Annual Report

2022-23

EAST GIPPSLAND
SHIRE COUNCIL

A young Aboriginal dance troupe performed at the opening of Inspire East Gippsland Tourism Summit and Eco Tourism Certification event, held at Metung, in May.

Acknowledgement of Country

East Gippsland Shire Council acknowledges the Gunaikurnai, Monero and Bidawel people as the Traditional Custodians of this land that encompasses East Gippsland Shire, and their enduring relationship with country. The Traditional Custodians have cared for and nurtured East Gippsland for tens of thousands of years.

Council values their living culture and practices and their right to self-determination. Council pays respect to all Aboriginal and Torres Strait Islander people living in East Gippsland, their Elders, past, present, and future.

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

An online version of this report is available at eastgippsland.vic.gov.au.

Cover image: Shaving Point, Metung.

Contents

Mayor Cr Mark Reeves, Councillors and Council staff visited Lindenow and surrounds in early September where they spoke with business owners including some of Australia's leading vegetable growers and Sally-Ann Kelly, co-director of antenna maker ZCG (front row, second from left).

Introduction

East Gippsland Shire Council is committed to transparent reporting and accountability to its community. The Annual Report 2022-23 details Council's activities, achievements, challenges, and financial performance during the financial year.

It also informs the community on how the commitments in the Council Plan 2021-25 and the 2022/23 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 2022 to 30 June 2023.

Community Vision 2040

Our people, place, environment, and economy will be connected, in balance, and resilient. Our unique and diverse communities will be accessible, inclusive, well connected, and safe. We will value and care for each other and our natural environment. Our economy will support existing and emerging industries by being agile, innovative, and sustainable.

Council Vision

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

Councillor Code of Conduct

The Councillor Code of Conduct sets out the standards of conduct that guide the Councillors collectively and individually in undertaking their roles, duties, and obligations.

Standards of Conduct

Treatment of others

A Councillor must, in performing the role of a Councillor, treat other Councillors, members of Council staff, the municipal community and members of the public with dignity, fairness, objectivity, courtesy and respect.

Performing the role of Councillor

A Councillor must, in performing the role of a Councillor, do everything reasonably necessary to ensure that the Councillor performs the role of a Councillor effectively and responsibly.

Compliance with good governance measures

A Councillor, in performing the role of a Councillor, to ensure the good governance of the Council, must diligently and properly comply with relevant policies, procedures, protocols and legislation.

Councillors not discrediting or misleading council or the public

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

Standards not limiting robust discussion

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

While the Councillors are governed by standards outlined in the Councillor Code of Conduct, Council officers are guided by the Staff Code of Conduct and a set of organisational values.

Profile
East Gippsland Shire

48,887 PEOPLE

Female 50.8%

Male 49.2%

Born in Australia 79.6%

Square kilometres 20,931

km

Persons per square km: 2.34

- Couples with children: 19.1%
- Couples without children: 32.5%
- One parent household: 8.8%
- People living alone: 29%
- 2.2 people per household
- Private dwellings: 26,081

Employment

19,914 TOTAL JOBS

4,771 BUSINESSES

49% Worked full-time

38.4% Worked part-time

4.4% Unemployed

8.2% Other - employed, away from work

Industries – registered business by industry (top four)

- Agriculture, Forestry and Fishing – 23.6%
- Construction – 18.8%
- Rental, hiring and Real Estate Services – 9.1%
- Accommodation and Food Services – 6.7%

Nighttime along the Lakes Entrance Esplanade.

Fast Facts

Aerodromes

- Managed three aerodromes, Bairnsdale, Mallacoota and Orbost

Animal management

- 145 animals rehomed
- 132 animals reclaimed

Aquatic and recreation centres

- 1,158 Bairnsdale Aquatic and Recreation Centre active memberships, 612 Lakes Entrance Aquadome active memberships
- 451,300 visits to all aquatic facilities during the year (BARC, Aquadome, Bairnsdale Outdoor Pool and Orbost Outdoor Pool)

Arts and culture

- 17,615 people attended shows and activities at the Forge Theatre and Arts Hub
- 137 performances of 73 shows presented at the Forge Theatre and Arts Hub
- Major Live Music Project
  - Employed 101 local musicians
  - Events held at 13 local businesses/venues
  - 896 people in attendance
  - Across six different towns
- Six Arts and Culture grants programs events took place, attracting 2,898 participants
- Six Arts and Heritage projects were completed, attracting 644 participants

Asset management

- Council maintains
  - 3,033km of roads
  - 191 timber and concrete bridges
- 41 public jetties, 19 fishing platforms and 31 boat ramps

Boat ramps and marinas

- Three commercial marinas – Metung (145 berths – including 24 dry berths) and Chinaman's Creek (69 berths) in Metung and Slip Bight (220 berths) in Paynesville

Caravan parks and campgrounds

- 12,090 bookings at Mallacoota Foreshore Holiday Park
- 2,055 bookings at Eagle Point Caravan Park
- 2,178 bookings at Omeo Holiday Park

Civic events

- Five Citizenship Ceremonies
- Three Volunteer Recognition Events

Customer service

- 44,128 phone calls received
- Average call wait time was 41 seconds
- 74.91% of calls were answered within 45 seconds
- 948 calls were received after hours
- 121,666 customers attended service centres during the year (excluding the Bairnsdale Library)
- Collectively, service centres and mobile centres were open 249 hours per week

Disaster recovery and preparedness

- Supported 10 Community Recovery Committees

Electronic vehicle chargers

- 613 unique chargers
- 15,333 kWh used
- 4,889 tonnes of CO_2 saved
- The EV chargers were used by cars registered to 206 different postcodes from all over Australia

Environmental and public health

- 498 food premises inspections carried out during the year.
- Greenhouse gas emissions from energy use: Reduced by 42% from 2021-22. We emitted 3,808 tonnes of greenhouse gas emissions in 2021-22, which reduced to 2,206 tonnes in 2022-23.

Events

- 346 events held
- Five events during off peak periods

Our site at the 2023 East Gippsland Field Days was as popular as ever, with information about our projects, sustainability, agribusiness, Council services and much more. Our puppets were certainly an attraction, as was the our 'wheelie bin waste mascot.

Libraries

- 184,814 library visits
- 3,319 visits to the mobile library services
- 965 library programs
- 12,021 people attended library programs
- 45,664 hours of WIFI was used
- 7,397 hours of library bookable devices
- 77,819 library items were available for loan. 70,564 physical items and 7,255 digital items
- Over 237,000 library loans were taken

Livestock exchange

- 47,779 cattle and 21,393 sheep were processed during the year

Media and communications

- Council's Facebook page has 9,006 followers
- Council's website had 364,208 visits
- There were 546 media releases/newsletter articles distributed during the year
- Environment Connect – Distributed quarterly to over 400 subscribers, which over 660 people opened

Playgrounds and parks

- Over 40 playgrounds were mulched with an estimated 450m^3 of mulch spread

Planning and building approvals

- 547 planning permits were issued, representing $117m estimated cost of works for all permits granted combined.
- The average cost of works per permit was $213,000
- Over 130 new dwellings and over 350 new lots were permitted (including revisions to permits)

Roads, bridges and footpaths

- 300 lineal metres of footpaths were replaced
- 1,310km of gravel roads graded at cost of $1.7m
- Roadside rubbish removed from 320 locations at an overall cost of $130,700

Streetlights

- Saved over 310,000 kWh (or 27% reduction) of energy use by upgrading our streetlights to LED globes

Tourism

- $596m of domestic tourism expenditure in the region for the year ending March 2023

Trees and vegetation

- 8,618.25km of slashing took place

Waste and recycling services

- Glass collection services now available at eight waste transfer stations
- 21,901 kerbside garbage bins
- 21,681 kerbside recycling bins
- 1,279,576 kerbside garbage and recycling collection bin lifts

We joined the Omeo Historical Society and community in late October to celebrate the 150th year since the proclamation of the Shire of Omeo at the Omeo Justice Precinct. The Omeo Historical Society has preserved the history of the area that encompasses the former Shire of Omeo and the buildings were restored (led by Council) in time for the celebrations.

Highlights of the Year

Council supported its communities across East Gippsland through the provision of services, new infrastructure and recovery projects, community celebrations, events and grants and funding opportunities.

An inclusive and caring community that respects and celebrates diversity

We marked International Women's Day with a community event at the Bairnsdale Library which was live streamed to Lakes Entrance, Omeo, Orbost, and Paynesville service centres on 8 March, reflecting the 2023 theme, #EmbraceEquity.
We were joined by guest speakers Kylie Findley (CFA member), Josephine Jakobi (local artist), Glenys Watts (chair of Gunaikurnai Traditional Owner Land Management Board) and Dr Linda Wilkinson (dog trainer) who shared their inspiring stories and achievements.

The Libraries After Dark Program continued to grow in popularity. Held every Thursday in the Bairnsdale Library, the program holds movie screenings, offers talks and provides time for socialisation. The evenings have been particularly beneficial for people who live alone. A highlight was a talk by Peter McHugh on Moscow Villa and the Ah Chow family; over 80 people attended the talk and movie that night.

Council successfully implemented the state-wide immunisation program. The Central Immunisation Records Victoria program was fully funded by the Department of Health and allows nurses administering vaccinations to record the vaccination on the spot in real time.

Access audits are being rolled out across several high priority community facilities to verify inclusive and accessible feature. Bairnsdale Aquatic and Recreation Centre, Clifton Creek recreation precinct including the hall and grounds, Swifts Creek Community Hall and grounds and the Bairnsdale Community Hub and grounds have been audited.

Three volunteer recognition events were held in May 2023 at Marlo, Paynesville and Johnsonville and were well supported. In addition, the Council Volunteer honour roll was updated to recognise more hardworking volunteers in our region.

*Council adopted its first **Culture and Creativity Strategy** on 23 May 2023. This 10-year strategy is Council's guide to fostering a thriving cultural life across the shire. The Strategy aims to cultivate the conditions that will allow the region's cultural and creative communities to thrive and deliver cultural experiences to our local community and visitors. Pictured: Artists Lee Nickless and Anli Vuong transformed the courtyard of the Forge Theatre and Arts Hub.*

A Reconciliation Week Elders Lunch was held. The lunch was well received with positive feedback; Council is hoping to make this an annual event.

The Municipal Public Health and Wellbeing Plan was endorsed by Council in June 2023. The Plan aims to provide East Gippsland communities, the Council, and its partners with clear direction regarding priority areas for improving health and wellbeing over the next four years. Priority areas have been developed collaboratively following an extensive consultative period.

Council continues its commitment to the arts and culture of East Gippsland through its funding for the East Gippsland Art Gallery, in addition to supporting key programs including the highly successful East Gippsland Winter Festival and the Paynesville Musical Festival.

Sensory Kits have been made available at each of East Gippsland's Emergency Relief Centres. Each kit contains sensory tools and resources that can be used to help lessen a child's anxiety level. Visuals, breathing techniques, small tents and noise-cancelling headphones are among items that can be found in the kits.

Bairnsdale Aquatic and Recreation Centre has successfully run a pilot Sensory Friendly program to improve accessibility for children who have sensory challenges or additional needs.

The Marveloo, a mobile accessible restroom *which caters for people with disabilities and their carers is now available to residents and visitors. This has been generously donated to the East Gippsland community by the Maroondah City Council. During the year we were also successful in attracting Changing Places funding from the Victorian Government to install a permanent accessible restroom in Lakes Entrance and another at Cann River. . Pictured: Disability advocates Bianca Basset and Steve Fletcher (centre front) and members of Lakes Entrance community groups joined Councillors and senior officers from Maroondah City Council and East Gippsland Shire Council to celebrate the handover of the Marveloo.*

Planning and infrastructure that enriches the environment, lifestyle, and character of our communities

$75.8m

Council delivered its largest ever Capital Works Program expending $41.8m with a further $33.3m committed via awarded contracts. This provides a combined total of $75.8m of investment in over 270 separate projects.

Council has worked with communities in Bruthen, Buchan, and Mallacoota to design significant Streetscape Upgrades for the main business areas of these three townships. All included significant work with community members to design upgrades that are both functional and aesthetically pleasing. The Bruthen Streetscape works are now nearing completion, with implementation of the designs for Mallacoota and Buchan to occur in 2023-24.

3,000km

Council worked with contractors to maintain a road network of almost 3,000km of local roads. With 97% of the road network kept within the prescribed standards for local roads within Council's Road Management Plan.

Council commenced work on some strategic guiding strategies to guide our existing and future communities, this work included preparation of a draft Rural Land Use Strategy and a draft Housing and Settlement Strategy. Funding was also secured to undertake further planning work for Bairnsdale.

Council's first four ***electric vehicle charging stations*** *were installed in Bairnsdale, Cann River, Omeo and Orbost. The network will be expanded in the coming year with a further three charges being installed. Inset: Deputy Mayor Cr Allen officially launched Council's electric vehicle charging station network.*

Mallacoota Skatepark was upgraded, while the Bairnsdale Skatepark had security lighting and seating installed, and the footpath connection to Davison Oval was completed. A new skate park in Cann River was also designed with the community and will be installed next year.

Mental health services for bushfire affected communities were extended thanks to funding received from the Commonwealth-State Disaster Recovery Funding Arrangements. Council entered into a $1.35m funding agreement with Gippsland Primary Health Network for these services.

$3m

Funding for the redevelopment of the Buchan Recreational Reserve was secured with $3m allocated from the Recovery and Resilience Grant (from Emergency Recovery Victoria) towards the redevelopment of the reserve and to improve or replace existing public infrastructure and support programs that contribute to building resilience for stronger recovery for future events. This complements $1.2m previously allocated from the Local Roads and Community Infrastructure Program. While not a Council asset, Council will project manage these works.

Council also worked with the Sarsfield community to secure funding for the upgrade of the Sarsfield Recreation Reserve.

Multiple community sporting facilities were upgraded during the year with the intention to increase community participation in sport. The synthetic hockey pitch upgrades at the WORLD were completed; cricket nets were installed at Paynesville and Mallacoota; tennis courts at Metung were upgraded in addition to netball courts at Swifts Creek, Swan Reach and Omeo. The Lindenow Recreation Reserve oval lighting was upgraded to LED, and the new purpose-built gymnastics pavilion at Lucknow was also completed.

Council worked with its Community Road Safety Committee and the broader community to develop a Road Safety Strategy, that will be used to guide future work to ensure that our 3,000km of roads and extensive footpath network are safe for users.

A natural environment that is managed and enhanced

Council replaced the last 30% of its streetlights with LED Lights. Traditionally, the street light network was one of Council's highest energy consumption services and CO2 emitters.

Council developed a four-year Environmental Sustainability Action Plan that outlines how Council intends to achieve the goals and targets of the Environmental Sustainability Strategy. The action plan details how Council will either lead or work in partnership with various stakeholders and our community to achieve outcomes.

Council's domestic wastewater program continues to provide benefits to residents. Council has seen increased compliance through a process of proactive monitoring, education and support for landowners and occupiers, as well as risk minimisation associated with public health and environmental risk due to poorly functioning septic systems.

A pet management resource document has been established and is available on Council's website. This document covers topics including pet registration, microchipping and desexing, off-leash parks and dog control, cat containment and tips on keeping your cat safe, healthy, and happy. The document also explains how to foster a pet.

Council was awarded $1.2m disaster preparedness funding. The Disaster Ready Fund grant will be used to extend Council's current projects aimed at advancing disaster preparedness and resilience in collaboration with communities across the shire.

Nineteen ***high volume static water tanks*** *were installed across remote or isolated communities which has increased the capabilities of emergency services to respond to bushfire events.*

As part of a wide range of library programs, the new Seed Library borrowing service was established at Bairnsdale library for budding and experienced gardeners alike, where you can borrow up to three packets of seeds at a time, plant the seeds in your garden and watch them grow and donate any saved seeds back to the Seed Library for the next person to borrow.

Council's Street Tree program commenced with several trees planted in Howitt Avenue in Metung, as well as the development of an online portal for tree requests to help future-proof for climate change.

Development of Council's Coastal and Marine Management Plan has commenced with high level engagement conducted across the Shire. The Coastal and Marine Management Plan is a critical land use Plan that provides high level guidance for the management of areas of coastline for which Council is responsible, considering the relative legislation, intensive community engagement, and local planning context.

A detailed business case for the management of organic waste has been completed and externally peer reviewed. The tender for the detailed design of a composting facility has been awarded with this work now underway.

Council entered into its ***first Environmental Upgrade Agreement (EUA)****, struck with Patties Foods, the landowner of the Lucknow manufacturing site Charter-Hall, and external financier, Sustainable Australia Fund, to support the implementation of energy efficiencies. The two-year trial agreement, valued at over $200,000, will see the installation of energy-efficient LED lighting in Patties' production facilities. Pictured: Scott Bocskay, Chief Executive and Managing Director of Sustainable Australia Fund, East Gippsland Shire Council Mayor Cr Mark Reeves and Michael Hall, former General Manager Operations of Patties Foods in Bairnsdale.*

A thriving and diverse economy that attracts investment and generates inclusive local employment

Economic Development Strategy 2022-2032 and four- year Action Plan was launched in 2023. Through extensive consultation, the strategy was formulated through detailed research and analysis of the region and incorporated a co–design process of engagement with external and internal stakeholders. It aims to enhance our focus on the priorities that support our regional business community while also ensuring we are prepared to welcome new contributors as part of our long-term pursuit of innovation adaptation and economic sustainability.

Bairnsdale Regional Airport was recognised as the National Small Airport of the Year for the second time, reflecting the investment that Council has made on improving and upgrading this important facility. The Bairnsdale Airport also received Australian Government funding to deliver a purpose-built Patient Transport Facility, recognising that the Bairnsdale airport is one of the most visited airports by Air Ambulance Victoria. Council also worked with the Civil Aviation Safety Authority to reinstate Mallacoota Airport's status as a registered airport and installed perimeter fencing at the Orbost Airport to restrict animals from interacting with the airside area. Air transport and our airports are important for many community transport services.

The first Inspire East Gippsland Tourism Summit was held in May. With 100 people in attendance, the summit included a great line up of industry speakers including executives from a range of industry stakeholders. Pictured: Jan Fitzgerald (Chair Destination Gippsland), Mayor Cr Mark Reeves and Rob Pennicott (Pennicott Wilderness Journeys).

Council developed and adopted a position paper and articulated its position in response to the announcement of the Victorian Forestry Plan to phase out native timber harvesting by the Victorian Government. The Council's call to action involves advocating for a sustainable native forest wood products sector in East Gippsland, with a focus on a new approach to logging based on high value, low volume inputs from regrowth forests.

Council led the inaugural Youth Agri-tech Expo in May in partnership with key industry stakeholders. The Expo promoted different aspects of the agriculture industry to 188 students and young people from schools across the region to encourage employment, retention of young people in the region, and update participants' knowledge of future careers in agriculture.

*Council developed a **monthly newsletter for the Omeo Mountain Bike Trails** project – a transformation project for the High Country. The newsletter updates the community and stakeholders on the progress of trail construction, staged opening of completed trails, and the marketing of Omeo as a mountain bike destination. During the year the first 10km of the Mountain Bike Trail were opened for riders' use (in time for Easter).*

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The Business Boost program has successfully engaged and supported 14 new businesses in Buchan and Bruthen, connecting them with various professional services over nine months. The program has strengthened peer-to-peer support within the Buchan community, enhancing capacity and fostering robust economic resilience.

The Stays Expos were delivered in Buchan and Omeo, where local landowners were informed on the opportunities associated with providing accommodation to tourists. Keynote speakers where industry specialists and were able to provide targeted information for each location.

Celebrating local food and the people who make it across our shire with the "Love Where it's Grown, Caught, Made" farm gate trail campaign and a new brochure that lists our farm gates on one handy map. This promotes the many local businesses that grow, harvest, farm and make food, selling it through farm gates, roadside stalls, farmers' markets or online. It supports local farm gates and helps put more local produce on everyone's plates.

The Economic Development Advisory Committee was established with 13 members appointed. The new committee will provide an opportunity for members to share their experiences and expertise to support our shire's businesses and tourism operators and deliver on actions from Council's recently adopted Economic Development Strategy and four-year Action Plan.

Council hosted the 'Succession Expo: Family, Farm, Finance, Future' in Omeo and Buchan. The succession process includes matters relating to land assets, business structures, retirement, and pensions. The keynote speaker Sam Marwood, founder of social enterprise Cultivate Farms, shared innovative approaches to farm succession planning and community revitalisation.

Emerging Tourism Events Mentoring Program: Pathway to Growth supported event organisers to plan, grow and deliver successful tourism events.

Grow Your Business Group Program 2022 *saw 11 businesses collectively make $5.4m in productivity improvements thanks to their participation in of the program. The program delivered simple, measurable, and effective business improvement training opportunities at no cost to the businesses. Pictured with (left) Ray Clark from Optim Improvement and (right) Cr Jane Greacen OAM are Riviera Joinery's Brady Collins, Luca Blackmore, Ryan Collins and William Ray.*

A transparent organisation that listens and delivers effective, engaging, and responsive services

Community and stakeholder engagement is a key part of Council's activities. The layout of Council's engagement website, Your Say East Gippsland, was refined during the year to better identify activities that were open for consultation, progress status on activities that are underway, and updates for completed projects. In 2022-23 the use of the site increased by 292% with over 26,000 visitors to the site engaging in consultations about specific projects and receiving project updates. Council added 86 projects and policies on the Your Say website.

Through the Customer Experience and Library Service Review Council determined to retain existing opening hours at its service centres and libraries to monitor community use for 12 months with a minor change to a 9.00 am start. During this period the collection of broader customer service and library data will be gathered, there will be the introduction of call centre activities at remote service centre locations, additional staff resources, and the redesign of the mobile service. Two vehicles deliver the full range of Council and library services and provide access to community consultation and feedback opportunities to 48 remote and vulnerable communities across the shire – many of these are new sites.

Council's Customer Response Module system was updated during the 2022-23 year to support the increase of first-point resolution of customer enquiries, lodgements, and more efficient request management.

East Gippsland Shire Council undertook a significant step in federal advocacy to Canberra MPs, with Mayor Cr Mark Reeves, Cr Tom Crook and Chief Executive Officer Anthony Basford using online meetings with ministers to progress Council's advocacy priorities during March. Meetings were held with: Advisers to Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government; Senator Anthony Chisholm, Assistant Minister for Regional Development and Education; Darren Chester MP, Member for Gippsland and Shadow Minister for Regional Development, and adviser to Julie Collins MP, Minister for Housing, Homelessness and Small Business.

Council places a high value on being a key member of One Gippsland – the peak regional advocacy body representing Gippsland. Mayor Cr Mark Reeves was elected the Chair of One Gippsland in February 2023. One Gippsland has successfully advocated for many projects and services that have directly or indirectly benefitted East Gippsland. In the recent State Budget, this includes One Gippsland priorities such as hospitals, education, mental health, and transitional energy. Our involvement adds weight to that advocacy.

*Council has advocated for its community at the **Inquiry into Bank Closures in Regional Australia**, presenting at the Senate Inquiry's first hearing in Sale on 2 March. "East Gippsland is a large rural shire where our residents deal with isolation and long distances to access services. We contend that, instead of being purely commercial decisions, banks must consider the social impact of site closures, particularly on smaller communities that are long distances away from larger regional service hubs," Mayor Cr Mark Reeves said.*

In a first for local government in Victoria, Council teamed up with Wellington Shire Council to consolidate our respective data centres and information and communications technology (ICT) infrastructure. Ratepayers across the two shires are set to benefit thanks to reduced operational costs through greater efficiency, and increased cybersecurity and data protection.

In addition to the data centre consolidation, the councils have adopted software called Civica Altitude, which will streamline operations and improve community engagement.

The aim is to deliver more efficient, effective, and sustainable services for their communities.

Community engagement for the Housing and Settlement Strategy was undertaken during May and engaged nine communities in direct consultation sessions across the entire region, in addition to having a platform for feedback on Council's website. The strategy will provide greater certainty as to where people can expect to see new housing developed, they type of housing that is anticipated and outline options and opportunities.

Forest Park, Orbost, during the October 2022 flood event.

Challenges

Although we had many significant achievements during the year Council and the community also navigated various challenges.

We continue to work with communities recovering from the Black Summer Bushfires, and note considerable fatigue being experienced by the community volunteers and leaders. Whilst there have been some significant steps forward in recovery and resilience, there are still multiple and sometimes complex challenges being faced by communities and individuals on this journey. Only around 20 per cent of homes destroyed in the fires have been fully rebuilt.

There was one declared natural disaster event during the year. During October, the far east and high country were subject to significant flooding, for a period of several weeks. This event combined with the above average rainfall experienced during winter and spring, resulted in a challenging workload for the maintenance crews. This created extensive fire slashing work, vegetation management, and road works in addition to the usual maintenance schedule.

The native timber industry closing earlier than first expected, at the end of 2023, is causing significant concern for impacted communities. The process of starting to identify opportunities through transition projects are highlighting complex challenges in communities, including gaps in housing, childcare, education, and training.

With a Capital program of over $100m and 272 separate projects East Gippsland was not immune to the challenges of cost escalations and supply shortages experienced nation-wide across the construction sector.

Council put in place a range of measures to assist in the management of these market driven pressures, but still experienced delays in the delivery of some projects and significant cost increases in others.

Council remains committed to providing a work environment free of abuse for staff members and Councillors. During the year Council initiated a campaign highlighting the values of the Mutual Respect Charter which remind community members that staff are to be treated with courtesy and respect; deserve a safe and healthy working environment; and that there will be zero tolerance on verbal abuse, offensive behaviour, threats, and violence.

Staff featured in a campaign to remind community members that they are to be treated with respect.

Council facilitated a meeting between Hon Jaclyn Symes, Minister for Emergency Services, Mariela Diaz, CEO Emergency Recovery Victoria, and representatives from the Community Recovery Committees for the 2019-20 Black Summer Fires to discuss recovery progress.

2 The Year in Review

Looking at the past year we have an opportunity to reflect on some very significant achievements balanced with very real challenges for Council and community.

Our experiences over recent years with drought, bushfire, COVID-19 and floods required us to adapt the way we deliver for the community. We have focused efforts on building resilience in communities navigating and recovering from these events, and we know there is more to do. Council has developed strategies to guide our future, however we also deal with the economic and supply chain challenges that face all stakeholders in our community and must continually adapt.

Listening to, and working with the community, has allowed the delivery of the largest ever Capital Works Program while continuing to maintain our existing assets and deliver the many council services we provide.

Council has advocated strongly to Government in light of the forced closure of the timber industry being brought forward to the end of 2023 and has focused efforts to seek funding for transition support for the most affected communities.

Message from the Mayor

I am pleased to present this year's Annual Report, highlighting some significant achievements in the 2022-23 financial year amid some very real challenges for Council and community.

In recent years, we've grappled with and sought to overcome the impacts of drought, bushfires, the ongoing impacts of COVID-19, and floods. These challenges forced us to adapt our approach to serving the community, including addressing economic and supply-chain issues affecting us and our stakeholders.

A key focus has been on building resilience in our communities as they navigate and recover from these events. We recognise that there is still much work to be done and will continue to work with our communities to plan and prepare for the future

We proudly became the first certified ECO Destination in Victoria, opening doors to showcase our natural wonders.

Through active engagement with the community (and from successfully receiving federal and state government funding, see below!), we've successfully delivered the largest-ever Capital Works Program while also maintaining existing assets and essential services.

One of our crucial advocacy efforts involved (and continues to involve) addressing the forced closure of the timber industry, which has been accelerated to the end of 2023. We've tirelessly sought transition funding to ensure the support of communities affected by this change.

We advocated on a range of issues and took our calls directly to Canberra. Our advocacy has yielded impressive results:

- $190,000 in Federal Government funding from the Regional Tourism Bushfire Recovery Grant Program.
- $1.5m successful grant application for the construction of Air Ambulance Patient Transfer Station at Bairnsdale Aerodrome.
- $1.2m in Federal Government funding committed to the Federal Disaster Ready Fund, which will enable Council to complete a climate risk analysis to identify the likely impact of extreme weather and other climate events.

Furthermore, we continued our strong advocacy to secure support for upgrades to the Great Alpine Road, airports, increased investment in housing, sporting facilities and infrastructure, and measures to prevent bank branch closures.

We again recognised the invaluable contributions of our volunteers by adding 67 new inductees to the East Gippsland Volunteer Honour Roll. National Volunteer Week events were held across three sites. Our volunteers' dedication to our communities is truly commendable.

One significant milestone this year was the successful finalisation of the Environmental Sustainability Strategy. This guide work across Council to achieve objectives for climate change, biodiversity, land and water management and resource efficiency.

Councillors and officers want to make sure that the community remains informed regarding Council business, so I would strongly recommend to everyone to read our monthly newsletter *My Council, My Community,* to view video updates on our YouTube channel, *East Gippy TV* and to continue to engage with us through our engagement portal, *YourSay* East Gippsland.

Along with my fellow Councillors and dedicated officers, I am committed to building on the achievements of the past year and continuing our advocacy and resilience-building efforts to fulfill the community's goals for the region.

Councillor Mark Reeves – Mayor

Message from the Chief Executive Officer

Council's Annual Report for the year 2022-23 provides an important record of a year of accomplishments, but it also looks to the future.

As an organisation, we maintained a forward-looking approach across our three directorates – Assets and Environment, Business Excellence and Place and Community; and adjusted our structure as required to best support service delivery to the community.

We started 2022-23 with a view of achieving a capital works program of $104 million, which focused on renewing ageing infrastructure and providing new assets for the community. Our capital works program achieved an impressive milestone of spending and committing $78m on projects.

Council and community navigated various challenges throughout the year. Supply chain issues and escalating costs for materials impacted projects. Flooding in parts of the shire and above average rainfall resulted in an increased workload for maintenance and emergency management teams, and added significant vegetation management work to our 'normal' schedule. We continue to support communities and volunteers with bushfire recovery and resilience.

Financially, we remain sustainable with surpluses, reserves and increased net assets. In the past year, I made staff resourcing and well-being a priority, including comprehensive training and support. I am proud of our commitment to training programs for staff on family violence, sexual harassment and resilience. We introduced a new Employee Assistance Program.

As we look ahead, we'll continue developing major strategies and plans such as the East Gippsland Sporting Masterplan, Marine and Coastal Management Plan, Housing and Settlement Strategy, Bairnsdale 2050 and Reconciliation Action Plan to ensure that East Gippsland remains a place where people want to live, visit and invest.

