	\$500
East Gippsland Family History	\$2,000
East Gippsland Historical Society - Alfred Howitt Exhibition	\$4,000
East Gippsland Marketing Inc	\$8,000
East Gippsland Regional Business & Tourism Association - Business Awards Sponsorship	\$4,545
Film Gippsland	\$550
Friends of Paynesville Library	\$100
Gippsland Lakes Community Health	\$11,364
Gippsland Regional Sports Academy	\$6,000
Great Victorian Bike Ride	\$4,500
Keep Ensay Beautiful Committee	\$4,000
Lakes Entrance Secondary College	\$100
Lakes Entrance Senior Citizens	\$5,950
Leukaemia Walk - Sponsorship Jack Wickfeldt	\$100
Life Saving Victoria	\$39,964
Lions Club Lindenow - Australia Day 2013	\$1,009
Lions Club of Bruthen - Australia Day 2013	\$300
Lions Club of Lakes Entrance - Australia Day 2013	\$1,500
Lions Club of Omeo - Australia Day 2013	\$800
Mallacoota Arts Council Inc	\$5,000
Mallacoota Cricket Club - Australia Day 2013	\$750
Mallacoota District Senior Citizens	\$8,550
Mallacoota P-12 College	\$1,000
Metung Bowls Club	\$3,000
Monash University - Clayton	\$3,000
MyTH - Metung Youth Theatre	\$1,000
Nagle College	\$100
Orbost Senior Citizens	\$5,000

Paynesville Business Tourism Association	\$4,000
RSL of Australia Inc - Bairnsdale - Anzac Day 2013	\$100
RSL of Australia Inc - Buchan - Anzac Day 2013	\$100
RSL of Australia Inc - Cann River - Anzac Day 2013	\$100
RSL of Australia Inc - Ensay/Swifts Creek - Anzac Day 2013	\$100
RSL of Australia Inc - Lakes Entrance - Anzac Day 2013	\$100
RSL of Australia Inc - Mallacoota - Anzac Day 2013	\$100
RSL of Australia Inc - Metung - Anzac Day 2013	\$100
RSL of Australia Inc - Omeo - Anzac Day 2013	\$100
RSL of Australia Inc - Orbost	\$1,600
RSL of Australia Inc - Paynesville - Anzac Day 2013	\$100
Rotary Club of Mitchell River - Australia Day 2013	\$1,000
Rotary Club of Orbost - Australia Day 2013	\$1,091
Salvation Army (Victoria) - Bairnsdale	\$3,954
Swifts Creek Memorial Swimming Pool Committee	\$4,037
Swifts Creek School	\$100
Uniting Care Gippsland	\$7,045
Total	\$221,080

Regional and District Events Sponsorship program

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

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

Alpine Rally	\$4,000
Bairnsdale Christmas Parade	\$1,000
Bairnsdale Motor Expo	\$4,000
Bairnsdale Racing Club Horse Racing	\$7,000
Bruthen Blues Festival	\$5,300
Buchan Tall Timber Endurance Ride	\$1,500
Cabanandra Campdraft	\$2,000
East Gippsland Bream Classic	\$5,000
East Gippsland Bream Tournaments	\$4,545
East Gippsland Historic Automobile Club 40th Anniversary and Riviera Run	\$2,000
East Gippsland Power Boat Club Paynesville Cup	\$4,000
Gippsland Marathon Ski Race	\$3,000
Glorious Gippsland Art Exhibition	\$2,500
Great Victorian Bike Ride	\$15,000
Lakes Oil Tour of Gippsland Cycling Classic	\$10,000
Metung Food and Wine Festival	\$1,000
Omeo Benambra Fishing Classic	\$2,000
Paynesville Music Festival	\$5,700

Seafarers Multicultural Festival	\$10,000
SkyFest	\$6,000
Twin Rivers Bream Classic	\$4,000
Total	\$99,545

Committees of Management

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

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

A J Freeman Reserve Committee	\$3,517
Bairnsdale City Oval	\$7,397
Bemm River Community Recreation Centre	\$1,900
Bemm River Recreation Reserve	\$1,275
Benambra Memorial Hall	\$2,600
Bendoc Hall and Recreation Reserve	\$886
Bengworden Hall	\$980
Bonang Hall	\$518
Bruthen Mechanics Institute	\$2,000
Bruthen Recreation Reserve	\$4,990
Buchan Mechanics Institute	\$1,422
Buchan Recreation Reserve and Public Purposes Reserve	\$3,280
Bullumwaal Mechanics Hall	\$860
Cabbage Tree Creek Public Hall	\$570
Cann River Community Centre	\$2,320
Cann River Hall and Recreation Reserve	\$2,594
Cassilis Recreation Reserve	\$1,196
Clifton Creek Hall and Recreation Reserve	\$1,155
Club Terrace Hall Committee	\$828
Combienbar Hall and Recreation Reserve	\$675
Eagle Point Community Hall	\$1,470
Eagle Point Recreation Club	\$790
East Gippsland Rail Trail	\$459
Ensay Mechanics Institute Reserve	\$860
Ensay Recreation Reserve	\$2,199
Evet Park	\$2,580
Fernbank Mechanics Institute	\$956
Flaggy Creek Hall	\$860
Genoa Hall Committee Incorporated	\$1,640
Genoa Sports Club	\$750
Glen Valley Hall	\$860
Glenaladale Recreation Reserve Committee	\$1,397
Goongerah Public Hall and Recreation Reserve	\$925
Harry Clues Memorial Park	\$1,241

Hillside/Rosehill Reserve Association Inc	\$860
Hinnomunjie Recreation Reserve	\$2,500
Howitt Park Reserve	\$4,330
Johnsonville Public Hall Committee Incorporated	\$1,570
Lake Omeo Reserve	\$1,150
Lake Tyers Beach Recreation Reserve	\$810
Lake Tyers Beach Road Hall	\$1,067
Lakes Entrance Recreation Reserve	\$12,619
Lakes Entrance Youth and Recreation Centre	\$8,860
Lindenow Memorial Hall Reserve	\$2,055
Lindenow South Recreation Reserve	\$3,217
Lindenow Sports Ground	\$7,757
Lochiel Park, Orbost (Orbost Snowy Rovers Football Club)	\$3,210
Lucknow Memorial Hall	\$1,200
Lucknow Recreation Reserve	\$7,048
Mallacoota Hall and Recreation Reserve Grounds	\$6,186
Marlo Sports and Tennis Reserve	\$790
Mossiface and Wiseleigh Memorial Hall	\$970
Newmerella Recreation Reserve (Orbost Agricultural Society)	\$1,170
Nicholson Hall and Tennis Courts Committee	\$1,676
Noorinbee Public Purpose Reserve	\$730
Nowa Nowa Health and Fitness	\$560
Nowa Nowa Public Hall	\$757
Nowa Nowa Recreation Reserve	\$892
Omeo Recreation Reserve	\$6,977
Omeo Soldiers Memorial Hall	\$2,000
Orbost Community Sports Centre Committee of Management Inc	\$4,447
Orbost Recreation Reserve (Orbost Cricket Club)	\$3,745
Picnic Point Hall	\$2,630
Raymond Island Community Association Inc	\$1,510
Sarsfield Recreation Reserve	\$2,426
Simpsons Park Hall and Reserve (Newlands Arm Residents and Ratepayers Association Inc)	\$1,332
SNAP Gippsland Inc (Hadfield Street Recreation Reserve)	\$1,000
Swan Reach Recreation Reserve	\$7,330
Swifts Creek Hall	\$2,096
Swifts Creek Recreation Reserve	\$2,373
Tambo Upper Hall	\$1,203
Tubbut Hall Committee Inc	\$931
Wairewa Public Hall and Recreation Reserve	\$995
West Bairnsdale Oval	\$4,397
Wulgulmerang Recreation Reserve	\$1,220
Wy Yung Hall and William McBriar Reserve	\$1,415
Wy Yung Recreation Reserve	\$3,957
Total	\$181,918

Annual Operating Contribution – State Emergency Service

State Emergency Service Bairnsdale	\$18,388
State Emergency Service Bonang	\$12,322
State Emergency Service Bruthen	\$18,388
State Emergency Service Buchan	\$12,322
State Emergency Service Cann River	\$18,388
State Emergency Service Mallacoota	\$18,388
State Emergency Service Orbost	\$18,388
State Emergency Service Swifts Creek	\$18,388
Total	\$134,972

Memberships

Council or Council staff were members of the following organisations during 2012/13.

Accor Advantage Plus	\$272
Alliance of Councils for Rail Freight Development	\$2,000
Aquatics and Recreation Victoria	\$1,000
Arts HUB Australia Pty Ltd	\$430
Australian Airports Association	\$1,025
Australian Fitness Network	\$117
Australian Human Resources Institute	\$315
Australian Institute of Company Directors	\$2,938
Australian Institute of Management	\$336
Australian Library and Information Association	\$1,170
Australian Society of Archivists Inc	\$159
AUSTSWIM	\$198
Boating Industry Association of Victoria	\$432
Broadband Today Alliance	\$600
Building Commission	\$163
Children's Book Council of Australia	\$53
CPA Australia	\$2,327
Dataworks User Network Inc	\$300
Environmental Health Professionals Australia	\$855
Finance Professionals	\$230
Fitness Australia Pty Ltd	\$650
Gippsland Plains Conservation Management Network	\$50
GippSport	\$50
Institute of Public Administration Australia	\$1,636
International Association for Public Participation Australasia	\$291
Keep Australia Beautiful Victoria	\$500
Life Saving Victoria	\$50
Livestock Saleyards Association of Victoria	\$3,256
Local Government Information Communications Technology Group	\$2,092
Local Government Professionals	\$5,259
Local Governments for Sustainability	\$700
Mallacoota and District Business and Tourism Association	\$120
Marina Industries Association	\$1,709

Mosquito Control Association	\$182
Municipal Association of Victoria	\$27,925
Municipal Works Officers Association	\$560
National Sea Change Taskforce	\$2,500
National Timber Councils Association	\$2,500
Paynesville Business Tourism Association	\$75
Play Australia	\$250
Project Management Institute	\$112
Public Libraries Victoria Network	\$4,774
Quest Australia and New Zealand User Group Inc - JDE User Group	\$390
RACV Club	\$545
Revenue Management Association	\$400
Royal Victorian Association of Honorary Justices	\$45
Rural Councils Victoria	\$2,000
Scope	\$45
South East Australian Transport Strategy Inc	\$5,750
Timber Towns Victoria	\$2,500
Victoria Association of Performing Arts Centres	\$918
Victorian Local Governance Association	\$455
Victorian Municipal Building Surveyors Group	\$400
Victorian Planning and Environmental Law Association	\$177
Victorian Tree Industry Organisation	\$45
Waste Management Association of Australia	\$959
Weed Society of Victoria	\$100
Total	\$84,893

Victorian Local Government Indicators

East Gippsland Shire Council is required to measure and annually report against 11 Victorian Local Government Indicators. These indicators have information on expenditure, cost of services and infrastructure, customer satisfaction and governance. Two year's of data is provided below for comparison.

CATEGORY	VLGI NO	INDICATOR	CALCULATION	2012/13	2011/12
Cost of Governance	1	Average rates and charges per assessment	<u>Total rates and charges net billed</u> Number of assessments in budget	\$1,382	\$1,304
	2	Average residential rates and charges per assessment	Rates and charges declared for residential and garbage and <u>municipal charge</u> Number of residential assessments budget	\$1,280	\$1,206
Sustainability	3	Average liabilities per assessment	<u>Total liabilities</u> Number of assessment budget	\$1,066	\$1,283
	4	Operating result per assessment	<u>Net surplus</u> Number of assessments budget	\$533	(\$167)
Services	5	Average operating expenditure per assessment	<u>Operating expenditure</u> Depreciation	\$2,559	\$2,857
	6	Community satisfaction rating for the overall performance of Council	Annual Local Government Community Satisfaction Survey result (indexed mean)	60%	58%
Infrastructure	7	Average capital expenditure per assessment	<u>Capital expenditure</u> Number of assessments budget	\$863	\$766
	8	Renewal Gap	<u>Capital renewal</u> Average annual asset consumption	103%	69%
	9	Renewal and maintenance gap	<u>Capital renewal and maintenance</u> Average annual asset consumption plus planned maintenance	102%	82%
Governance	10	Community satisfaction rating for the Council's advocacy and community representation on key local issues	Annual Local Government Community Satisfaction Survey result(indexed mean)	54%	53%
	11	Community satisfaction rating for the Council's engagement in decision making on key local issues	Annual Local Government Community Satisfaction Survey result (indexed mean)	54%	54%



FINANCIAL PERFORMANCE

A GUIDE TO THE FINANCIAL REPORT

This report shows how East Gippsland Shire Council performed financially during the 2012/13 financial year. It also provides the overall financial position of Council as at 30 June 2013.

The Financial Report contains four main sections:

- Summary Report
- Financial Statements
- Notes to the Accounts
- Standard Statements

The statements and notes to the accounts are prepared by Council's Finance unit, audited by the Victorian Auditor General and examined by the Audit Committee and Council.

Financial Statements

Comprehensive Income Statement

The Comprehensive Income Statement shows:

- revenue sources by income category; and
- expenses relating to Council operations, not including costs associated with the purchase or building of assets. While costs for asset purchase are not shown, asset depreciation is included.

The key figure in this statement is the surplus or deficit for the year. A surplus indicates that revenue exceeded expenses.

Balance Sheet

The Balance Sheet is a one-page summary of Council's financial position as at 30 June. It shows what East Gippsland Shire Council owns as assets and what is owed in liabilities. Assets and liabilities are split into current and non-current items. Current items reflect those assets or liabilities that will fall due in the next 12 months. The 'Total Equity' line of this statement indicates the net worth of the Council, which has been developed over many years.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the financial year, indicating the net increase or decrease in cash held by East Gippsland Shire Council. Values in this statement represent 'cash-in-hand' and may vary from the Comprehensive Income Statement and Balance Sheet, which are prepared on an accrual basis. Cash in this statement refers to bank deposits and other forms of liquid investments.

Statement of Changes in Equity

This statement summarises the change in the net worth of East Gippsland Shire Council from the previous year. The net worth of Council can be changed as a result of:

- a surplus or deficit recorded in the Comprehensive Income Statement; and/or
- use of money from Council reserves; and/or
- an increase or decrease in the value of non-current assets based on revaluation of assets.

Notes to the Accounts

The notes provide detailed information to assist understanding of the financial statements, including statement preparation procedures, significant Council accounting policies, and many summary figures underlying the values contained within the statements. Notes also provide information and detail that Council wishes to provide but cannot be included within the financial statements. Numbers associated with notes are shown beside the relevant items within the financial statements.

Standard Statements

East Gippsland Shire Council is required to present audited Standard Statements for Income, Balance Sheet, Cash Flows and Capital Works in accordance with the *Local Government Act 1989*. Each standard statement reports the difference between actual results for the financial year and the adopted Council Budget that was established at the start of the financial year. Any major differences between the financial statements and the standard statements are explained within the notes.

These standard statements reflect the financial statements with the addition of the capital works statements. The Statement of Capital Works provides details of Council expenditure on creating or purchasing property, infrastructure, plant and equipment, furniture and equipment and drainage by asset category. Overall figures for asset renewal, expansion, upgrade and creation (new assets) are also shown.

Certification Reports

Certification by the Principal Accounting Officer is made by East Gippsland Shire Council's Chief Financial Officer. The report certifies that in that officer's opinion, the financial statements have met all statutory and professional reporting requirements.

Certification is also required by East Gippsland Shire Council's Chief Executive Officer and two Councillors on behalf of Council. Their reports certify that in their opinion, the financial statements are fair and not misleading.

Auditor General Report

The Independent Audit Report presents an external professional opinion on the financial statements. The report provides confirmation that the Financial Report has been prepared to comply with relevant legislation and professional standards, and provides a fair representation of Council finances.

FINANCIAL STATEMENTS CONTENTS

Comprehensive Income Statement	131	Note 27 Reconciliation of result from Ordinary Activities with Net Cash from Operations	159
Balance Sheet	132	Note 28 Reconciliation of Cash and Cash Equivalents	159
Cash Flow Statement	133	Note 29 Restricted Assets	159
Statement of Changes in Equity	134	Note 30 Superannuation	160
Introduction	135	Note 31 Commitments for Capital and Other Expenditure	161
Notes to the Financial Statements	136	Note 32 Operating Leases	162
Note 1 Summary of Significant Accounting Policies	136	Note 33 Contingent Liabilities	162
Note 2 Pending Accounting Standards	143	Note 34 Financial Instruments	163
Notes to the Financial Statements	144	Note 35 Auditors Remuneration	170
Notes to the Financial Statements	145	Note 36 Events Occurring after Balance Date	170
Note 3 Rates	145	Note 37 Related Party Transactions	170
Note 4 Summary of Grants, Contributions and Reimbursements	145	Note 38 Revenues, Expenses and Assets by Functions/Activity	171
Note 5 Statutory Fees And Fines	149	Note 39 Financial Ratios	173
Note 6 User Fees	149	Note 40 Special Committees and Other Activities	173
Note 7 Other Income	149	Financial Statements Certification	174
Note 8 Employee Benefits	149	Standard Income Statement	175
Note 9 Contract Payments	149	Standard Balance Sheet	178
Note 10 Materials and Services	149	Standard Statement of Cash Flow	180
Note 11 Depreciation and Amortisation Expense	150	Standard Statement of Capital Works	183
Note 12 Contributions	150	Notes to the Standard Statements	185
Note 13 Assets Written Off	150	Note 1 Basis of Preparation of Standard Statements	185
Note 14 Finance Costs	150	Certification of the Standard Statements	186
Note 15 Other Expenses	150	Performance Statement	189
Note 16 Net Gain/(Loss) on Sale of Fixed Assets	151	Certification of the Performance Statement	192
Note 17 Cash and Cash Equivalents	151		
Note 18 Receivables	151		
Note 19 Other Current Assets	151		
Note 20 Property, Infrastructure, Equipment, Furniture and Fittings	152		
Note 21 Investment Properties	154		
Note 22 Intangible Assets	154		
Note 23 Payables	154		
Note 24 Provisions	155		
Note 25 Interest-Bearing Liabilities	157		
Note 26 Reserves	158		

East Gippsland Shire Council

Comprehensive Income Statement

for the year ended 30 June 2013

	NOTE	2012/13 \$'000	2011/12 \$'000
Income			
Rates	3	42,419	39,446
Recurrent Grants – Operating	4b	16,282	19,999
Recurrent Grants – Capital	4b	2,942	1,731
Non-recurrent Grants – Capital	4c	6,886	3,667
Statutory Fees and Fines	5	1,276	1,313
User Fees	6	7,443	6,553
Interest		1,581	2,069
Contributions	4d	354	271
Reimbursements	4e	7,403	855
Commercial Fees and Charges		2,523	2,287
Contributed Assets	4d	4,283	1,913
Other	7	91	184
Total Income		93,483	80,288
Expenses			
Employee Benefits	8	22,044	24,488
Contract Payments	9	24,395	25,628
Materials and Services	10	5,288	5,120
Depreciation and Amortisation	11	18,027	15,706
Service Agreements		1,103	944
Contributions	12	1,171	1,377
Assets Written off	13	-	193
Finance Costs	14	946	951
Other	15	4,488	10,813
Total Expenses		77,462	85,220
Net gain/(loss) on Disposal of Non-Current Assets	16	90	(45)
Surplus (Deficit) for the Year		16,111	(4,977)
Other Comprehensive Income			
Items that will not be reclassified to surplus or deficit			
Asset Impairment Gains/(Losses)	26	-	(10,038)
Net Asset Revaluation increment/(decrement)	26	16,512	66,610
Total Comprehensive Result		32,623	51,595

The above Comprehensive Income Statement should be read with the accompanying notes.

East Gippsland Shire Council

Balance Sheet

as at 30 June 2013

	NOTE	2012/13 \$'000	2011/12 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	17	27,878	30,664
Receivables	18	6,821	4,716
Other	19	789	768
Total Current Assets		35,488	36,148
Non-Current Assets			
Receivables	18	3,269	4,297
Property, Infrastructure, Equipment, Furniture and Fittings	20	759,500	731,068
Investment Property	21	1,513	1,625
Intangible Assets	22	-	27
Total Non-Current Assets		764,282	737,017
Total Assets		799,770	773,165
Liabilities			
Current Liabilities			
Payables	23	6,570	8,180
Provisions	24	4,058	3,619
Interest-Bearing Liabilities	25	444	1,299
Total Current Liabilities		11,072	13,098
Non-Current Liabilities			
Payables	23	-	3,765
Prepaid Income	1(m)	1,478	1,198
Provisions	24	11,682	11,744
Interest-Bearing Liabilities	25	8,027	8,471
Total Non-Current Liabilities		21,187	25,178
Total Liabilities		32,259	38,276
Net Assets		767,511	734,889
Equity			
Accumulated Surplus		293,700	277,606
Asset Revaluation Reserve	26	472,494	455,982
Non-Discretionary Reserve	26	1,317	1,301
Total Equity		767,511	734,889

The above Balance Sheet should be read with the accompanying notes.

East Gippsland Shire Council
Cash Flow Statement
for the year ended 30 June 2013

	NOTE	2012/13 INFLOWS (OUTFLOWS) \$'000	2011/12 INFLOWS (OUTFLOWS) \$'000
Cash flows from Operating Activities			
Receipts from Ratepayers		42,319	39,111
Interest Received		1,756	2,034
User Charges, Fines and Fees		9,801	10,444
Other Receipts		91	133
Contributions and Reimbursements Received		8,534	3,605
Grants – Operating		19,224	21,730
Grants – Capital		6,886	3,667
GST Collected		1,413	1,597
GST Refunds from Australian Taxation Office		4,542	3,664
		94,566	85,985
Payments to Employees		(25,371)	(19,688)
Payments to Suppliers		(32,527)	(29,212)
Borrowing Costs		(973)	(812)
Other Payments		(5,650)	(6,288)
GST Paid to Suppliers		(6,054)	(5,362)
		(70,575)	(61,362)
Net Cash Provided by Operating Activities	27	23,991	24,623
Cash flows from Investing Activities			
Payments for Property, Plant and Equipment, Infrastructure		(26,123)	(23,218)
Proceeds from Sale of Assets	16	645	204
Net Cash used in Investing Activities		(25,478)	(23,014)
Cash flows from Financing Activities			
Repayment of borrowings		(1,299)	(659)
Proceeds from borrowings		-	801
Net Cash used in Financing Activities		(1,299)	142
Net Increase / (Decrease) in Cash and Cash Equivalents		(2,786)	1,751
Cash and Cash Equivalents at the Beginning of the Year	28	30,664	28,913
Cash and Cash Equivalents at the End of the Year	28	27,878	30,664
Restricted Cash Assets	29		
Financing Arrangements	28		

The above Cash Flow Statement should be read with the accompanying notes.

East Gippsland Shire Council
Statement of Changes in Equity
for the year ended 30 June 2013

	TOTAL		ACCUMULATED SURPLUS		NON-DISCRETIONARY RESERVE		ASSET REVALUATION RESERVE	
	2012/13 \$'000	2011/12 \$'000	2012/13 \$'000	2011/12 \$'000	2012/13 \$'000	2011/12 \$'000	2012/13 \$'000	2011/12 \$'000
Balance at Beginning of Year	734,889	683,573	277,606	282,933	1,301	1,230	455,982	399,410
Effects of correction of errors (note 20)	-	(279)	-	(279)	-	-	-	-
Surplus / (Deficit) for the year	16,111	(4,977)	16,111	(4,977)	-	-	-	-
Net Asset Revaluation Increment / (Decrement)	16,512	66,685	-	-	-	-	16,512	66,685
Transfers to Reserves	-	-	(16)	(71)	16	71	-	-
Transfers from Reserves	-	(75)	-	-	-	-	-	(75)
Asset Impairment Adjustment on revalued assets	-	(10,038)	-	-	-	-	-	(10,038)
Balance at End of Year	767,511	734,889	293,700	277,606	1,317	1,301	472,494	455,982

The above Statement of Changes in Equity should be read with the accompanying notes.

Introduction

East Gippsland Shire Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. Council's main office is located at 273 Main Street, Bairnsdale, Victoria 3875.

The purpose of Council is to:

- provide for the peace, order and good governance of its municipal district;
- promote the social, economic and environmental viability and sustainability of the municipal district;
- ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- improve the overall quality of life of people in the local community;
- promote appropriate business and employment opportunities;
- ensure that services and facilities provided by the Council are accessible and equitable;
- ensure the equitable imposition of rates and charges; and,
- ensure transparency and accountability in Council decision making.

This financial report of East Gippsland Shire Council is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Cash Flow Statement and Statement of Changes in Equity; and notes accompanying these statements.

The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2004*.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies

(A) Basis of Accounting

This financial report has been prepared on an accrual and going concern basis. This financial report has been prepared under the historical cost convention, except where specifically stated in Notes 1(e) and Note 1(x).

The accounting policies adopted in preparing the financial statements are consistent with those of the previous year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(B) Revenue Recognition

Rates, Grants, and Contributions

Rates, grants, and contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold, except where the outstanding rates have exceeded the Capital Improved Value of the property.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that grants have been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 4. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Interest and Rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first. Rental payments received in advance are recognised as a prepayment until they are due.

User Charges, Fees and Fines

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

A provision for doubtful debts is recognised when the collection in full is no longer probable.

Sale of Property, Plant and Equipment, Infrastructure

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

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

(C) Depreciation and Amortisation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives to Council in a manner which reflects the 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 is provided for on a straight-line basis and diminishing value basis, using a range of rates applicable to the local government sector industry that are reviewed annually. These rates are consistent with the prior year unless stated otherwise.

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

Major categories of depreciation are:

ASSET CATEGORY	2012/13		2011/12	
	USEFUL LIFE (YEARS)	DEPRECIATION RATE (% P.A.)	USEFUL LIFE (YEARS)	DEPRECIATION RATE (% P.A.)
Buildings	50	2	50	2
Infrastructure				
Bridges – Long life	100	1.00	100	1.00
Bridges – Short life	60	1.67	60	1.67
Underground Drains	100	1.00	100	1.00
Road Pavement	18-50	2.00 – 5.56	18-50	2.00 – 5.56
Road Seal	17	5.88	17	5.88
Road Wearing Course	15-60	1.67 – 6.67	15-60	1.67 – 6.67
Footpaths	15-65	1.54 – 6.67	15-65	1.54 – 6.67
Kerb and Channel	50	2	50	2
Culverts	80	1.25	80	1.25
Other Structures	20-50	5 – 2	20-50	5 – 2
Road Earthworks	Not depreciated	Not depreciated	Not depreciated	Not depreciated
Plant and Equipment				
Equipment – Ferry	40	2.5	40	2.5
Equipment – Other	5-10	20-10	5-10	20-10
Furniture and Fittings	10-20	10-5	10-20	10-5
Intangible Assets	5-10	20-10	5-10	20-10

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

(D) Acquisitions of Assets

The purchase method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees, engineering design fees and all other costs incurred in getting the asset ready for use.

Non-monetary assets received in the form of physical infrastructure are recorded as assets and contribution revenues, at their fair value at 30 June of the financial year in which the assets were received.

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

(E) Recognition and Measurement of Property, Infrastructure, Plant and Equipment

General

The following classes of assets have been recognised in Note 20. In accordance with Council's policy, the threshold limits below have been applied when recognising assets within an applicable asset class and unless otherwise stated, are consistent with the prior year.

ASSET CLASS	THRESHOLD LIMIT (\$'000)
Land and Buildings	
Land	0
Buildings	5
Structures	
Bridges	5
Underground Drains	5
Road Pavement	5
Road Seal	5
Footpaths	5
Kerb and Channel	5
Other Structures	5
Plant and Equipment	
Ferry	1
Other Equipment	1
Furniture and Fittings	1

Land Under Roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

Revaluation

Subsequent to initial recognition of assets, non-current physical assets, other than plant and equipment and furniture and fittings, are measured at fair value, being the amount for which assets could be exchanged between knowledgeable willing parties in an arms length transaction.

At balance date, 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 carry value materially differed from the fair value at balance date the class of asset was revalued.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

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

Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from two to four years. The valuation is performed either by experienced Council officers or independent experts.

Land and Building Revaluation

As at 30 June 2011, Land and Building Assets were revalued to fair value. This revaluation was undertaken by independent valuer, Craig McMillian, Director, Certified Practising Valuer (No. 62705), A.A.P.I., B.Business (Property) of Herron Todd White (Gippsland) and independent quantity surveyor, Ben Walpole, Director Quantity Surveying, B. Quantity Surveying Grad Cert (Comm) Dip. Building of Herron Todd White (Sydney).

Land assets were revalued using the direct comparison method, adopting a rate per square metre analysis.