Anthony Basford – Chief Executive Officer

Summary of Financial Performance

The summary of financial performance provides an overview of how Council has performed financially in 2022-23. The Long-term Financial Plan focused on improving Council's financial position, ensuring its long-term financial sustainability.

Financial Snapshot

- $156m revenue against a budgeted $151m.
- Rates and Charges comprised $65.5m (42%) of the total operating revenue.
- $118.2m expenditure against a budgeted $110.9m.
- Operating surplus of $37.8m (budget $40m).
- $41.8m Capital Works program delivered against a budgeted $104m.
- Cash holdings and other financial assets increased by $23.7m from $116.5m in 2021-22 to $140.3m in 2022-23.
- Net debt increased to $2.912m in 2022-23 from $1.650m in 2021-22.

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

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

Asset renewal

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

Our asset renewal result for 2022-23 is 97.34%.

Cash holdings

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

Debt levels

There were new borrowings during the year of $1.262m and borrowings totalled $2.912m as at 30 June 2023.

Council's operating results

Council achieved an operating surplus of $37.812m this year compared to a $30.976m surplus in 2021-22. This is greater than last year's result by $6.836m. The operating surplus in 2022-23 though includes unbudgeted income of $19.9m for an advance payment of the 2023-24 Federal Assistance Grant.

Without this advance payment, the operating surplus for the year would have been $17.9m which is $22.175m less than the budgeted result.

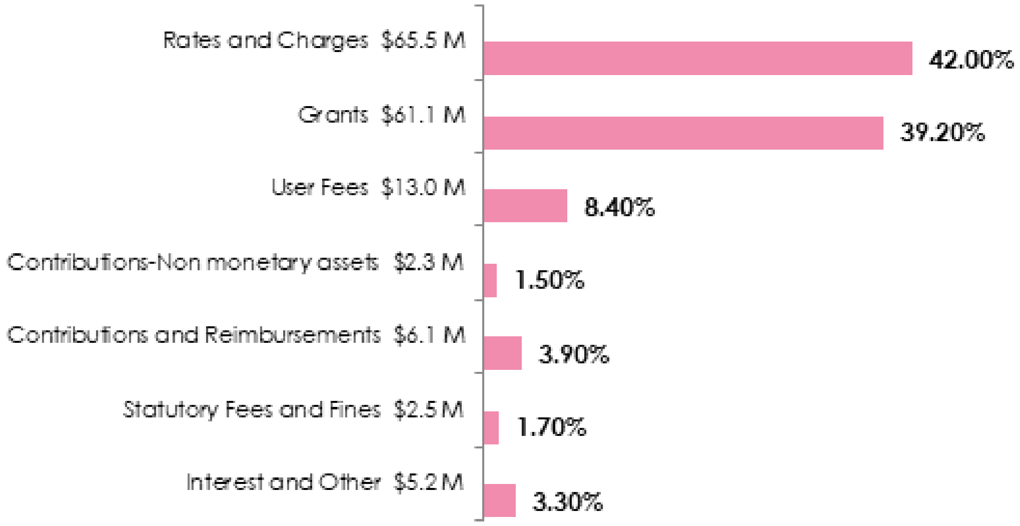
A decrease in capital grants over the budget of $34.4m was offset by an increase in operating grants over budget of $30.8m and other income for interest on invested funds that was an increase over budget of $3.2m as a result of the increase in interest rates during the year. $19.9m of the increase in operating grants was a result of the advance Financial Assistance Grant for 2023-24, including a CPI adjustment for the 2022-23 year, being received in 2022-23. There was also additional grant funding for Fire 2019 related projects of $13.5m that was unbudgeted.

While the operating surplus represents an overall good result, an important indicator of financial sustainability is the underlying result, which removes all non-recurrent 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 $19.11m this year compared to an underlying surplus of $12.74m last year.

Income

This year's operating income totalled $156.018m compared to $141.562m in 2021-22, an increase of $14.456m. The graph below shows the breakdown of Council's income in 2022-23:



Rates and charges

Rates and charges income was $65.5m this year. As a percentage of total income this is 42%, compared with 44.2% in the previous year.

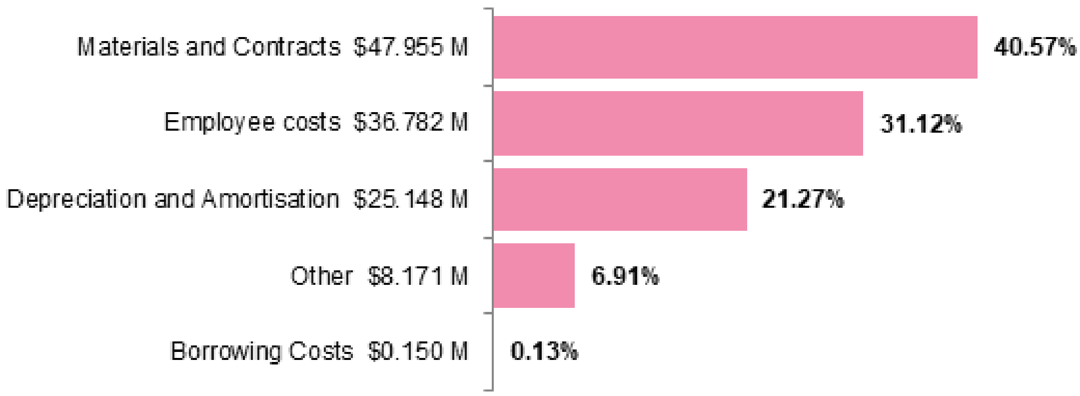
Other revenue sources

Grant funding was $61.1m this financial year and accounted for 39.2% of total income, compared to 37.3% last year. The greater percentage of total income from grants resulted from an increase in operating grants of $10.1m partly offset by a decrease in capital grants of $1.8m.

User fees accounted for 8.4% of total income compared to 8.0% in the previous year. Council facilities such as Recreation Centres and Caravan Parks returned to normal levels in 2022-23 following the restrictions that had been in place during the COVID-19 periods in previous years.

Operating expenditure

The graph below shows the breakdown of Council's operating expenditure in 2022-23:



93% of our operating costs occur in the following three categories:

- Employee expenses 31.12%
- Materials and services 40.57%
- Depreciation and amortisation 21.27%

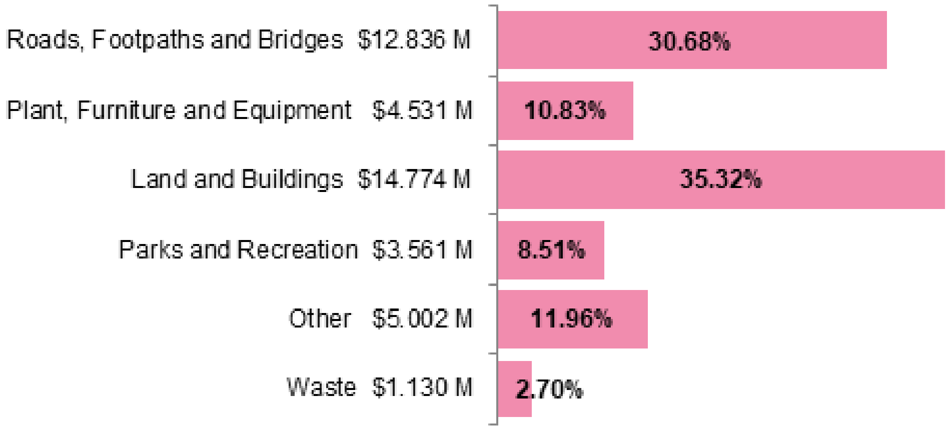
This year's operating expenditure totalled $118.206m, which was $7.271m greater than the adopted budget. Other expenses were $6.466m greater than budget as a result of the landfill rehabilitation provision movement of an increase of $1.621m and $4.089m of infrastructure write-offs, primarily due to assets being replaced. Materials and services were $1.024m greater than budget mainly as a result of natural disaster event restoration works undertaken during the year that will be offset by reimbursement income as well as Bushfire 2019 recovery expenditure that was unbudgeted but was funded from new and unspent operating grants. Depreciation and amortisation were less than budget by $1.796m as a result of less projects being capitalised during the year than expected together with the new landfill cell airspace intangible asset not yet being required to be brought to account.

All other expenditure in 2022-23 did not vary materially from budget.

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 $41.8m, which was $62.2m less than budget. This was due to the timing of some projects that will not be completed until the 2023-24 year.

The graph below shows the major capital expenditure categories for the 2022-23 year:



Roads and Bridges capital expenditure was $12.836m this year, $1.651m less than last year, and accounted for 30.68% of total capital expenditure compared to 37.92% last year.

Plant, Furniture and Equipment capital expenditure was $4.531m this year, $1.002m less than last year and accounted for 10.83% of total capital expenditure compared to 14.49% last year.

Land and Buildings capital expenditure was $14.774m this year, $5.991m greater than last year, and accounted for 35.32% of total capital expenditure compared to 22.99% last year.

Parks and Recreation capital expenditure was $3.561m, $0.945m less than last year. It accounted for 8.51% of total capital expenditure compared to 11.8% last year.

Other Infrastructure capital expenditure was $5.002m this year, $2.144m greater than last year and accounted for 11.96% of total capital expenditure compared to 7.48% last year.

Waste capital expenditure was $1.130m this year, $0.903m less than last year and accounted for 2.7% of total capital expenditure compared to 5.32% last year.

Balance sheet

Council has maintained a healthy balance sheet this year. Net Assets were $1,548m as at 30 June 2023 compared to $1,366m last year. This is an increase of $182.485m. $144.673m of the increase relates to the increase in the fair value of infrastructure. The remaining increase is due to the operating surplus of $37.812m.

Debt levels

New borrowings of $1.262m were taken up during the year for the Eagle Point Community Hub project, through the Community Infrastructure Low Interest Loan Scheme. Borrowings totalled $2.912m as at 30 June 2023, an increase of $1.262m from the previous year.

Council borrowings as at 30 June 2023 of $1.650m relate to the Tambo Bluff Infrastructure Project, which is being reimbursed by Tambo Bluff landowners by way of a Special Charge Scheme.

Loan interest costs this year was $150,000, which is $147,000 less than last year.

Cash and cash equivalents and other financial assets

Cash and cash equivalents and other financial assets totalled $140.317m as at 30 June 2023; this was $23.77m greater than last year. There was an decrease in cash held at year end to fund 2022-23 capital and landfill rehabilitation projects that will be completed in the 2023-24 year of $3.3m. There was an increase in unspent operating grants that will be expended in future years of $11.1m and an increase in the federal Financial Assistance Grant received in advance of an additional $6.1m. An increase in trade and other payables of $1.32m at year end together with a reduction in trade and other receivables and other current assets of $2.761m also added to the increase in cash held at year end.

The future

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

Rate capping was introduced for all Victorian Council's from the 2016-17 financial year. The rate cap for the 2022-23 year was set at 1.75% with Council resolving that total base rates and charges would be increased by the rate cap percentage in the 2022-23 year. Council's Long Term Financial Plan indicates that cash reserves will continue to be maintained at a prudent level providing Council with financial flexibility.

Council will continue to review its operations to ensure services to the community are delivered in the most efficient and cost-effective way.

For further information on Council's financial performance refer to Section 7 – Financial Performance.

Gippsland Mayors Cr Kellie O'Callaghan (Latrobe City), Cr Mark Reeves (East Gippsland) and Cr Ian Bye (Wellington) flanked by Senator the Hon. Jonathon Duniam (Shadow Minister for the Environment, Fisheries and Forestry) and Federal Member for Gippsland Darren Chester MP at the National General Assembly of the Australian Local Government Association.

Advocacy

Councillors and officers have an important role advocating on a broad range of issues on behalf of our communities. This advocacy includes regular meetings with Members of Parliament from the Australian and Victorian governments and maintaining positive working relationships with other organisations and statutory authorities.

A prioritised set of advocacy initiatives was developed and adopted by Council in September 2022. The Advocacy Strategy identifies more than 30 priorities and the related 'asks' and supporting information initiatives, categorised under the five Council Plan 2021-25 themes.

During the year advocacy effort focused on:

- native timber harvesting position paper
- infrastructure funding
- the Bairnsdale Aerodrome project
- upgrades to Great Alpine Road
- housing needs, including the impact of bushfires on housing stock
- an update on bushfire recovery
- an arts and culture centre/arts precinct
- disaster impact on insurance premiums and related funding options
- eritage bridge support, funding required to maintain Victoria's second oldest timber truss bridge.
- for the Victorian Government to fully fund the school crossing supervision program
- Lakes Entrance Sports Stadium
- bank closures in regional Australia, significant issues created by the closure of bank branches on local communities.
- the impact of severe weather on roads and the inadequacy of disaster recovery funding to support road network improvements
- road safety and post COVID road safety for vulnerable road users.

Additionally, during the year Council supported several motions made by the Australian Local Government Association and the Municipal Association of Victoria, which included:

- the urgent need to upgrade critical infrastructure to respond to the impacts of climate change through investment in detailed modelling, setting of new design standards, and funding infrastructure upgrades.
- the unintended consequences of the Environment Protection and Biodiversity Conservation Act 1999 on management of key infrastructure and community services be reviewed.
- a strong framework and adequate resourcing for implementing the State of the Environment Report recommendations.
- restoration and expansion of the scope of the Financial Assistance Grants.
- support and protection against rapid and excessive increases to insurance premiums for landholders in areas impacted by severe weather events and/or natural disasters.
- a state-wide ongoing program that funds and supports Local Governments to combat invasive species.
- a State-funded Local Government Circular Economy Funding Program.

Councillors also hold representative positions on external advisory committees and boards to ensure that East Gippsland is represented in regional, state, and national arenas. Such as the National Timber Councils Association, One Gippsland, Australian Coastal Councils Association Inc, Timber Towns Victoria, and Australian Local Government Association.

Councillors visited Bass Coast Shire Council in August to discuss the future of Gippsland tourism, climate change, community resilience, environmental effects and toured coastal erosion sites in Bass Coast.

Description of Operations

Council provides a broad range of community services and infrastructure to support the wellbeing and prosperity of our community.

The delivery of services, facilities, support, and advocacy to achieve the strategic objectives is measured by a set of service performance indicators and measures. Council has a wide range of responsibilities under Victorian and Australian legislation such as maintaining community infrastructure, land use planning and building control, domestic animal control, environmental protection and supporting local businesses.

Major capital works completed

During 2022-23 the major capital works include the following:

Women's Organisation for Recreation, Leisure, and Development (WORLD) - Hockey and Netball Playing Surfaces

Construction packages 1 and 2 with the following facilities are nearing competition and will be ready for use by the end of September 2023:

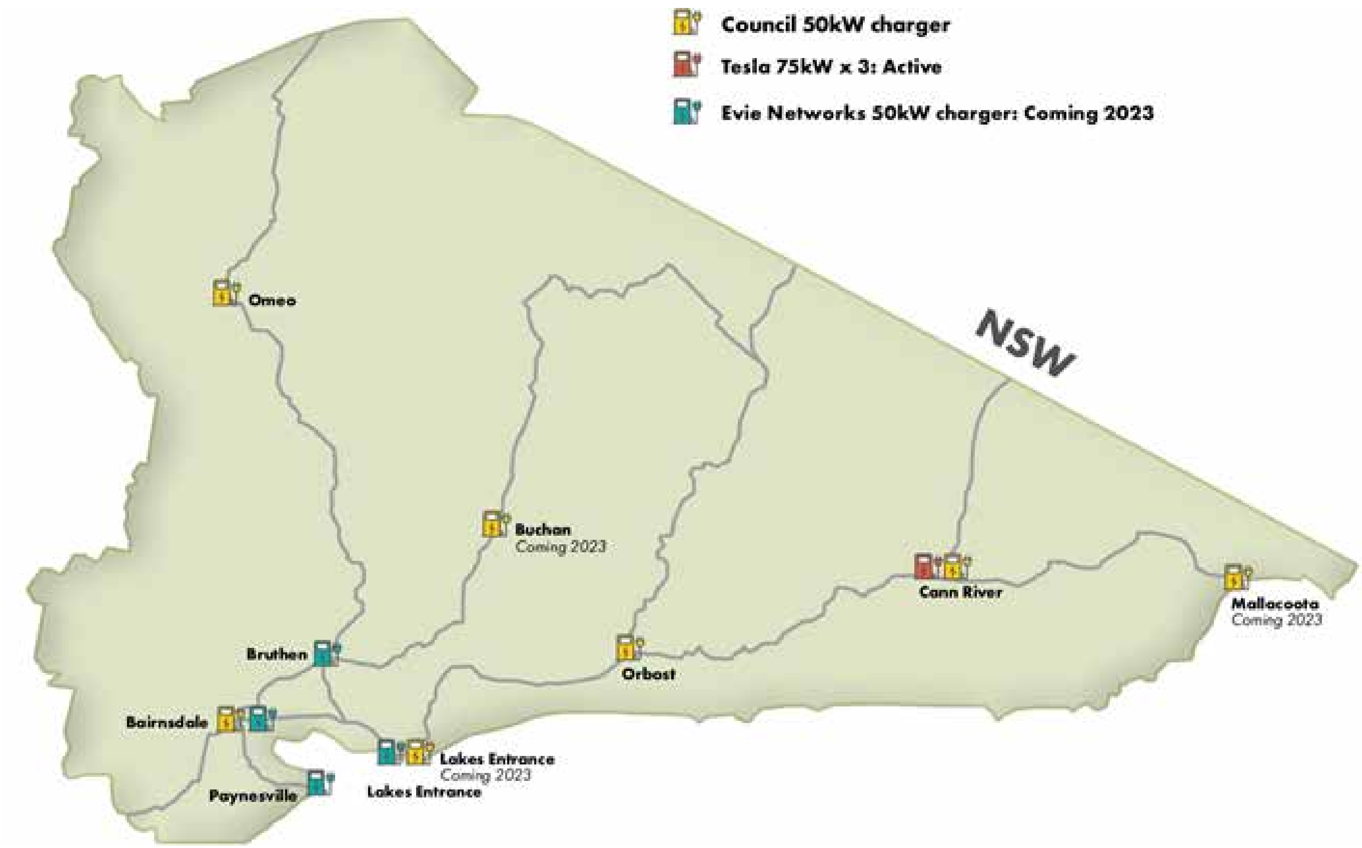
- Eight-court netball precinct with lighting
- Synthetic hockey pitch with lighting
- Turf hockey pitch
- Carparking

Saturday 6 May 2023 saw the first hockey matches played on the synthetic pitch.

Construction package 3 (WORLD Pavilion) is now under construction, with the slab foundation completed and framing taking shape. Expected completion of the pavilion is mid-2024.

The project attracted significant investment from both the Australian Government and the Victorian Government, with the Victorian Government providing additional funds through a low interest loan scheme.

Aerial photo of the WORLD Sporting Precinct, which includes eight new netball courts, a synthetic hockey piutch and a grass hockey pitch.



*Council has installed four **electric vehicle (EV) 50kW DC fast chargers** across the shire. Bairnsdale, Omeo, Orbost and Cann River were identified as priority towns to receive the EV chargers, establishing a regional network and increased connectivity across East Gippsland. Anyone who charges their electric vehicle from one of Council's charging stations will be using 100% renewable energy. Funding was provided by the Australian Government through the Local Roads and Community Infrastructure Program.*

Cricket Net Upgrades for Paynesville and Mallacoota

Funding from Sport and Recreation Victoria saw the upgrade of the cricket nets at the AJ Freeman Reserve in Paynesville.

A new fit-for-purpose cricket training facility at the Mallacoota Lions Park Recreation Reserve was designed and constructed. An open-practice area was incorporated into the design to provide opportunity and a safe space for young children to play and practice.

Both facilities utilise a retractable net system providing flexibility, reducing visual obstruction, and improving on-field safety by reducing the likelihood of collisions with fixed infrastructure and incidents from balls ricocheting off hard poles and netting.

Works also commenced on upgrades to six hard wicket pitches across the Shire from as narrow as 2.0m to meet the standard of 2.8m and include junior line marking.

Completion of these two projects will improve participation levels for the Paynesville Cricket Club and the Mallacoota Cricket Club, as well as the wider community.

LED Street Lighting Upgrade

The street lighting bulk upgrade works in the AusNet Services distribution area of East Gippsland commenced on 28 March 2022, with the final light replaced on 10 February 2023. The project saw 1,602 lights replaced. Funding was provided by the Australian Government through the Local Roads and Community Infrastructure Program.

East Gippsland Gymnastics Pavilion

The new home for the East Gippsland Gymnastics Club in Lucknow features two Olympic-sized inground trampolines and an open-ended trampoline that flows into a 6m² landing bag, a "ninja zone" including a scaffolding rig and other challenging obstacles, and a mezzanine viewing area with associated seating and heating to complement the facility. The facility opened to users in early July and was funded by Council and Sport and Recreation Victoria.

Nowa Streetscape Upgrade

The Nowa Nowa Streetscape Upgrade has improved the standard of road infrastructure adjacent to the Princes Highway in the town. Works included road pavement, kerb and channel, drainage, path connections, landscaping, construction of a bus shelter and asphalt surfacing. The works have improved both pedestrian and vehicle safety and accessibility. The project was funded by the Australian Government through the Victorian Infrastructure Investment Program.

Embedding Resilience in Community – Fire Response – Static Water Tanks

The installation of 19 high volume static water tanks across remote or isolated East Gippsland communities has increased the capabilities of emergency services to respond to bushfires. Each water tank is constructed from concrete to ensure they withstand any threat from fire and are for firefighting purposes only. They will contribute to saving lives, protecting homes and critical infrastructure during a bushfire event.

The tanks hold approximately 46,000 litres and can each fill up to 23 fire truck loads of water. Each tank is fitted with County Fire Authority (CFA) / Department of Energy, Environment and Climate Action compatible fittings and are locked to stop water being taken for other purposes. The tanks will also provide surety for responders when all other utility systems fail, as they are not dependant on any utilities to be accessed.

The project involved consultation with the CFA, Forest Fire Management, VicRoads, and local community. Funding was provided by the Australian Government Department of Industry, Science, Energy and Resources through the Black Summer Bushfire Grants Program.

Bullock Island Bridge

Council has replaced Bullock Island Bridge with a modern bridge to safely accommodate pedestrians and cyclists with a shared path. The bridge opened in time for the busy Christmas holiday period. The project was funded by the Australian Government through the Victorian Infrastructure Investment Program.

*The **upgrade of Bruthen's streetscape** has transitioned the township into a tourism hub. Works included removing unsafe intersections and carriageways, widening the road to safely accommodate heavy vehicle movement, and upgrading one of Eastern Victoria's most-used public toilets. Parking has been improved to meet current standards and make it safer for all users, and pedestrian safety measures have been introduced with additional paths to better connect destinations within the town centre. Aesthetic improvements include enhancement of Bruthen's Main Street gardens with additional plantings and new street furniture.*

New Mallacoota Skatepark

The Mallacoota Skate Park is a vibrant family hub for all ages to enjoy. It is a space to play, teach and learn through active recreation and social inclusion. Following the devastating 2019-20 Black Summer Bushfires and the impacts of COVID-19, local organisations, individuals, and businesses all came together to support the town's recovery. The Sanctuary (Mallacoota Youth Group) and Mallacoota Halls and Recreation Committee of Management, with support from the Mallacoota and District Recovery Association and Mallacoota Lions Club, were successful in securing funding from the Bendigo Bank for the design and construction of the new skate park.

Road Reseal Program

- $3.8m spent on road reseals
- 64 roads renewed (totalling 71.71km – that is the equivalent of driving from Bairnsdale to Ensay)
- $1.5m funding from Roads to Recovery

Buchan Linkages

A shared path link from the Buchan Caves campground to the Buchan township is part of the larger Buchan Main Street and Linkages project. The project has boosted Buchan's tourist economy by improving visitor access to the town centre and enhancing its appeal, encouraging people to stop, stay and spend. The shared path link has also increased accessibility for the local community to move around town more safely.

Council secured funding for this project from the Victorian Government's Local Economic Recovery Program, which is jointly funded by the Australian and Victorian governments.

Omeo Recreation Reserve Netball and Tennis Upgrade

This project included resurfacing of courts, new perimeter fencing, lighting, player and scorer shelters, secure storage area for equipment, new pedestrian access path, and the upgrade of access roads and parking areas. The project was funded by the Australian Government through the Black Summer Bushfire Grants Program to support the community's physical and mental wellbeing by providing people of all ages the opportunity to participate in organised sport and physical activity, and to reconnect as a community.

*The **Eagle Point Foreshore Hub's** new architectural building was designed with respect for the cultural history, natural landscape, and spectacular lake views, and to complement the character of Eagle Point. The hub will be a multi-functional building accommodating community spaces, the Eagle Point Caravan Park office and kiosk, public toilets, water-based activity equipment hire/storage, and a modern café. The precinct will include a large modern children's playground, shared pathways, improved access to the Eagle Point jetty, an event space with a stage and amphitheatre, barbecues, picnic tables, and seating. Construction is well under way, sitting at around 60% complete, with the project expected to be completed by late 2023.*

Significant projects underway

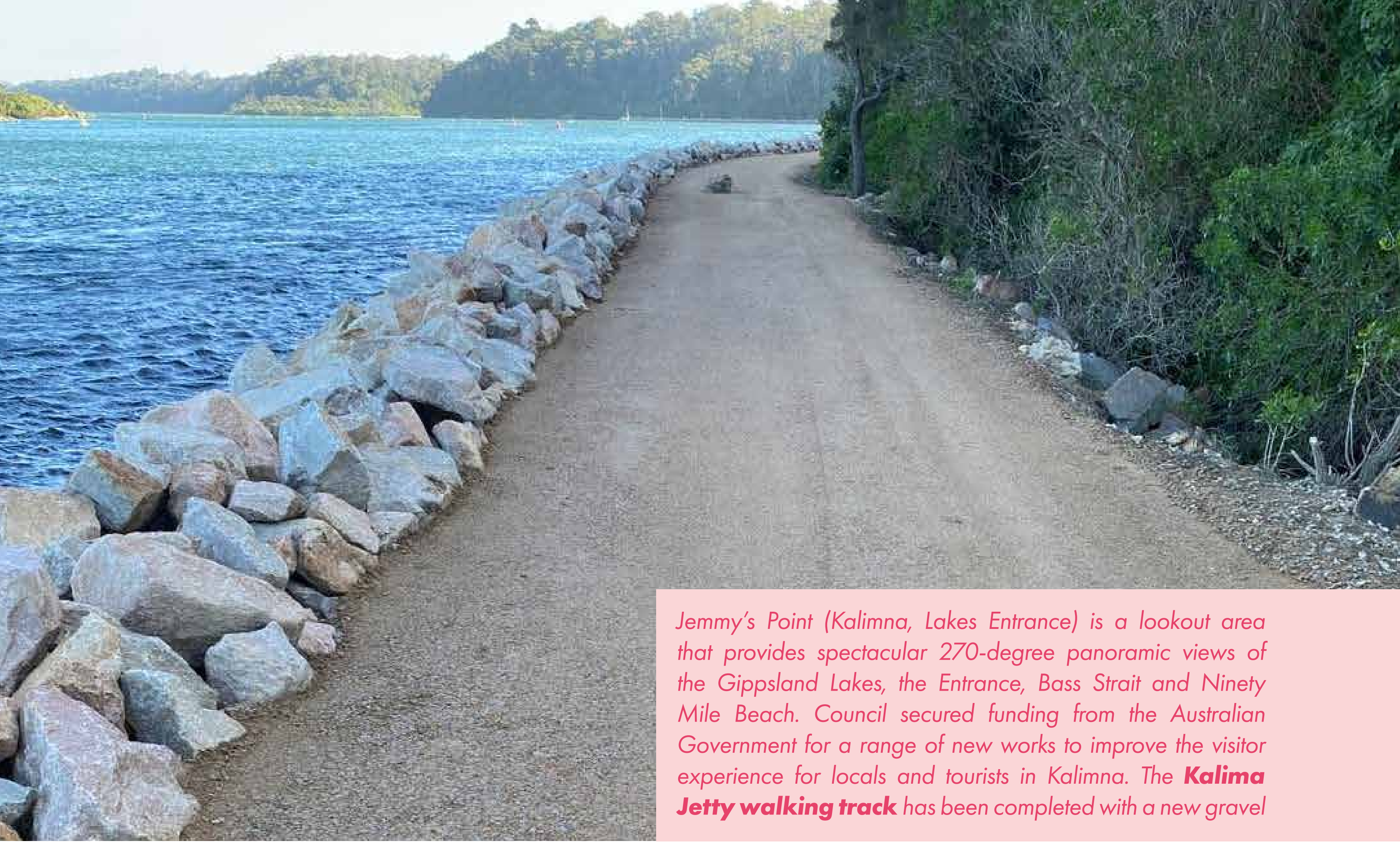
Omeo Mountain Bike Trails

This three-year project aims to transform the Omeo region into a nationally significant mountain bike destination, promoting economic and social benefits for the community and broader region. At the foot of the trails, in Livingstone Park, a pump track and skills park have already been constructed. Recently, 10 kilometres of trails (of the 56 kilometres in Stage 1) were opened to the public so they can begin to use the new trails.

Stage 1 includes:

- Cross country and downhill gravity trails.
- Switchback climbs for over 500 metres up nearby Mount Mesley.
- A loop parallel to the Great Alpine Road leads to the Historical Oriental Claims; and
- Descending trail of over 500 vertical metres from Mount Sam summit linking to Mount Mesley.

During the year Council was successful in attracting funding of Stage 2 of the trails from the Victorian Government which will create an extensive world-class bike trail.