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

Infrastructure Revaluation

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

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

In the prior financial year, Council reviewed the values of infrastructure assets and determined that the values needed to increase in line with the Road and Construction index due to the significant increase in that index over the prior three years since the formal revaluation. This was to ensure that balance sheet reflected the fair value of this class of asset. The index was used to adjust the values to ensure that the asset values were materially correct, with the formal revaluation of this class of asset having taken place in the 2012/13 financial year as mentioned above.

Contributed Assets

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

Land: Qualified valuers for valuation

Infrastructure: Council officer's assessment of development costs of construction based upon detailed costings provided by developers.

(F) Impairment of Assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount. In this case, the impairment loss is recognised 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 the same class of asset.

(G) Repairs and Maintenance

Routine maintenance, repair cost, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

(H) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with short periods to maturity that are readily convertible to cash on hand at Council's option, and are subject to insignificant risk of changes in values net of outstanding bank overdrafts.

(I) Financial Assets

Financial assets are valued at fair value, being market value at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either revenue or expense.

(J) Investments

Cash in excess of immediate requirements is invested on a short-term basis with approved financial institutions. Investments are measured at cost. Interest revenues are recognised as they accrue.

(K) Debtors and Other Receivables

Receivables are carried at amortised cost using the effective interest rate method.

Rate Debtors

Rate debtors including any interest charges on unpaid rates.

A provision for doubtful debts on other receivables is recognised when there is objective evidence that an impairment loss has occurred. Collect ability of overdue accounts is assessed on an ongoing basis.

(L) Leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(M) Prepaid Income

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

(N) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as a qualifying asset constructed by Council. The weighted average interest rate applicable to borrowings at balance date, including borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include (where applicable); interest on borrowings, interest on bank overdrafts and finance lease charges.

(O) Employee Benefits

Wages and Salaries

Liabilities for wages and salaries are recognised and are measured as the amount unpaid at balance date and include appropriate on costs such as Workcover charges.

Annual Leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate on costs, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Rates from the Victorian Department of Treasury and Finance are used for discounting future cash flows.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

Long Service Leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on costs and other factors, including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Rates from the Victorian Department of Treasury and Finance are used for discounting future cash flows.

Classification of Employee Benefits

An employee benefit liability is classified as a current liability if Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Sick Leave

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

(P) Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. These arrangements are detailed in Note 30.

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

(Q) Creditors and Other Current Liabilities

Creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid within 30 days of goods being received. Interest is not payable on these liabilities.

(R) Funds Held In Trust

Funds held in trust are recognised as current liabilities. Liabilities recorded in this category include excess sale proceeds from rate recovery auctions awaiting claim or transfer to revenue in accordance with the provisions of the *Local Government Act 1989*.

(S) Refundable Deposits

Amounts received as tender deposits and retention amounts controlled by Council are included in the amount disclosed as payables within current liabilities until refunded or forfeited.

(T) Budget Information

Amounts shown in the financial report as budget information have been disclosed for information purposes only. Where necessary, budget information has been recast to comply with the current presentation requirements. The budgeted figures have been drawn from Council's budget approved at the time the rates and Annual Business Plan were adopted by Council for the reporting year.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 1 Summary of Significant Accounting Policies continued

(U) Website Costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(V) Goods and Services Tax (GST)

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

Cash flows are to be included in the Cash Flow Statement on a gross basis. We are unable to accurately split the GST between the different line items of the Cash Flow Statement, as this would be impracticable due to the functionality of the financial system. Therefore, the cash flows resulting from the GST have been shown as separate line items in the Cash Flow Statement.

(W) Rounding

All amounts shown in the financial statements are expressed to the nearest thousand dollars, unless otherwise indicated. Some figures in the financial statement may not equate due to rounding.

(X) Non-Current Assets Held for Sale

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell and are not subject to depreciation.

(Y) Investment Property

Investment property, comprising land and buildings, is held for lease or capital appreciation. All tenant leases are on arms length basis. Investment property is measured initially at cost, including transaction costs. After initial recognition, investment property is carried at fair value, determined annually by experienced Council officers or independent valuers. Changes to fair value are recorded in the comprehensive income statement as other income.

(Z) Financial Guarantees

Financial guarantee contracts are recognised as a contingent liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate in the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(AA) Allocation Between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle, or if the Council.

(AB) Contingent Assets and Contingent Liabilities and Commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable. does not have an unconditional right to defer settlement of a liability for at least 12 months after reporting.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 2 Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to Council, but are not yet effective. They have not been adopted in preparation of the Financial Statements at reporting date.

PRONOUNCEMENT	WHAT'S NEW?	IMPACT/ACTION	TRANSITION	EFFECTIVE DATE
AASB 9 Financial Instruments	AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are: Amortised cost – those assets with basic' loan features'. Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). Fair Value through profit and loss - everything that does not fall into the above two categories. The following changes also apply: Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.	The impact is not likely to be extensive in the local government sector, although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.	Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives	Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 2 Pending Accounting Standards continued

PRONOUNCEMENT	WHAT'S NEW?	IMPACT/ACTION	TRANSITION	EFFECTIVE DATE
AASB 13 Fair Value Measurement	AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements: Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 – unobservable inputs for the asset or liability. There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standard may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted.	Periods beginning on or after 1 January 2013
AASB 119 Employee Benefits	AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11. Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.	The standards require the recognition of all re-measurements of defined benefit liabilities / assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. As there is inadequate information available, the entity is unable to assess the full impact. Where adequate information is available, the entity will apply the new standard from 1 July 2013 where it applies to Council.	Is permitted, but the amendments to AASB 119 will be applied from 1 July 2013.	Periods beginning on or after 1 January 2013

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 3 Rates

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the Shire. The CIV is the value of land and all its improvements.

The valuation base to calculate general rates for 2012/13 was \$8,895m, (2011/12 \$8,180m).

The applicable rates in the CIV dollar were:

	2012/13	2011/12
General/Residential property	0.00336262	0.00338406
Farm property	0.00302636	0.00304565
Commercial/Industrial property	0.00487580	0.00490689

Which derived Rate revenues of:

	2012/13 (\$'000)	2011/12 (\$'000)
General Rates (at declaration)	30,821	28,551
Municipal Charge (at declaration)	6,478	6,042
Supplementary Rates and Adjustments	636	703
Interest and Collection Charges	366	334
Garbage Charge	4,118	3,816
	<u>42,419</u>	<u>39,446</u>

The date of the last general revaluation of land for rating purposes within the Shire occurred effective as at 1 January 2012, with this valuation first applied in the rating period commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the Shire was 1 January 2010, and this valuation was first applied in the rating period commencing 1 July 2010.

Note 4 Summary of Grants, Contributions and Reimbursements

Note 4a Summary

	2012/13 (\$'000)	2011/12 (\$'000)
Federally Funded Grants	16,425	22,068
State Funded Grants	9,214	3,182
Others	471	147
	<u>26,110</u>	<u>25,397</u>

Note 4b Grants – Recurrent

Operating

Coast and Waterway Facilities	6	-
Community Services	738	921
Disaster Funding	465	144
Grants Commission General Assistance	9,039	11,654
Grants Commission Local Roads	4,333	5,578
Health and Environmental Services	205	165
Library Services and Facilities	310	291
Sport and Recreation	7	33
Strategic Planning Services	346	112
Transport Services (including school crossings)	43	47
Other Services	790	1,054
	<u>16,282</u>	<u>19,999</u>

Capital

Roads to Recovery Program and Other Road Seals	2,942	1,731
	<u>19,224</u>	<u>21,730</u>

Note 4c Grants – Non-Recurrent

Capital

Community Facilities	3,641	908
Fire Protection Service	23	-
Recreation/Sport Facilities	483	649
Roads Infrastructure (including VicRoads and Flood Damage)	2,663	2,110
Transport Services	25	-
Other Services	51	-
	<u>6,886</u>	<u>3,667</u>

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 4 Summary of Grants, Contributions and Reimbursements continued

Note 4d Contributions – Cash Contributions

	2012/13 (\$'000)	2011/12 (\$'000)
Special Charge Scheme – Operating	-	2
Strategic Planning Services	314	227
Other Services	40	42
	<u>354</u>	<u>271</u>

Note 4d Contributions – Non Cash

Land Under Roads	750	274
Roads	2,491	1,137
Drainage	1042	502
	<u>4,283</u>	<u>1,913</u>

Note 4e Reimbursements

Administrative Services	159	114
Coast and Waterways Facilities	1	1
Community Facilities	14	24
Disaster Recovery	6,088	-
Fire Protection Services	56	-
Health and Environmental Services	7	4
Recreation/Sport Facilities	2	2
Strategic Planning Services	406	47
Transport Services	43	48
Valuations	363	86
Other Services	264	529
	<u>7,403</u>	<u>855</u>
Total Grants, Contributions and Reimbursements	38,150	28,436

Note 4f Conditions Over Grants

Grants recognised as revenues during the current and previous reporting periods, and which were obtained on the condition that they be expended for particular purpose but yet to be applied in that manner as at the reporting date:

	2012/13 (\$'000)	2011/12 (\$'000)
Access and Outreach	-	6
Active Transport Innovation Fund	5	-
Bairnsdale Urban Landcare Group – Removal of Invasive Pest Species Mitchell River	-	1
Bairnsdale CBD Marketing Plan	28	-
Bairnsdale Kindergarten	296	-
Bairnsdale Library	1,000	-
Bairnsdale Visitor Information Centre Refurbishment	-	79
Basin Creek Bridge and Reseal Program	320	-
Black Resheets 2011/12	-	64
Bushfire and Emergency Planning Manager	-	16
Bushfire Planning Provisions	81	119
Central Power Supply for Tambo Crossing	-	5
Davison Oval All Abilities Playground	-	264
Deadly In Gippsland	10	10
Domestic Wastewater Management Plan	-	77
East Australian Boneseed Eradication and Containment	-	7
East Bairnsdale Structure Program	-	45
East Gippsland Industrial Workforce Development Strategy	20	20
East Gippsland Inundation Management Project	440	440
Eastern Beach Vegetation Offset	65	-
Fishermans Landing Boat Ramp	-	26
Flood Recovery Officer	47	-
Forge Creek Road	41	-

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 4 Summary of Grants, Contributions and Reimbursements continued

Note 4f Conditions Over Grants continued

	2012/13 (\$'000)	2011/12 (\$'000)		2012/13 (\$'000)	2011/12 (\$'000)
Grant/Turnbull Street – Stage 1	427	-	Reseal Program 2013/14	55	-
Great Alpine Road Lookout Stage 1	-	43	Roadside Weeds and Pest Management	12	-
Great Alpine Road Lookout Stage 2	59	-	Rural Access	47	48
Heatwave Plan	3	3	Secondary School Immunisation Promotion Project	7	-
Heritage Study – Stage 3	11	11	Shady Gully Vegetation Offset	3	5
Howitt Park Lighting	89	89	Stirling Drive and Thorpes Lane Rehabilitation	-	55
Improving Retail Access to Fresh Fruit and Vegetables	70	79	Supported Parents and Playgroups	-	2
Joint East Gippsland and Wellington Shire Councils Capital Works Project	-	30	Swan Reach Playground Upgrade	68	-
Lakes Entrance Aquadome Extension	-	128	Transport Connections	99	101
Lakes Entrance Revitalising Regional Towns	317	288	Universal Access to Kindergarten	46	64
Lakes Entrance Croquet Facility	90	-	Urban Waterway Strategy Development	-	1
Lake Tyers Boat Ramp Number 2	-	39	Virtual Visiting Project	42	42
Lower Mitchell Weed Control and Revegetation	41	-	Wallagaraugh River Bridge	990	-
Marlo Foreshore Slope Stabilisation Investigation	20	28	Waterways to the Gippsland Lakes	2	-
Municipal and Essential Service Provision – Lake Tyers Aboriginal Trust	1	4			
Neighbourhood Safer Place Maintenance	7	7			
Newmerella Wayside Stop Upgrade	130	-			
Omeo Recreation Reserve Toilet Upgrade	90	-			
Orbost and District Economic Revitalisation Plan	12	-			
Orbost Sensory Gardens Path Development	9	-			
Patterson Park	68	-			
Paynesville and Eagle Point Land Use Plan	8	-			
Preventing Adolescent Alcohol Use Project	5	1			
Regional Urban Development Plan	-	16			
				5,181	2,263

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 4 Summary of Grants, Contributions and Reimbursements continued

Note 4f Conditions Over Grants continued

Grants recognised as revenues in a previous reporting period and expended during the current reporting period in the manner specified by the grantor:

	2012/13 (\$'000)	2011/12 (\$'000)		2012/13 (\$'000)	2011/12 (\$'000)
Access and Outreach	6	-	Kalimna Erosion Project	-	28
Bairnsdale Urban Landcare	1	9	Lake Tyers Boat	39	-
Group - Removal of Invasive			Ramp Number 2		
Pest Species Mitchell River			Lakes Entrance Revitalising	-	92
Bairnsdale Visitor Information	79	-	Regional Towns		
Centre Refurbishment			Lakes Entrance	128	69
Black Resheets 2011/12	64	-	Aquadome Extension		
Boys Reading Project	-	2	Livingstone Creek Bridge	-	206
Building the Capacity	-	12	Marlo Foreshore Slope	8	-
of Local Government to			Stabilisation Investigation		
Respond to Pests			Metung / Nicholson	-	10
Bushfire and Emergency	16	-	Public Place Recycling		
Planning Manager`			Mitchell River Feasibility Study	-	25
Bushfire Planning Provisions	38	-	Municipal and Essential	-	6
Central Power Supply	5	27	Service Provision -		
for Tambo Crossing			Lake Tyers Trust		
Davison Oval All	264	-	Neighbourhood Safer	-	8
Abilities Playground			Place Maintenance		
Domestic Wastewater	-	10	Regional Urban	16	-
Management Plan			Development Plan		
Early Literacy	-	28	Rural Access	1	93
Early Years Innovation	-	17	Shady Gully Vegetation Offset	2	3
Eastern Australian Boneseed	7	-	Stirling Drive and Thorpes	55	-
Eradication and Containment			Lane Rehabilitation		
East Bairnsdale Structure Plan	45	10	Supported Parents	2	46
East Gippsland Community	-	49	and Playgroups		
Planning Program			Transport Connections	2	68
Eastern Creek Drain Upgrade	-	229	Universal Access to	18	-
Fishermans Landing	26	-	Kindergarten		
Boat Ramp			Urban Waterway Strategy	1	-
Glen Arte Road	-	32	Development		
Great Alpine Road	43	-	Wy Yung Fishing Platforms	-	38
Lookout Stage 1				905	1,155
Heatwave Plan	-	3			
Improving Retail access to	9	32			
Fresh Fruit and Vegetables					
Influenza Pandemic	-	3			
Region Plan					
Joint East Gippsland and	30	-			
Wellington Shire Councils					
Capital Works Project					

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 5 Statutory Fees And Fines

	2012/13 (\$'000)	2011/12 (\$'000)
Infringements and Costs	318	295
Certificate Fees	74	84
Registration Fees	507	506
Licence/Permit Fees	377	428
Total Statutory Fees and Fines	1,276	1,313

Note 6 User Fees

Leases/Rentals	2,035	1,692
Tipping Fee	2,596	2,398
User Fees	2,812	2,463
Total User Charges and Fines	7,443	6,553

Note 7 Other Income

Asset Valuation Movement (Investment Properties)	-	51
Other	91	133
Total Other Income	91	184

Note 8 Employee Benefits

	2012/13 (\$'000)	2011/12 (\$'000)
Permanent staff	15,021	13,849
Fringe Benefits Tax	115	101
Casual/Trainee staff	2,399	2,164
Superannuation Contributions	1,754	5,380
Leave payments and accruals	2,755	2,994
Total Employee Benefits	22,044	24,488

During 2011/12, Council was required to recognise an additional \$3.8 million of contributions. The payment of the contribution was made in June 2013.

Note 9 Contract Payments

Lump Sum Maintenance Contracts	10,902	11,227
Provisional Maintenance Contracts	1,968	4,826
Other Maintenance Contracts	8,810	7,012
Consultants/Legal Fees	1,686	1,452
Operating Leases	402	563
Application/System Software Licences	627	548
Total Contract Payments	24,395	25,628

Note 10 Materials and Services

Utilities	2,151	1,739
Stationery and Printing	239	242
Fuel and Oil	666	633
General Materials	2,232	2,506
Total Materials Expense	5,288	5,120

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 11 Depreciation and Amortisation Expense

	2012/13 (\$'000)	2011/12 (\$'000)
Depreciation		
Buildings	2,626	2,772
Infrastructure	12,613	10,710
Plant and Equipment	1,550	945
Intangible Assets	55	161
Furniture and Fittings	198	133
	<u>17,042</u>	<u>14,721</u>
Amortisation		
Landfill cap	985	985
	<u>985</u>	<u>985</u>
Total Depreciation and Amortisation Expense	<u>18,027</u>	<u>15,706</u>

Note 12 Contributions

Grants, Contributions and Donations	886	1,115
Rate Rebate/Waiver Scheme	285	262
Total Contributions	<u>1,171</u>	<u>1,377</u>

Note 13 Assets Written Off

Assets Written Off		
Land	-	-
Buildings	-	-
Infrastructure	-	193
Total Assets Written Off	<u>-</u>	<u>193</u>

Note 14 Finance Costs

	2012/13 (\$'000)	2011/12 (\$'000)
Bank Fees	159	139
Interest on Borrowings	787	812
Total Borrowing Costs	<u>946</u>	<u>951</u>

Note 15 Other Expenses

Other expenses for the year included:		
Auditors Remuneration-Victorian Auditor General	43	41
Landfill Rehabilitation Present Value Adjustment	(27)	661
Registration, Membership and Licences	398	439
Insurance Premiums	801	704
Telephone and Communications	442	648
Postage and Courier	98	104
Advertising	253	252
Training, Seminars and Travel Costs	540	433
Mayor/Councillors	273	268
Landfill Liability	-	5,367
Refuse Disposal	777	627
Government Waste Levy	694	740
Decrease in fair value for Investment Properties (Refer Note 21)	78	-
Other	118	529
Total Other Expenses	<u>4,488</u>	<u>10,813</u>

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 16 Net Gain/(Loss) on Sale of Fixed Assets

	2012/13 (\$'000)	2011/12 (\$'000)
Investment Properties disposed of:		
Proceeds from Sale of Land	14	-
Less Cost of Land Sold	(34)	-
Total Net Gain/(Loss) on Sale of Investment Properties	(20)	-
Properties disposed of:		
Proceeds from Sale of Land	23	78
Less Cost of Land Sold	(68)	(97)
Total Net Gain/(Loss) on Sale of Properties	(45)	(19)
Proceeds from Sale of Vehicles	608	126
Less Written Down Value of Vehicles Sold	(453)	(152)
Total Net Gain/(Loss) on Sale of Non-Current Assets	155	(26)
Total Net Gain/(Loss) on Sale of Assets	90	(45)

Note 17 Cash and Cash Equivalents

Cash on Hand and Cashier Advances	11	12
Cash at Bank	(924)	742
Term Deposits	28,791	29,910
Total Cash Assets	27,878	30,664

Users of the financial report should refer to Note 29 for details of restrictions on cash assets and Note 31 for details of existing Council commitments.

Note 18 Receivables

	2012/13 (\$'000)	2011/12 (\$'000)
Current		
General	3,478	1,804
Rates	1,970	1,870
Pensioner Rebates	-	4
Infringements	227	193
Private Street Schemes	442	193
Other	349	447
GST Refundable	603	503
Less Allowance for Doubtful Debts	(248)	(298)
Total Current Receivables	6,821	4,716
Non-Current		
Private Street Schemes	3,269	4,297
Total Non-Current Receivable	3,269	4,297

The interest rate charged on overdue rates debtors is 10.50%. This rate is determined by the *Penalty Interest Rates Act 1983* (2011/12 10.50%). The interest applied to Private Street Scheme debtors during the year was 9.5% (2011/12 9.50%). The Interest rate applied to the Tambo Bluff Special Charge Scheme is 9.66%. (2011/12 9.66%)

Note 19 Other Current Assets

Accrued Interest	129	304
Prepayments	380	249
Other Accrued Income	280	215
Total Other Current Assets	789	768

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 20 Property, Infrastructure, Equipment, Furniture and Fittings

	2012/13 (\$'000)	2011/12 (\$'000)
Land at fair value	87,913	87,196
Land at cost	1,498	875
Land Under Roads at deemed cost	2,107	1,353
Total Land	91,518	89,424
Buildings at fair value	131,699	131,689
Buildings at cost	13,593	10,921
Less Accumulated Depreciation	(76,483)	(73,602)
Total Buildings	68,809	69,008
Infrastructure Assets at fair value	731,687	735,340
Infrastructure Assets at cost	13,635	19,807
Less Accumulated Depreciation and Amortisation	(183,162)	(213,973)
Total Infrastructure	562,160	541,174
Equipment at cost	20,773	17,252
Less Accumulated Depreciation	(11,523)	(8,823)
Total Equipment	9,250	8,429
Furniture/Fittings at cost	2,740	2,597
Less Accumulated Depreciation	(1,763)	(1,564)
Total Furniture/Fittings	977	1,033
Works in Progress	26,784	22,000
Total Property, Infrastructure, Equipment, Furniture and Fittings	759,498	731,068

Land Under Roads is valued at deemed cost. Deemed cost is based on acquisitions or contributed 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.

Refer to Note 1(e) for recognition, capitalisation and valuation details for non-current assets.

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 20 Property, Infrastructure, Equipment, Furniture and Fittings continued

Reconciliations of the carrying amounts of each class of non-current assets at the beginning and end of the current financial year are set out below:

2012/13	LAND (\$'000)	BUILDINGS (\$'000)	INFRASTRUCTURE (\$'000)	EQUIPMENT (\$'000)	FURNITURE AND FITTINGS (\$'000)	TOTAL (\$'000)
Carrying Amount at Beginning of Year	89,424	69,008	541,174	8,429	1,033	709,068
Additions	623	2,672	15,058	2,846	142	21,341
Disposals	-	(47)	(22)	(448)	-	(517)
Asset Revaluation Increment	-	-	16,512	-	-	16,512
Contributed Assets	750	-	3,533	-	-	4,283
Transfers	721	(198)	(496)	(27)	-	-
Depreciation and Amortisation Expense	-	(2,626)	(13,599)	(1,550)	(198)	(17,973)
Carrying Value at End of Year	91,518	68,809	562,160	9,250	977	732,714

Works In Progress (WIP) 01/07/12

22,000

Works In Progress Expenditure

26,254

WIP Capitalised and/or Expensed

(21,470)

Works In Progress 30/06/13

26,784

2011/12	LAND (\$'000)	BUILDINGS (\$'000)	INFRASTRUCTURE (\$'000)	EQUIPMENT (\$'000)	FURNITURE AND FITTINGS (\$'000)	TOTAL (\$'000)
Carrying Amount at Beginning of Year – Previously Reported	88,491	70,402	476,526	5,968	531	641,918
Additions	756	1,462	18,166	3,559	635	24,578
Disposals	(97)	(83)	(109)	(153)	-	(442)
Asset Revaluation Increment	-	-	66,685	-	-	66,685
Asset Revaluation Decrement – Impairment Loss	-	-	(10,038)	-	-	(10,038)
Contributed Assets	274	-	1,639	-	-	1,913
Depreciation and Amortisation Expense	-	(2,773)	(11,695)	(945)	(133)	(15,546)
Carrying Value at End of Year	89,424	69,008	541,174	8,429	1,033	709,068

Works In Progress (WIP) 01/07/11

21,771

Works In Progress Expenditure

23,429

WIP Capitalised and/or Expensed 1.

(23,200)

Works In Progress 30/06/12

22,000

1. WIP capitalised and/or expensed includes \$73k which has been adjusted against the Asset Revaluation Reserve for Land to remove a duplicate revaluation of a small group of land assets which were also revalued as part of investment properties.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 21 Investment Properties

	2012/13 (\$'000)	2011/12 (\$'000)
Balance at Beginning of Financial Year	1,625	1,574
Acquisitions	-	-
Disposals	(34)	-
Fair value adjustments (Refer Note 15)	(78)	51
Balance at End of Financial Year	1,513	1,625

Valuation of investment property has been determined in accordance with an independent valuation by Craig McMillian, Certified Practicing Valuer (No. 2206) A.A.P.I., B.Bus (PROP) of Herron Todd White who has recent experience in the location and category of the property being valued and the Council's Asset Management Business unit.

Note 22 Intangible Assets

	2012/13 (\$'000)	2011/12 (\$'000)
Software	1,595	1,567
Less Software Amortisation	1,595	(1,540)
Total Intangible Assets	-	27

Note 23 Payables

Current Payables		
Trade Creditors	4,049	4,631
Refundable Deposits	744	522
Funds Held in Trust	1	3
Accrued Expenses	1,429	2,696
Other	347	328
Total Current Payables	6,570	8,180
Non-Current Payables		
Unfunded Superannuation	-	3,765
Total Non-Current Payables	-	3,765

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 24 Provisions

	BALANCE AT START	ADDITIONAL PROVISIONS	AMOUNTS USED	MOVEMENTS IN DISCOUNT	BALANCE AT END
2012/13	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Leave	1,600	935	(755)	(9)	1,771
Long Service Leave	2,562	460	(114)	(80)	2,828
Landfill Restoration	10,993	-	-	(30)	10,963
Vegetation Offset	208	-	(30)	-	178
	15,363	1,395	(899)	(119)	15,740

	BALANCE AT START	ADDITIONAL PROVISIONS	AMOUNTS USED	MOVEMENTS IN DISCOUNT	BALANCE AT END
2011/12	\$'000	\$'000	\$'000	\$'000	\$'000
Annual Leave	1,317	1,204	(1,036)	115	1,600
Long Service Leave	1,918	436	(265)	473	2,562
Landfill Restoration	2,254	8,078	-	661	10,993
Vegetation Offset	123	109	(24)	-	208
	5,612	9,827	(1,325)	1,249	15,363

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 24 Provisions continued

	2012/13 (\$'000)	2011/12 (\$'000)
(A) Employee Benefits		
Current		
Annual Leave:		
- Short term benefits at nominal value	1,608	1,441
- Long term benefits at present value	163	159
Total Annual leave	1,771	1,600
 Long Service Leave		
- Short term benefit at nominal value	283	256
- Long term benefits at present value	2,004	1,763
Total Long Service Leave	2,287	2,019
 Non-Current		
Long Service Leave at Present Value	541	542
 Aggregate Carrying Amount of Employee Benefits		
Current	4,058	3,619
Non-Current	541	543
	4,599	4,162

The following assumptions were adopted in measuring the present value of long service leave:

	2012/13 (\$'000)	2011/12 (\$'000)
Weighted Average Increase in Employee Costs	4.00%	4.00%
Weighted Average Discount Rates	3.79%	3.06%
Weighted Average Settlement Period	20	20

(B) Other Provisions

Non-Current		
Landfill Rehabilitation and Aftercare Provision	10,963	10,993
Vegetation Offset	178	208
Total Non-Current	11,141	11,201
 Provisions		
Total Current	4,058	3,619
Total Non-Current	11,682	11,744
Total Provisions	15,740	15,363

The Environment Protection Authority (EPA) requires occupiers of licensed landfill sites to provide financial assurance for remedial action, rehabilitation and aftercare costs to ensure that the costs and liabilities of land filling are accounted for. Council has provided financial assurance to the EPA that it has provided for landfill rehabilitation and aftercare liabilities based upon the Net Present Value of the estimated future costs of rehabilitation and aftercare.

The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and to provide aftercare for the required period after closure of the site. In addition Council has provided to the EPA a bank guarantee in their favour of \$1.3 million to meet their remedial action financial assurance requirement for licensed sites.

During 2011/12 Council reviewed its provisions for landfill rehabilitation and significantly increased its provisions as a result. This is due to Council now being able to reliably measure the expected cost of rehabilitation of specific landfill sites due to these rehabilitation projects being advanced to a stage such that they are now represented in Council's budgeted works program.

East Gippsland Shire Council **Notes to the Financial Statements** **for the year ended 30 June 2013**

Note 25 Interest-Bearing Liabilities

	2012/13 (\$'000)	2011/12 (\$'000)
Current		
Borrowings – Secured	444	1,299
Total Current Borrowings	444	1,299
Non-Current		
Borrowings – Secured	8,027	8,471
Total Non-Current Borrowings	8,027	8,471
Total Interest Bearing Liabilities	8,471	9,770
The maturity profile for Council's borrowings is:		
Not later than one year	444	1,299
Later than one year but not later than five years	3,527	3,971
Later than five years	4,500	4,500
	8,471	9,770
Borrowings, Weighted Average Cost of Capital	8.42%	8.25%

Borrowings are secured by charges over the revenue raising capacity of Council, being the raising of rates and charges and special rates.