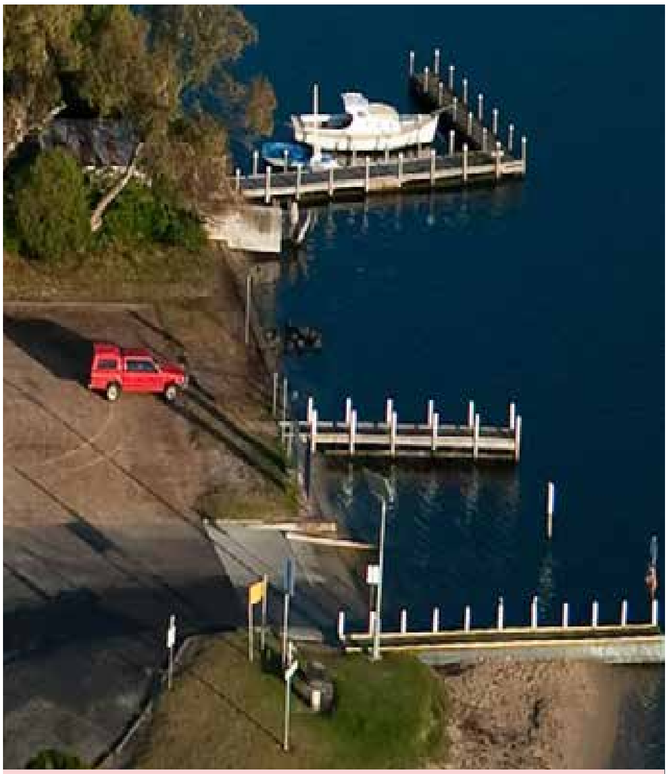


Jemmy's Point (Kalimna, Lakes Entrance) is a lookout area that provides spectacular 270-degree panoramic views of the Gippsland Lakes, the Entrance, Bass Strait and Ninety Mile Beach. Council secured funding from the Australian Government for a range of new works to improve the visitor experience for locals and tourists in Kalimna. The ***Kalima Jetty walking track*** *has been completed with a new gravel*

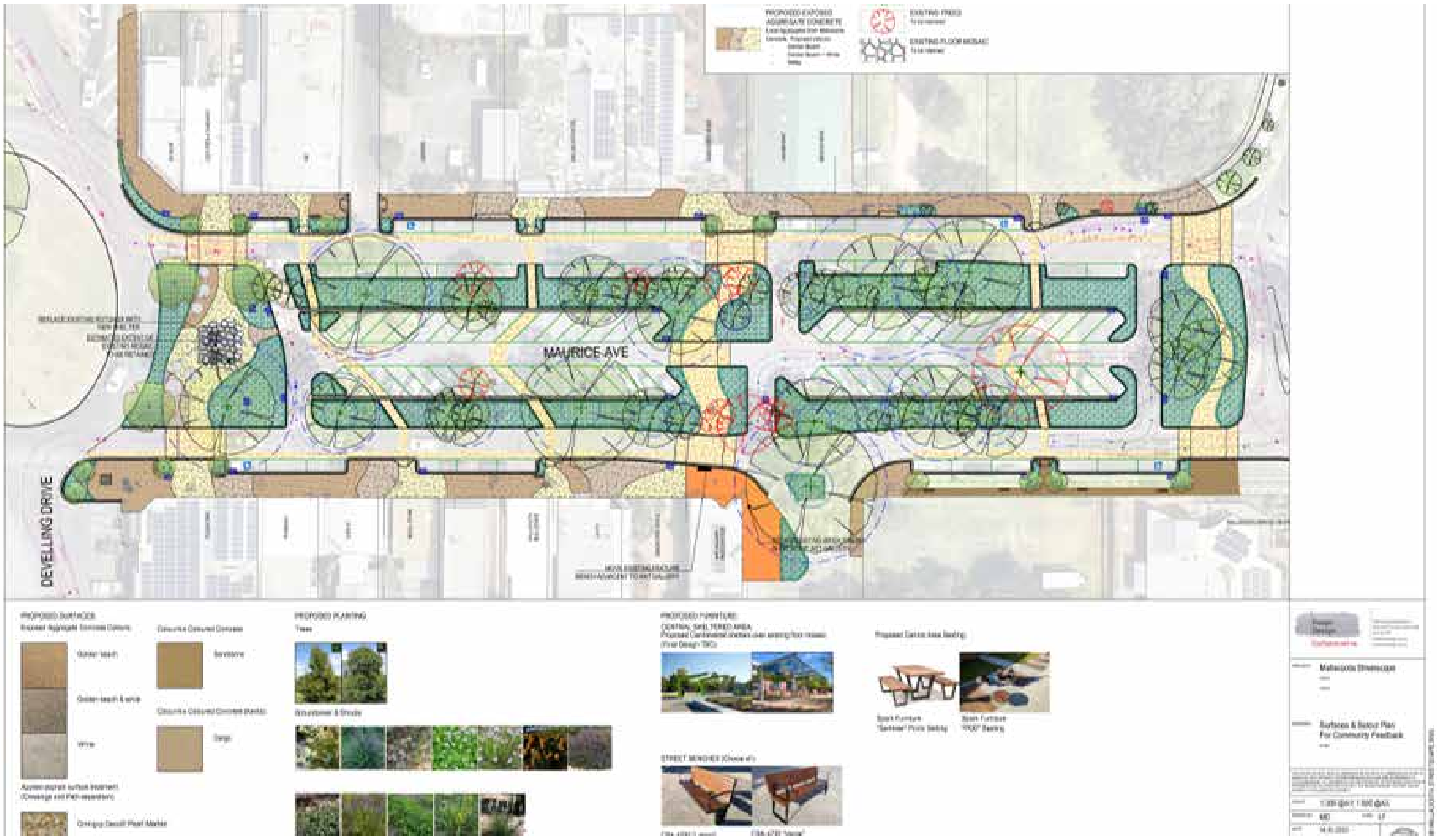
Moroney Street Stage 2

Council is improving the road and drainage infrastructure in Moroney Street, Bairnsdale. The overall objective is to upgrade Moroney Street with a consistent seal width, new underground drainage, kerb and channel, footpath installation as required, parking lanes, tree planting and upgrades to all intersections to improve road safety, this project involves upgrading the whole of Moroney Street and is being completed in three stages.

Stage 2, between McKean Street and Birchwood Court, began in November 2022. Drainage infrastructure is now complete, and the sealing works are scheduled for July 2023. The nature strips in this entire block will then be rehabilitated.



Council received funding from Better Boating Victoria to assist with an ***upgrade of the Shaving Point Metung boat ramp****. Following community consultation undertaken in October 2022, works commenced on 26 June 2023 and include the demolition of the existing concrete double ramp and two timber jetties with a replacement ramp and jetties which includes a combination of fixed jetties and floating pontoons whilst carrying out remediation works to prevent sand build up on the ramp.*



__Mallacoota's streetscape__ is being upgraded to improve the functionality and operation of Maurice Avenue, and to enhance the appeal of the street with increased urban amenity, which is inviting, attractive and user friendly. The budget for this project is provided through contributions from the Australian Government and Council.

This project will include:

- *Replacing footpaths and kerbing*
- *Reconfiguring parking*
- *Creating all-abilities accessible paths*
- *Creating a town square*
- *Upgrading street bins*
- *Beautifying the area through landscaping, installation of new street furniture and public art*
- *Collaborating with traders to upgrade their business facades and promote all-abilities accessibility*
- *Improving traffic management, ensuring the environment is safe and all-abilities accessible*
- *Increase opportunity for alfresco dining*

Krauatungalung Walk, Lakes Entrance

Krauatungalung Walk, Lakes Entrance is being designed as an all-abilities accessible walking circuit around Cunninghame Arm, east of the footbridge. The circuit aims to complement and link the existing uses and facilities of the foreshore.

Krauatungalung Walk, named after the traditional landowners, will be a practical demonstration of respect and healing by increasing our mutual understanding of the rich Indigenous heritage of Lakes Entrance. The circuit will tell stories of the local Indigenous community, while providing an opportunity to develop an active community and provide improved all-abilities access within Lakes Entrance.

Community consultation is currently underway for Stages, 2, 3 and 4, seeking feedback on the concept designs. Construction for Stage 1 will commence during 2023-24

Lakes Entrance Foreshore Park

Lakes Entrance Foreshore Park is an open reserve located on the north side of Cunninghame Arm close to The Esplanade and town centre. The park has shared paths in the East and South providing connections along the foreshore as well as to Ninety Mile Beach via the pedestrian bridge adjacent to the site. There is a large car park to the north and a rotunda to the east within the Esplanade Reserve.

Through the installation of a new playground, paths, and landscaping, Council will create a location where people of all ages and abilities are able to play and be active in a safe and enjoyable environment which inspires creativity and encourages physical activity. The park will also link-in with the proposed Krauatungalung Walk - Stage 1, with a cultural gathering space provided within the foreshore area at the rotunda.

Community consultation has been undertaken for this project and detailed design work was completed during the year.

This project is funded by contributions from State Government, Australian Government and Council.

*The **upgrade of Forest Park in Orbost** will revitalise and modernise Orbost's premier passive recreation area and visitor rest-stop. This will grow local tourism by providing a destination for travellers using the Princes Highway and provide a place for community members of all ages to gather, connect, and enjoy the beautiful location and facilities. The project will stimulate the local economy and provide significant community benefits to a town in transition. Council had made significant headway in planning and design process for this project, however due to budget constraints the project scope and proposed concept plan was amended. The revised project scope has been accepted, with the detailed design completed in June 2023.*

The works will include:

- *a new all-abilities accessible toilet block with baby change facilities*
- *access improvements, new paths, and increased parking*
- *an adventure playground*
- *barbecues, picnic facilities and covered shelter*

Cr Sonia Buckley (second from left) chatting with locals at the opening of the Bundarra Community Centre.

Supporting Community Projects

In addition to the Capital Works program that is delivered by Council we also play a role in supporting community projects.

Young East Gippslanders from areas hit by the Black Summer bushfires are leading recovery and preparedness efforts in their communities thanks to a $10 million, multi-council project.

The Future Proof: Young People, Disaster Recovery and (Re)building Communities project is led by the Youth Affairs Council Victoria and funded via a Black Summer Bushfire Recovery Grants Program, of which East Gippsland Shire Council is a key partner.

Groups benefit from community projects, arts and heritage grants. More than $72,000 will be handed out to 16 groups and organisations in round one of the 2022-23 East Gippsland Shire Council 'Community Projects Grants' and 'Arts and Heritage Grants' programs.

Community Projects include:

- Upgrade Glenaladale Hall $5,000
- Peaceful Memories, Bemm River Community Centre Inc $5,000
- Tambo Upper Trail Riding Club Safety Equipment $720.55
- Cassilis Community Resources $2,681.36
- Omeo Community Hub $5,000
- Going solar system project, Swan Reach Reserve Committee of Management $5,000
- Asset protection from wildfire, Orbost Pony Club $5,000
- Swifts Creek Gun Club/Post Bushfire and COVID-19 Re-Opening $4,457.50
- Aim High Whilst Having Fun - Music Alongside Professionals, Crashendo East Gippsland $5,000
- Preservation of Historic Building SS#1723, Rosehill Hillside School $4,100

Arts and Heritage projects include:

- Lost in the Groove: a free community music fiesta (Orbost, Lindenow, Marlo) $10,000
- Star Wars: The Umpire Strikes Back (Tambo Upper Primary School production) $2,000
- Now Groove (accessible music program) $3,000
- Raymond Island Ferry History $5,000

Community Projects and Arts and Heritage (combined):

- Medieval Winter Fire Festival, Bruthen Arts and Events Council $5,000
- East Gippsland Geezers On Tour (theatre and comedy group) $5,000

Major Changes

Enterprise Agreement Number 6

There were no major changes that were introduced as per clause 13 of the East Gippsland Shire Council Enterprise Agreement.

Enterprise Agreement Number 6 was approved by the Fair Work Commission in 2022.

Major Achievements

Excellence in Place Naming

Council's Finance team received the 'Excellence in Place Naming' gong at the Asia Pacific Spatial Excellence Awards in October 2022.

The award was received by General Manager Business Excellence Peter Cannizzaro and Rates and Valuations Coordinator Kylie Mitchell. The achievement is also reflected on an honour board at the Department of Environment, Land, Water and Planning (now known as the Department of Energy, Environment and Climate Action) in Melbourne.

The award was in recognition of Council's work following a proposal by the East Gippsland Family History Group to name an unnamed laneway in Bairnsdale 'Bicknell Lane'. The name reflects the contribution Louisa Annie Bicknell made in opening a private hospital in Bairnsdale and her service with the Australian Army Nursing Service.

*East Gippsland has become the **first certified ECO Destination in Victoria** and only the seventh in Australia, receiving recognition from Ecotourism Australia. By obtaining Eco Tourism Status, travellers are assured that the region is genuinely committed to sustainability and providing high-quality nature-based and sustainable experiences. Pictured: Mayor Cr Mark Reeves accepts Eco Tourism certification from EcoTourism Australia CEO Elissa Keenan.*

***National Emergency Medals** were presented to about 60 East Gippsland Shire Council staff on Wednesday, October 19, recognising the important and sustained contribution made in the response effort during the 2019-20 Black Summer Bushfires.*

Small Regional (non-RPT) Aerodrome of the Year
The Bairnsdale Airport was awarded Small Regional (non-RPT) Aerodrome of the Year at the Australian Airport Association's (AAA) National Airport Industry Awards 2022. Bairnsdale airport is sited 7km southwest of the Bairnsdale township on Bengworden Road off Princes Highway, approximately 300km east of Melbourne.

Young Planner of the Year
Victoria's top accolade for a young planning professional has been awarded to East Gippsland Shire Council Planning Officer Kyra Collins. Kyra was named Young Planner of the Year at the Planning Institute of Australia (Victorian Division) Awards for Excellence.

Wilari, 6, and Marion, 4, helped raise the flag at the Bairnsdale flag raising ceremony for NAIDOC Week in July 2022, held at the Corporate Centre. The theme for NAIDOC Week was Get Up! Stand Up! Show Up!

Civic Events

Council recognises the importance of community involvement and celebrating achievements by hosting civic events as part of its civic leadership role and commitment to active community engagement.

These events include citizenship ceremonies, project openings and announcements, welcoming visiting dignitaries, participation in community events, meeting with local groups and schools, and engagement opportunities.

During National Volunteer Week in May, three recognition events were held, and now in its second year, more than 65 names were added to the East Gippsland Volunteer Honour Roll. The honour roll recognises the contribution and years of volunteering of local community members. The honour roll is a permanent listing featured on Council's website and, along with the celebration events, is widely promoted.

Community projects delivered as part of Council's capital works program were officially opened, with an emphasis placed on involving local people and groups through their attendance and contribution to events.

Council attended the East Gippsland Field Days in April. The event was a great success overall, with excellent stallholder and visitor numbers across both days. Council's site featured a broad range of information about projects, initiatives, and services. Among the highlights were the very engaging 'Grown Caught Made' trails, the return of flu shots, library activities, waste mascot and compost workshops.

Events were actively promoted and celebrated throughout Council's communication channels, local media, and within communities through various groups and clubs.

Dates	Civic event
9 July 2022	Marlo Triangle Park playground opening
28 July 2022	Citizenship Ceremony, Lakes Entrance
17 September 2022	Citizenship Ceremony (Australian Citizenship Day), Bairnsdale
11 October 2022	Citizenship Ceremony, online
25 October 2022	Omeo 150th Anniversary Since Proclamation and Omeo Heritage Precinct works
26 January 2023	East Gippsland Australia Day Awards, Newlands Arm
26 January 2023	Citizenship Ceremony, Bairnsdale
8 March 2023	International Women's Day, various towns
13 March 2023	Orbost Show and Landcare Expo
24 March 2023	Official opening of Marveloo, Lakes Entrance
6 April 2023	Omeo Mountain Bike Trails community celebration
21-22 April 2023	East Gippsland Field Days, Bairnsdale
11 May 2023	Citizenship Ceremony, Bairnsdale
17 May 2023	East Gippsland Volunteer Recognition Event, Johnsonville
18 May 2023	East Gippsland Volunteer Recognition Event, Paynesville
19 May 2023	East Gippsland Volunteer Recognition Event, Marlo
20 May 2023	Electric Vehicle Charging Network launch, Bairnsdale
25 May 2023	ECO Destination Certification launch, Metung

The upgrade at Marlo Triangle Park has proved a hit with children and families. A great crowd joined in a community celebration to mark completion of the work.

Ryan Findley (10+ years), Bon Nettleton (50+ years) and Ellie and John Lawrence (up to five years each) were recognised for their volunteerism on the East Gippsland Honour Roll at the Marlo volunteer morning tea.

Council's stand at the East Gippsland Field Days highlighted the 'Love Where it's Grown, Caught, Made' program (left). General Manager Place and Community Stuart McConnell and Cr Sonia Buckley drew the winner of the daily prize.

St Mary's Primary School students visited the Bairnsdale Corporate Centre as part of their civics studies. The students asked Crs Reeves, Allen and Urie many great questions while in the Council Chamber learning about the role of local government.

Citizenship Ceremonies

In 2022-23, 95 people in East Gippsland became Australian citizens by conferral across five ceremonies hosted by Council. The newest citizens represent a wide range of cultural backgrounds and countries of birth. Some people have lived in East Gippsland or Australia for many years, while others are more recent arrivals.

A citizenship ceremony is the final step in the journey to become an Australian citizen and conferees receive a certificate of Australian Citizenship. The ceremony fulfils the requirements under Australian citizenship law and provides an opportunity for Council to officially welcome its new citizens.

Our ceremonies are live streamed for friends and family who cannot attend the event and can be viewed at any time on our YouTube channel, EastGippyTV.

Australia Day Awards

More than 150 people celebrated the outstanding contributions of 19 individuals and multiple community events (nominated by the community) at East Gippsland's annual Australia Day Awards, held at Newlands Arm Community Centre on Saturday 21 January.

Held in Newlands Arm for the first time, the awards included a Welcome to Country by well-respected Gunaikurnai community member Kaylene Williamson, a flag unfurling by the Bairnsdale Scouts and 1st Paynesville Sea Scouts, entertainment by East Gippsland Brass, and an Australia Day address from local ambassador, Helen Martin.

Simon Hof named East Gippsland's Citizen of the Year, congratulated by Mayor Cr Mark Reeves.

Tillyrose Hambling pictured with Mayor Cr Mark Reeves, took out the Young Citizen of the Year for her dedication to raised funds for multiple foundations.

National Tree Day was named East Gippsland's Community Event of the Year.

Citizen of the Year – Simon Hof

Simon has been helping lead Sarsfield's recovery from the Black Summer Bushfires. As part of the Sarsfield Community Association, Simon has led the committee with enthusiasm and dedication to obtain the best future for Sarsfield. He has been passionate in driving surveys to find out what was important to the wider community as he always advocates the role of the committee is to serve the community. Simon has inspired many people to step up into leadership positions on the committee.

Young Citizen of the Year – Tillyrose Hambling

Tillyrose is a fundraising dynamo. She is a fundraising leader for her school and has raised funds for multiple foundations throughout her young life. Tillyrose was diagnosed with cerebral palsy at age seven. When she was nine, she raised $1,500 for charity by cutting off her waist-length hair. The hair was used to make wigs for sick children. Taking part in STEPtember, Tillyrose and her family raised $3,000 for a cerebral palsy charity.

Tillyrose is an exceptional young woman who has stayed positive and supportive of others despite her own challenges.

Community Event of the Year – National Tree Day

Bairnsdale's National Tree Day event is organised by Bairnsdale Urban Landcare Group. Each year, the group works with the Bairnsdale Scout Group and community to educate and provide a hands-on opportunity for the public, especially children and youth, to revegetate and maintain the Mitchell River Walking Track.

The event has demonstrated excellence in drawing together a diverse range of people from the community. An annual event over the past decade, its ongoing legacy is the natural environment that has been created because of mass-planting events. This, in turn, has created a wonderful outdoor space for recreation and leisure.

Events

The Victorian COVID-19 restrictions on events were lifted in July 2022, marking a significant recovery milestone. There was a surge in events being scheduled once restrictions were removed.

Council continued to coordinate and support events in our region through permits and sponsorship with: 346 individual events held

- Secured five events to the region during off peak periods
- Sponsored four events through the Regional and District Events Sponsorship (RADES) (this program is now concluded)
- Supported Bairnsdale Anzac Day Commemoration Services
- Presented Lakes Entrance Foreshore Summer Carnival
- Conducted two Event Masterclasses in Lakes Entrance and Bairnsdale which saw the launch of Council's Events Accessible Guide

In 2022-23 Council invested $111,000 in sponsorship to 22 regional events, which brought a return on investment (ROI) of $213.17:1 (or $23,661,876 of economic benefit). This represents a significant increase from the previous year when the ROI was calculated at $27.66 (attributed to the impact of restrictions imposed by COVID-19).

Council's RADES program, which had been in place for several years, has concluded. RADES was phased out and replaced by the Council-endorsed program Pathways to Growth, from the new East Gippsland Event Growth Action Plan 2021- 26, to support and encourage visitation to our region. Over the past year, Council has implemented a significant proportion of actions from the Events Growth Action Plan 2021-26, including the "Pathways to Growth Event Mentoring" program which has supported two events to date: Wild Harvest Seafood Festival and Twin Rivers Bream Classic.

Council secured $190,000 through the Australian Government's Regional Tourism Bushfire Recovery Grant program. However, the program's implementation was significantly affected by the remaining COVID-19 restrictions and unseasonably wet weather, leading to event postponements.

Of the five events sponsored under this program, three had already taken place in the previous year. Of the two remaining, the Cattlemen 100 MTB Omeo was delivered, however the Super Trail Lakes Entrance was cancelled due to unfavourable weather. This event could not be rescheduled further as the funding program could no longer carry the program over (after three years of doing so) resulting in unspent funds being retained by Austrade, the funding body.

The third annual East Gippsland Winter Festival returned to the region in 2023. The festival sees the region come alive with light, food, music, art and culture. The 2023 festival was one of the largest and most diverse winter festival programs in Australia with more than 100 events across the region. The festival continues to grow year on year and is establishing itself as a community and visitor favourite. Council has continued to provide a range of support to the Winter Festival.

Approximately $200,000 of funding provided in partnership with the East Gippsland Community Foundation for recovery and resilience focussed on community events.

The East Gippsland Winter Festival, inclusing the lantern parade and light installations at Lakes Entrance, was again a resounding success.

Dates	Event	Supported by Council
2022		
17 June – 10 July	East Gippsland Winter Festival	RADES**
9 July	Deep in the Weeds, Orbost	RADES
10 – 13 July	Lakes Country Cruise	RADES
19 – 21 August	Tennis Seniors Victoria National Ranking Tournament	Sponsorship
20 – 21 August	Vic Bream Classics Marlo	RADES
20 – 21 August	Squash Victoria Country Individuals Championship	Sponsorship
24 September	Friends of the Mitta Give Back to the Mitta	RADES
10 – 11 October	Victorian Women's Spring Golf Tournament	Sponsorship
28 October – 1 November	Omeo RV and Caravan Muster	RADES
10 – 13 November	X Marathon - Alpine Quest	RADES
11 - 13 November	Wild Harvest Seafood Festival, Mallacoota	RADES * & **
19 – 20 November	Grand Final Vic Bream Classics Metung	RADES
19 November	Cattlemen 100 MTB Omeo	RADES *
1 – 4 December	Alpine Rally of East Gippsland	RADES
26 December 2022 – 22 January 2023	Lakes Entrance Summer Carnival	
2023		
21 – 22 January	Big Garage Bairnsdale Pro-Am and Junior Pro-Am	Sponsorship**
24 – 26 February	Paynesville Music Festival	RADES
25 – 26 March	Vic Bream Classics Marlo	Sponsorship**
25 April	Anzac Day Bairnsdale	
6 – 7 May	Vic Bream Classics Mallacoota	Sponsorship **
6 – 7 May	X Marathon - Alpine Quest	RADES
13 May – 11 June	Victorian Broadbill Swordfish Championship	RADES
10 June	Deep in the Weeds, Orbost	RADES
9 June – 9 July	East Gippsland Winter Festival	RADES **

**Indicates a new event Council attracted to the region.*
*** Indicates an event supported by Council and received grant sponsorship from another Government organisation.*

Council adopted a ***10-year Culture and Creativity Strategy*** *to build and celebrate the region's arts and culture scene. Pictured is the East Gippsland Art Gallery. (Photo credit: Nicky Cawood).*

3 Our Council

East Gippsland's unique qualities are both its strength and challenges. The region is distinguished by its natural setting, with its southern edge defined by the Gippsland Lakes and rugged coastline and the rising backdrop of the High Country.

Historical rural landscapes and natural bushland areas characterise the region and surround its communities. These attributes are key drivers for the region's healthy and growing tourism industry.

Regional Profile

East Gippsland communities have also developed and diversified, with an abundance of local producers. Fruit and vegetables, beef, lamb, seafood, milk, eggs, fibre and nuts are all produced in this diverse growing region. With its fertile soils, good rainfall and temperate climate, East Gippsland is a food bowl for Australia, producing fresh fruit and vegetables all year round.

Our Local Economy

East Gippsland Shire's population is 48,887 and growing at a rate of 0.9% per annum. The region currently supports 4,771 businesses.

The local economy continues to reflect positive indicators of recovery with an annual economic output of $5.612m. This output is being led by the Manufacturing, Construction and Agriculture industry sectors.

The visitor economy has rebounded with domestic visitation of 1.424m and expenditure at $596m - an increase of 14.4% and 9.3% respectively on the previous year (and an extraordinary increase of 75.3% from $340m in 2018).

With 2022-23 being the first year since COVID-19 restrictions were removed, the Economic Development unit was able to extend its focus beyond immediate bushfire and COVID-19 recovery response. While considerable activity supporting the business community through their recovery is ongoing, it has been another year of turbulence and industry change with an acceleration of the Forestry Transition by December 2023 impacting three of East Gippsland's communities.

Combined with the rapid Renewable Energy Transition, additional Council resources are required to ensure economic benefit for our region is identified and captured.

The 2022-23 financial year saw the return of the Economic Development Advisory Committee.

Together with the Agriculture Sector Advisory Committee, these sector leaders help to inform Council on the critical needs and emerging issues as they relate to the various industry sectors across the region. The Committees meet quarterly, and the minutes are tabled publicly through Council meetings.

QUICK FACTS EAST GIPPSLAND 2022-23

Total of 18,654 jobs, with unemployment at 4.4% (at June 2023)

Top three export Industries: Manufacturing (35.8%), Agriculture, Forestry and Fishing (25.4%), Construction (12.3%) *(REMPLAN)*

Top five industries by employment: Health Care and Social Assistance (17.8%), Retail Trade (10.4%), Education and Training (9.7%), Construction (9.6%) and Agriculture, Forestry and Fishing (9.1%) – *(2021 REMPLAN)*

$2.813 billion

Total Gross Regional Product (GRP) *(REMPLAN)*

Your Councillors

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

A new Council was elected and sworn in on 17 November 2020. The elected Council is responsible for providing leadership for the good governance of the shire by setting the strategic direction for the shire.

Our offices

Bairnsdale - Corporate Centre
273 Main Street (PO Box 1618),
Bairnsdale VIC 3875
Lakes Entrance 18 Mechanics Street
Mallacoota 70 Maurice Avenue
Omeo 179 Day Avenue
Orbost 1 Ruskin Street
Paynesville 55 The Esplanade

Contact us
Website: www.eastgippsland.vic.gov.au
Email: feedback@egipps.vic.gov.au
Phone: (03) 5153 9500

Moogji Aboriginal Council East Gippsland, *led by CEO Tammy Bundle, welcomed Councillors and Senior Officer us to their Bonang Road property on the edge of Orbost in February. Moogji has been working on creating a place for Aboriginal and non-Aboriginal people to gather, revegetation activities and propagating site-specific tubestock. We appreciated the opportunity to yarn about what Moogji and their passionate team are doing on country and for Aboriginal people – a great story about an expanding organisation looking for opportunities and partnerships to make a difference.*

Cr Mark Reeves
Mayor
Phone: 0419 016 58
Email: cr.reeves@egipps.vic.gov.au

Previous elected terms
2012-2016; 2016-2020
Served as Mayor
2013-2014, 2021-22

Cr Arthur Allen
Deputy Mayor
Phone: 0429 630 474
Email: cr.allen@egipps.vic.gov.au

First elected
October 2020

Cr Sonia Buckley

Phone: 0429 567 229
Email: cr.sbuckley@egipps.vic.gov.au

First elected
October 2020

Cr Tom Crook

Phone: 0429 554 064
Email: cr.crook@egipps.vic.gov.au

First elected
October 2020

Cr Jane Greacen OAM

Phone: 0428 478 219
Email: cr.greacen@egipps.vic.gov.au

First elected
October 2020

Cr Trevor Stow

Phone: 0439 285 111
Email: cr.stow@egipps.vic.gov.au

First elected
October 2020

Cr Mendy Urie

Phone: 0436 324 179
Email: cr.urie@egipps.vic.gov.au

Previous elected terms
2005-2008; 2008-2012
Served as Mayor
2006-2009; 2020-21

Cr Kirsten Van Diggele

Phone: 0429 629 950
Email: cr.vandiggele@egipps.vic.gov.au

First elected
October 2020

Cr John White

Phone: 0498 001 531
Email: cr.white@egipps.vic.gov.au

Previous elected terms
2016-2020
Served as Mayor
2019-2020

East Gippsland Shire Council staff were recognised with 'Living Our Values' awards in 2022. Council's values are respect, collaboration, accountability and integrity.

4 Our Organisation

Delivering the strategies within our Council Plan requires a dynamic, diverse, and skilled group of people to work together to achieve outcomes for our community. A strong culture, robust structures and flexible systems provide the necessary support to allow our employees to flourish.

Executive Leadership 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 2020.
Organisation chart as at 30 June 2023.

Chief Executive Officer
Anthony Basford

General Manager Assets and Environment
Fiona Weigall

- Manager Asset Planning and Development
- Manager Capital Projects and Plant
- Manager Council Enterprises
- Manager Community Facilities and Open Space
- Manager Sustainability and Waste Minimisation
- Manager Works

General Manager Business Excellence (To 01.06.23)
Peter Cannizzaro

- Manager Customer Experience and Communications
- Manager Finance
- Manager Governance
- Manager Information Services*
- Manager People and Capability*
- Manager Regulatory Services

General Manager Place and Community
Stuart McConnell

- Manager Bushfire Recovery Coordination
- Manager Community Engagement and Resilience
- Manager Economic Development and Tourism
- Manager Emergency Management
- Manager Planning

**Wellington Shire Council Shared Service Resource*

The East Gippsland Livestock Exchange in Bairnsdale offers facilities for multiple sales weekly. Mal Leys is Council's Livestock Exchange Senior Officer.

Staff Profile

The *Local Government Act 2020* requires the establishment of a 'Code of Conduct' for Council staff. Under the code, staff are required to:

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

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

Total staff numbers

The figures below represent the organisation's total staff numbers, including casuals and limited-tenure staff, but excluding staff on parental leave. The number of full-time equivalent (FTE) positions as at 30 June 2023 were 383.4, including casuals.