The following weighted interest rate percentage is applicable to borrowings. Interest rates applicable to borrowings are fixed for the term of the borrowing.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 26 Reserves

(a) Asset Revaluation Reserves

The purpose of these reserves is to credit increases in the carrying amounts of non-current assets arising from a revaluation of such assets. Where assets decrease in value, the amount can be debited to the reserve provided that it offsets a previous upwards revaluation, otherwise the decrease must be recognised as an expense in the Comprehensive Income Statement.

	BALANCE AT BEGINNING OF REPORTING PERIOD (\$'000)	INCREMENT (DECREMENT) (\$'000)	BALANCE AT END OF REPORTING PERIOD (\$'000)
2012/13			
Land	60,264	(8)	60,256
Buildings	42,242	-	42,242
Infrastructure	353,476	16,520	369,996
Total Asset Revaluation Reserves	455,982	16,512	472,494

	BALANCE AT BEGINNING OF REPORTING PERIOD (\$'000)	INCREMENT (DECREMENT) (\$'000)	BALANCE AT END OF REPORTING PERIOD (\$'000)
2011/12			
Land	60,337	(73)	60,264
Buildings	42,242	-	42,242
Infrastructure	296,831	56,645	353,476
Total Asset Revaluation Reserves	399,410	56,572	455,982

(b) Non-Discretionary Reserve

Transfer to reserves equates to income received for specific purposes as detailed. Transfer from reserves equates to operational or capital expenditure incurred for specific purposes where reserves have been held.

	BALANCE AT START (\$'000)	TRANSFER TO (\$'000)	TRANSFER FROM (\$'000)	BALANCE AT END (\$'000)
2012/13				
Car Parking	193	-	-	193
Recreational Land	1,076	93	77	1,092
Road Upgrading	32	-	-	32
Total Non-Discretionary Reserve	1,301	93	77	1,317

	BALANCE AT START (\$'000)	TRANSFER TO (\$'000)	TRANSFER FROM (\$'000)	BALANCE AT END (\$'000)
2011/12				
Car Parking	193	-	-	193
Recreational Land	1,005	71	-	1,076
Road Upgrading	32	-	-	32
Total Non-Discretionary Reserve	1,230	71	-	1,301

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 27 Reconciliation of result from Ordinary Activities with Net Cash from Operations

	2012/13 (\$'000)	2011/12 (\$'000)
Result from Ordinary Activities	16,111	(4,977)
Depreciation and Amortisation	18,027	15,706
Other	(27)	661
Income on Contributed Assets	(4,283)	(1,913)
(Gain) / Loss on Sale of Fixed Assets	(90)	45
Loss on Assets Written Off	40	142
Movements in:		
- Accounts Receivable	(588)	2,400
- Accounts Payable	(1,773)	7,860
- Other Current Assets	(100)	(101)
- Employee Benefits	(3,326)	4,800
Net Cash Provided by Operating Activities	23,991	24,623

Note 28 Reconciliation of Cash and Cash Equivalents

Cash On Hand and at Bank	(913)	754
Term Deposits	28,791	29,910
Cash and Term Deposits at end of year	27,878	30,664

Refer to Note 29 which details restricted cash holdings.

Bank Overdraft Facility		
Available Facilities	1,500	1,500

Note 29 Restricted Assets

The following restrictions have been imposed by regulation or other externally imposed requirements

	2012/13 (\$'000)	2011/12 (\$'000)
Current		
Cash - Recreational Land (i)	1,092	1,076
Cash - Car Parking	193	193
Cash - Road Upgrading	32	32
Funds held in Trust	1	3
Total Current External Restricted Assets	1,318	1,304
Non-Current		
Land - Aerodrome (ii)	1,010	1,010
Total Non-Current Restricted Assets	1,010	1,010

(i) Funds required to be used in accordance with the recreational land provisions of the *Subdivision Act 1988*.

(ii) Land held by Council at Bairnsdale, Mallacoota and Marlo for which a covenant exists ensuring that the land continues to be operated as an Aerodrome.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 30 Superannuation

Council makes the majority of employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently. The lump sum section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are due.

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (9 per cent in 2012/2013). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Commencing on 1 July 2013, the Superannuation Guarantee Legislation will require that the superannuation contribution percentage increase to 9.25 per cent and will progressively increase to 12.00 per cent by 1 July 2019.

Defined Benefit Plan

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (B) of AASB 119, Council does not use defined benefit accounting for these defined benefits obligations.

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes the following contributions:

- 9.25% of members' salaries (same as previous year);
- The difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year).
- Council is also required to make additional contributions to cover the contributions tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust deed, as they accrue.

Shortfall amounts

The Local Authorities Superannuation Fund's latest investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

The projected value of Council's contribution to the shortfall at 30 June amounted to \$3.765 million which was accounted for in the 2011/12 Comprehensive Income Statement within Employees Benefits (See Note 8) and in the Balance Sheet in Current Liability Provisions (see Note 23).

No further amount has been accounted for in the 2012/13 Comprehensive Income Statement with Employee Benefits (see Note 8) or in the Balance Sheet.

Fund Surplus or Deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions) and for the calculation of accrued benefits as required in AAS25 to provide the values needed for the AASB 119 disclosure in a Council's financial statements. AAS25 requires that the present value of the benefit liability, which is calculated in respect of membership completed at the calculation date, makes no allowance for future benefits that may accrue.

There is not any unpaid shortfall as at 30 June 2013 (\$3.785 million in 2011/12).

Retrenchment Increments

During 2012/13, Council was not required to make payments to the fund in respect of retrenchment increments. Council's liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax is nil (nil for 2011/12).

Accrued Benefits

The Fund's liability for accrued benefits was determined by the Actuary as at 31 December 2011 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31 DECEMBER 2011 (\$'000)
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits	4,838,503

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 30 Superannuation continued

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return 7.50% p.a.

Salary Inflation 4.25% p.a.

Price Inflation 2.75% p.a.

Details of contributions to superannuation funds during the year and contributions payable at 30 June 2013:

	2012/13 (\$'000)	2011/12 (\$'000)
Defined Benefit		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	222	4,010
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	3,765
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) at reporting date	1,532	1,369
Employer contributions to other Superannuation funds	355	230
Employer contributions payable to Local Authorities Superannuation Fund	-	-
(Vision Super) at reporting date		
Employer contributions payable to other Superannuation funds	-	-

Note 31 Commitments for Capital and Other Expenditure

At reporting date, Council had entered into contracts for the following capital and other expenditures (these obligations are not recognised as liabilities):

	2012/13 (\$'000)	2011/12 (\$'000)
Service Contracts		
Cleaning	2,242	3,099
Ferry Operation/Maintenance	1,067	1,377
Road Infrastructure Maintenance	26,773	30,743
Waste Management	2,728	19,830
Other Service Contracts	1,655	796
Capital Works Contracts		
Road Infrastructure	1,364	2,253
Building Infrastructure	3,120	90
Other works	4,789	995
Total Commitments	43,738	59,183
Expenditure due for payment not later than one (1) year	18,254	14,081
Expenditure due for payment later than one (1) year and not later than two (2) years	6,667	10,377
Expenditure due for payment later than two (2) years and not later than five (5) years	16,353	23,382
Expenditure due for payment later than five (5) years	2,464	11,343
	43,738	59,183

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 32 Operating Leases

(a) Operating Lease Commitments

At the reporting date, Council had the following obligations under non-cancellable operating leases. (These obligations are not recognised as liabilities):

	2012/13 (\$'000)	2011/12 (\$'000)
Not later than one year – equipment and photocopiers	17	103
Not later than one year – property	182	209
Not later than one year – vehicles	23	9
Later than one year and not later than five years – equipment, photocopiers	-	29
Later than one year and not later than five years property	403	387
Later than one year and not later than five years – vehicles	7	4
Later than five years – property	807	532
	<u>1,439</u>	<u>1,273</u>

(b) Operating Lease Receivables

Council has entered into commercial leases for a number of Council properties as well as the lease of some of its Caravan Parks. These leases have remaining non-cancellable terms of between 1 and 21 years.

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

Not later than one year	355	414
Later than one year and not later than five years	1,215	1,299
Later than five years	3,029	2,666
	<u>4,599</u>	<u>4,379</u>

Note 33 Contingent Liabilities

Council has provided loan guarantees for two (2) community organisations in the past. During 2012/13, Council's liability was extinguished by the remaining community groups paying out their loans. Council's potential liability is limited to the balances disclosed below.

Loan Guarantees have been provided for the following organisations:

	2012/13 (\$'000)	2011/12 (\$'000)
Loan Guarantees		
Bairnsdale Tennis Club	-	55
Lucknow Recreation Reserve Management Committee	-	39
	<u>-</u>	<u>94</u>

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

Council operates landfills throughout the municipality. Certain sites, other than those already provided for, may require rehabilitation works in the future. At balance date, Council is unable to determine whether any further works will need to be undertaken or assess any financial implications of any future works. Council has provided the EPA with an unconditional bank guarantee for \$1.3 million that can be called upon if deemed necessary by the EPA.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 34 Financial Instruments

(a) Accounting Policy, Terms and Conditions

RECOGNISED FINANCIAL INSTRUMENTS	NOTE	ACCOUNTING POLICY	TERMS AND CONDITIONS
Financial Assets:			
Cash And Cash Equivalents	17	Cash on hand and at bank are valued at face value. Interest is recognised as it accrues. Investments are held to maximise interest returns on surplus cash.	On call deposits returned a rate of 4.14% (4.35% 2011/12) on average throughout the year. Funds weighted average return rate at balance date was 4.17% (5.51% 2011/12).
Other Debtors	18	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that impairment has occurred. This allowance is recognised when the collection in full is no longer probable. Collect ability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Credit terms are usually 30-60 days. Currently Council doesn't charge interest on this category of debtors, but reserves the right to do so.
Financial Liabilities:			
Payables	23	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date, whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest Bearing Liabilities	25	Loans are carried at their principal amounts that represent the net present values of the future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by mortgages over the general rates of Council. The weighted average interest rate 8.42% (8.25% 2011/12).

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 34 Financial Instruments continued

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	INTEREST RATE EXPOSURE				NOT PAST DUE AND NOT IMPAIRED (\$'000)	PAST DUE BUT NOT IMPAIRED			
	CARRYING AMOUNT (\$'000)	FIXED INTEREST RATE (\$'000)	VARIABLE INTEREST RATE (\$'000)	NON INTEREST BEARING (\$'000)		1-3 MONTHS (\$'000)	4-12 MONTHS (\$'000)	MORE THAN 1 YEAR (\$'000)	IMPAIRED FINANCIAL ASSETS (\$'000)
2012/13									
Financial Assets									
Cash Assets	11	-	-	11	11	-	-	-	-
Other Financial Assets	27,867	29,916	(2,050)	-	27,867	-	-	-	-
Receivables	<u>8,858</u>	<u>3,711</u>	-	<u>5,147</u>	<u>4,300</u>	<u>2,416</u>	<u>554</u>	<u>1,588</u>	-
Total Financial Assets	36,736	29,994	(2,050)	5,158	32,178	2,416	554	1,588	-
Weighted Average Interest Rate 5.68%									
2011/12									
Financial Assets									
Cash Assets	11	-	-	11	11	-	-	-	-
Other Financial Assets	30,652	29,994	658	-	30,652	-	-	-	-
Receivables	<u>7,872</u>	<u>4,450</u>	-	<u>3,422</u>	<u>5,896</u>	<u>601</u>	<u>337</u>	<u>1,038</u>	-
Total Financial Assets	38,535	34,444	658	3,433	36,559	601	337	1,038	-
Weighted Average Interest Rate: 7.43%									

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 34 Financial Instruments continued

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	TOTAL CARRYING AMOUNT AS PER BALANCE SHEET		AGGREGATE NET FAIR VALUE	
	2012/13 (\$'000)	2011/12 (\$'000)	2012/13 (\$'000)	2011/12 (\$'000)
Financial Assets				
Cash	11	11	11	11
Investments	27,867	30,652	27,867	30,652
Receivables – General	8,858	7,872	8,858	7,872
	36,736	38,535	36,736	38,535
Financial Liabilities				
Payables	6,570	8,274	6,570	8,274
Interest Bearing Liabilities	8,471	9,770	7,236	8,450
	15,041	18,044	13,806	16,724

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 34 Financial Instruments continued

(d) Credit Risk Exposures

The maximum credit risk exposure of Council at the reporting date is the carrying amount of financial assets, net of the provision for doubtful debts.

(e) Risks and Mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below:

Market Risk

Market risk is the risk that the fair value or future cash flows of our instruments will fluctuate because of changes in market prices. 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. Components of market risk to which we are exposed are discussed below.

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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominately short term liquid assets. Our interest rate liability risk arises primarily from long-term loans and borrowings at fixed rates which exposes us to a fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our debt portfolio by:

- Ensuring access to diverse sources of funding;
- Reducing risks of refinancing by managing in accordance with target maturity profiles; and
- Setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

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

- Conformity with State and Federal regulations and standards;
- Adequate safety;
- Appropriate liquidity;
- Diversification by credit rating, financial institution and investment product;
- Monitoring of return on investment; and
- Benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit Risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with Council's financial assets is minimised because the main debtor is the Victorian and Commonwealth Governments. Apart from the two levels of government, we do not have any significant credit risk exposure to a single customer or customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

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

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 34 Financial Instruments continued

(e) Risks and Mitigation continued

	2012/13 (\$'000)	2011/12 (\$'000)
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	295	167
New Provisions recognised during the year	16	94
Amounts already provided for and written off as uncollectible	-	37
Amounts provided for but recovered during the year	(63)	(3)
Balance at end of year	248	295

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The aging of the Receivables was:

Receivables		
Current (not yet due)	5,694	7,037
Past due by up to 30 days	1,172	360
Past due between 31 and 120 days	1,082	241
Past due between 121 and 365 days	554	337
Past due by more than 1 year	1,588	1,038
Total Receivables	10,090	9,013

Ageing of individually impaired Receivables

At balance date, Receivables representing financial assets with a nominal value of \$247,686 (2011/12 \$297,894) were impaired. The amount of the provision raised against these debtors was \$247,686 (2011/12 \$297,894). The individually impaired debtors related to general and sundry debtors and 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 aging of Receivables that have been individually determined as impaired at reporting date was:

	2012/13 (\$'000)	2011/12 (\$'000)
Impaired Receivables		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	15
Past due by more than 1 year	248	283
Total Receivables	248	298

Liquidity Risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date,
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover a financial asset at all.

To help these risks Council:

- Has a liquidity policy which targets a minimum level of cash and 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 loan repayments to revenue.

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 34 Financial Instruments continued

(e) Risks and Mitigation continued

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment risk.