Year	Total Staff*	FTE
2022-23	602*	383.4**
2021-22	561*	359.63
2020-21	560*	403.00#
2019-20	536	289.75
2018-19	516	305.11
2017-18	497	316.23
2016-17	458	317.16
2015-16	472	301.08
2014-15	474	305.42

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

 # Staff FTE numbers include limited-tenure Bushfire Recovery and 'Working for Victoria' staff, other limited-tenure roles and a calculated component for casuals and capitalised roles.

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

Total staff numbers by salary band and gender

Employment Classification	Total Staff	Female Staff	Male Staff	Self-described Gender Staff
Band 1	23	13	11	0
Band 2	34	19	15	0
Band 3	187	80	105	0
Band 4	117	87	30	0
Band 5	72	51	21	0
Band 6	77	40	37	0
Band 7	55	28	25	0
Band 8	9	2	7	0
Senior Executive Officer / Senior Officer	19	10	9	0
Immunisation Nurses	8	8	0	0
Total	602**	338	260	4*

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

***Excluding Chief Executive Officer and staff on parental leave*

Job level by gender

Job Level	Total Staff	Female	Male	Self-described Gender
Chief Executive Officer	1	0	1	0
General Manager	3	1	2	0
Manager	15	8	7	0
Coordinator	55	29	26	0
All other staff	525	299	226	0
Total	603**	338	261	4*

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

***Excluding staff on parental leave*

Staff numbers by directorate

Staff numbers for each directorate as at 30 June 2023 are:

Work type/ gender	Chief Executive Officer team	Assets and Environment	Business Excellence	Place and Community	Total
Full time – Female	1	31	48	33	**113**
Full time – Male	1	107	25	10	**143**
Part time – Female	1	33	44	20	**98**
Part time – Male	0	36	12	1	**49**
Casual – Female	0	86	28	13	**127**
Casual – Male	0	63	2	4	**69**
- other	0	0	0	0	**4***
Total	3	359	159	82	**603****

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

***Excluding staff on parental leave*

Our staff were all smiles at Orbost Outdoor Pool for the launch of the Learn to Swim program in November.

People and Culture

Learning and Development

Council has continued to provide staff-development training through its organisational development and human resource programs, as well as other support programs.

Training sessions for staff across Council included:

- Pathways to Prevention family violence awareness sessions
- Resilience Project – Wellbeing Series
- Sexual Harassment Prevention Training

Additionally at specific directorate or business unit levels, training has included:

- Email Standards and Etiquette
- Climate Risk – Organisational and Personal Liability

As COVID-19 restrictions lifted, the return to face-to-face training has resumed as the preferred delivery method, with online sessions made available to staff in remote locations.

Council currently has traineeship programs across a range of fields, being the host employer to six trainees during the 2022-23 year. With three trainees successfully completing traineeships (Livestock Saleyards, Sport and Recreation, and Parks and Gardens). Two of these trainees have become ongoing and valuable members of staff.

Currently there are two administration trainees, one each in the Assets and Projects, and Business Excellence directorates. Another community services trainee is working in the Place and Community directorate.

Council will continue to work closely with our partnering organisations and schools to provide traineeship opportunities which are valuable and successful.

Workplace Health and Safety

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

The Occupational Health and Safety (OHS) Policy, updated in March 2023, outlines Council's commitment to OHS and ensures that health and safety practices are embedded within our operational activities through the following four goals:

- Leadership
- Systematic Approach
- Proactive OHS Culture
- Safe Environments

The Safety Management System is being redeveloped to effectively support the achievement of operational objectives and continuously improve the delivery of our services while meeting the needs of workers, our community, and external stakeholders. Implementation of the system is scheduled to commence early in the 2023-24 year.

Our staff embrace equality when celebrating International Women's Day.

The system will support the implementation of a new OHS Strategy and aims to optimise the use of operational activities, including the allocation of resources, plant and equipment, technology, infrastructure, and facilities.

In 2022-23:

- 170 incidents were reported resulting in 54 injuries, of which 22 resulted in Workcover claims. There were 14 Workcover claims that resulted in lost time.
- Workcover claims as a percentage of staff is 3.62% for 2022-23.

Incidents have increased slightly from 2022 year. However, the resulting injuries have increased by 11%. Workcover claims increased by 50% from the previous year.

Preventing Violence Against Women

Pathways to Prevention: Make the Link Training was mandatory for all staff to complete during the year. The training was designed for staff to help develop awareness and understanding of how the drivers of violence against women can be identified and how we can work to prevent them.

Council continues to be an active partner of the Victorian, regional, and local areas prevention of violence against woman networks and continues to support the East Gippsland Partners in Prevention of Violence 10-year Plan, and activities as part of the 16 Days of Activism campaign.

Gender Equality

Council continues to work through actions from the Gender Equality Action Plan as required by the *Gender Equality Act 2020* by the Commission for Gender Equality in the Public Sector.

The action plan addresses the outcomes of our baseline Workforce Gender Audit and articulates the agreed strategies that Council will undertake as an organisation to improve workplace gender equality. It has been developed to meet both our legislative requirement under the Act and our need and responsibility to lead and support change within both our organisation and the wider community. The Gender Equality Action Plan is available on our website. Gender Impact Assessments are being conducted on policies, programs and services that have a direct and significant impact on the public.

Our sexual harassment prevention program was an all-staff learning and development opportunity.

With support from the State Government grants program known as FReeZA, local young people have organised a range of community events and activities to support social engagement, awareness raising and service connection.

- Flag raising, walk and afternoon tea events were held on IDAHOBIT Day (International Day Against Homophobia, Biphobia and Transphobia Day) Wednesday 17 May 2023. The events were supported by Council staff and the East Gippsland Shire Council Youth Ambassadors and FReeZA committees.
- Throughout the year a number of Youth Pride Picnic events have been held to provide a safe supportive space for young gender diverse people and allies to come together and share food and activities. Information and free health support services and resources are available at the events for young people to access and connect.
- Every year East Gippsland Council Youth Ambassador and FReeZA committee members support East Gippsland's HEY (Healthy Equal Youth) in the delivery of the Annual Rainbow Ball event. The 2022 event held at Club Eastwood on 27 August was successful with numbers exceeding pre-COVID levels.

Councillors and staff meet with representatives from partner agencies Gunaikurnai Land and Waters Aboriginal Corporation, Federation University and East Gippsland Catchment Management Authority to discuss the Crooke Street Wetlands project in East Bairnsdale.

5

Our Performance

This part of the Annual Report provides a summary of how we are performing in the delivering the five strategic objectives of the Council Plan 2021-25.

Council measures its performance against goals and strategic objectives outlined in the Council Plan, with a focus on five themes:

- an inclusive and caring community that respects and celebrates diversity.
- planning and infrastructure that enriches the environment, lifestyle, and character of our communities.
- a natural environment that is managed and enhanced.
- a thriving and diverse economy that attracts investment and generates inclusive local employment; and
- a transparent organisation that listens and delivers effective, engaging, and responsive services.

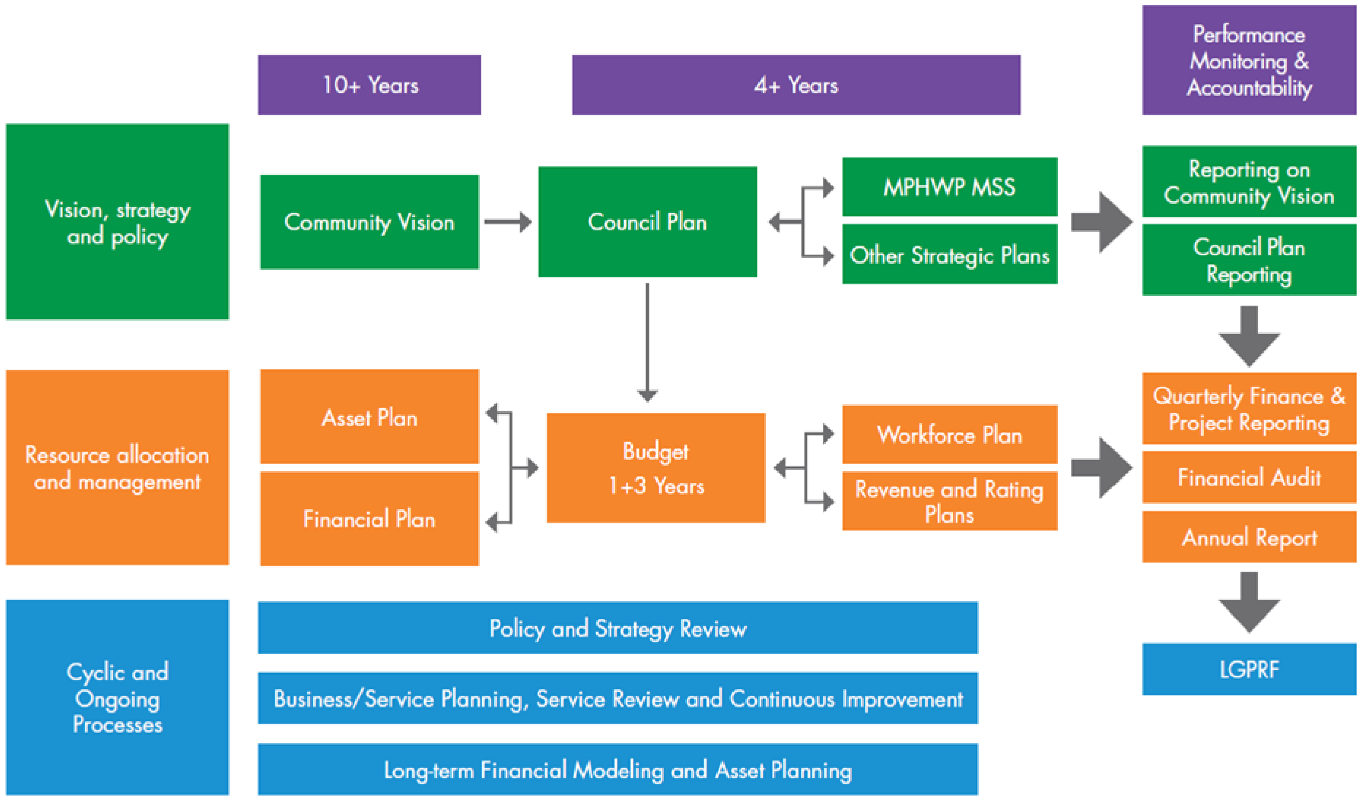
Strategic Planning Principles

The Strategic Planning Principles are found in part 4 (clause 89) of the Local Government Act 2020 (the Act). The Act requires that Council adopt an integrated approach to planning, monitoring and performance reporting.

Under the Act, Council's strategic planning must:

- address the Community Vision.
- consider the resources needed for effective implementation.
- identify and address the risks to effective implementation; and
- provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

This diagram shows the relationships between the key planning and reporting documents that make up the integrated planning framework for local government.



Terminology:

MPHWP = Municipal Public Health and Wellbeing Plan
MSS = Municipal Strategic Statement
LGPRF = Local Government Performance Reporting Framework

Council Plan

The Council Plan 2021-25 includes strategic objectives and strategies for the four-year period. It also includes strategic indicators for monitoring achievement of the strategies, which links to section two of the Annual Budget 2022/23 that shows the financial and other resources required to deliver the Plan. The following are the strategic objectives documented in the Council Plan.

An inclusive and caring community that respects and celebrates diversity
1.1 - Council strives to provide equitable access to their services, support, and facilities
1.2 - Collaboration with key stakeholders fosters the cultural, arts and creative communities for all activities Council has facilitated or financially contributed to
1.3 - Community groups and volunteers are acknowledged, promoted, and supported
1.4 - Through targeted services, partnerships and advocacy, communities enjoy strong mental and physical health, well-being, and resilience
1.5 - Strong working relationships are further developed with Aboriginal people and organisations
1.6 - Council is culturally and linguistically inclusive and celebrates diversity

Planning and infrastructure that enriches the environment, lifestyle, and character of our communities
2.1 - Statutory and strategic planning for land use delivers sustainable outcomes that balance the need for growth with the enhancement of our lifestyle, character, the built and natural environment
2.2 - Infrastructure provision and maintenance support a diverse range of current and future user needs and activities and is both environmentally and financially sustainable
2.3 - Planning with local communities for natural disasters and emergencies strengthens capacity, infrastructure, resilience, preparedness, and recovery

A natural environment that is managed and enhanced
3.1 - Council works to reduce its own and the communities carbon emissions while supporting the community to mitigate the impact of a changing climate on the environment, safety, health, and lifestyles
3.2 - Sustainable land use practices are used to manage Council land to protect biodiversity and to provide education and incentives to support the management of private land
3.3 - Natural values on key Council managed land are managed and enhanced
3.4 - Environmentally and financially sustainable practices reduce waste going to landfill

A thriving and diverse economy that attracts investment and generates inclusive local employment
4.1 - Leadership enables economic prosperity, investment, recovery, resilience, and growth
4.2 - Collaboration amongst key partners is facilitated to improve pathways for education and skills training
4.3 - Council's work with stakeholders fosters entrepreneurship and new business opportunities, particularly with communities facing change
4.4 - Targeted information and streamlined approvals and processes make it easier for business to invest
4.5 - Tourism sector investment is sought in business capability, product development and experience to meet the changing needs of domestic and international markets
4.6 - East Gippsland's natural strengths in agriculture and natural resource-based industries are enhanced to increase value, employment, sustainability, and resilience

A transparent organisation that listens and delivers effective, engaging, and responsive services
5.1 - A better everyday customer experience is created for our residents and visitors
5.2 - Strong relationships with government, partners and stakeholders are maintained and strengthened to advocate for the community
5.3 - Communities are engaged in decision-making and support is provided to develop local solutions to local issues
5.4 - Continuous improvement systems are strengthened, and organisational efficiency enhanced
5.5 - Resources are managed to meet current and future needs and priorities
5.6 - Council attracts, develops, and retains an inclusive workforce to deliver services and priorities

Performance

The following pages document the performance, achievements, and challenges of Council during 2022-23, and outline Council's performance in each area of five strategic objectives.

Council's performance for the 2022-23 year is reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan. Performance has been measured as follows:

- Progress on the major initiatives identified in the Annual Action Plan 2022-23 and Annual Budget 2022/23.
- Results achieved for the strategic objectives in the Council Plan.
- Results against the prescribed service performance indicators and measures.
- Services funded in the budget.

Bairnsdale Library at dusk.

An inclusive and caring community that respects and celebrates diversity

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major Initiative 1 Develop a Culture and Creativity Strategy	The Culture and Creativity Strategy has been completed and was adopted by Council in May 2023. A draft Action Plan has been developed and is ready for finalisation and implementation in the 2023-24 year.
Major Initiative 2 Develop a new Reconciliation Action Plan	Development of a new Reconciliation Action Plan is underway, with community consultations completed during the period, which included one-on-one engagement with key stakeholders.

STRATEGIC INDICATORS

The following statistics review the performance of Council against the Council Plan's strategic indicators.

Strategic Indicator	2021-22	2022-23	Target	Comments
Community satisfaction with accessibility to Council facilities	Not Applicable	No Data	Baseline to be confirmed 2022-23	A specific Community Accessibility Survey was not undertaken during the year. Council has conducted accessibility audits on the BARC, Clifton Creek Recreation precinct, Swifts Creek Community Hall and grounds and the Bairnsdale Community Hub and grounds. All new or upgraded facilities meet accessibility compliance requirements. This includes the Lucknow Gymnastics Centre, WORLD Sporting Precinct and Bairnsdale City Oval Female Friendly changerooms.
Number of community facilities and infrastructure upgraded to improve accessibility		9	≥ 10 Upgrades	Nine projects that have been in the capital works program in 2022-23 have improved physical accessibility to either specific infrastructure or community facilities.
Number of community organisations / individuals funded through Council's community grants program	30	12 Community 10 Arts and Heritage	≥ 25 community ≥ Nine Arts and Heritage	There were 12 applications proposed to be funded in the first round of 2022-23 Community Grants Program. These applications were approved for funding. The program was paused, so that a review of Council's grant streams and processes could take place. During this time there was a large number of community organisations supported through bushfire recovery funding and the community infrastructure grants program. Funding contributed to community facility upgrades, improved safety and communication equipment, renewable power equipment and installation, art and cultural performance and experiences and heritage preservation works.
Develop baseline measures for cultural outcomes for Council Programs	Not Applicable	75%	Base line developed in 2022-23	Measures are being considered as part of a review of Council's grants program.

Strategic Indicator	2021-22	2022-23	Target	Comments
Community group satisfaction with Council support	Not Applicable	Not Available	Baseline to be developed in 2022-23	The Community Accessibility Survey has not proceeded due to several factors including but not limited to community feedback around surveying experience, consultation fatigue, staffing capacity. Council has conducted accessibility audits on the BARC, Clifton Creek Recreation precinct, Swifts Creek Community Hall and grounds and the Bairnsdale Community Hub and grounds. All new or upgraded facilities meet accessibility compliance requirements. This includes the Lucknow Gymnastics Centre, WORLD Sporting Precinct and Bairnsdale City Oval Female Friendly changerooms.
Number of events held that recognise and support volunteers	Five	Six	≥ Five events per annum	The number of annual events has been achieved, including 3 Volunteer recognition events held in May in addition to events across Youth Ambassadors, Disability Advisory Committee, Friends of the Library, Community Recovery Committee, and the CFA.
People attending Council's recreation centres through an allied health service program delivery		Data not available	> 800 attendances per annum	Data is currently not available; a system is being implemented to capture this information in the future.
Develop a Housing Strategy		95% Completed	Adopted in 2022-23	The Housing and Settlement Strategy final draft preparation is underway following completion of community engagement undertaken in May 2023.
Percentage of total staff who have participated in cultural awareness training in the past 24-months		33.89%	100%	The ongoing training for new starters is provided as part of the Corporate Orientation. A Corporate Orientation was session was conducted each quarter. Not all staff (casuals, part time) are able to attend due to other commitments. Cultural Awareness specific training is being planned for delivery in early 2023-2024
Percentage of Council directorate representation on Reconciliation Action Plan working group		100%	100%	Formal Reconciliation Action Plan working groups yet to be established. All directorates have been part of the initial consultation, including the Aboriginal Engagement Officers, Community Programs Coordinator, Library Programs Team Leader, General Manager Place and Community.

Strategic Indicator	2021-22	2022-23	Target	Comments
Number of projects and service review that have included formal engagement with traditional owners		37	≥ 10 projects and service reviews	Of the live projects, there are 37 that have included engagement with traditional owners. Regular meetings continue to be held with GLaWAC and other traditional owner groups during the design phase of a range of Council's capital projects. Formal engagement was also undertaken for a range of strategies including the Culture and Creativity Strategy.
The number of initiatives that celebrate diversity and inclusion supported by Council		12	≥ 10 events per annum	Council has hosted and supported several events celebrating diversity and inclusivity. Including NAIDOC Week, National Reconciliation Week Elders Lunch and International Day Against Homophobia, Biphobia and Transphobia.

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

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

Indicator	**Results**				**Comments**
Measure	**2019-20**	**2020-21**	**2021-22**	**2022-23**	
Animal Management					
Timeliness *Time taken to action animal requests*[1]	2.60	2.60	1.49	2.24	The Community Laws team was operating at a reduced capacity with two of the five Officers being on extended and unplanned leave. A risk-based triage approach was implemented during this time to ensure community safety-related matters were prioritised.
Service standard *Animals reclaimed*[2]	28.10%	23.24%	27.19%	23.08%	The number of animals collected for the period 01/07/2022 – 30/06/2023 was 572 and of this 132 were reclaimed – statistics supplied by Animal Aid. The ability to have animals reclaimed by their owner is very much dependent upon owners registering their cat or dog and the owner's willingness to take the animal back.

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

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

Indicator *Measure*	Results				Comments
	2019-20	**2020-21**	**2021-22**	**2022-23**	
Service standard *Animals rehomed*[3]	31.86%	38.67%	36.64%	21.85%	The number of animals collected for the period 01/07/2022 – 30/06/2023 was 572 and of this 145 were rehomed – statistics supplied by Animal Aid. Officers continue to promote the availability of animals for rehoming via social media and other community news items.
Service cost *Cost of animal management service*[4]	$15.11	$12.64	$14.99	$15.20	There has been a small increase in the cost of service for the year.
Health and safety *Animal management prosecutions*[5]	100%	0	100%	100%	Council had eight incidents during the year that were taken to Court. All prosecutions were successful.
Aquatic Facilities					
Service standard *Health inspections of aquatic facilities*[6]	0	0	0	0	No inspections were carried out by an authorised officer under the *Public Health and Wellbeing Act 2008* as no public health issues were lodged with Council by customers. Council-run pools are tested by qualified and trained staff five times a day. All Council pools also underwent microbiological water testing by an independent laboratory, with all test results coming back negative.
Utilisation *Utilisation of aquatic facilities*[7]	5.63	4.06	6.07	9.23	Council has witnessed significant growth in recreation centre utilisation at the BARC over the last twelve months. Officers have made comparisons with this year's attendance data vs pre COVID pandemic (18/19) attendance data, to identify true growth in utilisation. When comparing this data, the BA RC was up 16,000 on membership visits and 12,500 casual visits.
Service cost *Cost of aquatic facilities*[8]	$7.92	$11.69	$7.99	$4.06	There was an increase in the number of visits to aquatic facilities during the year, as well as a reduction in the net cost of operating aquatic facilities.

3 [Number of animals rehomed / Number of animals collected]
4 [Direct cost of the animal management service / Number of registered animals]
5 [Number of successful animal management prosecutions / Total number of animal management prosecutions]
6 [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]
7 [Number of visits to aquatic facilities / Municipal population]
8 [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]

Indicator *Measure*	Results				Comments
	2019-20	2020-21	2021-22	2022-23	
Food Safety					
Timeliness *Time is taken to action food complaints*[9]	1.58	1.77	1.73	2.25	Different comment to LGPRF: The time taken to action food complaints is within range. Complaints are being actioned in two days like that of previous years
Service standard *Food safety assessments*[10]	107.37%	104.76%	99.46%	124.64%	Council was able to assess 430 food premises for the year, which puts the result above 100% of the target with some premises being assessed multiple times throughout the period.
Service cost *Cost of food safety service*[11]	$768.45	$604.85	$712.70	$771.83	There was an increase in the cost for delivery of the service for the year, noting that there was an increase in the number of assessments undertaken in the year.
Health and safety *Critical and major non-compliance outcome notifications*[12]	85.71%	100%	100%	100%	All major and critical non-compliance notifications for food premises were followed up. For the 2022 calendar year, there were 17 critical and major non-compliance notifications.
Libraries					
Utilisation *Physical library collection usage*[13]	2.31	1.76	2.34	2.41	Use of the physical collection for the year is 2.5 loans per collection item, which is a slight increase on the previous years.
Resource standard *Recently purchased library collection*[14]	51.97%	52.08%	53.62%	51.24%	The collection is being maintained at a greater than 50% purchase within the last 5 years. This year there has been a slight reduction in the standard which can be attributed to increased costs of items and a reduced number of items removed from the collection.
Service cost *Cost of library service per population*[15]	$25.22	$22.23	$23.92	$21.99	The cost of delivery of library services decreased this year whilst the population increased.

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

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

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

12 *[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100*

13 *[Number of physical library collection item loans / Number of physical library collection items]*

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

15 *[Direct cost of the library service / population]*

Indicator *Measure*	**Results**				**Comments**
	2019-20	**2020-21**	**2021-22**	**2022-23**	
Participation *Active library borrowers in the municipality*[16]	19.01%	16.88%	13.81%	11.96%	12% of the East Gippsland community are active users of the library service. This figure (an average across three years) is showing a decrease; however, the individual year result shows an increase on the previous year.

16 *[The sum of the number of active library borrowers in the last three financial years / The sum of the population in the last 3 financial years] x 100*

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2022/23.

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (deficit) $'000
Arts and Culture	This service provides a varied, ongoing program of arts and cultural events that bring our communities together to celebrate our identity and generate ideas. It also provides funding and strategic advice to support the development of arts and culture in East Gippsland.	404 267 **(137)**
Community Laws	This service also maintains and improves the health and safety of people and the environment. This includes staff at school crossings throughout the municipality to ensure that school children can cross the road safely. Animal management services are delivered in accordance with the *Domestic Animals Act 1994* and include a lost and found notification service, a contracted pound service, registration and administration service, an after-hours service, and an emergency service. It also provides education, regulation and enforcement of the General Local Law and relevant Victorian Government legislation.	602 1,075 **473**
Community Planning	The Community Planning function supports, encourages, and works with residents and community groups to identify their needs and aspirations and how to achieve them with responsive, high-quality services and facilities.	68 308 **240**
Community Programs	Council's community programs provide support, assistance, and information to the community at all stages of life. They also provide community facilities that enhance social and health outcomes and improve local neighbourhood amenity.	546 902 **356**
Community Support	Council has service agreements with suitable accredited organisations across the shire that provide a range of home and community care services for the aged and people with a disability. Services include home-delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen clubs. The Victorian Government directly funds these organisations for the provision of the specified services and Council makes a financial contribution to the operations of each of the providers.	177 859 **682**
Family and Youth Services	Council supports preschools, playgroups, and early years programs. Support is also provided to suitably accredited organisations that provide Maternal and Child Health services (MaCH). The providers of the MaCH service are directly funded by the Victorian Government for the provision of the specified services and Council provides a financial contribution to the operations of each of the providers.	538 345 **(193)**
Library Services	Council provides library and outreach services at six locations within the municipality including mobile library services to its more remote areas. Library services and programs are customer focused and aim to meet the learning and information needs of local communities. Libraries also provide a focal point for the community where they can meet, relax, and enjoy the facilities and services offered and increase their participation in community life.	609 974 **365**
Performing Arts	This service provides performing arts facilities, including the Forge Theatre and Arts Hub in Bairnsdale. A key focus is to deliver accessible programs and events that celebrate our cultural diversity and enrich the lives of our community and visitors.	545 502 **(43)**

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (deficit) $'000
Public Health	Public Health maintains and improves the health and safety of people and the environment in accordance with the *Public Health and Wellbeing Act 2008*. It maintains safety, amenity, and harmony in the community by coordinating food safety support programs, registered premises inspections, *Tobacco Act 1987* activities and wastewater management. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls and provides an immunisation service.	258 282 **24**
Recreation Centres	This service combines a wide range of programs and services that contribute to the general wellbeing of the community. This includes opportunities for individuals of all ages, genders, and abilities to participate in a variety of health, education, and leisure activities by providing recreational facilities that include indoor and outdoor aquatic facilities, a fully equipped gymnasium, aqua aerobics and group fitness classes, a stadium, and childcare facilities.	1,605 1,651 **46**

Prominently located next to the Princes Highway in Bairnsdale, the Bairnsdale Skate Park and the East Gippsland All-Abilities Playground are popular with locals and visitors.

Planning and infrastructure that enriches the environment, lifestyle, and character of our communities

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major initiative 3 Prepare a Housing and Settlement Strategy to guide future housing development and to support increased housing diversity and affordability	The Housing and Settlement Strategy Discussion Paper was released for community engagement from November 2022 to February 2023. The Draft Housing and Settlement Strategy released for public consultation in April 2023. A further review of the draft Strategy is being undertaken prior to presentation to Council for adoption in the 2023-24 year.
Major Initiative 4 Develop key public open space planning initiatives, which includes the East Gippsland Sporting Facilities Plan and Public Open Space Strategy	Development of the Marine and Coastal Management Plan has commenced with the engagement of consultants, and establishment of the Project Control Group. The East Gippsland Sporting Facilities Plan is in the final stages of community consultation with the broader East Gippsland community.
Major Initiative 5 Implement a climate risk analysis to identify the likely impact of extreme weather and climate events on Council's infrastructure assets, and ability to provide community services	Council's $1,200,000.00 grant funding proposal to the Federal Disaster Ready Fund was successful, allowing this project to proceed. The project will commence in 2023-24 financial year and will see the completion of detailed climate modelling completed to support understanding of climate risk and inform future actions to improve the resilience and adaptability of our community.

STRATEGIC INDICATORS

The following statistics review the performance of Council against the Council Plan's strategic indicators.

Strategic Indicator	2021-22	2022-23	Target	Comment
Community satisfaction with planning and building permits	40	41	≥ 42	Results are in line with the target. However, the low result indicates that there is room for improvement in regard to building and planning permit process.
Statutory Planning applications decided withing required time frames	38.91%	37.12%	> 80 per cent	Timeframe for decisions has increased slightly and is still well below target due to application backlog and volume of applications that were received during the year.
Average time taken to decide Statutory Planning applications	89 days	96 days	< 61 days	Target was not achieved this year. The continuing workload of applications has meant an increase in average time taken to determine applications.
Council Statutory Planning decisions upheld at VCAT hearing	75%	70.00%	> 60 per cent	10 of Council's planning decisions were appealed to VCAT during the year, with 3 being set aside.
Completion of milestones of key strategic plans: • Rural Land Use Strategy. • Housing and Settlement Strategy. • Eagle Point Structure Plan. • Paynesville Structure Plans. • East Gippsland Sporting Facilities Plan; and • Public Open Space Strategy.		67%	> 90 per cent of milestones	Rural Land Use Strategy has been completed and is awaiting Council adoption (as at 30 June 2023). House and Settlement Strategy is on track following consultation on the draft Strategy. Eagle Point Structure Plan is on track, with the Planning Scheme Documentation drafted. Paynesville Structure Plan has been delayed due to negotiations with new landowners. Sporting Facilities Plan delayed but progressing. Open Space Strategy is delayed due to competing priorities.
Asset renewal and upgrade expenses as a percentage of depreciation	112.75%	97.34%	> 100 per cent	During 2022-23 there was a higher than normal number of new assets created or enhanced, due to significant external funding for these opportunities. As such asset renewal was slightly under the 100% target.
Percentage of adopted capital projects completed at the conclusion of the financial year (based on the most recent amended budget)	92%	96.53%	> 80 per cent	The 2022-23 Capital Works Program finished the year with 246 projects; 45 of which are completed and 196 are progressing. Based on the most recent amended budget of $43.3 million, $41.8 million has been spent with an additional $33.3 million committed to contracts.