	CARRYING AMOUNT (\$'000)	INTEREST RATE EXPOSURE			NOMINAL AMOUNT (\$'000)	MATURITY DATES		
		FIXED INTEREST RATE (\$'000)	VARIABLE INTEREST RATE (\$'000)	NON INTEREST BEARING (\$'000)		1-3 MONTHS (\$'000)	4-12 MONTHS (\$'000)	MORE THAN 1 YEAR (\$'000)
2012/13								
Financial Liabilities								
Payables	6,570	-	-	6,570	6,841			
Interest-Bearing Liabilities	8,471	8,471	-	-	7,236	177	267	6,792
Total Financial Liabilities	15,041	8,471	-	6,570	14,077	177	267	6,792
Weighted Average Interest Rate: 4.61%								
2011/12								
Financial Liabilities								
Payables	8,274	-	-	8,274	8,274	8,274	-	-
Interest-Bearing Liabilities	9,770	9,770	-	-	8,450	171	1,564	6,715
Total Financial Liabilities	18,044	9,770	-	8,274	16,724	8,445	1,564	6,715
Weighted Average Interest Rate: 4.07%								

East Gippsland Shire Council
Notes to the Financial Statements
for the year ended 30 June 2013

Note 34 Financial Instruments continued

(f) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the National Australia Bank):

A parallel shift of +2% and -1% in market rate (AUD) from year-end rates of 3.75% (2011/12 3.50%)

The table below discloses the impact of net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

MARKET RISK EXPOSURE 2012/13	CARRYING AMOUNT SUBJECT TO VARIABLE INTEREST (\$'000)	-1% (100 BASIS POINTS)		+2% (200 BASIS POINTS)	
		PROFIT (\$'000)	EQUITY (\$'000)	PROFIT (\$'000)	EQUITY (\$'000)
Financial Assets					
Investments	(924)	9	9	(18)	(18)
MARKET RISK EXPOSURE 2011/12					
Financial Assets					
Investments	658	(7)	(7)	14	14

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 35 Auditors Remuneration

	2012/13 (\$'000)	2011/12 (\$'000)
Audit Fee to Conduct External Audit – Victorian Auditor-General	44	41
Internal Audit Fees	40	34
Other Audit Fees	3	2
Total Auditors Remuneration	87	77

Note 36 Events Occurring after Balance Date

Council is not aware of any events impacting on the financial statements after the balance date on 30 June 2013. (2012: Nil)

Note 37 Related Party Transactions

(a) Persons holding the position of a Responsible Person at East Gippsland Shire Council during the reporting period were:

Councillor Richard Ellis*

Councillor Michael Freshwater

Councillor William Gamble (Until 27 October 2012)

Councillor Meredith Urie (Until 27 October 2012)

Councillor Peter Neal

Councillor Marianne Pelz

Councillor Jane Rowe

Councillor Trudy Anderson (Until 27 October 2012)

Councillor Ben Buckley

Councillor John Wilkin (From 27 October 2012)

Councillor Mark Reeves (From 27 October 2012)

Councillor Jeff McNeil (From 27 October 2012)

Chief Executive Officer Steve Kozlowski

* Mayor

(b) Remuneration of Responsible Persons in Bands of \$10,000

	2012/13 NO.	2011/12 NO.
Income Range \$	-	-
1 - 10,000	3	-
10,001 - 20,000	3	-
20,001 - 30,000	5	8
40,001 - 50,000	-	-
50,001 - 60,000	-	-
70,001 - 80,000	1	1
260,001 - 270,000	-	1
280,001 - 290,000	1	-
Total	13	10
Total remuneration for the reporting period of Responsible Officers included above amounted to:	\$555,000	\$531,000

Seniors Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000 (2011/12 \$127,000)

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

Income Range \$	-	-
160,001 – 170,000	-	4
170,001 – 180,000	3	1
180,001 - -190,000	2	-
Total	5	5
Total remuneration for the reporting period of Senior Officers included above amounted to:	\$892,000	\$829,000

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 37 Related Party Transactions continued

- a) No benefits have been paid in connection with retirement of Responsible Persons.
- b) No loans have been made, guaranteed or secured by Council to a Responsible Person of Council during the reporting period.
- c) Other Transactions
 1. Gamcorp Pty Ltd
 Councillor Bill Gamble is also a director of Gamcorp Pty Ltd. For the year ended 30 June 2013 Council paid \$4,818 to Gamcorp (2011/12 \$69,900) on normal commercial terms and conditions.
 2. Benambra Co/Op Store
 Councillor Ben Buckley is also a director of the Benambra Co/OP Store. For the year ended 30 June 2013, Council paid \$5,423 to the store (2011/12 \$9,808) on normal commercial terms and conditions.
 3. East Gippsland Water
 Councillor Jane Rowe was (until 30 September 2011) also a Board Member of East Gippsland Water. For the year ended 30 June 2013, Council paid \$786,419 to the corporation (2011/12 \$1,686,923) on normal commercial terms and conditions.
 4. Gippsland Ports
 Councillor Richard Ellis is a Board Member of Gippsland Ports. For the year ended 30 June 2013, Council paid \$139,018 to Gippsland Ports (2011/12 \$15,784) on normal commercial terms and conditions.
 5. R Pelz Haulage
 Councillor Marianne Pelz is a part owner of R Pelz Haulage. For the year ended 30 June 2013, Council paid \$42,369 to the haulage company (2011/12 \$16,660) on normal commercial terms and conditions.

Note 38 Revenues, Expenses and Assets by Functions/Activity

Office of the CEO

	2012/13	2011/12
Revenues		
- Grants	100	-
- Other	<u>20</u>	<u>2</u>
Total Revenues	120	2
Expenses	619	488
Surplus (Deficit) for the year	(499)	(486)

Corporate

Revenues		
- Capital	9	5,398
- Grants	13,371	17,232
- Other	<u>41,109</u>	<u>38,374</u>
Total Revenues	54,489	61,004
Expenses	7,534	11,615
Surplus (Deficit) for the year	46,955	49,389

Planning and Community

Revenues		
- Capital	2,124	-
- Grants	1,710	1,545
- Other	<u>792</u>	<u>358</u>
Total Revenues	4,626	1,903
Expenses	9,249	7,878
Surplus (Deficit) for the year	(4,623)	(5,975)

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 38 Revenues, Expenses and Assets by Functions/Activity continued

Operations

	2012/13	2011/12
Revenues		
- Capital	6,309	-
- Grants	399	146
- Other	11,884	3,731
Total Revenues	18,592	3,877
Expenses	34,811	33,005
Surplus (Deficit) for the year	(16,219)	(29,128)

Services

Revenues		
- Capital	1,396	-
- Grants	7	29
- Other	13,120	11,673
Total Revenues	14,523	11,702
Expenses	20,645	25,608
Surplus (Deficit) for the year	(6,122)	(13,906)

Development

Revenues		
- Grants	694	1,047
- Other	934	956
Total Revenues	1,628	2,003
Expenses	5,202	6,874
Surplus (Deficit) for the year	(3,574)	(4,871)

Total Organisation

	2012/13	2011/12
Revenues		
- Capital	9,838	5,398
- Grants	16,281	19,999
- Other	67,859	55,094
Total Revenues	93,978	80,491
Expenses	67,859	85,468
Surplus (Deficit) for the year	26,119	(4,977)

The activities of the Shire are categorised into the following broad functions:

Office of the CEO - the day to day management of the Council's operations in accordance with the Council Plan and advocacy.

Corporate – Corporate Communications and Strategy, Governance, Organisation Development, Finance, Human Resources, Property Management, Contracts/Procurement.

Development – Asset Management, Development, Capital Projects, Major Projects and Economic Development/ Tourism.

Operations – Asset Maintenance, Building Maintenance, Fleet Management, Health and Community Laws.

Planning and Community – Strategic Planning, Sustainability, Arts and Culture, Community Planning, Programs and Partnerships, Service Centres, and Emergency Management.

Services – Information Technology, Corporate Records, Commercial Businesses, and Waste Services.

Council's financial systems do not enable the allocation of total assets between functions/activities.

East Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2013

Note 39 Financial Ratios

	2012/13	2011/12	2010/11
Debt Servicing Ratio			
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue (excluding contributed assets).	0.9%	1.0%	0.6%
Debt Commitment Ratio (to identify Council's debt redemption policy)			
This strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of the rate revenue utilised to pay interest and redeem principal.	4.9%	3.7%	3.5%
Total Revenue Ratio			
The level of Council's reliance on rate revenue is determined by assessing rate revenue expressed as a percentage proportion of the total revenue of Council (excluding contributed assets).	45.5%	49.1%	48.9%
Working Capital Ratio			
The ratio expresses the level of current assets the Council has available to meet its current liabilities.	3.21:1	2.76:1	3.56:1
Adjusted Working Capital Ratio			
The ratio expresses the level of current assets the Council has available to meet its current liabilities.	3.91:1	3.19:1	4.00:1
Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, but is not likely to fall due within 12 months after the end of the period.			
Debt Exposure Ratio			
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to total liabilities of Council. Total realisable assets are those assets, which are not subject to any restriction and are able to be realised. This excludes roads infrastructure including bridges and controlled, but not owned, land and associated buildings. The ratio expresses the multiple of total liabilities for each dollar of realisable assets. Realisable assets are those that can be sold and are not subject to any restriction on realisation or use.	0.16:1	0.17:1	0.11:1

Note 40 Special Committees and Other Activities

Other entities

Operations Not Controlled by Council

Pre-Schools

Pre-schools operate from Council owned land and buildings. Council provides grants and can obtain financial information on request.

These operations are not considered as forming part of the reporting entity on the basis that Council does not have the capacity to control these operations. However, the land and buildings are included in the Balance Sheet (under non-current assets) and the depreciation charges are included in the Income Statement.

Special Committees

Special Committees of Council include sporting, recreational and foreshore committees. Council does not have the capacity to control these operations, however the land and buildings are included in the Balance Sheet (under non-current assets) and the depreciation charges are included in the Comprehensive Income Statement.

**East Gippsland Shire Council
Financial Statements Certification
for the year ended 30 June 2013**

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.

Principal Accounting Officer B.Bus(Acc) MBA CPA FLGpro

Andrew Wright

Date 24-9-13 

In our opinion the accompanying financial statements present fairly the financial transactions of the **East Gippsland Shire Council** for the year ended 30 June 2013 and the financial position of the Council as of that date.

As at the date of signing, we are not aware of any circumstance that would render any particulars on the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 10 September 2013 to certify the financial statements in their final form.

Cr Richard Ellis

Date

24/9/13 

Cr Marianne Pelz

Date

24/9/13 

Chief Executive Officer

Steve Kozlowski

Date

24. 9. 2013 

East Gippsland Shire Council
Standard Income Statement
as at 30 June 2013

	BUDGET 2012/13 (\$'000)	VARIANCE		REF	ACTUAL 2012/13 (\$'000)
		(\$'000)	%		
Revenue					
Rates and Charges	42,247	172	0.4%		42,419
Recurrent Grants	14,855	4,369	29.4%	1	19,224
Capital Grants and Contributions	16,275	(9,389)	(57.7%)	2	6,886
Statutory Fees and Fines	1,367	(91)	(6.7%)		1,276
User Fees	10,227	(261)	(2.6%)		9,966
Interest	1,526	55	3.6%		1,581
Contributions and Reimbursements	837	6,920	826.8%	3	7,757
Other Revenue	36	55	152.8%		91
Total Revenue	87,370	1,830			89,200
Expenses					
Employee Benefits	21,010	1,034	4.9%		22,044
External Contracts	22,362	3,136	14.0%		25,498
Materials and Utilities	4,478	810	18.1%	4	5,288
Depreciation	15,745	2,282	14.5%	5	18,027
Contributions and Donations	1,182	(11)	(0.9%)		1,171
Assets Written Off	-	-	n/a		-
Finance Costs	1,049	(103)	(9.8%)		946
Other Expenses	5,019	(531)	(10.6%)		4,488
Total Expenses	70,845	6,617			77,462
Net gain/ (loss) on sale of Property, Infrastructure, Plant and Equipment.	-	90	n/a		90
Granted Assets	2,000	2,283	114.2%	6	4,283
Surplus (Deficit) for the Year	18,525	(2,414)			16,111
Other Comprehensive Income					
Increase in asset valuations	84,342	(67,830)	(80.4%)	7	16,512
Total Comprehensive Income	102,867	(70,244)			32,623

East Gippsland Shire Council

Standard Income Statement

as at 30 June 2013

Variance Explanation Report

REF.	ITEM	COMMENTARY
1	Grants - Recurrent	Council's recurrent grant increase above budget is primarily due to receiving a number of unexpected and unbudgeted grants during the year. The more significant unbudgeted grants received during this period were \$175,000 for the Advancing Country Towns program, \$533,000 for auspicising the Great Coastal Walks and \$250,000 for the Municipal Emergency Resource Program. Council has also reclassified Roads to Recovery grants into the recurrent grants category, resulting in \$2.9 million of additional unbudgeted income. There were a number of smaller grants that were also unbudgeted and received by the Council that have not been listed.
2	Capital Grants and Contributions	The decrease in budgeted income from Capital Grants and Contributions is mainly due to the delay or deferral of grant funds. The main contributor relate to the expected grant for the Mallacoota Ocean Access Boat Ramp (\$6.2 million). Roads to Recovery income was also moved from this category to grants recurrent, \$2.9 million was budgeted for the grant in this category. There were a number of smaller grants that were budgeted but were not received during the financial year.
3	Contributions and Reimbursements	The higher than budgeted income is mainly due to the receipt of unbudgeted reimbursement funding of \$6.1 million for the flood events that relate to the August 2011, March and June 2012 natural disaster events.
4	Materials and Utilities	The variance in the costs relating to Materials and Utilities are mainly as a result of higher than budgeted utility costs relating to electricity, gas and water. These expense items exceeded budget by \$684,000 during the year. There were also costs relating to the expensing of and additional \$320,000 of costs that are not able to be capitalised.
5	Depreciation	The higher than budgeted depreciation expense is due to unbudgeted balance day adjustments from 2011/12 that were not able to be incorporated into the 2012/13 budget. The main causes of the increase were due to: a) an adjustment to Asset Values due that resulted from a large increase in the roads and bridges pricing index that resulted in a significant increase in the replacement value of assets; and b) the requirement to amortise the capping of the Lakes Entrance Landfill.
6	Granted Assets	Council estimated that \$2.0 million of granted assets would be transferred into Council's control during the 2012/13 financial year. During the year, Council received \$4.3 million of granted assets, resulting in a \$2.3 million increase in this income category.
7	Asset Values	The reduction in the size of the increase to the reserve is due to the requirement in 2011/12 to bring the revaluation of infrastructure assets forward. This was due to estimated increase in the Building and Construction which was above 10 per cent, triggering an early revaluation to ensure that the material values of infrastructure assets were properly reflected in the Financial Statements. In the 2011/12 financial year, a net \$56.6 million was added to the value of Infrastructure assets. The combined net increase over the past two years was \$73.2 million. Although shown on the Statement of Comprehensive Income, this is not a cash item and should not be used to measure Council's Operating Surplus or Deficit.