Strategic Indicator	2021-22	2022-23	Target	Comment
Community satisfaction with appearance of public areas in East Gippsland	58	60	≥ 65	The difference between the result and target indicates that there is room for improvement in regard to the appearance of public areas. The result however is an improvement on last year's result.
Number of Committees of Management and volunteer groups for Council managed land with a guiding plan	Not available	12	≥ 10 new plans per annum	12 of 59 respondents have a strategic Plan. Plans to provide support for Committees have commenced with multiple Committees approached. While several have responded positively, many of those contacted have advised they do not wish to develop a guiding document.
Percentage of community recreation reserves and halls asset condition above target condition rating	Not available	Not available	Target to be confirmed in 2022-23	All Recreation Reserve asset inspections have been completed however a formal target condition rating has not been established.
Community satisfaction with emergency and disaster management	62	60	≥ 64	The result is a little lower than other large rural councils, recognising the very high and understandable expectations of emergency management in East Gippsland. Council continues to invest significantly in improved emergency management including supporting strengthened community preparedness and resilience.
Percentage of communities that need a Local Incident Management Plan have one in place and reviewed as needed	100%	100%	100%	Of the communities that require a Local Incident Management Plan (LIMP) have one in place at the end of the period. Of the 55 communities that have a LIMP, eight are currently in draft.
Milestones achieved for climate risk analysis		0%	100%	Funding has been recently secured, but project postponed to 2023-24 therefore target was not achieved.

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

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

Indicator *Measure*	Results				Comments
	2019-20	2020-21	2021-22	2022-23	
Roads					
Satisfaction of use *Sealed local road requests*[17]	24.74	33.04	57.37	92.51	The extreme weather events experienced throughout the year has had a significant impact on some parts of the road network and associated infrastructure. Accompanying this was the correlating increase in reports of road and drainage damage from local residents which would contribute the larger than expected jump in these figures.
Condition *Sealed local roads below the intervention level*[18]	97.31%	96.81%	94.04%	97.36%	Council endeavours to ensure it always meets its obligations under the *Road Management Act 2004* as well as its Road Management Plan. Council's associated Road departments have not only just completed one of its highest Capital Works Budgets on record, combining this with recent Disaster Maintenance repairs (i.e. fire and flood repairs) undertaken, this in turn would be a large factor in the improvement shown in these ratings.
Service cost *Cost of sealed local road reconstruction*[19]	$62.86	$87.88	$50.89	$68.54	The cost of sealed road reconstruction varies each year depending on the reconstruction treatment of the specific roads in the program.
Service cost *Cost of sealed local road resealing*[20]	$5.42	$5.76	$6.29	$8.43	Resealing cost increases this year reflect both the application of CPI adjustments to contracts and the increase in the cost of some inputs.
Satisfaction *Satisfaction with sealed local roads*[21]	55	53	41	43	Council has continued work during the year to improve the condition of almost 3000 km of local roads. Many of the satisfaction comments received actually applied to State Managed roads. Council will therefore continue to advocate to the Department of Transport and Planning for improvements to specific roads based on community feedback received in surveys.

17 *[Number of sealed local road requests / Kilometres of sealed local roads] x100*
18 *[Number of kilometres of sealed local roads below the intervention renewal level set by Council / Kilometres of sealed local roads] x100*
19 *[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]*
20 *[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]*
21 *[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]*

Indicator *Measure*	Results				Comments
	2019-20	**2020-21**	**2021-22**	**2022-23**	
Statutory Planning					
Timeliness *Time taken to decide planning applications*[22]	41	77	89	96.00	The continuing workload of applications has meant an increase in average time taken to determine applications.
Service standard *Planning applications decided within 60 days*[23]	82.44%	32.38%	38.91%	37.12%	The continuing workload and backlog of applications has meant an increase in average time taken to determine applications.
Service cost *Cost of statutory planning service*[24]	$1,728.65	$2,266.19	$1,573.60	$1,823.28	There were additional resources allocated to statutory planning during the year to assist in processing the increased number of applications as well as a back log of applications.
Decision making *Council planning decisions upheld at VCAT*[25]	100.00%	50.00%	25.00%	70.00%	10 of Council's planning decisions were appealed to VCAT during the year with 3 being set aside.

22 *[The median number of days between receipt of a planning application and a decision on the application]*
23 *[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100.*
24 *[Direct cost of statutory planning service / Number of planning applications received]*
25 *[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100.*

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2022/23:

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (Deficit) $'000
Asset Maintenance	This service provides management and ongoing maintenance of the Council's assets, including 3,033 km of roads, 191 timber and concrete bridges and 24 pedestrian bridges; over 300 km of drains, 186 km of footpath, and 540 km of kerb and channel; numerous playgrounds, parks, gardens, and recreation reserves; three aerodromes; over 4,500 streetlights; 41 public jetties, 19 fishing platforms and 31 boat ramps; and the Raymond Island Ferry.	9,970 8,977 **(993)**
Asset Management	This service conducts planning for Council's main civil infrastructure assets in an integrated and prioritised manner to optimise their strategic value and service potential. These assets include roads, laneways, car parks, foot/bike paths, drains, and bridges.	361 375 **14**
Building Control	This service enforces statutory building regulations under the Victorian Building Code. These include providing advice on building permits and legislation, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	119 86 **(33)**
Emergency Management	Council works collaboratively with relevant stakeholders to help communities prepare for emergency events and natural disasters and, in times of emergency, respond to their needs and help them recover.	(337) 555 **891**
Emergency Response	Council works collaboratively with relevant stakeholders to help communities prepare for emergency events and natural disasters and, in times of emergency, respond to their needs and help them recover.	(6,721) 1,138 **7,860**
Parks and Gardens	Parks and Gardens manages and implements open-space strategies and maintenance including mowing, garden maintenance, annual plant displays, weed control and walking track maintenance. It also provides tree maintenance including inspection, pruning and removals.	3,144 4,686 **1,542**
Project Management	This service undertakes project planning, design, and delivery of various works within Council's Capital Works Program.	1,425 505 **(920)**
Recreation and Sporting Reserve Management	This service is responsible for the maintenance and operation of sporting grounds and pavilions and community centres with meeting, function, and activity space. Often this work is undertaken in conjunction with community operated committees of management. The service assists in the delivery of strategic sporting outcomes across the municipality through the upgrade and improvement of facilities and the attraction of funding to undertake this work.	1,161 1,392 **231**
Statutory Planning and Development Services	Statutory planning services assess planning applications in accordance with the *Planning and Environment Act 1987*, the Planning Scheme and Council policies to ensure that our towns and settlements develop in an orderly and sustainable way. It provides advice and makes decisions about development and land-use proposals, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	433 959 **526**

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (Deficit) $'000
Strategic Planning	This service aims to deliver vibrant, connected, and productive places and infrastructure to meet current and future community needs. Strategic Planning advocates for and implements land use policies, plans and standards that guide land use development and promote sustainable design, development, and heritage conservation. This is supported through continual reviews and improvements to the East Gippsland Planning Scheme.	521 821 **300**
Works	This service manages and maintains Council's building infrastructure and assets. It includes Council's vehicles, machinery and equipment and place-based works crews.	3,854 1,136 **2,718**

Tambo Waste (pictured) and Cranes Civil & Surfacing hosted Councillors and officers to show Council their significant local investment in the circular economy. Tambo Waste is now producing high quality crushed glass that can be used in concrete and road construction. Cranes is utilising crumbed tyre rubber for road construction and crushing old concrete for various applications. Both companies (Council contractors) are creating local jobs and ensuring better environmental outcomes.

A natural environment that is managed and enhanced

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major initiative 6 Support the circular economy through initiatives that reduce waste going to landfill, including: • Value adding green and organic waste: and • Introducing appropriate glass collection services at locations throughout the shire	A detailed business case for the management of organic waste has been completed and externally peer reviewed. The tender for the detailed design of a composting facility has been awarded with this work now underway. Glass collection services are now available at eight of Council's Waste Transfer Stations. Officers are also working closely with the contractors that has received the contract for container deposit schemes for Eastern Victoria to support this service provider plan an appropriate service for East Gippsland.

STRATEGIC INDICATORS

The following statistics review the performance of Council against the Council Plan's strategic indicators.

Strategic Indicator	2021-22	2022-23	Target	Comments
Percentage of Council's electricity use from renewable sources	54.8%	99.85%	> 95%	The majority of Council's electricity accounts are on the VECO agreement and using 100% renewable energy. A minority of accounts remain with other suppliers, with most moving over to VECO during the year.
Reduce carbon emissions from Council operations	4,043	2,234	<3,639	The main factors behind the significant decline in emissions as this is the first full year reporting since Council's switched electricity accounts to 100% renewable as part of the Victorian Energy Collaboration Organisation (VECO) agreement. Council also finalising the replacing residential streetlights with LED lighting.
Proportion of Council passenger vehicle fleet is electric, hybrid or uses alternate fuel sources	10.08%	13.28%	> 10%	Council increased the vehicles that use sustainable energy by one for the period. Of the 128 vehicles in Council's fleet: • 17 are hybrid • one is an alternate fuel source; and • one is a full electric Additional vehicles are still on back order.
Total kilowatt hours output from renewable energy systems at Council owned facilities	19.6%	9.23%	> 10% increase from the previous year	The solar panels on Council's buildings generated 378,470 kWh in the year 2022-23, which is an increase of 32,870 kWh on last year (which was due to Council's biggest system, namely the 99kW system added to the BARC, being added part way through the previous year). This is an increase of 9.23% in solar production from the year before.
New public electric vehicle charging stations	Not available	4 Council owned stations	7 Council owned stations	Council installed charging stations at Omeo, Bairnsdale, Orbost and Cann River. An additional three chargers are scheduled to be installed in Mallacoota, Buchan, and Lakes Entrance in 2023-24 with the design work undertaken in 2022-23.

Strategic Indicator	2021-22	2022-23	Target	Comments
Kilometres of regionally controlled and prohibited weeds treated on roadsides	226 km	398 km	> 200 km per annum	398 kilometres of regionally controlled and prohibited weeds were treated during the year. This performed well above the target and can be attributed to the War on Weeds program.
Community satisfaction with slashing and weed control	36	43	≥ 43	Result has met the target. It is worth noting that this is a significant increase to results received in the 2021-22. A large amount of work has been completed to improve this result in the course of a year
A baseline for the quality and quantity of land being managed for 'at risk' habitat, biodiversity purposes, and community safety on Council and private land	Not achieved	Not achieved	Baseline to be developed Year 2	Baseline data exists for some areas, but full baseline is yet to be developed.
Total investment in Council managed land to support natural areas	$2.483 million	$2,159,679	≥ $1,710,000 (2020-21 baseline)	During the year Council has made significant investment to support natural areas. Activities included general maintenance, the War on Weeds project and roadside fire slashing.
Community Satisfaction with waste management	67	68	≥ 65	Result achieved this year was higher than the target. Result indicates that Council performs at a higher level than the large Rural Council's average.
Proportion of recycled content in construction projects on Council assets	10%	22%	> 10%	60 of the 272 projects report the use of recycled materials as at the end of the period. Process improvements to enable more accurate reporting on both quantitative and qualitative data for the percentage of use of recycled material in construction projects is underway.
Number of community waste education programs delivered	Six	10	> Five programs per annum	Officers attended a range of events and offered education programs to targeted stakeholders. This included a waste display and composting workshops at the East Gippsland Field Days where the reusable product rebate was promoted to the public.
Number of new waste streams collected through waste facilities	Not available	1	≥ Two new waste streams	Council has started collecting source separated glass at eight waste facilities. Planning has been undertaken for the introduction of nappies and fabric recycling in 2023-24.
All Council offices have four streams of recycling (co-mingled, organics, soft plastics, paper/cardboard)	Not recorded	75%	100% of offices have four recycling streams	Three streams introduced via the Green Team – co-mingled, organics, paper/cardboard. Soft plastics are not an option at this stage.

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

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

Indicator	**Results**			**Comments**
measure	**2020-21**	**2021-22**	**2022-23**	
Waste Collection				
Satisfaction *Kerbside bin collection requests[26]*	31.47	26.58	28.65	This indicator represents the number of requests from the community to replace stolen or damaged bins, change services or have bins repaired. The most common request is to replace damaged bins, followed by replacing stolen bins.
Service standard *Kerbside collection bins missed[27]*	1.37	0.43	1.75	This year is consistent with the last 5 years other than 2021-22 where the contractor did not record all the missed bin services.
Service cost *Cost of kerbside garbage collection service[28]*	$61.30	$65.92	$70.55	Increased contract costs with annual CPI adjustment.
Cost of kerbside recyclables collection service[29]	$75.21	$73.01	$75.59	Increase reflects an increase in contracts to allow for CPI adjustment.
Waste Diversion *Kerbside collection waste diverted from landfill[30]*	53.48%	53.32%	53.06%	The consistent higher result for this indicator is perhaps due to the reduction of garbage volumes following the removal of the 240-litre garbage bins and this attributed to the higher recycling volumes. Green waste volumes remain steady.

26 *[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000*

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

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

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

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

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2022/23:

Business Area	Description of Services Provided	Net Cost Actual Budget Variance Surplus/ (Deficit) $'000
Environmental Management	The Environmental Management function identifies and manages broad-based environmental issues on Council-owned or managed land including the Mosquito Management Program, pest plants and animals, and urban waterways.	556 558 **2**
Environmental Sustainability	This service develops environmental policy and strategies, coordinates and implements environmental projects, and works with other services to improve Council's environmental performance. Reducing greenhouse emissions and utility use within Council operations are a key priority. This includes community awareness and behavioural-change programs to encourage and support reduced use of energy and resources.	(170) 333 **503**
Waste Services	This service provides kerbside waste collection of household rubbish, recycling, and green waste from households; and manages landfill and transfer station facilities. The service operates and rehabilitates Council's current and legacy landfills and manages the East Gippsland Waste and Recycling Centre in ways that promote positive waste behaviour in the community and minimise environmental impacts.	7,246 7,899 **653**

A thriving and diverse economy that attracts investment and generates inclusive local employment

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major Initiative 7 Implement the Tourism Events Action Plan 2022-23	Council has implemented a significant proportion of actions from the Events Growth Action Plan 2021-26. Council's former RADES program concluded and was replaced by the Council-endorsed program Pathways to Growth Mentoring Program. A key initiative within the East Gippsland Event Growth Action Plan, this program aims to support up to four events per year to become firmly established and contribute to increasing visitation to the region. This year, two events have been accepted into the program: Wild Harvest Seafood Festival and Twin Rivers Bream Classic.

Council's Economic Development Advisory Committee was appointed and includes 13 community leaders with a broad range of expertise.

STRATEGIC INDICATORS

The following statistics review the performance of Council against the Council Plan's strategic indicators.

Strategic Indicator	2021-22	2022-23	Target	Comments
Percentage of actions implemented from the Economic Development Strategy Action Plan 2022-26	Not applicable	72%	≥ 80% of year 1 actions	60% of year 1 actions and 16% of year 2 actions have been completed or are in progress.
Exiting secondary school students undertaking an apprenticeship / traineeship or TAFE training	32.2%	Data not available	> 24%	Data unavailable due to changes in reporting due to new government privacy rules (2022-23)
Year 12 students continuing to university education	27.1%	Data not available	> 20%	Data unavailable due to changes in reporting due to new government privacy rules (2022-23)
Participation in Council run programs delivered to support business growth	728	981	≥ 300 participants annually	There were 981 participants across Council run programs to support business growth during the year.
Number of new businesses registered	1,446	1,337	> 394 businesses	A total of 1,337 new businesses were registered according to REMPLAN in the 2022-23 financial year
Average processing time for goods on footpath permits	10	12	≤ 8 days	There were 22 new Goods on Footpath permits issued for the period 01/07/2022 - 31/12/2022 with an average of 12 days to action
Average processing time trading permits	8	12	≤ 6 days	There were 8 new trading permits for the period 01/06/2022 - 31/12/2022 with an average of 12 days to action
Average processing time for domestic animal business registrations	14	-	≤ 6 days	There were no new Domestic Animal Businesses permit issued for the period.
Total visitation to East Gippsland (international, domestic and daytrip combined)	1.244 million	1.424 million	> 1.3 million visitors per annum	Domestic visitation to year ending March 2023 increased on last year by 14.4% for a total of 4,424,000. Visitor overnight stays increased by 6.3% to a record level of 2,606,000 nights and represents more than a quarter of all of Gippsland's overnight stay for the year.
Tourism expenditure in East Gippsland	$545 million	$596 million	>$360 million per annum	Domestic tourism expenditure for East Gippsland totaled $596 million year ending March 2023. Overnight expenditure was down 7.1% to $441 million however the decline was made up by a 120% increase in daytrip expenditure to provide an overall increase of 9.3% on last year. The shift from overnight to more daytrip expenditure suggests a tightening economy off the back of rising interest rates, cost of living and potential substitution for overseas holidays now that international travel has resumed.

Strategic Indicator	2021-22	2022-23	Target	Comments
Number of tourism events held during the low and shoulder season periods	47	>50	> 50 events per annum	The East Gippsland Winter Festival was the umbrella event that represented a total 161 of events held in the region. Other tourism events held during the year included: • Deep in the Weeds (part of the Winter Festival) • Twin Rivers Bream Classic • Tennis Seniors Victoria National Ranking Tournament • RND 4 Vic Bream Classics Marlo • Squash Victoria Country Individuals Championship • Friends of the Mitta Give Back to the Mitta • Great East Rail Trail Ride
Number of jobs in agriculture sector in East Gippsland	1,235	1,690	>1,235	The agriculture sector contributes 1,690 jobs (9.1%) to total employment in East Gippsland.
Value added by agriculture section in East Gippsland	$169 million	$266 million	>$169 million	• The agriculture sector contributes $266,304,000 (10.3%) of total value-added product in East Gippsland. Down marginally from last year's contribution of $267,829,000 reflecting a challenging year of flood impacts and falling stock prices.

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2022/23:

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus/ (Deficit) $'000
Business Growth	The development of business and industry in East Gippsland is supported by this service, which provides business information services, referrals to other organisations for support, facilitation of industry networking and knowledge sharing events, and facilitation of funding opportunities at all levels of government. It also works with government departments to link businesses to Victorian and Australian government services to support growth and diversification.	47 100 **53**
Economic Development	The economic development service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	655 795 **140**
Events	This service works with partners to develop East Gippsland's reputation as a recognised events destination through attraction and facilitation of new events and support of existing events. It provides support, resources, and training information, and assists with the development of major events that stimulate economic benefits and cultural diversity and enhance the wellbeing of residents.	307 350 **43**
Tourism and Visitor	Council supports the tourism industry and helps promote East Gippsland as a highly sought after visitor destination. Quality visitor information services are provided with the aim of meeting the expectations and needs of visitors.	902 719 **(183)**

A transparent organisation that listens and delivers effective, engaging, and responsive services

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major initiative 8 Implement the Customer Experience Strategy. Key projects including: • Enhance systems and processes to increase resolution of customer enquiries and requests at first point; and • Streamlining customer response systems and processes	Significant progress has been made on the Customer Experience Strategy with all Year Two Actions being completed. Improvements to the Customer Response Module were made with the implementation of a new program, Civica. Civica Customer Response Module was implemented during quarter four with reporting commencing during the same period.
Major Initiative 9 Review and redevelop the organisation's Occupational Health and Safety Management System	Development of the new Safety Management System is well advanced, following approval of the new Occupational Health and Safety policy and extensive internal consultation on the draft suite of 40 documents that underpin the policy and form the Safety Management System. Implementation is scheduled to commence in 2023-24.

STRATEGIC INDICATORS

The following statistics review the performance of Council against the Council Plan's strategic indicators.

Strategic Indicator	2021-22	2022-23	Target	Comments
Community satisfaction with customer service	63	59	≥ 65	Result was under target, indicating the work needs to be completed to ensure community members are satisfied with Council's customer service.
Community satisfaction with advocacy (lobbying on behalf of the community)	50	49	≥ 49	Target was achieved, meeting the Large Rural Council average. Indicates that community satisfaction with lobbying on their behalf is in line with similar size councils.
Community satisfaction with community consultation and engagement	48	45	≥ 49	The difference between the result and the target indicate there is room for improvement in how Council approaches community consultation and engagement.
Community satisfaction with making community decisions	50	47	≥ 48	The result is on track of the target set. Improvements in community consultation in decisions could improve the result in future.
Community satisfaction with informing the community	52	47	≥ 54	The difference between the result and the target indicate that are further improvement opportunities
Number of service reviews undertaken	Four	Two	≥ Two reviews per annum	Service Reviews were completed for: • Service Centres and Libraries • Arts and Culture An additional three service reviews are in progress: • Visitor Information Centres • Grants • Community Engagement
Permanent workforce has access to mobile technology	80%	90%	> 70%	Up to 90% of full-time staff and key council positions (90% of full time EFT staff) now have access to mobile technology. Part time staff with key service positions have been issued with access to mobile technology.
Victorian Auditor-General's Office assessment of Council's overall financial sustainability is rated low risk	No data available	No data available	Achieve low risk rating	There is no current report back to Council on this particular review by the Victorian Auditor General's office.
The percentage of actions implemented from the Workforce Plan 2021-25	83%	29%	≥ 80% of year 3 actions	Due to staff constraints, progress was not made as expected.
Unplanned staff turnover rate	20.5%	14.21%	< 12 per cent annual rate	Turnover rate has decreased significantly. This could be due to the market settling after COVID-19 and staff looking for stability with cost of living issues.

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

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

Indicator *measure*	Results				Comments
	2019-20	2020-21	2021-22	2022-23	
Governance					
Transparency *Council resolutions at meetings closed to the public*[31]	3.57%	8.09%	12.50%	17.27%	The increase in closed decisions is due to matters being considered that are confidential as defined by the *Local Government Act 2020*.
Consultation and engagement *Satisfaction with community consultation and engagement*[32]	54	51	48	45	Rating has decreased in the perception survey. Council will be conducting surveys to assess whether the experience of community members who have engaged with Council aligns with the feedback received.
Attendance *Councillor attendance at Council meetings*[33]	92.59%	95.06%	97.66%	91.89%	Due to some Councillors availability, they were not able to attend all meetings.
Service cost *Cost of governance*[34]	$58,190.67	$50,641.89	$47,214.33	$54,313.56	There was an increase in conference and training expenses post COVID-19 together with annual increases for the Mayoral and Councillor allowances.
Satisfaction *Satisfaction with council decisions*[35]	54	51	50	47	Satisfaction with council decisions, has reduced.

COST OF OUR SERVICES

31 [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100

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

33 [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100

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

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

The following statement provides information about the services funded in the Annual Budget 2022/23

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus / (Deficit) $'000
Community Leadership and Advocacy	Council provides leadership on issues of importance to East Gippsland and advocates on behalf of the community and its vision for the future. It does this through strong, transparent, accountable leadership and the development of strong relationships with key stakeholders and other levels of government.	626 689 **63**
Council Enterprises	This service supports the local economy and provides an alternative revenue stream for Council through the effective operation of a range of Council-managed commercial enterprises such as caravan parks, marinas, and the East Gippsland Livestock Exchange.	1502 1,780 **(278)**
Customer Experience	This service acts as the main customer interface with the community. It provides accessible, high-quality customer service at Council's Corporate Centre and Service Centres, which connects people to Council services and general information.	2,122 2,173 **51**
Finance and Treasury	This service predominantly provides financial services to both internal and external customers including the management of Council's finances, payment of salaries and wages, and raising and collection of rates and charges.	(26,111) (1,887) **24,224**
Governance	This service provides a range of governance, statutory and corporate support services to Council, including coordination of business papers for meetings of the Council and its committees; coordination of arrangements for Council and committee meetings; and the maintenance of statutory registers and the conduct of municipal elections. An Audit and Risk Committee supports this service. This service also provides the framework, oversight, and advice to support Council in complying with statutory procurement and contracting provisions	3,824 3,719 **(105)**
Human Resources	Through this service Council provides human resource and industrial relations services dedicated to ensuring Council's workforce operates efficiently and effectively within a framework that encourages innovation and continuous improvement. Human Resources also provides payroll services for all employees.	1,304 1,706 **402**
Information Services	This service provides, supports, and maintains reliable and cost-effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive, and efficient way. It is also responsible for the provision of document and information management support services and compliance with statutory obligations under Freedom of Information and Information Privacy legislation.	4,506 4,919 **413**
Media, Communications and Civic Events	This service oversees provision of advice on communications, in consultation with relevant stakeholders, on behalf of Council. It also provides in-house graphic design services. This service also conducts civic events to recognise, commemorate and celebrate prominent residents and the successful delivery of significant Council programs, infrastructure, and projects.	663 663 **0**
Organisation Development	This service provides Council with strategic and operational organisation development support. The service also assists managers to determine and progress toward future structures, capability, and cultures in their service units.	92 604 **512**

Business area	Description of services provided	Net Cost Actual Budget Variance Surplus / (Deficit) $'000
Property Management	The management of Council's property portfolio, including purchases, sales, leases, and licenses to ensure land under Council's ownership or management is used effectively and in the best interests of current and future generations is delivered through this service. It also supports local groups that have a focus on land and facility stewardship.	273 422 **149**
Risk Management and Compliance	This service manages a compliance framework that promotes prudent and responsible management approaches to Council's decision making and service delivery. It ensures the highest standards of legislative compliance are achieved across Council and that its risk exposure is minimised through proactive and comprehensive systems and processes.	1,653 1,880 **227**

Retired service performance indicators

Indicator *Measure*	Results				
	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Aquatic facilities					
Service standard *Health inspections of aquatic facilities*[36]	0	retired	retired	retired	retired
Service cost *Cost of indoor aquatic facilities*[37]	$4.52	retired	retired	retired	retired
Service cost *Cost of outdoor aquatic facilities*[38]	$12.37	retired	retired	retired	retired
Animal Management					
Service cost *Cost of animal management service*[39]	$52.96	retired	retired	retired	retired
Health and safety *Animal management prosecutions*[40]	2	retired	retired	retired	retired
Libraries					
Service cost *Cost of library service*[41]	$3.46	retired	retired	retired	retired

36 *[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]*
37 *[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]*
38 *[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]*
39 *[Direct cost of the animal management service / Number of registered animals]*
40 *[Number of successful animal management prosecutions]*
41 *[Direct cost of the library service / Number of visits]*

Grade six students Juliet Walker and Tully Robinson were welcomed to the Council Chamber as part of their Rotary Junior Community Award Program by Mayor Cr Mark Reeves.

Governance, Management and Other Information

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

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

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

Council's Roles and Responsibilities

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

Key responsibilities of Council include:

- guaranteeing good governance in the performance of its roles and responsibilities.
- prioritising the best outcomes for the East Gippsland community.
- making decisions that consider economic, social, and environmental sustainability of the East Gippsland Shire, including, where possible mitigating and planning for climate change.
- addressing the diverse needs of the local community in decision making.
- advocating for the needs and desires of the community across East Gippsland.
- providing leadership through strategic objectives, monitoring progress, and adapting to changes to support the community.
- fostering community cohesion and encourage active participation in the East Gippsland Shire Council activities; and
- ensuring transparency of decision making and accessibility to publicly available information.

Meetings of Council

Council is committed to transparent governance in decision-making. Council meetings are open to the public and are also livestreamed via Council's YouTube channel, EastGippyTV.

Council meetings usually occur on Tuesday evenings from 6pm. All Council meeting dates are publicly available on Council's website.

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

The business to be considered by Council is set out in an agenda, which is available on Council's website from 1.00 pm on the Friday before the meeting. In addition, the agenda is available from the Council's Customer Service and Outreach Centres.

Council minutes capturing all resolutions of a meeting can be viewed in the same locations as the agenda. In 2022-23, there was a total of 18 Council meetings, comprising 14 scheduled and two unscheduled Council meetings, and two separate meetings for the purpose of electing a Mayor and Deputy Mayor.

Council Meeting Attendance

The following table provides a summary of Councillor attendance at Council meetings in 2022-23.

Councillor	Council Meetings
Cr Mark Reeves (Mayor)	18
Cr Arthur Allen (Deputy Mayor)	18
Cr Sonia Buckley	14
Cr Tom Crook	17
Cr Jane Greacen OAM	17
Cr Trevor Stow	17
Cr Mendy Urie	18
Cr Kirsten Van Diggele	16
Cr John White	13

Councillor Allowances

Under section 39 of the Act, Councillors are entitled to receive an allowance while performing their duty. The Mayor and Deputy Mayor are also entitled to receive a higher allowance.

Councils are divided into three categories based on the income and population of each Council. East Gippsland is recognised as a category two Council.

Effective from the 18 December 2022, Determination No. 01/2022 set the allowances for the Mayor, Deputy Mayor, and Councillors. The category two annual allowances effective from 18 December 2022 were Mayor $100.637, Deputy Mayor $50,319, and Councillors $31,353. The annual allowances that applied from 1 July 2022 to 17 December 2022 were Mayor $96,470, Deputy Mayor $48,235, and Councillors $30,024.

Councillor	Allowance $
Cr Mark Reeves	102,167
Cr Arthur Allen	50,385
Cr Sonia Buckley	31,815
Cr Tom Crook	31,815
Cr Jane Greacen OAM	31,815
Cr Trevor Stow	31,815
Cr Mendy Urie	31,815
Cr Kirsten Van Diggele	31,815
Cr John White	31,815
Total	**375,257**

Councillor Expenses

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

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

The following table details the total expenses for all Councillors during the 2022-23 financial year.

Councillor	Remote Travel $	Conferences/ Training $	Office and other expenses $	Delegate and other Council representation costs $	Vehicle and travel reimbursement $	Total $
Cr Mark Reeves	0	7,492	987	1,309	7,143	16,931
Cr Arthur Allen	0	0	697	394	6,977	8,068
Cr Sonia Buckley	89	6,548	1,363	184	6,977	15,161
Cr Tom Crook	270	7,755	579	119	6,739	15,462
Cr Jane Greacen OAM	0	2,453	585	0	6,956	9,994
Cr Trevor Stow	0	0	1,428	438	6,977	8,843
Cr Mendy Urie	0	2,014	635	0	4,881	7,530
Cr Kirsten Van Diggele	0	3,989	579	0	6,343	10,911
Cr John White	0	0	835	0	6,800	7,635
Total	**359**	**30,251**	**7,688**	**2,444**	**59,793**	**100,535**

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

Councillor Code of Conduct

The Councillor Code of Conduct, which is publicly available on Council's website, was adopted in December 2021 in accordance with the Act.

Conflict of Interest

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

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

Committees

The Act allows councils to establish the following types of committees:

- Delegated Committees.
- Joint Delegated Committees.
- Community Asset Committees; and
- Audit and Risk Committee.

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

Delegated Committees

Delegated Committees can exercise any powers, duties, or functions of a council, under the Act or any other Act, delegated to it through an Instrument of Delegation, and must consist of at least two Councillors, and any other persons appointed by the Council.

Council has not established any Delegated Committees.

Joint Delegated Committees

Under section 63 of the Act, two or more Councils may resolve to establish a Joint Delegated Committee. A Joint Delegated Committee must include at least one Councillor from each of the participating Councils.