East Gippsland Shire Council Standard Income Statement as at 30 June 2013

Commentary on the Standard Income Statement for the Annual Report

The Standard Income Statement for the Annual Report shows what has happened during the year in terms of revenue, expenses and other adjustments from all activities. The Total Changes in Equity or 'bottom line' shows the total difference between the financial position at the beginning and the end of the year. The Standard Income Statement requires revenues to be separately disclosed where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of Council.

East Gippsland Shire Council
Standard Balance Sheet
as at 30 June 2013

ASSETS	BUDGET 2012/13 (\$'000)	VARIANCE		REF	ACTUAL 2012/13 (\$'000)
		(\$'000)	%		
Current Assets					
Cash and Cash Equivalents	18,687	9,191	49.2%	1	27,878
Trade and Other Receivables	4,520	2,301	50.9%	2	6,821
Other Financial Assets	622	167	26.8%	3	789
Total Current Assets	23,829	11,659			35,488
Current Liabilities					
Trade and other Payables	4,905	1,665	33.9%	4	6,570
Provisions	3,148	910	28.9%	5	4,058
Interest-Bearing Loans and Borrowings	444	-	0.0%		444
Total Current Liabilities	8,497	2,575			11,072
Net Current Assets	15,332	9,084			24,416
Non-Current Assets					
Trade and Other Receivables	4,054	(785)	(19.4%)	6	3,269
Property, Infrastructure, Plant and Equipment	771,942	(10,929)	(1.4%)		761,013
Total Non-Current Assets	775,996	(11,714)			764,282
Non-Current Liabilities					
Provisions	3,628	8,054	222.0%	7	11,682
Prepaid Income	1,640	(162)	(9.9%)		1,478
Interest-Bearing Loans and Borrowings	8,027	-	0.0%		8,027
Total Non-Current Liabilities	13,295	7,892			21,187
Net Assets	778,033	(10,522)			767,511
Equity					
Accumulated Surplus	310,387	(16,687)	(5.4%)		293,700
Asset Revaluation Reserve	466,416	6,078	1.3%		472,494
Other Reserves	1,230	87	7.1%		1,317
Total Equity	778,033	(10,522)			767,511

East Gippsland Shire Council

Standard Balance Sheet

as at 30 June 2013

Variance Explanation Report

REF.	ITEM	COMMENTARY
1	Cash and Cash Equivalents	The main contributors to this variance include a higher than budgeted starting cash position, higher than budgeted up front payout of a Special Charge Scheme by scheme participants, and reductions to the Capital Works program. A detailed explanation of cash variances is contained in the Standard Statement of Cash Flows and accompanying explanations.
2	Current Trade and Other Receivables	The Trade and Other Receivables figure is higher than budgeted. This is mainly due to higher than forecast outstanding rates, higher than forecast general debtors and higher than forecast outstanding government refunds.
3	Other Financial Assets	This category is higher than budgeted due to a larger than anticipated accrual of interest other income and prepaid expenses.
4	Trade and other Payables	This category is higher than budgeted due to a larger than anticipated accrual of expenses. This is mainly due to the timing of payments and the receipt of invoices prior to the end of the financial year.
5	Provisions – Current	This category hold balances for Provision for Annual and Long Service Leave entitlements and is higher than budgeted due to a higher than forecast in Annual and Long Service Leave as well as a larger portion of Long Service Leave provision being classified as current than budgeted. Higher employee numbers have also contributed to the higher than budgeted liability.
6	Non-Current Trade and Other Receivables	The lower than estimated Trade and Other Receivables is due to a higher than budgeted payout of Council's Special Charge Scheme by participants.
7	Provisions – Non-Current	The major cause of the variance to the Non-Current provisions is the additional recognition of necessary rehabilitation works to be undertaken to bring existing and legacy landfills to a satisfactory condition as required by the EPA. This was not recognised until after the 2012/13 budget had been adopted. The estimated additional liability for existing and legacy landfills is \$8.7 million.

Commentary on the Standard Balance Sheet for the Annual Report

The Standard Balance Sheet for the Annual Report shows a snap shot of all the assets and liabilities as at 30 June 2013. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council.

The change in net assets between two year's Standard Balance Sheets shows how the financial position has changed over that period.

The assets and liabilities are separated into current and non-current. The Standard Balance Sheet for the Annual Report shows a snap shot of all the assets and liabilities as at 30 June 2013. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council.

The change in net assets between two year's Standard Balance Sheets shows how the financial position has changed over that period.

The assets and liabilities are separated into current and non-current.

East Gippsland Shire Council
Standard Statement of Cash Flow
for the year ended 30 June 2013

CASH FLOWS FROM OPERATING ACTIVITIES	BUDGET 2012/13 (\$'000)	VARIANCE		REF	ACTUAL 2012/13 (\$'000)
		(\$'000)	%		
Rates and Charges	42,138	181	0.4%		42,319
Interest Revenue	1,526	230	15.1%	1	1,756
User Fees and Fines	12,209	(2,408)	(19.7%)	2	9,801
Other Revenue	36	55	152.8%		91
Contributions and Reimbursements	837	7,697	919.6%	3	8,534
Operating Grants	14,855	4,369	29.4%	4	19,224
Capital Grants and Contributions	16,275	(9,389)	(57.7%)	5	6,886
GST Collected	-	1,413	n/a		1,413
GST Refunds from Australian Taxation Office	-	4,542	n/a		4,542
	87,876	6,690	7.6%		94,566
Employee Benefits	(20,118)	(5,253)	(26.1%)	6	(25,371)
Payments to Suppliers	(28,152)	(4,375)	(15.5%)	7	(32,527)
Finance Costs	(1,049)	76	7.2%		(973)
Other Expenses	(5,019)	(631)	(12.6%)	8	(5,650)
GST Paid to Suppliers	-	(6,054)	N/a		(6,054)
	(54,338)	(16,237)	(29.9%)		(70,575)
Net Cash Provided by Operating Activities	33,538	(9,547)	(28.5%)		23,991
Cash Flow from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	281	364	129.5%	9	645
Payments for Property, Plant and Equipment	(39,305)	13,182	33.5%	10	(26,123)
Net Movements in Deposits and Advances	161	(161)	100.0%		-
Net Cash used in Investing Activities	(38,863)	13,385	34.4%		(25,478)
Cash Flow from Financing Activities					
Repayment of borrowings	(1,299)	-	0.0%		(1,299)
Net Cash Provided by (used in) Financing Activities	(1,299)	-	0.0%		(1,299)
Net Increase / (Decrease) in Cash and Cash Equivalents	(6,624)	3,838			(2,786)
Cash and Cash Equivalents at the Beginning of the Year	25,311	5,353			30,664
Cash and Cash Equivalents at the End of the Year	18,687	9,191			27,878

East Gippsland Shire Council

Standard Statement of Cash Flow

for the year ended 30 June 2013

Variance Explanation Report

REF.	ITEM	COMMENTARY
1	Interest Revenue	The increase in interest is due to higher than budgeted cash in the bank, caused by a delay in Capital Works expenditure as some major Capitals Works programs were delayed. Council also had higher than forecast up front payout of the Tambo Bluff Special Charge Scheme by scheme participants. This increase was offset by lower than forecast interest on the Special Charge Scheme. This result has been achieved despite declining interest rates.
2	User Fees	The difference in the cashflow for fees and charges is mainly due to the increase in debtors. This is only a timing difference as Council expects to receive the cash next financial year.
3	Contributions and Reimbursements	The higher than budgeted income is mainly due to the receipt of unbudgeted reimbursement funding of \$6.1 million for the flood events that relate to the August 2011, March and June 2012 natural disaster events.
4	Operating Grants	Council's recurrent grant increase above budget is primarily due to receiving a number of unexpected and unbudgeted grants during the year. The more significant unbudgeted grants received during this period were \$175,000 for the Advancing Country Towns program, \$533,000 for auspicising the Great Coastal Walks and \$250,000 for the Municipal Emergency Resource Program. Council has also reclassified Roads to Recovery grants into the recurrent grants category, resulting in \$2.9 million of additional unbudgeted income. Council received a number of smaller grants that were also unbudgeted, which have not been listed.
5	Capital Grants and Contributions	The decrease in budgeted income from Capital Grants and Contributions is mainly due to the delay or deferral of grant funds. The main contributor relate to the expected grant for the Mallacoota Ocean Access Boat Ramp (\$6.2 million). Roads to Recovery income was also moved from this category to grants recurrent, \$2.9 million was budgeted for the grant in this category. There were a number of smaller grants that were budgeted but were not received during the Financial year.
6	Employee Costs	The main contributor to the variance has been the early payment in 2012/13 of the Council's Defined Benefit Liability of \$3.8 million in June 2013.
7	Payments to Suppliers	This category is higher than budgeted due to a lower level of accrued expenses. The Council also had higher than forecast utility expenses and the unbudgeted additional costs associated with the repatriation of Council infrastructure assets resulting from the June 2012 flood event.
8	Other Expenses	Council Other expenses exceeded budget mainly due to higher than forecast Council Grants and Contributions and lower than expected balance sheet movement.
9	Proceeds from Sale of Property, Plant and Equipment	Council has brought a number of services back into the organisation that were previously contracted out. This has resulted in a significant increase in the size of Councils fleet and its turnover. This has resulted in higher than budgeted fleet turnover and proceeds from the sale of Plant and Equipment.
10	Payments for Property, Plant and Equipment	Expenditure on Property, Plant and Equipment for 2012/13 was \$26.4m, with \$382,000 expensed due to works undertaken on assets not owned and/or controlled by Council. Other major contributors to the shortfall in expenditure were: • Spending shortfall of \$2.5 million for Eastern Creek due to having to revise the works required; • Delays to Mallacoota Ocean Access Boat Ramp (\$6.5 million); and • The delay in the construction of the Metung Marina Stage 1 (\$7.3 million)

East Gippsland Shire Council

Standard Statement of Cash Flow

for the year ended 30 June 2013

A Standard Statement of Cash Flow for the Annual Report shows what has happened during the year in terms of cash. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year.

The net cash flows from operating activities shows how much cash remains after paying for the provision of services to the community, which may be invested in things such as capital works.

The information in the Standard Statement of Cash Flow assists users in the assessment of the ability to generate cash flows, meet financial commitments as they fall due - including the servicing of borrowings, fund changes in the scope of activities and obtain external finance.

East Gippsland Shire Council
Standard Statement of Capital Works
for the year ended 30 June 2013

CAPITAL WORKS AREAS	BUDGET 2012/13 (\$'000)	VARIANCE		REF	ACTUAL 2012/13 (\$'000)
		(\$'000)	%		
Buildings	3,873	(1,135)	(29.3%)	1	2,738
Drains	3,230	(2,742)	(84.9%)	2	488
Open Space	18,356	(15,749)	(85.8%)	3	2,607
Roads and Bridges	8,177	7,502	91.7%	4	15,679
Plant, Furniture and Equipment	1,855	961	51.8%	5	2,816
Other	3,814	(2,019)	(52.9%)	6	1,795
Total Capital Works	39,305	(13,182)	(33.5%)		26,123

Represented by

Asset renewal	20,791	(2,511)	(12.1%)		18,280
New assets	12,082	(6,908)	(57.2%)		5,174
Asset upgrade	5,470	(3,444)	(63.0%)		2,026
Asset expansion	962	(319)	(57.2%)		643
Total Capital Works	39,305	(13,182)	(33.5%)		26,123

Variance Explanation Report

REF.	ITEM	COMMENTARY
1	Buildings	The shortfall in expenditure on Buildings was mainly due to: • 'Oneonta' project delayed due to finalisation of scope of works by Committee of Management (\$100,000); • A delay in the renewal of the Omeo Caravan Park Toilet Block (\$192,000); • Delay in the completion of Progress Jetty Toilet Block (\$250,000); and • Delay in commencement of Eastern Creek Toilet Block (\$210,000).
2	Drains	Due to the discovery of acid sulphate soils (ASS), the Eastern Creek Drain realignment/upgrade project in Lakes Entrance (\$2.5 million), required a revision in plans (including the development of an ASS Management Plan) and additional scoping of the project.

East Gippsland Shire Council

Standard Statement of Capital Works

for the year ended 30 June 2013

Variance Explanation Report continued

REF.	ITEM	COMMENTARY
3	Open Space	The shortfall in the Open Space budget was mainly due to: - The delay in the construction of the Metung Marina Stage 1 (\$7.3 million) due to delays in obtaining required approvals to commence the project; - The delay in the commencement of the Mallacoota Ocean Access Boat Ramp (\$6.5 million) due to ongoing negotiations with the State Government; and - Gilsenan Reserve works delayed (\$443,000) due to delay in announcement of required external funding.
4	Roads and Bridges	The higher than budgeted expenditure in the Roads and Bridges budget is mainly due to: - Reseal program exceeding the original budget by (\$1.98 million; \$4.9 million of unbudgeted flood affected roads and bridges being capitalised; and - Gravel resheets exceeding budget by (\$691,000) as a result of prior year delays in delivering the program.
6	Plant Furniture and Equipment	The higher than budgeted expenditure in the Roads and Bridges budget is mainly due to: - The need of Council to purchase additional unbudgeted plant and equipment as a result of bringing management of Councils landfills back under direct Council control. This required the purchase of a significant amount of plant equipment which resulted in an additional \$582,000 of unbudgeted expenditure; and - The unbudgeted expenditure of \$257,000 for the replacement of Council telephones during the 2012/13 financial year.
5	Other	The shortfall in other is mainly due to: - Changes to the programming of the works for the Bairnsdale Aerodrome upgrade resulting in a shortfall in expenditure of \$140,000; - Orbost landfill designs expenditure of \$155,000 delayed changed due to ongoing discussions with EPA; - Council made savings of \$240,000 for funds set aside for matching of government grants due to there not being suitable grants available; - Delays in the redevelopment of the Bairnsdale CBD resulted in an under expenditure of \$290,000; and - A delay in the creation of the landfill cell 3 (\$613,000) due a change in the scoping of the project due to new EPA requirements.

Commentary on Standard Statement of Capital Works for the Annual Report

A Standard Statement of Capital Works for the Annual Report sets out the all the capital expenditure in relation to non-current assets for the year. It also shows the amount of capital works expenditure which is expected to be renewing, upgrading, expanding or creating new assets. This is important because each of these categories has a different impact on Council's future costs.

- Capital expansion expenditure extends an existing asset to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.
- Capital renewal expenditure reinstates existing assets; it has no impact on revenue but may reduce future operating and maintenance expenditure it completed at the optimum time.
- Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in Council's asset base.
- New capital expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

East Gippsland Shire Council Notes to the Standard Statements for the year ended 30 June 2013

Note 1 Basis of Preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Finance and Reporting) Regulations 2004*.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The result reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The *Local Government Act* requires explanation of any material variances. Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on 26 June 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

East Gippsland Shire Council
Certification of the Standard Statements
for the year ended 30 June 2013

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

Principal Accounting Officer B.Bus (Acc) MBA CPA FLGpro

Andrew Wright



Date 24-9-13

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

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

We have been authorised by the Council on 10 September 2013 to certify the standard statements in their final form

Cr Richard Ellis



Date 24-9-13

Cr Marianne Pelz



Date

24/9/13

Chief Executive Officer

Steve Kozlowski



Date

24.9.2013



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, East Gippsland Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the East Gippsland Shire Council which comprises the comprehensive income statement, balance sheet, cash flow statement, statement of changes in equity, notes comprising a summary of the significant accounting policies and other explanatory information, and the financial statements certification have been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council or Corporation which comprises standard income statement, standard balance sheet, standard statement of cash flow, standard statement of capital works, the related notes and certification on standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the East Gippsland Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the East Gippsland Shire Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the East Gippsland Shire Council for the year ended 30 June 2013 included both in the East Gippsland Shire Council's annual report and on the website. The Councillors of the East Gippsland Shire Council are responsible for the integrity of the East Gippsland Shire Council's website. I have not been engaged to report on the integrity of the East Gippsland Shire Council's website. The auditor's report refers only to the subject matter hyperlinked above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
25 September 2013


John Doyle
Auditor-General

East Gippsland Shire Council

Performance Statement

for the year ended 30 June 2013

KEY STRATEGIC ACTIVITY	PERFORMANCE MEASURE	HOW DATA IS REPORTED	PERFORMANCE TARGET	RESULT ACHIEVED	REF	ACHIEVED
Liveability						
Provide quality Citizen Services	Community satisfaction rating for Customer Service	Local Government Victoria Annual Community Satisfaction Survey	≥ 69	71	1	Achieved
Provide quality Recreation Facilities	Community satisfaction rating for Recreation Facilities	Local Government Victoria Annual Community Satisfaction Survey	≥ 66	65	1	Not achieved
Improved Appearances of Public Places	Community satisfaction rating on the Appearance of Public Places	Local Government Victoria Annual Community Satisfaction Survey	≥ 69	70	1	Achieved
Provide quality Community Services	Community satisfaction rating for Health and Human Services	Local Government Victoria Annual Community Satisfaction Survey	Family Support: ≥ 67 Elderly Support: ≥ 69	Family Support: 63 Elderly Support: 65	1	Not achieved
Provide quality Local Laws Services	Community satisfaction rating on Local Laws Enforcement	Local Government Victoria Annual Community Satisfaction Survey	≥ 65	62	1	Not achieved
Sustainability						
Provide appropriate Waste Management Facilities	Community satisfaction rating on Waste Management	Local Government Victoria Annual Community Satisfaction Survey	≥ 68	73	1	Achieved
Provide for a quality Built Environment	Community satisfaction rating for Town Planning Policy and Approvals	Local Government Victoria Annual Community Satisfaction Survey	≥ 58	No data		Not achieved
Advisory Board	Environmental Sustainability Advisory Board meets four times per year and reports are presented to Council	Council Resolution	Four reports	2	3	Not achieved
Provide a quality Road Network	Community satisfaction rating for Local Roads	Local Government Victoria Annual Community Satisfaction Survey	Local Streets and Footpaths ≥ 52	50	1	Not achieved
Improved Traffic Management and Parking	Community satisfaction rating on the Traffic Management and Parking	Local Government Victoria Annual Community Satisfaction Survey	Traffic Management ≥ 62 Parking Facilities ≥ 60	62 53	1	Achieved Not achieved

East Gippsland Shire Council

Performance Statement

for the year ended 30 June 2013

KEY STRATEGIC ACTIVITY	PERFORMANCE MEASURE	HOW DATA IS REPORTED	PERFORMANCE TARGET	RESULT ACHIEVED	REF	ACHIEVED
Productivity						
Complete the Capital Works Program	The percentage of budgeted Capital Works projects (that are Council funded or have guaranteed funding) by end of financial year	Audited Financial Statements	Delivery of 80 per cent or greater of projects Council funded / Funding guaranteed.	80%		Achieved
Provide positive economic outcomes	Community satisfaction rating for Economic Development	Local Government Victoria Annual Community Satisfaction Survey	≥ 60	61	1	Achieved
Advisory Boards	Economic Development, Tourism, and Arts and Culture Advisory Boards meet four times per year and reports are presented to Council	Council Resolution	Four reports for each Board	11 reports	2	Not achieved
Governance						
Improve Community Perceptions	Community satisfaction rating for overall performance generally of the Council	Local Government Victoria Annual Community Satisfaction Survey	≥ 57	60	1	Achieved
Strengthen Advocacy Processes	Community satisfaction rating for advocacy and representation on key local issues	Local Government Victoria Annual Community Satisfaction Survey	≥ 53	54	1	Achieved
Improve Engagement Processes	Community satisfaction rating for Council's engagement on key local issues	Local Government Victoria Annual Community Satisfaction Survey	≥ 55	54	1	Not achieved
Strategic Community Engagement and Consultation	Number of strategic site visits and community engagement undertaken through community planning	Consultation minutes	≥ 4	2 Strategic Visits 37 events of community engagement		Achieved

East Gippsland Shire Council

Performance Statement

for the year ended 30 June 2013

Explanation of Variances for current year results

REF	ITEM	COMMENTARY
1	Various Community Satisfaction Performance Indicators	The revised Council Plan 2009-2013 was adopted before Council's performance results for 2012 were known. The performance targets were therefore set to compare Council's results with the median index score for Large Rural Councils. Council is committed to comprehensively reviewing the performance measures it sets for its Key Strategic Activities for future reporting. Council has reviewed its Key Strategic Activities for the next financial year in line with the recommendations made by the Auditor-General in the report on Performance Reporting in Local Government released in April 2012. Changes to the Local Government Victoria Community Satisfaction Survey methodology in 2012 may therefore present performance results that are misaligned to previous years.
2	Advisory Boards	The Economic Development and Arts and Culture Advisory Boards provided four reports each during the year, however the Tourism Advisory Board only met on three occasions; the October meeting was cancelled due to upcoming Council elections.
3	Environmental Sustainability Advisory Board	The Sustainability Advisory Board met twice. Where meetings were not held, this was due to an inability to secure a quorum.

East Gippsland Shire Council
Certification of the Performance Statement
for the year ended 30 June 2013

In my opinion, the accompanying performance statement of the East Gippsland Shire Council for the financial year ended 30 June 2013 is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the Key Strategic Activities and performance targets and measures specified in the 2012/13 Budget, and actual results achieved having regard to those performance targets and measures.

As at the date of this certification, I am not aware of any circumstances that would render any particulars in the attached statement of indicators to be misleading or inaccurate.

Principal Accounting Officer B.Bus (Acc) MBA CPA FLGpro

Andrew Wright



Date 24-9-13

Cr Richard Ellis



Date 24/9/13

Cr Marianne Pelz



Date

24/9/13

Chief Executive Officer

Steve Kozlowski



Date

24.9.2013



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, East Gippsland Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the East Gippsland Shire Council which comprises the statement and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the East Gippsland Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the East Gippsland Shire Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the East Gippsland Shire Council for the year ended 30 June 2013 included both in the East Gippsland Shire Council's annual report and on the website. The Councillors of the East Gippsland Shire Council are responsible for the integrity of the East Gippsland Shire Council's website. I have not been engaged to report on the integrity of the East Gippsland Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
25 September 2013


John Doyle
Auditor-General

GLOSSARY

Actual 2012/2013

Actual performance achieved where this measure was used in the 2012/2013 financial year.

Balance sheet

Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.

Best Value

The continuous review of all services provided by Council to ensure they meet the required cost standards and needs of the community to deliver value for money.

Buildings and improvements

Includes all capital building improvements to any land owned or controlled by Council.

Cashflow statement

Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).

Cth

Commonwealth

Council Plan

The Council Plan guides the development and strategic priorities for Council over a four year period. It is reviewed each year.

EFT

Equivalent full time.

Financial statements

Incorporates the Income Statement, Balance Sheet, Statement of Changes in Equity, Cashflow Statement plus the Notes to and forming part of the Accounts that support these statements.

Furniture and fittings

Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.

GELLEN

Gippsland East Local Learning and Employment Network

Heritage assets

Includes antiques, artifacts, artworks, photographs, mayoral chains, and heritage buildings owned by Council.

Income statement

Identifies all revenues earned and expenses incurred during the financial year.

Indicators

Indicators define what will be measured to show we are meeting our objectives.

Land

All land owned or controlled by Council

Land improvements

Includes all capital improvements, other than buildings, to any land owned or controlled by Council.

Legacy landfills

Landfills that are no longer used to dispose of waste. A number of these landfills have never been capped, which can cause environmental issues.

MSS

The Municipal Strategic Statement is Council's long range plan to guide the development of the city and its urban form.

Performance measures

Mechanisms such as unit costs or response times, which can be used to measure Council's performance over time.

Place based operations

Services are responsive to 'Place'. Programs are coordinated with other locally provided programs. Clusters of communities Services are tailored and adapted to respond to the particular needs of those places.

Plant and equipment

Assets owned by Council.

Roads

Includes road pavements, footpaths, kerb and channel, traffic signals and speed restriction devices.

Statement of changes in equity

Identifies Council's overall movement in equity consisting of the accumulated surplus, asset revaluation and statutory reserves. Equity is also represented by total assets less total liabilities.

Statement of Financial Position

Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.

Strategic Objectives

Establish where we want to be for each of Council's commitments.

Strategy

A document that outlines an initiative, program or project that will contribute towards achievement of a longer term goal or outcome.

Values

Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.

INDEX

A

Acknowledgement of State Government funding	15
Annual Operating Contribution – State Emergency Service	121
Audit Committee	106
Awards and Recognition	20

B

Balance sheet	13
Best Value Victoria	111

C

Carers Recognition Act	112
CEO's Message	9
Charter of Human Rights	112
Citizenship	30
Civic Events	28
Committees of Management	119
Community Grants	116
Community Small Grants Program	116
Conflict of interest	38
Corporate governance	32
Council advisory boards and committees	40
Council and committee meetings	39
Councillor Code of Conduct	38
Council meeting attendance	39
Council meeting schedule 2012/13	39
Council plan reporting	53
Governance	94
Liveability	58
Productivity	84
Sustainability	74
Council Services	43
Assets Maintenance	43
Civic Events	43
Communications and Corporate Planning	43
Community Access and Arts	45
Emergency Management	43
Finance	44
Major Projects and Economic Development	44
Strategic Planning	44
Waste Management	43
Council's operating results	10
Council's roles and responsibilities	32

D

Domestic Animal Management Plan	112
Donations and Grants	116

E

Events	22
Executive management team	42
Expenditure	12

F

Financial Performance	127
Fraud Prevention Policy	111
Freedom of Information	108
Fulfilling Councillors' obligations	38

G

Going the extra mile	31
----------------------	----

H

How to read this Annual Report	6
How we report on our strategies and plans	56

I

Income	11
Information available for public inspection	107
Information Privacy Act	109
Insurances	110
Internal audit	107
Investigations and compliance inspectorate	111

L

Legislative impacts on Council	40
Letters under seal of Council	30
Local Laws	109

M

Mayor's Message	8
Memberships	122
Municipal Emergency Management Report	114

N

National Competition Policy compliance	111
--	-----

O

Open and accountable decision making	38
Organisation Development	50
Achievements	50
Looking forward	50
Occupational Health and Safety	51
Other Contributions and Donations	117
Our Councillors	34
Our Organisation	42
OurPlace, OurPlan, OurFuture	114
Our region, our people, our diversity	16
Our vision, our values	7
Our volunteers	30
Overview	5

P

Performance against the Council Plan 2009-2013	57
Planning framework	54
Protected Disclosure Act	109

R

Regional and District Events Sponsorship program	118
Representing the interests of the community	32
Risk management	110

S

Staff profile	46
Statutory reporting	105
Strategies and Plans adopted in 2012/13	55
Summary of financial performance	10

T

The future	14
Training elected representatives	38

V

Victorian Local Government Indicators	124
---------------------------------------	-----

W

Whistleblowers Protection Act	109
-------------------------------	-----

Photography credits

East Gippsland Marketing

Destination Gippsland

Feedback

East Gippsland Shire Council welcomes your ideas about this report.

If you would like more information on any matters in this report or wish to provide feedback on how Council's reporting can be improved, please phone Council's Corporate unit on 5153 9500 or email feedback@egipps.vic.gov.au

Residents' Information Line:
1300 555 886

Phone:
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Email:
feedback@egipps.vic.gov.au

Website:
www.eastgippsland.vic.gov.au

Twitter:
[@egsc](https://twitter.com/egsc)

Write to:
Chief Executive Officer
PO Box 1618
Bairnsdale Vic 3875

Visit Council staff at the following locations:

Bairnsdale Corporate Centre
273 Main Street

Lakes Entrance Service Centre
18 Mechanics Street

Omeo Service Centre
179 Day Avenue

Orbost Service Centre
1 Ruskin Street

Paynesville Service Centre
55 The Esplanade

Outreach Centres

Bendoc Outreach Centre - 18 Dowling Street, Bendoc 3888

Buchan Resource Centre - 6 Centre Road, Buchan 3885

Cann River Community Centre - Princes Highway, Cann River 3890

Service Centres can help with:

- Rate and property enquiries and payments
- Pensioner concession discount on rates
- Animal registration and renewals
- Planning
- Collecting applications and lodging permits
- Community laws and health
- Enquiries about adjoining fence owners
- Change of address
- Disability parking permits
- New or replacement waste bins
- Raymond Island ferry passes
- Roads, footpaths and bridge enquiries
- Marina and jetty enquiries and payments
- All your Council account payments