Council has not established any Joint Delegated Committees.

Community Asset Committees

Council may also establish a Community Asset Committee under section 65 of the Act for the purpose of managing a community asset in the municipality and may consist of as many members as necessary to achieve its purpose.

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

Council has not established any Community Asset Committees.

Advisory Committees

Advisory committees have no decision-making powers and may only make recommendations to Council.

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

Committee	Councillors	Officers	Other	Purpose
Chief Executive Employment and Remuneration Committee	4	0	1	Considers, and makes recommendations to Council on the: • selection and appointment of an Independent Member • performance monitoring of the Chief Executive Officer (CEO), including with respect to achievement of the Key Performance Indicators (KPIs) • annual review of the CEO's performance, including against the KPIs • CEO's remuneration • recruitment and appointment (or reappointment) of a CEO, if required.
Disability Advisory Committee	2	2	11	Provides advice on things that matter to people with a disability in the region. It seeks to maximise the contribution being made by Council and its partners by working with a common agenda to create a more inclusive and accessible East Gippsland.
East Gippsland Agriculture Sector Advisory Committee	2	4	14	Provides advice, guidance, and recommendations to Council on matters that affect the agriculture sector in East Gippsland and its communities.
East Gippsland Livestock Exchange Consultative Committee	2	4	7	Is a platform for consultation with key stakeholders on the operations of the livestock exchange. The group also discusses industry matters that may impact the livestock exchange business.
East Gippsland Economic Development Advisory Committee	2	4	12	Provides advice, guidance, and recommendations to Council on matters that affect economic growth across the municipality.
Marina Consultative Committee	2	0	6	Provides advice, guidance, and recommendations to Council on the need for existing and emerging services, and overall sustainable management of Council's marina business.

Audit and Risk Committee

Under section 53 of the Act, Council must establish an Audit and Risk Committee.

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

The Audit and Risk Committee performs an advisory function. It has no executive powers or authority to implement actions in areas over which management has responsibility and no delegated financial responsibility. Nor does it have any management functions, so is independent of management.

The Audit and Risk Committee comprises of seven members: four independent external members, one of whom will be Chair, along with the Mayor of the day and two other Councillors appointed by Council. The Chair is appointed each February. In 2022-23 the Audit and Risk Committee members were:

Councillors

- Cr John White: July 2022 – June 2023
- Cr Mendy Urie: July 2022 – June 2023
- Cr Mark Reeves, Mayor: July 2022 – June 2023

Independent Committee Members

- Andrew Roberts: July 2022 – November 2022
- Claudia Goldsmith: July 2022 – June 2023
- Celeste Gregory: July 2022 – June 2023 (Chair 2023)
- Jason Hellyer: December 2022 – June 2023
- Stephen Paterson: July 2022 – April 2023 (Chair 2022)

Internal Audit

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

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

External Audit

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

For 2022-23, the annual external audit of Council's Financial and Performance Statements was conducted by the Victorian Auditor-General's representative, RSD Audit.

Risk Management

Council takes a proactive approach to risk management and has in place, systems, policies, frameworks, and procedures to ensure the adverse effects of risks are prevented or minimised across Council operations.

The Risk Management Policy and Risk Management Framework are reviewed periodically, ensuring Council has the capability to address current and emerging risks. Council recognises the need for robust systems and processes across the whole of business operations, to enable and ensure legislative compliance. Council's Risk Management Policy is publicly available on the Council's website.

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

Council's Risk Management Policy is publicly available on the Council's website.

Public art can be found all around East Gippsland Shire, including on the shores of Lake King at Metung.

Governance and Management Checklist

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

Governance and Management Items	Assessment	
1 **Community Engagement Policy** (Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 16 March 2021	☑
2 **Community Engagement Guidelines** (Guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of commencement of current guidelines: 16 March 2021	☑
3 **Financial Plan** (Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 27 June 2023	☑
4 **Asset Plan** (Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 28 June 2022	☑
5 **Revenue and Rating Plan** (Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Plan adopted in accordance with section 93 of the Act. Date of adoption: 27 June 2023	☑
6 **Annual Budget** (Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act. Date of adoption: 27 June 2023	☑
7 **Risk Policy** (Policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of commencement of current policy: 29 November 2022	☑
8 **Fraud Policy** (Policy outlining Council's commitment and approach to minimising the risks to Council's operations.)	Policy Date of commencement of current policy: 5 May 2020	☑
9 **Municipal Emergency Management Plan** (Plan under section 60ADB of the *Emergency Management Act 2013* for emergency mitigation, response, and recovery)	Prepared and maintained in accordance with section 60ADB of the *Emergency Management Act 2013* Date of preparation: 25 November 2021	☑

Governance and Management Items	Assessment	
10 Procurement Policy (Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of adoption: 14 September 2021	☑
11 Business Continuity Plan (Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of commencement of current plan: 27 March 2019	☑
12 Disaster Recovery Plan (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of commencement of current plan: 22 March 2022	☑
12A Complaint Policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	Developed in accordance with section 107 of the Act. Date of commencement of current policy: 16 December 2021	☑
12B Workforce Plan (Plan under section 46 of the Act outlining Council's commitment and approach to planning for current and future workforce requirements)	Developed in accordance with section 46 of the Act. Date of commencement of current plan: 30 August 2021	☑
12C Payment of Rates and Charges Hardship Policy (Policy outlining Council's commitment and approach to assisting ratepayers who are experiencing financial hardship or difficulty paying their rates)	Policy Date of commencement of current policy: 4 February 2020	☑
13 Risk Management Framework (Framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: 19 September 2022	☑
14 Audit and Risk Committee (See sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of establishment: 25 August 2020	☑
15 Internal Audit (Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk, and management controls)	Engaged Date of engagement of current provider: 1 July 2018	☑
16 Performance Reporting Framework (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Framework Date of adoption of current framework: 29 June 2021	☑

Governance and Management Items	Assessment	
17 Council Plan Report (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of report: 28 February 2023	☑
18 Quarterly Budget Reports (Quarterly reports to the Council under section 97 of the Act comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council in accordance with section 97(1) of the Act. Dates reports presented: 20 September 2022 8 November 2022 7 February 2023 2 May 2023	☑
19 Risk Reports (6-monthly reports of strategic risks to Council's operations, their likelihood, and consequences of occurring and risk minimisation strategies)	Reports Dates of reports: 25 July 2022 7 November 2022 20 February 2023 31 May 2023	☑
20 Performance Reports (6-monthly reports of indicators measuring financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Reports Dates of reports: 31 May 2023 11 October 2022	☑
21 Annual Report (Annual report under sections 98 and 99 of the Act of containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 100 of the Act. Date of presentation: 11 October 2022	☑
22 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 16 December 2021	☑
23 Delegations (Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review under section 11(7): 5 October 2021	☑
24 Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date Governance Rules adopted: 30 August 2022	☑

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

Anthony Basford **Chief Executive Officer** **Dated:**	Cr Mark Reeves **Mayor** **Dated:**

Statutory Information

Information Available for Public Inspection

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

The Public Transparency Policy is available on Council's website and outlines the publicly available information.

Freedom of Information

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

Council received 39 applications during the 2022-23 reporting year. Four requests were transferred as the subject matter of the documents was more closely connected with the functions of another agency. Additionally, one request was carried forward from the 2021-22 financial year.

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
New Applications /Requests	39	26	22	18	26	15	16
Access granted in full	1	15	7	6	12	4	1
Access granted in part	12	6	12	6	10	8	9
No documents existed in the requested form / Act does not comply	5	2	4	1	1	0	0
Access denied	4	2	1	1	0	1	3
Withdrawn	2	1	0	2	0	3	1
Requests outstanding at end of financial year	3	0	0	2	3	1	2
Review by Office of Victorian Information Commissioner	1	0	1	2	0	1	2
Appeals lodged with VCAT	0	0	0	0	0	0	0
Fees collected ($)	642.60	752.50	621.20	473.60	722.50	369.20	418.50
Fees waived ($)	428.40	408.00	0	59.20	22.90	28.40	0
Charges collected ($)	424.30	0	0	88.00	75.00	265.30	271.90

Public Interest Disclosures

In accordance with the *Public Interest Disclosures Act 2012* (the PID Act), Council has a policy that establishes the procedures for handling public interest disclosures. The purpose of the PID Act and Public Interest Disclosure Policy is to encourage and facilitate the disclosure of any improper conduct by Councillors or Council officers.

Information about making a public interest disclosure is available on Council's website.

Council made no public interest disclosure notifications to the Independent Broad-based Anti-corruption Commission for the year ended 30 June 2023.

Privacy and Data Protection Act

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

Council has a policy that guides how Council collects, uses, and discloses personal information where it is necessary to perform Council functions or when required by law. Formal complaints can be made if people believe their privacy has been breached.

Further details about Council's approach to information privacy are located on Council's website.

Contracts

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

Council's Procurement Policy was adopted on 14 September 2021.

During 2022-23, a total of 67 formal procurement processes (including Requests for Tender, Requests for Quotation and Expression of Interest requests) were undertaken. These complied with the expenditure thresholds and market engagement requirements as detailed in the Procurement Policy.

The details of all contracts awarded through a public tender process are available on Council's website.

Year	Contracts awarded by Chief Executive Officer ($)		Total Contracts awarded by the Chief Executive Officer	Contracts awarded by Council ($)	Total Contracts awarded
	< 250,000 (inc. GST)	< 500,000 (inc. GST)		>500,000 (inc. GST)	
2022-23	26	19	45	22	67

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 communicate with the community in a range of ways, including community forums, weekly advertisements, social and traditional media.

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.

Disability and Social Inclusion Plan

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability and Social Inclusion Plan it must report on the implementation in its annual report.

Council has a Disability and Social Inclusion Plan and implemented the following actions:

- Community Programs and Customer Service officers have completed Carer Friendly Places training facilitated by Carers Victoria and achieved Carer Friendly Place accreditation for Council. Council can now provide information about supports and services for carers and connect carers with other people in their local community.
- Community Programs has undertaken four access audits on Council-owned and community spaces, which will increase access and safety of the built environment for all users, facilitate more community confidence and greater use of local services and facilities.
- Commenced assistive communication technology communication project with Gippsland Lakes Complete Health, the Bairnsdale Library and Council's Community Programs team to increase access to technology that supports people with complex communication needs to communicate and access information.
- Council's Community Facilities team developed a plan for Changing Places Spaces in East Gippsland. The Disability Advisory Committee endorsed the plan. The Disability Advisory Committee celebrated the Marveloo Changing Places Space donation by Maroondah City Council and supported locating the facility at Lakes Entrance.
- Council is undertaking a Community Transport Study that focuses on the experiences of people with disability when using community and public transport and is looking at practical solutions and partnership opportunities to improve access to transport.
- Council's Emergency Management team has attended Disability Advisory Committee meetings to plan with people with disability for natural disasters and emergencies.
- Council's Disability Advisory Committee contributed to the East Gippsland Accessible Events Guide and endorsed the resource.
- Community Programs officers attend state-wide network meetings for the Victorian Local Government Disability Planners Network and the Municipal Association of Victoria's Positive Ageing Network, implementing and actioning State policy, direction and priorities in access and inclusion at a local level.

Domestic Animal Management Plan 2021-25

The *Domestic Animals Act 1994* requires Council to prepare a Domestic Animal Management Plan every four years.
The plan caters for the needs of pets and their owners while achieving a balance with the needs of others in the community.
The plan helps Council provide a professional, consistent, and proactive approach to domestic animal management services.
This includes education and promotion of responsible pet ownership.
Council completed the following actions during the year:

- Promoted opportunities available to members of the public to seek financial assistance in relation to desexing and registration support.
- Attended the East Gippsland Field Days and provided education on responsible pet ownership.
- Established a *Responsible Pet Care and Management* resource on Council's website to enhance community awareness of the importance of responsible pet ownership.

Year	Animal Impoundments	Reclaimed	Adopted	Euthanised	Transferred to Animal Aid Coldstream[1]
2022-23	**572**	**132**	**145**	**97**	**4**
2021-22	423	115	155	56	8
2020-21	525	122	203	92	0
2019-20	612	172	295	68	55
2018-19	871	227	422	186	48
2017-18	770	264	325	128	114
2016-17[2]	900	401	400	151	120
2015-16	923	314	347	151	108

1 – Coldstream is the headquarters of Animal Aid, Councils pound services contractor
2 – Includes carry-over animals in pound from previous year

Food Act Ministerial Directions

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

Road Management Act Ministerial Directions

Under section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any ministerial directions in its annual report.
No such ministerial directions were received by Council during the financial year.

Infrastructure and Development Contributions

Under section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind and publish this report in its Annual Report.
For the 2022-23 year there were no infrastructure and development contributions made. Council did not collect any Community Infrastructure Levies or payments during the financial year.

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Financial Performance

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Certification of the Financial Statements

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

Elizabeth Collins CPA
Principal Accounting Officer
Dated : *9/10/2023*
Bairnsdale

In our opinion, the accompanying financial statements present fairly the financial transactions of the East Gippsland Shire Council for the year ended 30 June 2023 and the financial position of the Council as at that date.

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

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

Councillor Mark Reeves
Councillor
Dated : *9/10/2023*
Bairnsdale

Councillor Mendy Urie
Councillor
Dated : *9/10/2023*
Bairnsdale

Anthony Basford
Chief Executive Officer
Dated : 9/10/2023
Bairnsdale

Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	I have audited the financial report of East Gippsland Shire Council (the council) which comprises the: • balance sheet as at 30 June 2023 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
13 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement
For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Income / Revenue			
Rates and charges	3.1	65,592	62,556
Statutory fees and fines	3.2	2,581	2,514
User fees	3.3	13,074	11,335
Grants - operating	3.4	42,317	32,196
Grants - capital	3.4	18,802	20,606
Contributions - monetary	3.5	853	1,074
Contributions - non monetary	3.5	2,346	1,044
Net gain on disposal of property, infrastructure, plant and equipment	3.6	437	551
Fair value adjustments for investment property	6.2	-	295
Other income	3.7	10,016	9,391
Total income / revenue		**156,018**	**141,562**
Expenses			
Employee costs	4.1	36,782	35,032
Materials and services	4.2	47,955	47,368
Depreciation	4.3	24,506	23,769
Amortisation - intangible assets	4.4	553	985
Amortisation - right of use assets	4.5	89	88
Bad and doubtful debts - allowance for impairment losses	4.6	112	102
Borrowing costs	4.7	150	297
Landfill rehabilitation provision movement	5.5	1,621	(1,125)
Finance costs - leases	4.8	17	18
Fair value adjustments for investment property	6.2	677	-
Other expenses	4.9	5,744	4,052
Total expenses		**118,206**	**110,586**
Surplus for the year		**37,812**	**30,976**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	144,673	31,471
Total other comprehensive income		**144,673**	**31,471**
Total comprehensive result		**182,485**	**62,447**

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

Balance Sheet
As at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	5.1	95,055	116,547
Trade and other receivables	5.1	8,768	9,102
Other financial assets	5.1	45,262	-
Prepayments	5.2	1,043	955
Other assets	5.2	4,528	7,043
Total current assets		**154,656**	**133,647**
Non-current assets			
Trade and other receivables	5.1	243	194
Property, infrastructure, plant and equipment	6.1	1,442,201	1,282,249
Right-of-use assets	5.8	682	771
Investment property	6.2	7,455	8,263
Intangible assets	5.2	446	999
Total non-current assets		**1,451,027**	**1,292,476**
Total assets		**1,605,683**	**1,426,123**
Liabilities			
Current liabilities			
Trade and other payables	5.3	13,125	11,805
Trust funds and deposits	5.3	3,755	3,033
Unearned income/revenue	5.3	19,197	25,951
Provisions	5.5	12,887	11,153
Interest-bearing liabilities	5.4	1,262	-
Lease liabilities	5.8	75	102
Total current liabilities		**50,301**	**52,044**
Non-current liabilities			
Unearned income/revenue	5.3	419	428
Provisions	5.5	4,550	5,643
Interest-bearing liabilities	5.4	1,650	1,650
Lease liabilities	5.8	678	758
Total non-current liabilities		**7,297**	**8,479**
Total liabilities		**57,598**	**60,523**
Net assets		**1,548,085**	**1,365,600**
Equity			
Accumulated surplus		486,359	448,856
Reserves	9.1	1,061,726	916,744
Total Equity		**1,548,085**	**1,365,600**

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

Statement of Changes in Equity
For the Year Ended 30 June 2023

2023	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		1,365,600	448,856	915,218	1,526
Surplus/(deficit) for the year		37,812	37,812	-	-
Net asset revaluation increment/(decrement)	6.1	144,673	-	144,673	-
Transfers to other reserves	9.1	-	(307)	-	307
Transfers from other reserves	9.1	-	(2)	-	2
		1,548,085	486,359	1,059,891	1,835
Balance at end of the financial year		**1,548,085**	**486,359**	**1,059,891**	**1,835**

2022		Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		1,303,153	418,286	883,747	1,120
Surplus/(deficit) for the year		30,976	30,976	-	-
Net asset revaluation increment/(decrement)	6.1	31,471	-	31,471	-
Transfers to other reserves	9.1	-	(408)	-	408
Transfers from other reserves	9.1	-	2	-	(2)
		1,365,600	448,856	915,218	1,526
Balance at end of the financial year		**1,365,600**	**448,856**	**915,218**	**1,526**

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

Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 Inflows/ (Outflows) $'000	2022 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		64,886	62,886
Statutory fees and fines		2,493	2,400
User fees		15,378	14,449
Grants - operating		42,238	34,788
Grants - capital		15,008	17,757
Contributions - monetary		871	1,154
Interest received		5,735	318
Dividends received		3,291	-
Trust funds and deposits taken		11,911	9,540
Other receipts		1,185	14,181
Net GST refund/payment		3,273	3,143
Employee costs		(36,330)	(35,294)
Materials and services		(55,141)	(51,143)
Trust funds and deposits repaid		(11,189)	(9,342)
Other payments		(1,821)	(1,771)
Net cash provided by/(used in) operating activities		**61,788**	**63,066**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(39,893)	(37,548)
Proceeds from sale of property, infrastructure, plant and equipment		873	994
Payments for investments		(45,262)	-
Net cash provided by/(used in) investing activities		**(84,282)**	**(36,554)**
Cash flows from financing activities			
Finance costs		(136)	(321)
Proceeds from borrowings		1,262	-
Repayment of borrowings		-	(1,700)
Interest paid - lease liability		(17)	(18)
Repayment of lease liabilities		(107)	(124)
Net cash provided by/(used in) financing activities		**1,002**	**(2,163)**
Net increase (decrease) in cash and cash equivalents		(21,492)	24,349
Cash and cash equivalents at the beginning of the financial year		116,547	92,198
Cash and cash equivalents at the end of the financial year		**95,055**	**116,547**

Financing arrangements	5.6

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

Statement of Capital Works
For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Property			
Land		937	321
Total land		**937**	**321**
Buildings		13,722	8,310
Heritage buildings		115	152
Total buildings		**13,837**	**8,462**
Total property		**14,774**	**8,783**
Plant and equipment			
Plant, machinery and equipment		2,453	3,489
Fixtures, fittings and furniture		393	812
Computers and telecommunications		1,480	1,020
Library books		205	212
Total plant and equipment		**4,531**	**5,533**
Infrastructure			
Roads		8,730	9,068
Bridges		2,813	3,391
Footpaths and cycleways		478	1,098
Drainage		190	797
Recreational, leisure and community facilities		1,825	3,410
Waste management		1,130	2,033
Parks, open space and streetscapes		1,736	1,096
Off street car parks		625	133
Other infrastructure		5,002	2,858
Total infrastructure		**22,529**	**23,884**
Total capital works expenditure		**41,834**	**38,200**
Represented by:			
New asset expenditure		17,980	11,401
Asset renewal expenditure		21,797	23,684
Asset upgrade expenditure		2,057	3,115
Total capital works expenditure		**41,834**	**38,200**

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

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 1 OVERVIEW

Introduction

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

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Significant accounting policies

1.1 Basis of accounting

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or $500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2023 $'000	Actual 2023 $'000	Variance $'000	Variance %	Ref
Income / Revenue					
Rates and charges	65,194	65,592	**398**	**1%**	
Statutory fees and fines	2,283	2,581	**298**	**13%**	**1**
User fees	12,127	13,074	**947**	**8%**	**2**
Grants - operating	11,439	42,317	**30,878**	**270%**	**3**
Grants - capital	53,208	18,802	**(34,406)**	**(65%)**	**4**
Contributions - monetary	663	853	**190**	**29%**	**5**
Contributions - non monetary	2,000	2,346	**346**	**17%**	**6**
Net gain on disposal of property, infrastructure, plant and equipment	-	437	**437**	**100%**	**7**
Other income	4,108	10,016	**5,908**	**144%**	**8**
Total income / revenue	**151,022**	**156,018**	**4,996**	**3%**	
Expenses					
Employee costs	35,090	36,782	**(1,692)**	**(5%)**	**9**
Materials and services	46,931	47,955	**(1,024)**	**(2%)**	**10**
Depreciation	25,659	24,506	**1,153**	**4%**	**11**
Amortisation - intangible assets	1,214	553	**661**	**54%**	**12**
Amortisation - right of use assets	71	89	**(18)**	**(25%)**	**13**
Bad and doubtful debts - allowance for impairment losses	28	112	**(84)**	**(300%)**	**14**
Borrowing costs	265	150	**115**	**43%**	**15**
Landfill rehabilitation provision movement	-	1,621	**(1,621)**	**100%**	**16**
Finance costs - leases	1	17	**(16)**	**(1600%)**	**17**
Fair value adjustments for investment property	-	677	**(677)**	**100%**	**18**
Other expenses	1,676	5,744	**(4,068)**	**(243%)**	**19**
Total expenses	**110,935**	**118,206**	**(7,271)**	**(7%)**	
Surplus for the year	**40,087**	**37,812**	**2,275**	**6%**	

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines - $298k greater than budget	As a result of increased planning applications the planning fees exceeded the budget by $347k. Building fees were also greater than budget by $59k. Offsetting the increase in fees was a reduction in fees for legal recoveries of $109k as a result of the timing of progressing outstanding rates and charges to the magistrates court for recovery. This is offset by a reduction in legal costs.
2	User fees - $947k greater than budget	User fees for recreation facilities increase over budget by $458k as a result of an increase in memberships and other services. Marina fees was also greater than budget by $183k as a result of the number of berths being utilised. Waste fees were also greater than budget by $115k due to usage of waste facilities. Caravan park income was greater than budget by $97k as a result of an increase in usage. Raymond Island Ferry fees and the Livestock exchange fees accounted for a further $117k increase as a result of increased use.
3	Grants - operating - $30.9m greater than budget	The 100% advance payment of the indicative 2023/24 Victoria Grants Commission general purpose and road grant plus the adjustment for the final 2022/23 allocation of $19.9m was the most significant variation. Additional unbudgeted grant funding for Bushfire recovery resourcing of $5.3m was also received. Other unbudgeted bushfire Resilience and Recovery grants were received, totalling $7.1m for a number of programs including Wellbeing and Mental Health, Rebuilding and Business and Economic recovery. There were several other new grants for projects with the most significant being $500k for Council Flood Support. As a result of the timing of works for a number of bushfire community projects grants funds for these projects was underbudget by $4.3m.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
4	Grants - capital - $34.4m less than budget	Capital grants were $34.4m less than the adopted budget. The timing of works for a number of large capital projects will see those projects completed in the 2023/24 year. As a result grant income associated with the projects will now not be received until the 2023/24 year. Some of the most significant projects and capital grant variances are as follows: - Omeo Mountain Bike Trails - Stage 1 - $0.6m - Jemmy Point Lookout Infrastructure Renewal - $1.7m - Parking Design - Marine Parade Lakes Entrance - $1.28m - Paynesville Seawall Design - $0.8m - Bullock Island Works - $1.42m - Cann River Roadside rest Area - $0.91m - Orbost Forest Park Upgrade - $1.3m - WORLD Sporting Precinct - $6.8m - Slip Road Maritime Precinct Paynesville - $5.2m - Lakes Entrance Marine Parade Upgrade - $1m - Livingstone Park Community Facilities - $0.92m - Mallacoota Streetscape - $1.3m - Buchan Streetscape - $0.8m - Krauatungalung Walk Stage 1 - $1.9m - Moroney Street Bairnsdale Stage 2 - $1m - Mallacoota Hall Upgrade - $0.8m - Cann River Skatepark - $0.5m - Entry Road & Parking at Lucknow Rec Res/Gymnastics - $0.8m - Krauatungalung Walk Stage 2 - $0.6m - Omeo Mountain Bike Trails - Stage 2 - $0.6m
5	Contributions - monetary - $190k greater than budget	Capital contributions of $146k were not received as a result of the timing of the works for the related projects. Subdivision developer contributions exceeded budget by $258k and an unbudgeted contribution of $83k was received for a road project.
6	Contributions - non monetary - $346k greater than budget	Contributed assets of $2.346m were received during the year against a budget of $2m. Developer contributed assets vary from year to year depending on subdivision activity.
7	Net gain on disposal of property, infrastructure, plant and equipment - $437k greater than budget	The proceeds from the sale of assets exceeded the written down value of the assets. These were mainly vehicle sales.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
8	Other income - $5.908m greater than budget	The timing for reimbursements for replacement and rehabilitation works for a number of natural disaster events accounts for $866k of the additional income. Additional income from the investment of surplus cash of $3.258m resulted from the significant increase in the interest rates during the year. Workcover reimbursements were $287k greater than budget. Lease income was greater than budget by $185k also. A reimbursement of $561k for Street Lighting VEEC credits was unbudgeted. Reimbursements for capital projects of $551k was also unbudgeted.
9	Employee costs - $1.69m greater than budget	Workcover premium costs were $877k less than the adopted budget as the MAV Scheme cost was less than expected. Superannuation expense was $324k greater than budget as a result of additional staff employed during the year for grant funded programs and projects as well as salaries costs of $511k. As a result of a number of vacancies during the year external agency staff were used in a number of roles. The recovery of capital wages and overheads was less than budget by $1.042m as a result of the actual capital expenditure being less than budget. There was additional employee costs for bushfire recovery employees of $896k that was funding from grant income received in the previous year. The movement in annual leave and long service leave provisions were less than budget by $194k.
10	Materials and services - $1.024m greater than budget	Unbudgeted Bushfire recovery programs expenditure of $1.34m occurred during the year. This expenditure was funded though from grants received in the prior year. There were a number of community projects for the upgrade of facilities that were underspend during the year as they will be completed in the next financial year and these projects amounted to an underspend of materials of $4.8m. These facilities included the Sarsfield Recreation reserve, Buchan Recreation reserve, Swifts Creek Recreation reserve and the Club Terrace Community Facility. There was unbudgeted expenditure for restoration works following natural disaster events of $2.325m which is funded from unbudgeted reimbursements. Funding was received for Resilience and Recovery programs and the unbudgeted materials expenditure for these programs was $523k. Contract and materials payment for the maintenance of roads and bridges exceeded the budget by $1.6m (excluding the natural disaster restoration works) as a result of additional maintenance works required that were seasonal in nature.
11	Depreciation - $1.153m less than budget	Depreciation expenses was $1.153m less than budget mainly as a result of the new landfill cell not yet being completed and in use.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
12	Amortisation - intangible assets - $661k less than budget	The Landfill Air Space assets were fully amortised during the year and the new cell is yet to be open for use so no new air space assets were created during the year.
13	Amortisation - right of use assets - $18k greater than budget	Minor variance based on actual for the year.
14	Bad and doubtful debts - allowance for impairment losses - $84k greater than budget	The assessment at year end of the required provision for doubtful debts was greater than budget by $84k.
15	Borrowing costs - $115k less than budget	As a result of the Community Infrastructure Low Interest loans not being fully drawn down during the year, the borrowing costs are less than budget.
16	Landfill rehabilitation provision movement - $1.621m greater than budget	There was an adjustment to the present value calculation of an increase of $1.621m and other adjustments that required an increase to the Landfill Provision for future rehabilitation works.
17	Finance costs - leases - $16k greater than budget	Minor variance based on actual cost for the year.
18	Fair value adjustments for investment property - $677k greater than budget	There was a decrease in the fair value of investment properties as at the end of the year. No budget had been provided for this decrease in value.
19	Other expenses - $4.068m greater than budget	There were $4.089m of buildings, roads, bridges and other assets written off primarily as a result of assets being replaced. Operating leases for the Bushfire Administration Centre were greater than budget by $50k as a result of the lease period ending later than expected. Legal expenses were less than budget by $109k.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 2 ANALYSIS OF OUR RESULTS

2.1.2 Capital works

	Budget 2023 $'000	Actual 2023 $'000	Variance $'000	Variance %	Ref
Property					
Land	2,127	937	(1,190)	**(56%)**	**1**
Total land	**2,127**	**937**	**(1,190)**	**(56%)**	
Buildings	13,385	13,722	337	**3%**	**2**
Heritage buildings	146	115	(31)	**(21%)**	
Total buildings	**13,531**	**13,837**	**306**	**2%**	
Total property	**15,658**	**14,774**	**(884)**	**(6%)**	
Plant and equipment					
Plant, machinery and equipment	3,702	2,453	(1,249)	**(34%)**	**3**
Fixtures, fittings and furniture	30	393	363	**1210%**	**4**
Computers and telecommunications	6,060	1,480	(4,580)	**(76%)**	**5**
Library books	209	205	(4)	**(2%)**	
Total plant and equipment	**10,001**	**4,531**	**(5,470)**	**(55%)**	
Infrastructure					
Roads	15,467	8,730	(6,737)	**(44%)**	**6**
Bridges	3,580	2,813	(767)	**(21%)**	**7**
Footpaths and cycleways	1,245	478	(767)	**(62%)**	**8**
Drainage	1,962	190	(1,772)	**(90%)**	**9**
Recreational, leisure and community facilities	14,123	1,825	(12,298)	**(87%)**	**10**
Waste management	2,564	1,130	(1,434)	**(56%)**	**11**
Parks, open space and streetscapes	33,113	1,736	(31,377)	**(95%)**	**12**
Aerodromes	116	-	(116)	**(100%)**	**13**
Off street car parks	1,598	625	(973)	**(61%)**	**14**
Other infrastructure	4,664	5,002	338	**7%**	**15**
Total infrastructure	**78,432**	**22,529**	**(55,903)**	**(71%)**	
Total capital works expenditure	**104,091**	**41,834**	**(62,257)**	**(60%)**	
Represented by:					
New asset expenditure	30,931	17,980	(12,951)	**(42%)**	**16**
Asset renewal expenditure	70,324	21,797	(48,527)	**(69%)**	**17**
Asset upgrade expenditure	2,836	2,057	(779)	**(27%)**	**18**
Total capital works expenditure	**104,091**	**41,834**	**(62,257)**	**(60%)**	

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.2 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land - $1.190m less than budget	Land Acquisitions was under budget by $1.19m as a result of the timing for these projects and will be completed in the 2023/24 year.
2	Buildings - $337k greater than budget	There were a number of projects that will not be completed until the 2023/24 year. The most significant of these are Eagle Point Foreshore Hub under budget by $1.787m, Bairnsdale City Oval Changerooms upgrade under budget by $820k, Building renewals and Energy Efficiency projects under budget of $1.222m, Eagle Point Caravan Park Amenities Block Renewal under budget by $362k, Mallacoota Foreshore Holiday Park Fire Safety Works under budget by $432k, Mallacoota Hall Upgrade under budget by $820k and Lake Tyers Beach Hall Upgrade under budget by $384k. These were offset by the Gymnasium Facility Lucknow that was over budget by $561k. The WORLD Sporting Precinct Project was classified as Recreation in the budget but the actual has been classified as Buildings at year end with actual expenditure of $5.526m.
3	Plant, machinery and equipment - $1.249m less than budget	The timing for the purchase of new plant and equipment has seen an under spend in the 2022/23 year that will be carried forward to the 2023/24 year as a result of delays in the delivery of plant and vehicles.
4	Fixtures, fittings and furniture - $363k greater than budget	There were a number of projects classified in various categories in the budget that had components where the expenditure was classified as fixtures and fittings at year end. The most significant of these projects are Internal CCTV actual expenditure $111k, Glass recycling actual expenditure $91k and Mallacoota Cricket Nets actual expenditure $77k.
5	Computers and telecommunications - $4.58m less than budget	There are a number of IT projects that will be delivered over the coming years and have been carried forward into the 2023/24 year. This is a result of the timing for these upgrades to corporate systems and accounts for the budget variance.
6	Roads - $6.737m less than budget	Some major roads projects will not be completed until the 2023/24 year. The most significant of these projects that are under budget for the year include Marine Parade Lakes Entrance Parking and Road works $2.55m under budget, Entry Road and Parking Lucknow Recreation reserve $681k under budget and Moroney Street Bairnsdale $909k under budget. The Power Road project with a budget of $624k was cancelled. There were also a number of Parks Streetscape projects that had cost components classified as Roads and have added to the expenditure. The most significant of these are Buchan Streetscape $442k, Nowa Nowa Streetscape $470k and Mallacoota Streetscape $151k.
7	Bridges - $767k less than budget	The Bullock Island Bridge project will be completed in the 2023/24 year and was under budget by $797k.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.2 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
8	Footpaths and cycleways - $767k less than budget	There were a number of Footpath projects that will now be completed in the 2023/24 year with the most significant being Lindenow Footpath Connections under budget by $473k and the Footpath renewal program under budget by $350k. This was offset by the Krauatungalung Walk expenditure of $145k with the budget for this project being in Parks.
9	Drainage - $1.772m less than budget	There were a number of projects that will be completed in the 2023/24 year with the most significant being the Stormwater Drainage renewal program under budget by $393k and the Jones Bay Southern Catchment WSUD project under budget by $741k. There were other drainage projects that were under budget by $671k. Offsetting this was the LENGA Drainage project which had been included in the Roads budget but has been classified as drainage at year end with actual expenditure of $196k.
10	Recreational, leisure and community facilities - $12.298m less than budget	There are a number of projects that were classified as Recreation in the budget but at year end the expenditure has been classified into various other asset categories. The most significant project is the WORLD Sporting Precinct with a budget of $11.527m. These were also a number of projects that were classified in other asset categories in the budget but the actual has been classified as Recreation at year end. The most significant of these projects are Mallacoota Seawall Design actual $188k, Slip Road Paynesville Maritime Precinct actual $312k and Cann River Skatepark actual $29k. There were also a number of projects that will now not be completed until the 2023/24 year with the most significant of these being Shaving Point Metung Boat Ramp Upgrade under budget by $525k, LRCI Bairnsdale Oval Lighting Upgrade under budget by $307k, Metung Bowls Club under budget by $161k and Omeo Netball Courts Upgrade under budget by $148k.
11	Waste management - $1.434m less than budget	The Cann River Transfer Station project was included in the Waste budget but has been classified as Buildings at year end. The budget for this project was $1.5m. The Construction of Cell 4 has been delayed and will be completed in the 2023/24 budget with an underspend of $647k.
12	Parks, open space and streetscapes - $31.377m less than budget	There were a number of projects classified as Parks in the budget but at year end the expenditure has been classified as a different asset category. The most significant of these are the Omeo Mountain Bike Trail budget $4.09m, Jemmy's Point Lookout budget $2.07m, Bruthen Streetscape budget $1.231m, Mallacoota Streetscape budget $1.84m, Buchan Streetscape budget $1.583m, Nowa Nowa Streetscape budget $495k, Krauatungalung Walk budget $2.186m, Bullock Island Masterplan implementation budget $2.78m and Slip Road Paynesville Maritime Precinct budget $5.216m. There were also a number of projects that will now not be completed until the 2023/24 year and these include Lakes Entrance Foreshore Park under budget by $1.549m, Orbost Forest Park under budget by $1.645m, Livingstone Park Community Facilities under budget by $1.507m and Lakes Entrance Slipway Upgrade under budget by $661k.
13	Aerodromes - $116k less than budget	The budgeted aerodrome works will now be undertaken in the 2023/24 year.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.2 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
14	Off street car parks - $973k less than budget	The Cann River Roadside rest Area project will be completed in the 2023/24 year and was under budget by $1.049m.
15	Other infrastructure - $338k greater than budget	There were a number of projects that were classified as Other Infrastructure in the budget but have been classified as a different asset category at year end. The most significant of these are the Paynesville Seawall design with a budget of $1.665m and Mallacoota Seawall design with a budget of $1.4m. There were a number of projects that were included in other categories in the budget but the actual expenditure has been classified as Other Infrastructure at year end. These include the Omeo Mountain Bike Trail actual expenditure of $2.234m, Bruthen Streetscape actual expenditure $1.023m, Mallacoota Skatepark actual expenditure $494k, Lindenow Sports Lighting actual expenditure $268k, Static Water Tanks actual expenditure $266k, Orbost Airport Fencing actual expenditure $164k and Lakes Entrance Transfer Station Upgrade actual expenditure $266k. There were also a number of contingencies that were included in the Other Infrastructure Budget that were reallocated to specific projects during the year and those budgets amounted to $907k.
16	New asset expenditure - $12.951m less than budget	A number of projects that are new assets were incomplete at year end and will be completed in the 2023/24 year. The most significant of these projects are Omeo Mountain Bike Trails Stages 1 and 2 underbudget by $2.695m, Eagle Point Foreshore Hub under budget by $1.788m, Bullock Island Masterplan Implementation under budget by $1.918m, Land Purchases under budget by $885k and WORLD Sporting Precinct under budget by $5m.
17	Asset renewal expenditure - $48.527m less than budge	There were a significant number of renewal projects that will now be completed in the 2023/24 year. The most significant of these are Mallacoota Streetscape under budget by $1.689m, Buchan Streetscape under budget by $1.141m, Bairnsdale City Oval Changerooms upgrade under budget by $820k, Raymond Island Koala Experience under budget by $547k, Moroney Street Bairnsdale under budget by $908k, Hinnomunjie Bridge Restoration under budget by $493k, Cann River Skatepark under budget by $576k, Shaving Point Boat Ramp under budget by $524k, Building renewal program under budget by $672k, Plant and Vehicle renewals under budget by $1.801m, Forward Design Roads and Drainage under budget by $435k, Jemmy's Point Lookout under budget by $1.933m, Parking Design - Marine Parade Lakes Entrance under budget by $1.358m, Paynesville Seawall design under budget by $1.665m, Mallacoota Seawall design under budget by $1.211m, Bullock Island Bridge under budget by $797k, Cann River Roadside Rest Area under budget by $1.049m, Forest Park Orbost under budget by $1.644m, Eagle Point Caravan Park Amenities Block Renewal under budget by $362k, Mallacoota Foreshore Holiday Park Fire Safety Works under budget by $432k, Cann River Waste Transfer Station under budget by $1.463m, Slip Road Paynesville Maritime Precinct under budget by $4.933m, Lakes Entrance Marine Parade Upgrade under budget by $1.198m, Lakes Entrance Foreshore Park under budget by $1.548m, Livingstone Park Community Facilities under budget by $1.507m, IT renewals under budget by $932k, Air Handling Unit Lakes Aquadome under budget by $469k and Roads under budget by 3.092m.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.1.2 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
18	Asset upgrade expenditure - $779k less than budget	There were a number of projects that will not be completed until the 2023/24 year and account for the under spend for asset upgrades. The most significant of these are Building Energy Efficiencies under budget by $550k, Krauatungalung Walk Stage 2 under budget by $619k, Entry Road and Parking Lucknow Recreation Reserve under budget by $681k and Mallacoota Hall Upgrade under budget by $784k. There were also a number of projects that had components of actual expenditure classified as Other Infrastructure at year end but the budget was included in other asset categories. These costs amounted to $899k withy the most significant being the Mallacoota Skatepark $494k and Raymond Island Toilet Block upgrade with expenditure of $203k.

Notes to the Financial Report
For the Year Ended 30 June 2023

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Office of the CEO

Activities associated with municipal governance including the Chief Executive Officer.

Business Excellence

Activities associated with financial management, rate collection, risk management, valuations, information services and human resources, procurement, the cost of Councillors, corporate planning, customer service, libraries, communications, regulatory services, governance administration and property services.

Place and Community

Activities associated with strategic and statutory planning, economic development and tourism, emergency management, family and childrens services, aged services, community planning and development and bushfire recovery activities.

Assets and Environment

Activities associated with roads, bridges, drainage, signs, footpaths and street sweeping, parks and reserves, tree management, playgrounds, public toilets, waste and environmental management, asset management, capital works program, commercial business operations, recreation facilities and Forge Theatre and fleet and plant management.

Notes to the Financial Report
For the Year Ended 30 June 2023

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

2023	Income / Revenue $'000	Expenses $'000	Surplus $'000	Grants included in income / revenue $'000	Total assets $'000
Office of the CEO	671	671	-	-	-
Business Excellence	56,572	20,907	35,665	17,533	11,966
Place and Community	13,915	11,768	2,147	12,258	627
Assets and Environment	84,860	84,860	-	31,328	1,593,090
	156,018	**118,206**	**37,812**	**61,119**	**1,605,683**

2022	Income / Revenue $'000	Expenses $'000	Surplus $'000	Grants included in income / revenue $'000	Total assets $'000
Office of the CEO	660	660	-	-	-
Business Excellence	51,070	20,094	30,976	17,308	18,384
Place and Community	11,625	11,625	-	6,268	383
Assets and Environment	78,207	78,207	-	29,226	1,407,356
	141,562	**110,586**	**30,976**	**52,802**	**1,426,123**

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all of its improvements.

The valuation base used to calculate general rates for 2022/23 was $12,355 million (2021/22 $9,200 million). Commercial/Industrial rates for 2022/23 was $1,303 million (2021/22 $1,138 million) and Farm rates was for 2022/23 $2,526 million (2021/22 $1,849 million). The 2022/23 rate in the CIV dollar for General rates was 0.00290802 (2021/22 0.00370130), Commercial/Industrial rates was 0.00407123 (2021/22 0.00536688) and Farm rates was 0.00232641 (2021/22 0.00296104).

	2023 $'000	2022 $'000
General rates	47,112	45,636
Municipal charge	7,502	7,280
Waste management charge	9,882	8,539
Supplementary rates and rate adjustments	656	691
Interest on rates and charges	300	277
Revenue in lieu of rates	140	133
Total rates and charges	**65,592**	62,556

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation was first applied in the rating year commencing 1 July 2022.

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

3.2 Statutory fees and fines

	2023 $'000	2022 $'000
Infringements and costs	269	282
Application Registration Fees	328	338
Animal Registrations	490	478
Town planning fees	1,059	948
Land information certificates	95	136
Permits	70	71
Other	270	261
Total statutory fees and fines	**2,581**	**2,514**

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

3.3 User fees

	2023 $'000	2022 $'000
Aged and health services	11	26
Leisure centre and recreation	2,760	1,809
Raymond Island Ferry	293	283
Arts and Culture	236	136
Caravan Parks	3,078	2,724
Saleyards	879	850
Marinas	1,204	1,158
Child care/children's programs	186	141
Tourism	65	58
Building services	110	132
Waste management services	4,098	3,868
Other fees and charges	154	150
Total user fees	**13,074**	**11,335**

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
	$'000	**$'000**
User fees by timing of revenue recognition		
User fees recognised over time	2,585	2,155
User fees recognised at a point in time	10,489	9,180
Total user fees	**13,074**	**11,335**

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
	$'000	$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	34,926	36,314
State funded grants	25,743	16,293
Other	450	195
Total grants received	**61,119**	**52,802**
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	24,187	22,775
Aged Services	-	45
Recurrent - State Government		
Arts and Culture	60	60
Asset Maintenance	86	56
Community Development	(41)	55
Community Laws	118	99
Emergency Management	167	195
Environmental Management	97	94
Libraries	379	374
Parks and Gardens	1	-
Public Health	52	37
Total recurrent operating grants	**25,106**	**23,790**
Non-recurrent - Commonwealth Government		
Community Development	105	140
Bushfire Recovery	-	-
Econmic Development	196	124
Environmental Management	151	1,445
Buildings	176	-
Roads	346	29
Recreational, Leisure and Community Facilities	39	7
Non-recurrent - State Government		
Community Development	183	203
Community Laws	79	-
Arts and Culture	6	72
Economic Development	350	640
Bushfire Recovery	13,518	4,722
Emergency Management	576	-
Libraries	27	60
Environmental Management	-	4
Public Health	20	-
Work for Victoria	-	288
Roads	23	24
Strategic planning	(76)	130
Human resource	68	66
Recreational, Leisure and Community Facilities	1,009	134
Waste	-	134
Non-recurrent - Other		
Environmental Management	103	59
Community Development	-	1
Economic Development	81	50
Events	20	20
Strategic planning	200	-
Libraries	11	51
Arts and Culture	-	3
Total non-recurrent operating grants	**17,211**	**8,406**
Total operating grants	**42,317**	**32,196**

Notes to the Financial Report
For the Year Ended 30 June 2023

(b) Capital Grants	2023	2022
	$'000	$'000
Recurrent - Commonwealth Government		
Roads to recovery	2,843	3,507
Recurrent - State Government		
Recreational, Leisure and Community Facilities	9	9
Total recurrent capital grants	**2,852**	**3,516**
Non-recurrent - Commonwealth Government		
Buildings	784	-
Bridges	2,256	1,550
Aerodrome	(77)	220
Footpath and Cycleways	232	197
Other Infrastructure	-	230
Parks, Open Space and Streetscapes	(89)	738
Recreational, Leisure and Community Facilities	2,352	3,493
Roads	1,131	1,618
Emergency Management	270	-
Environmental sustainability	24	176
Car Parks	-	20
Non-recurrent - State Government		
Buildings	64	507
Arts and Culture	90	-
Caravan Parks	-	11
Parks, Open Space and Streetscapes	48	862
Recreational, Leisure and Community Facilities	6,642	6,168
Governance	-	-
Waste Management	313	186
Environmental sustainability	182	-
Emergency Management	46	-
Roads	1,647	980
Footpath and Cycleways	-	123
Non- recurrent - Other		
Recreational, Leisure and Community Facilities	21	11
Library	14	-
Total non-recurrent capital grants	**15,950**	**17,090**
Total capital grants	**18,802**	**20,606**

Notes to the Financial Report
For the Year Ended 30 June 2023

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:
- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

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

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

	2023	2022
Income recognised under AASB 1058 *Income of Not-for-Profit Entities*	**$'000**	**$'000**
General purpose	25,101	28,619
Specific purpose grants to acquire non-financial assets	33,151	20,605
Other specific purpose grants	1,266	1,124
Revenue recognised under AASB 15 *Revenue from Contracts with Customers*		
Specific purpose grants	1,601	2,454
	61,119	**52,802**

	2023	2022
	$'000	**$'000**
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	10,489	7,003
Received during the financial year and remained unspent at balance date	1,250	8,752
Received in prior years and spent during the financial year	(8,720)	(5,266)
Balance at year end	**3,019**	**10,489**
Capital		
Balance at start of year	22,482	20,516
Received during the financial year and remained unspent at balance date	9,113	10,251
Received in prior years and spent during the financial year	(15,820)	(8,285)
Balance at year end	**15,775**	**22,482**

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
3.5 Contributions	**$'000**	**$'000**
Monetary	853	1,074
Non-monetary	2,346	1,044
Total contributions	**3,199**	**2,118**

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

Land	1,262	365
Roads	776	593
Drainage	259	51
Footpath	49	35
Total non-monetary contributions	**2,346**	**1,044**

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

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

Proceeds of sale	873	994
Written down value of assets disposed	(436)	(443)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	**437**	**551**

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

3.7 Other income

Interest	3,549	341
Investment property rental	1,103	944
Reimbursements - Other	2,297	1,047
Reimbursements - Natural Disasters	2,949	6,917
Other	118	142
Total other income	**10,016**	**9,391**

Interest is recognised as it is earned.

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

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 4 THE COST OF DELIVERING SERVICES

4.1 (a) Employee costs

	2023 $'000	2022 $'000
Wages and salaries	28,368	26,834
WorkCover	969	1,676
Casual staff	3,841	3,316
Superannuation	3,472	3,080
Fringe benefits tax	132	126
Total employee costs	**36,782**	**35,032**

(b) Superannuation

Council made contributions to the following funds:

	2023 $'000	2022 $'000
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	20	22
	20	**22**
Employer contributions payable at reporting date.	2	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,436	1,051
Employer contributions - Australian Super	325	255
Employer contributions - Hostplus	232	230
Employer contributions - Vic Super	184	180
Employer contributions - other funds	1,275	1,342
	3,452	**3,058**
Employer contributions payable at reporting date.	70	50

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contractors

	2023 $'000	2022 $'000
- Road maintenance	12,050	12,144
- Vegetation management	1,767	2,305
- Ferry maintenance	26	217
- Aerodrome Operations and maintenance	85	100
- Building maintenance	262	237
- Electrical Services	367	32
- Ferry service	-	651
- Environmental Management	100	-
- Waste collection	4,567	4,176
- Waste Management	1,355	766
- Animal pound services	265	255
- Courier services	87	85
- Cleaning	1,101	1,156
- Swifts Creek Recreation Reserve	481	-
- Street Lighting	95	1,074
- Community facilities IT implementation	-	222
- Consulting	177	351
- Other	25	-
Total Contractors	**22,810**	**23,771**

Notes to the Financial Report
For the Year Ended 30 June 2023

4.2 Materials and services (Cont'd)

	2023	2022
	$'000	$'000
Other materials and services		
Building maintenance	466	230
General maintenance	12,488	12,268
Utilities	2,067	1,913
Office administration	1,892	1,069
Information technology	2,585	2,314
Insurance	1,366	1,246
Consultants	2,040	1,509
Contributions	2,241	3,048
Total Other materials and services	**25,145**	**23,597**
Total materials and services	**47,955**	**47,368**

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

4.3 Depreciation

Property	3,835	3,478
Plant and equipment	3,185	2,919
Infrastructure	17,486	17,372
Total depreciation	**24,506**	**23,769**

Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software	99	85
Landfill Airspace	454	900
Total Amortisation - Intangible assets	**553**	**985**

4.5 Amortisation - Right of use assets

Property	74	69
Plant and Equipment	15	19
Total Amortisation - Right of use assets	89	88

Notes to the Financial Report
For the Year Ended 30 June 2023

4.6 Bad and doubtful debts - allowance for impairment losses

	2023 $'000	2022 $'000
Parking fine debtors	17	38
Animal fine debtors	52	68
Rates debtors	14	(13)
Other debtors	29	9
Total bad and doubtful debts - allowance for impairment losses	112	102

	2023 $'000	2022 $'000
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	1,077	1,016
New provisions recognised during the year	110	66
Amounts already provided for and written off as uncollectible	-	(5)
Balance at end of year	**1,187**	**1,077**

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

4.7 Borrowing costs

	2023 $'000	2022 $'000
Interest - Borrowings	150	297
Total borrowing costs	**150**	**297**

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

4.8 Finance Costs - Leases

	2023 $'000	2022 $'000
Interest - Lease Liabilities	17	18
Total finance costs	**17**	**18**

4.9 Other expenses

	2023 $'000	2022 $'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	29	54
Auditors' remuneration - Internal Audit	39	35
Councillors' allowances	412	361
Operating lease rentals	178	234
Memberships/Subscriptions	360	324
Bank fees and charges	259	223
Legal fees	364	354
Assets written-off -Buildings	796	454
Assets written-off -Bridges	370	633
Assets written-off -Roads	1,719	1,199
Assets written-off -Open Space	503	-
Assets written-off -Others	701	156
Others	14	25
Total other expenses	**5,744**	**4,052**

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 5 OUR FINANCIAL POSITION

5.1 Financial assets

	2023	2022
	$'000	$'000
(a) Cash and cash equivalents		
Cash on hand	11	11
Cash at bank	48,033	89,487
Term deposits	47,011	27,049
Total cash and cash equivalents	**95,055**	**116,547**
(b) Other financial assets		
Current		
Term deposits - current	45,262	-
Total current other financial assets	45,262	-
Total other financial assets	45,262	-
Total financial assets	**140,317**	**116,547**

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

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

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

(c) Trade and other receivables

	2023	2022
Current		
Statutory receivables		
Rates debtors	4,312	3,606
Special rate assessment	630	938
Infringement debtors	960	865
Provision for doubtful debts - infringements and rates	(1,118)	(1,012)
Net GST receivable	1,322	1,443
Non statutory receivables		
Other debtors	2,731	3,327
Provision for doubtful debts - other debtors	(69)	(65)
Total current trade and other receivables	**8,768**	**9,102**
Non-current		
Statutory receivables		
Special rate scheme	243	194
Total non-current trade and other receivables	**243**	**194**
Total trade and other receivables	**9,011**	**9,296**

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

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
	$'000	$'000
(d) Ageing of Receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,952	2,807
Past due by up to 30 days	108	204
Past due between 31 and 180 days	500	189
Past due between 181 and 365 days	58	30
Past due by more than 1 year	44	31
Total trade and other receivables	**2,662**	**3,261**

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of $69,000 (2022: $65,000) were impaired. The amount of the provision raised against these debtors was $ 69,000 (2022: $65,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by more than 1 year	69	65
Total trade & other receivables	**69**	**65**

Notes to the Financial Report
For the Year Ended 30 June 2023

5.2 Non-financial assets

	2023	2022
(a) Prepayments	**$'000**	**$'000**
Prepayments	1,043	955
Total prepayments	**1,043**	**955**
(b) Other assets		
Accrued income	598	202
Grant income receivable	3,903	6,816
Other	27	25
Total other assets	**4,528**	**7,043**
(c) Intangible assets		
Software	446	545
Landfill air space	-	454
Total intangible assets	**446**	**999**

	Software	Landfill	Total
	$'000	**$'000**	**$'000**
Gross carrying amount			
Balance at 1 July 2022	2,142	4,854	6,996
Additions from internal developments	-	-	-
Other additions	-	-	-
Balance at 30 June 2023	**2,142**	**4,854**	**6,996**
Accumulated amortisation and impairment			
Balance at 1 July 2022	1,597	4,400	5,997
Amortisation expense	99	454	553
Balance at 30 June 2023	**1,696**	**4,854**	**6,550**
Net book value at 30 June 2022	545	454	999
Net book value at 30 June 2023	**446**	**-**	**446**

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report
For the Year Ended 30 June 2023

5.3 Payables, trust funds and deposits and unearned income/revenue	**2023** $'000	**2022** $'000
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	11,279	9,528
Accrued expenses	1,846	2,277
Total current trade and other payables	**13,125**	**11,805**
(b) Trust funds and deposits		
Current		
Refundable deposits	3,123	2,391
Fire services levy	215	208
Retention amounts	417	434
Total current trust funds and deposits	**3,755**	**3,033**
(c) Unearned income/revenue - Current		
Grants received in advance - operating	3,019	3,099
Grants received in advance - capital	15,775	22,482
Caravan Park and other	250	224
Prepaid Marina Income	153	146
Total current unearned income/revenue	**19,197**	**25,951**
(d) Unearned income/revenue - Non Current		
Prepaid Marina Income	419	428
Total Unearned income/revenue - Non Current	**419**	**428**

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of government grants for projects yet to have completed the obligation for use of the grant, marina berth licences received for future years and caravan park booking made in advance. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Purpose and nature of items

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including contract deposits and the use of civic facilities. Refundable deposits also include other monies received by Council in excess of amounts due to be paid and will either be returned or transferred in accordance with the purpose of the receipt.

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

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Notes to the Financial Report
For the Year Ended 30 June 2023

5.4 Interest-bearing liabilities

	2023	2022
	$'000	$'000
Current		
Treasury Corporation of Victoria borrowings - secured	1,262	-
Total current interest-bearing liabilities	**1,262**	**-**
Non-current		
Other borrowings - secured	1,650	1,650
Total non-current interest-bearing liabilities	**1,650**	1,650
Total	**2,912**	**1,650**

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

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

Not later than one year	1,262	-
Later than one year and not later than five years	1,150	1,150
Later than five years	500	500
	2,912	**1,650**

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Employee	Landfill restoration	Native Vegetation	Total
2023	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Balance at beginning of the financial year	6,650	9,959	187	16,796
Additional provisions	877	599	18	1,494
Amounts used	(618)	(1,136)	-	(1,754)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(121)	1,022	-	901
Balance at the end of the financial year	**6,788**	**10,444**	**205**	**17,437**
Summary of provisions				
Provisions - current	6,102	6,785	-	**12,887**
Provisions - non-current	686	3,659	205	**4,550**
Total provisions	**6,788**	**10,444**	**205**	**17,437**
2022				
Balance at beginning of the financial year	7,004	11,792	192	18,988
Additional provisions	995	374	16	1,385
Amounts used	(638)	(708)	(21)	(1,367)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(711)	(1,499)	-	(2,210)
Balance at the end of the financial year	**6,650**	**9,959**	**187**	**16,796**
Summary of provisions				
Provisions - current	6,081	5,072	-	**11,153**
Provisions - non-current	569	4,887	187	**5,643**
Total provisions	**6,650**	**9,959**	**187**	**16,796**

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
(a) Employee provisions	**$'000**	**$'000**
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,505	2,380
Long service leave	316	328
	2,821	**2,708**
Current provisions expected to be wholly settled after 12 months		
Annual leave	431	425
Long service leave	2,849	2,948
	3,280	**3,373**
Total current employee provisions	**6,101**	**6,081**
Non-current		
Long service leave	686	569
Annual leave	-	-
Total non-current employee provisions	**686**	**569**
Aggregate carrying amount of employee provisions:		
Current	6,101	6,081
Non-current	686	569
Total aggregate carrying amount of employee provisions	**6,787**	**6,650**

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

Annual leave

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

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

Long service leave

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

Key assumptions:		
- discount rate	4.06%	3.69%
- index rate	2.00%	2.00%

Notes to the Financial Report
For the Year Ended 30 June 2023

	2023	2022
(b) Landfill restoration	**$'000**	**$'000**
Current	6,785	5,072
Non-current	3,659	4,887
	10,444	**9,959**

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:		
- discount rate	4.06%	3.55%
- index rate	4.00%	2.00%

(c) Native Vegetation Offset provision

Non-current	205	187
	205	**187**

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023

Bank overdraft	1,500	1,500
Credit card facilities	300	300
Treasury Corporation of Victoria facilities	7,043	8,305
Borrowings	2,912	1,650
Total facilities	**11,755**	**11,755**
Used facilities	2,965	1,694
Unused facilities	**8,790**	**10,061**

Notes to the Financial Report
For the Year Ended 30 June 2023

5.7 Commitments

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

(a) Commitments for expenditure

2023	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Cleaning	1,081	1,078	2,099	49	4,307
Ferry Operations/Maintenance	5	-	-	-	5
Road Infrastructure Maintenance	591	591	52	-	1,234
Waste Management	4,216	2,754	68	-	7,038
Other Service Contracts	347	172	-	-	519
Total	**6,240**	**4,595**	**2,219**	**49**	**13,103**
Capital					
Buildings	19	-	-	-	19
Roads	2,905	-	-	-	2,905
Recreation	15,368	-	-	-	15,368
Waste	635	-	-	-	635
Other	10,034	-	-	-	10,034
Total	**28,961**	**-**	**-**	**-**	**28,961**

2022	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Cleaning	707	50	-	-	757
Ferry Operations/Maintenance	65	1	-	-	66
Road Infrastructure Maintenance	599	600	654	-	1,853
Waste Management	4,204	4,076	2,639	-	10,919
Other Service Contracts	581	370	180	-	1,131
Total	**6,156**	**5,097**	**3,473**	-	**14,726**
Capital					
Buildings	189	-	-	-	189
Roads	117	-	-	-	117
Bridges	1,331	-	-	-	1,331
Recreation	16,546	-	-	-	16,546
Waste	2,065	-	-	-	2,065
Other	8,384	-	-	-	8,384
Total	**28,632**	-	-	-	**28,632**

Notes to the Financial Report
For the Year Ended 30 June 2023

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2023	2022
	$'000	$'000
Not later than one year	935	913
Later than one year and not later than five years	2,198	2,139
Later than five years	2,186	1,696
	5,319	**4,748**

5.8 Leases

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

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

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

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

· any lease payments made at or before the commencement date less any lease incentives received; plus

· any initial direct costs incurred; and

· an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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

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

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

· Fixed payments

· Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

· Amounts expected to be payable under a residual value guarantee; and

· The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

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

Under *AASB 16 Leases* , Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Council has 22 peppercorn/low value leases on land and buildings. Use of these properties is restricted to community service and welfare activities.

Notes to the Financial Report
For the Year Ended 30 June 2023

Right-of-Use Assets	**Property**	**Equipment**	**Total**
	$'000	**$'000**	**$'000**
Balance at 1 July 2022	706	65	771
Additions	-	-	-
Amortisation charge	(74)	(15)	(89)
Balance at 30 June 2023	**632**	**50**	**682**

Lease Liabilities	**2023**	**2022**
Maturity analysis - contractual undiscounted cash flows	**$'000**	**$'000**
Less than one year	91	110
One to five years	226	261
More than five years	572	606
Total undiscounted lease liabilities as at 30 June:	**889**	**977**
Lease liabilities included in the Balance Sheet at 30 June:		
Current	75	102
Non-current	678	758
Total lease liabilities	**753**	**860**

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than exisiting capitalisation thresholds for a like asset up to a maximum of AUD$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	**2022**
Expenses relating to:	**$'000**	**$'000**
Short-term leases	160	203
Leases of low value assets	38	30
Total	**198**	**233**

	2023	**2022**
	$'000	**$'000**
Variable lease payments (not included in measurement of lease liabilities)		
Variable lease payments	133	136
Total	**133**	**136**

Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	25	108
Later than one year but not later than five years	62	22
Later than five years	31	36
Total lease commitments	**118**	**166**

Notes to the Financial Report
For the Year Ended 30 June 2023

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2022 $'000	Additions $'000	Contributions $'000	Revaluation $'000	Depreciation $'000	Disposal $'000	Write-off $'000	Transfers $'000	Carrying amount 30 June 2023 $'000
Property	275,619	-	1,262	37,802	(3,835)	(75)	(831)	1,491	311,433
Plant and equipment	15,267	-	-	-	(3,185)	(361)	-	4,197	15,918
Infrastructure	961,793	-	1,084	106,871	(17,486)	-	(2,981)	16,622	1,065,903
Work in progress	29,570	41,834	-	-	-	-	(267)	(22,190)	48,947
	1,282,249	**41,834**	**2,346**	**144,673**	**(24,506)**	**(436)**	**(4,079)**	**120**	**1,442,201**

Summary of Work in Progress	Opening WIP $'000	Additions $'000	Write-off $'000	Transfers $'000	Closing WIP $'000
Property	8,676	14,774	(53)	(1,277)	22,120
Plant and equipment	1,382	4,531	(66)	(4,398)	1,449
Infrastructure	19,512	22,529	(148)	(16,515)	25,378
Total	**29,570**	**41,834**	**(267)**	**(22,190)**	**48,947**

Notes to the Financial Report
For the Year Ended 30 June 2023

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2022	146,669	3,634	**150,303**	17,095	188,318	**205,413**	8,676	**364,392**
Accumulated depreciation at 1 July 2022	-	-	-	(9,051)	(71,046)	**(80,097)**	-	**(80,097)**
	146,669	3,634	**150,303**	8,044	117,272	**125,316**	8,676	**284,295**
Movements in fair value								
Additions	-	-	-	-	-	-	14,774	**14,774**
Contributions	1,262	-	**1,262**	-	-	-	-	**1,262**
Revaluation	40,194	1,427	**41,621**	2,964	17,273	**20,237**	-	**61,858**
Disposal		(75)	**(75)**	-	-	**-**	-	**(75)**
Write-off	(34)	-	(34)	-	(1,542)	(1,542)	(53)	(1,629)
Transfers	394	(64)	**330**	-	1,274	**1,274**	(1,277)	**327**
	41,816	1,288	**43,104**	2,964	17,005	**19,969**	13,444	**76,517**
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(252)	(3,583)	**(3,835)**	-	**(3,835)**
Accumulated depreciation of disposals	-	-	-	-	745	**745**	-	**745**
Revaluation	-	-	-	(1,503)	(22,553)	**(24,056)**	-	**(24,056)**
Transfers	-	-	-	-	(113)	**(113)**	-	**(113)**
	-	-	-	(1,755)	(25,504)	(27,259)	-	(27,259)
At fair value 30 June 2023	188,485	4,922	**193,407**	20,059	205,323	**225,382**	22,120	**440,909**
Accumulated depreciation at 30 June 2023	-	-	-	(10,806)	(96,550)	**(107,356)**	-	**(107,356)**
Carrying amount	**188,485**	**4,922**	**193,407**	**9,253**	**108,773**	**118,026**	**22,120**	**333,553**

Notes to the Financial Report
For the Year Ended 30 June 2023

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2022	23,553	11,313	5,720	5,317	1,382	**47,285**
Accumulated depreciation at 1 July 2022	(14,048)	(7,799)	(4,491)	(4,298)	-	**(30,636)**
	9,505	3,514	1,229	1,019	1,382	**16,649**
Movements in fair value						
Additions	-	-	-	-	4,531	4,531
Disposal	(1,238)	-	-	-	-	**(1,238)**
Write-off	-	-	-	-	(66)	(66)
Transfers	2,253	414	1,304	205	(4,398)	(222)
	1,015	414	1,304	205	67	3,005
Movements in accumulated depreciation						
Depreciation and amortisation	(1,915)	(794)	(327)	(149)	-	**(3,185)**
Accumulated depreciation of disposals	877	-	-	-	-	**877**
Transfers	-	21	-	-	-	**21**
	(1,038)	(773)	(327)	(149)	-	(2,287)
At fair value 30 June 2023	24,568	11,727	7,024	5,522	1,449	50,290
Accumulated depreciation at 30 June 2023	(15,086)	(8,572)	(4,818)	(4,447)	-	**(32,923)**
Carrying amount	**9,482**	**3,155**	**2,206**	1,075	1,449	**17,367**

Notes to the Financial Report
For the Year Ended 30 June 2023

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2022	769,892	114,704	36,840	93,661	36,067	11,277	34,806	8,876	12,570	27,899	19,512	**1,166,104**
Accumulated depreciation at 1 July 2022	(109,678)	(10,053)	(6,599)	(22,256)	(14,524)	(5,508)	(5,698)	(510)	(2,035)	(7,938)	-	**(184,799)**
	660,214	104,651	30,241	71,405	21,543	5,769	29,108	8,366	10,535	19,961	19,512	**981,305**
Movements in fair value												
Additions	-	-	-	-	-	-	-	-	-	-	22,529	22,529
Contributions	776	-	49	259	-	-	-	-	-	-	-	1,084
Revaluation	85,689	12,714	4,092	10,424	3,968	679	3,799	988	1,399	3,085	-	126,837
Write-off	(2,704)	(477)	(75)	(5)	(452)	-	(673)	-	-	(180)	(148)	**(4,714)**
Transfers	5,812	3,992	1,462	189	1,190	-	2,822	-	284	871	(16,515)	**107**
	89,573	16,229	5,528	10,867	4,706	679	5,948	988	1,683	3,776	5,866	**145,843**
Movements in accumulated depreciation												
Depreciation and amortisation	(11,606)	(1,313)	(627)	(917)	(747)	(447)	(501)	(112)	(259)	(957)	-	**(17,486)**
Accumulated depreciation of disposals	985	108	24	1	250	-	170	-	-	47	-	**1,585**
Revaluation	(12,207)	(1,108)	(732)	(2,477)	(1,590)	(73)	(617)	(57)	(226)	(879)	-	(19,966)
	(22,828)	(2,313)	(1,335)	(3,393)	(2,087)	(520)	(948)	(169)	(485)	(1,789)	-	**(35,867)**
At fair value 30 June 2023	859,465	130,933	42,368	104,528	40,773	11,956	40,754	9,864	14,253	31,675	25,378	**1,311,947**
Accumulated depreciation at 30 June 2023	(132,506)	(12,366)	(7,934)	(25,649)	(16,611)	(6,028)	(6,646)	(679)	(2,520)	(9,727)	-	**(220,666)**
Carrying amount	**726,959**	**118,567**	**34,434**	**78,879**	**24,162**	**5,928**	**34,108**	**9,185**	**11,733**	**21,948**	**25,378**	**1,091,281**

Notes to the Financial Report
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6.1 Property, infrastructure, plant and equipment (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

	Depreciation Period	Threshold Limit
Asset recognition thresholds and depreciation periods		**$'000**
Land & land improvements		
land	-	-
Buildings		
buildings	15-80 years	5
building and leasehold improvements	15-80 years	5
Plant and Equipment		
ferry equipment	40 years	1
plant, machinery and equipment	4-15 years	1
fixtures, fittings and furniture	10-20 years	1
computers and telecommunications	5 years	1
library books	10 years	1
Infrastructure		
road pavements and seals	18-80 years	5
road wearing course	15 years	5
road formation and earthworks	-	5
road kerb, channel and minor culverts	70 - 80 years	5
bridges	40-100 years	5
footpaths and cycleways	18-65 years	5
drainage	100 years	5
recreational, leisure and community facilities	28-60 years	5
aerodromes	15-80 years	5
waste management landfill cells	3 years	5
waste management infrastructure	50 years	5
parks, open space and streetscapes	40-75 years	5
car parks	15-80 years	5
Intangible assets	3-10 years	1

Land under roads

Council recognises land under roads it controls at fair value after 30 June 2008.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

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Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date there were no leasehold improvements.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Todd Svanberg, Certified Practicing Valuer CPV API Member: 63110, Senior Director, Commercial Compliance and Quality of JLL Public Sector Valuations Pty Ltd and Mark Pastor, Certified Practising Valuer CPV API Member: 63501, Senior Valuer JLL Public Sector Valuations Pty Ltd as at 30 June 2023. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. An index based revaluation was conducted in the previous year for buildings only, this valuation was based on the Victoria Valuer-General's indices.

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Specialised land	-	-	188,485	30/06/2023	Independent
Non - Specialised land	-	4,922	-	30/06/2023	Independent
Heritage Buildings	-	-	9,253	30/06/2023	Independent
Buildings	-	-	108,773	30/06/2023	Independent
Total	**-**	**4,922**	**306,511**		

Valuation of infrastructure

Valuation of all infrastructure assets was undertaken by Council's engineering and asset management staff as at 31 December 2017. The engineering staff member who undertook the valuation was Ashley Higman, Asset Engineer BEng (Civil) CPEng NER. The valuation was at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

The date of the current valuation is detailed in the following table. An index based valuation review was conducted in the current year as at 30 June 2023. This valuation review was based on Construction industries producer price indices for Victoria. A full revaluation of these assets will be conducted in 2024/25.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	726,959	30/06/2023	Index
Bridges	-	-	118,567	30/06/2023	Index
Footpaths and cycleways	-	-	34,434	30/06/2023	Index
Drainage	-	-	78,879	30/06/2023	Index
Recreational, leisure and community facilities	-	-	24,162	30/06/2023	Index
Waste management	-	-	5,928	30/06/2023	Index
Parks, open space and streetscapes	-	-	34,108	30/06/2023	Index
Aerodromes	-	-	9,185	30/06/2023	Index
Off street car parks	-	-	11,733	30/06/2023	Index
Other infrastructure	-	-	21,948	30/06/2023	Index
Total	-	-	**1,065,903**		

Notes to the Financial Report
For the Year Ended 30 June 2023

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $1.20 and $450.00 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $84 to $6,730 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2023	**2022**
Reconciliation of specialised land	**$'000**	**$'000**
Land under roads	1,426	2,998
Parks and reserves	68,145	74,649
Recreation and Leisure	57,116	38,582
Residential Land	1,022	469
Commercial Land	362	480
Aerodrome Land	15,802	2,413
Community Services Land	10,604	4,940
Business Centre/Library Land	4,669	3,929
Caravan Park Land	4,818	2,380
Carpark Land	4,746	3,844
Depot Land	832	239
Quarry Reserve Land	356	155
Drainage Reserve Land	10,248	6,691
Saleyard and Pound Facility Land	1,941	731
Waste Management Land	5,931	3,852
Road Reserves	467	317
Total specialised land	**188,485**	**146,669**

Notes to the Financial Report
For the Year Ended 30 June 2023

6.2 Investment property	**2023 $'000**	**2022 $'000**
Balance at beginning of financial year	8,263	8,882
Additions	29	-
Transfer	(148)	-
Disposals	(12)	(914)
Fair value adjustments	(677)	295
Balance at end of financial year	**7,455**	**8,263**

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Todd Svanberg, Certified Practicing Valuer CPV API Membeer 63110, Senior Director, Commercial Compliance and Quality of JLL Public Sector Valuations Pty Ltd and Mark Pastor, Certified Practising Valuer CPV API Member 63501, Senior Valuer JLL Public Sector Valuations Pty Ltd as at 30 June 2023. The valuation is at fair value, based on the current market value for the property.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Key Management Personnel

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

Details of KMP at any time during the year are:		2023 No.	2022 No.
Councillors	Councillor Mark Reeves (Mayor)		
	Councillor Arthur Allen (Deputy Mayor)		
	Councillor Mendy Urie		
	Councillor Jane Greacen		
	Councillor Tom Crook		
	Councillor Trevor Stow		
	Councillor Kirsten Van Diggele		
	Councillor Sonia Buckley		
	Councillor John White		
	Chief Executive Officer		
	General Manager Business Excellence (1/7/2022 to 1/6/2023)		
	Acting General Manager Business Excellence (From 2/6/2023 to 30/6/2023)		
	General Manager Assets and Environment		
	General Manager Place and Community		
Total Number of Councillors		9	9
Total of Chief Executive Officer and other Key Management Personnel		5	5
Total Number of Key Management Personnel		14	14

(b) Remuneration of Key Management Personnel

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

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

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

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

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

	2023 $'000	2022 $'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,230	1,263
Other long-term employee benefits	21	22
Post-employment benefits	91	88
Total	**1,342**	**1,373**

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2023 No.	2022 No.
$10,000 - $19,999	1	-
$20,000 - $29,999	-	6
$30,000 - $39,999	7	1
$40,000 - $49,999	1	-
$50,000 - $59,999	-	2
$70,000 - $79,999	-	1
$90,000 - $99,999	1	-
$220,000 - $229,999	2	-
$230,000 - $239,999	1	3
$280,000 - $289,999	1	-
$300,000 - $309,999	-	1
	14	14

Notes to the Financial Report
For the Year Ended 30 June 2023

(c) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds $160,000 and who report directly to a member of the KMP. *

	2023 $'000	2022 $'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	176	174
Other long-term employee benefits	4	4
Post-employment benefits	18	16
Total	**198**	**194**

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Income Range:		
$190,000 - $199,999	1	1
	1	**1**

	2023 $	2022 $
Total remuneration for the reporting year for other senior staff included above, amounted to:	**197,694**	**194,109**

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989* .

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

1 For the year ended 30 June 2023, Council paid $144,660 to staff related to Key Management Personnel and has accrued benefits payable to these staff of $20,614 as at 30 June 2023, under standard employment terms and conditions.

2 For the year ended 30 June 2023, Council paid $118,054 to suppliers and contractors related to Key Management Personnel on normal commercial terms and conditions. Details of these related party transactions for Key Management Personnel are as follows:

Cr White	Melwood Investments Pty Ltd - $107,109 for contracted slashing services
Cr Allen	Leftrade Pty Ltd - $7,176 for works and services
	Paper Cranes Sushi Pty Ltd $2,940 for catering services
Cr Greacen	Cunninghame Medical Centre - $828 for employee related medical services

(b) Outstanding balances with related parties

The following balances totalling $8,425 are outstanding at the end of the reporting period in relation to transactions with related parties on normal commercial terms and conditions.

Cr White	Melwood Investments Pty Ltd - $8,008 for contracted slashing services
Cr Allen	Leftrade Pty Ltd - $253 for works and services
Cr Greacen	Cunninghame Medical Centre - $164 for employee related medical services

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 8 MANAGING UNCERTAINTIES
8.1 Contingent assets and liabilities

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

(a) Contingent assets

(i) Council is currently undergoing a process over a three year period to identify old drainage assets that are not currently recorded. At this stage Council is currently unable to value any of these found assets and will bring them to account in the future when valuations have been calculated.

(b) Contingent liabilities

Contingent liabilities are:
- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Superannuation
Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 are $37,335.

Landfill

Council operates a number of landfills. Council will have to carry out site rehabilitation works in the future. Council has provided the Environment Protection Authority with a bank guarantee in their favour of $1.3 million to meet the remedial action financial assurance requirements for licenced landfill sites.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013 , there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Notes to the Financial Report
For the Year Ended 30 June 2023

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank and TCV borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

Notes to the Financial Report
For the Year Ended 30 June 2023

(d) Liquidity risk

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

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.5% and -0.5% in market interest rates (AUD) from year-end rates of 4.1%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report
For the Year Ended 30 June 2023

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy , Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	**Revaluation frequency**
Land	1 to 4 years
Buildings	1 to 4 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Recreational, leisure and community facilities	1 to 4 years
Waste management	1 to 4 years
Parks, open space and streetscapes	1 to 4 years
Aerodromes	1 to 4 years
Other infrastructure	1 to 4 years

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 9 OTHER MATTERS

9.1 Reserves **(a) Asset revaluation reserves**	**Balance at beginning of reporting period $'000**	**Increment (decrement) $'000**	**Balance at end of reporting period $'000**
2023			
Property			
Land and land improvements	111,638	41,621	153,259
Buildings	94,763	(3,819)	90,944
	206,401	37,802	244,203
Infrastructure			
Roads	519,476	73,482	592,958
Bridges	76,191	11,605	87,796
Footpaths and cycleways	17,730	3,360	21,090
Drainage	45,297	7,947	53,244
Recreational, leisure and community facilities	14,242	2,379	16,621
Waste management	3,217	606	3,823
Parks, open space and streetscapes	11,610	3,182	14,792
Aerodromes	1,149	931	2,080
Offstreet car parks	2,114	1,173	3,287
Other infrastructure	17,791	2,206	19,997
	708,817	106,871	815,688
Total asset revaluation reserves	**915,218**	**144,673**	**1,059,891**
2022			
Property			
Land and land improvements	111,638	-	111,638
Buildings	84,209	10,554	94,763
	195,847	10,554	206,401
Infrastructure			
Roads	505,101	14,375	519,476
Bridges	73,975	2,216	76,191
Footpaths and cycleways	17,079	651	17,730
Drainage	43,745	1,552	45,297
Recreational, leisure and community facilities	13,760	482	14,242
Waste management	3,080	137	3,217
Parks, open space and streetscapes	10,969	641	11,610
Aerodromes	966	183	1,149
Offstreet car parks	1,882	232	2,114
Other infrastructure	17,343	448	17,791
	687,900	20,917	708,817
Total asset revaluation reserves	**883,747**	**31,471**	**915,218**

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

Notes to the Financial Report
For the Year Ended 30 June 2023

	Balance at beginning of reporting period $'000	Transfer from accumulated surplus $'000	Transfer to accumulated surplus $'000	Balance at end of reporting period $'000
(b) Other reserves				
2023				
Car Parking	193	-	-	193
Development Contribution Plans	129	-	-	129
Lakes Entrance Northern Growth Area	1	-	-	1
Recreational Land	1,144	307	2	1,453
Road Upgrading	59	-	-	59
Total Other reserves	**1,526**	**307**	**2**	**1,835**
2022				
Car Parking	193	-	-	193
Development Contribution Plans	19	110	-	129
Lakes Entrance Northern Growth Area	1	-	-	1
Recreational Land	873	273	(2)	1,144
Road Upgrading	34	25	-	59
Total Other reserves	**1,120**	**408**	**(2)**	**1,526**

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

Development Contribution Plans receive contribution from developers upon the sale of land in a prescribed planning area.

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

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

Lakes Entrance Northern Growth Area receive contributions in accordance with the development plan.

Notes to the Financial Report
For the Year Ended 30 June 2023

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	**2023 $'000**	**2022 $'000**
Surplus/(deficit) for the year	37,812	30,976
Depreciation/Amortisation	25,148	24,842
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(437)	(551)
Write off property, plant and equipment	4,089	2,442
Fair value adjustments for investment property	677	(295)
Contributions - Non-monetary assets	(2,346)	(1,044)
Financing cost in financing activities	153	339
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	285	1,969
(Increase)/decrease in prepayments	(88)	(9)
Increase/(decrease) in other current assets	2,516	(294)
Increase/(decrease) in trade and other payables	(621)	1,666
(Decrease)/increase in unearned income /revenue	(6,763)	5,019
(Decrease)/increase in provisions	641	(2,192)
Increase/(Decrease) in trust funds and deposits	722	198
Net cash provided by/(used in) operating activities	**61,788**	**63,066**

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of East Gippsland Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.8% pa

Notes to the Financial Report
For the Year Ended 30 June 2023

As at 30 June 2022, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.5% pa
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI) 3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim valuation.

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

(b) Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

The 2022 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

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

	2022 (Interim) $m	**2021 (Interim) $m**
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

Notes to the Financial Report
For the Year Ended 30 June 2023

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2022.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2022.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial Investigation	**2020 Triennial Investigation**
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.50% pa for the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	**Type of Scheme**	**Rate**	**2023 $'000**	**2022 $'000**
Vision super	Defined benefits	10.5% (2022:10.0%)	20	22
Vision super	Accumulation	10.5% (2022:10.0%)	1,436	1,051
Various other funds	Accumulation	10.5% (2022:10.0%)	2,016	2,007

There were contributions outstanding of $70,376 and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is $37,335.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2022-23 year.

East Gippsland Shire Council

Performance Statement

For the year ended 30 June 2023

East Gippsland Shire Council

Performance Statement

For the year ended 30 June 2023

Description of municipality

East Gippsland is a large and vibrant region in a beautiful natural setting, home to proud and involved communities that embrace and encourage self-reliance, responsibility and new ideas. The past 30 years have seen East Gippsland evolve from its rural origins to a flourishing economic and tourism region in Eastern Victoria, drawing more than one million visitors each year.

The region has kept its identity and sense of place as it has grown. The shire stretches from west of Bairnsdale to the New South Wales border, covering approximately 21,000 square kilometres or 10 per cent of the State. East Gippsland has an Estimated Residential Population of approximately 48,887 residents (as at 30 June 2022).

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

We are responsible for maintaining 2,970 km of roads, 191 timber and concrete bridges, 25 footbridges, over 3,500 km of table drains, 540 km of kerb and channel, 350 hectares of Parks and Gardens and over 4,500 streetlights.

East Gippsland Shire Council

Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator / measure [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	$2,250.55	$2,386.32	$2,285.97	$2,417.94	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$20,767.18	$22,789.57	$23,419.57	$25,544.50	There was a revaluation of assets in the 2020/21 year and also in the 2022/23 year which significantly increased the value of infrastructure assets and the value per head of population.
Population density per length of road [Municipal population / Kilometres of local roads]	15.89	15.99	15.95	16.46	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	$1,788.08	$1,906.34	$1,791.01	$1,875.75	
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	$471.68	$439.73	$564.45	$571.89	The increase in recurrent grants over the four years is a result of advance payments of the Federal Assistance Grant becoming greater over the four years. In the 2021/22 year there was an advance payment of 75% of the 2022/23 year grant which added to the 50% payment of the 2021/22 grant in that year. In the 2022/23 year there was a payment of 25% of the grant plus a 100% advance payment of the 2023/24 year based on the indicative allocation. This saw a significant increase in the recurrent grants in the 2021/22 and 2022/23 years.

Disadvantage *Relative socio-economic disadvantage* [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	3.00	3.00	
Workforce turnover *Percentage of staff turnover* [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.6%	12.8%	20.5%	14.2%	The staff turnover rate has decreased significantly, this could be due to the market settling after COVID, and staff looking for stability with the cost of living issues.

Definitions

"adjusted underlying revenue" means total income other than:

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above

“infrastructure” means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by council

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

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

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

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

East Gippsland Shire Council

Service Performance Indicators

For the year ended 30 June 2023

Service / *indicator* / *measure*	Results 2020	2021	2022	2023	Comment
Aquatic facilities ***Utilisation*** *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	5.63	4.06	6.07	9.23	Council has witnessed significant growth in recreation centre utilisation at the BARC over the last twelve months. Officers have made comparisons with this years attendance data vs pre COVID pandemic (18/19) attendance data, to identify true growth in utilisation. When comparing this data the BARC was up 16,000 on membership visits and 12,500 casual visits.
Animal management ***Health and safety*** *Animal management prosecutions* [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	100%	100%	Council had eight incidents during the year that were taken to Court. All prosecutions were successful.
Food safety ***Health and safety*** *Critical and major non-compliance outcome notifications* [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	85.71%	100.00%	100.00%	100.00%	All major and critical non-compliance notifications for food premises were followed up. For the 2022 period, there were 17 critical and major non-compliance notifications.

Governance ***Satisfaction*** *Satisfaction with council decisions* [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54	51	50	47	Council has dealt with a number of complex and at times contentious issues over the year that may have impacted on this indicator
Libraries ***Participation*** *Active library borrowers in municipality* [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	19.01%	16.88%	13.81%	11.96%	12% of the East Gippsland community are active users of the library service. This figure (an average across three years) is showing a decrease, however the individual year result shows an increase on the previous year.
Roads ***Satisfaction*** *Satisfaction with sealed local roads* [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	55	53	41	43	Council has continued work during the year to improve the condition of almost 3000km of local roads. Many of the satisfaction comments received actually applied to State Managed roads. Council will therefore continue to advocate to the Department of Transport and Planning for improvements to specific roads based on community feedback received in surveys.
Statutory Planning ***Decision making*** *Council planning decisions upheld at VCAT* [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	50.00%	75.00%	70%	10 of Council's planning decisions were appealed to VCAT over the year with 3 being set aside.

Waste Collection ***Waste diversion*** *Kerbside collection waste diverted from landfill* [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	52.48%	53.48%	53.32%	53.06%	The consistent higher result for this indicator is perhaps due to the reduction of garbage volumes following the removal of the 240litre garbage bins and this attributed to the higher recycling volumes. Green waste remains steady.

Definitions

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / *indicator* / *measure*	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	$3,356.25	$3,549.43	$3,414.94	$3,617.96	$3,807.60	$3,652.13	$3,620.89	$3,661.97	Expenditure increased by $7.62 million or 6.8% over the previous year whilst the number of property assessments only increase by 1%. This accounts for the increase in the expenses per property assessment.
Revenue level									
Average rate per property assessment	$1,599.31	$1,623.26	$1,653.46	$1,691.66	$1,750.61	$1,801.53	$1,859.85	$1,923.74	The increase in the number of property assessments was 1% from the previous year whilst the rates and charges increase were 1.75% plus growth. This accounts for the increase in the rates per property assessment.
[General rates and Municipal charges / Number of property assessments]									

Liquidity ***Working capital*** *Current assets compared to current liabilities* [Current assets / Current liabilities] x100	344.27%	248.59%	256.80%	307.46%	186.95%	196.81%	165.34%	183.04%	There is a slight reduction in current liabilities but current assets have increased as a result of additional cash and financial assets resulting from operating grants received but yet to be spent as well as additional Victoria Grants Commission advance payment of $6.1 million as a result of 100% of the 2023/24 grant being paid in the 2022/23 year whereas the previous year was an advance payment of 75%. The unspent operational grants will be spent in the 2023/24 year and the advance payment of 100% of the Grants Commission allocation for 2023/24 being received in 2022/23 will see a decrease in grant income for the 2023/24 year which will reduce this percentage in future years. There was also cash at the end of the 2022/23 financial year that was held to fund carry forward capital works that will be expended in the 2023/24 year.

Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	48.17%	123.66%	61.38%	89.62%	100.22%	99.83%	80.81%	89.76%	Unrestricted cash has increased mainly as a result of additional unspent unconditional operating grants of $11.087 million at year end. Current liabilities also decreased slightly. The indicator is forecast to remain relatively steady in the out years.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100	5.69%	5.53%	2.64%	4.44%	13.34%	11.76%	10.26%	8.78%	Council drew down $1.262 million of the approved Community Infrastructure Low interest Loans during the year which increased borrowings at year end.
Loans and borrowings									
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.75%	0.48%	3.23%	0.27%	1.49%	1.55%	1.48%	1.42%	In the 2021/22 year a repayment of $1.7 million was made but there were no repayments due to be paid in the 2022/23 year.

Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	19.91%	13.42%	9.79%	7.96%	18.31%	16.63%	11.49%	13.23%	Own source revenue increased mainly as a result of rate income increasing by $3.036 million and User fees increasing by 1.7 million whilst non-current liabilities decreased by $1.1 million as a result of a movement in provisions between non-current and current liabilities
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	136.06%	147.69%	112.75%	97.34%	293.22%	158.40%	114.18%	105.22%	There were a number of significant capital projects that are classified as new and the expenditure for renewals was slightly less that depreciation expense for the year. It is expected that future years will exceed 100% though.
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	9.78%	4.49%	10.33%	13.92%	-8.80%	-2.12%	-0.51%	0.23%	The 100% advance payment of the 2023/24 Victoria Grants Commission allocation in the 2022/23 year increased total revenue for the year and the underlying surplus.

Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	49.85%	50.77%	50.72%	47.77%	60.10%	60.59%	62.15%	63.17%	There was an increase in operating grants in the 2022/23 year that are not expected in future years. This has reduced the future years adjusted underlying revenue and therefore rates as a percentage of the adjusted underlying revenue increases. In the current and previous years there has also been significant other income from reimbursements for restoration of assets following natural disaster events such as bushfires and floods that it not expected in future years.
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.55%	0.55%	0.51%	0.41%	0.36%	0.34%	0.32%	0.31%	The significant increase in property CIV of approximately 34.5% compared to the increase in rate revenue of 4.8% overall has resulted in a decrease in rates compared to property values.

Definitions

"adjusted underlying revenue" means total income other than:

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above

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

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

“current assets” has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

“non-current assets” means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population "means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant "means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

East Gippsland Shire Council

Other Information

For the year ended 30 June 2023

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its financial plan on 27 June 2023 and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

East Gippsland Shire Council

Certification of the Performance Statement

For the year ended 30 June 2023

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

Elizabeth Collins, CPA
Principal Accounting Officer
Dated: 9 October 2023

In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 2023 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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

Councillor Mark Reeves
Councillor
Dated: 9 October 2023

Councillor Mendy Urie
Councillor
Dated: 9 October 2023

Anthony Basford
Chief Executive Officer
Dated: 9 October 2023

East Gippsland Shire Council
Independent Auditor's Report
For the year ended 30 June 2023

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	I have audited the accompanying performance statement of East Gippsland Shire Council (the council) which comprises the: • description of municipality for the year ended 30 June 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. In my opinion, the performance statement of East Gippsland Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

East Gippsland Shire Council
Independent Auditor's Report
For the year ended 30 June 2023

Auditor's responsibilities for the audit of the performance statement	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
13 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

East Gippsland Shire Council

273 Main Street, Bairnsdale

03 5153 9500

eastgippsland.vic.gov.au

EastGippyShire

PO Box 1618, Bairnsdale 3875