

Annual Report

2020-21



Wayne Thorpe, from Gunaikurnai Land and Waters Aboriginal Corporation, conducts a welcome to country and smoking ceremony.





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 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 Amendment (Performance Reporting and Accountability) Act 2014 and Local Government (Planning and Reporting) Regulations 2014.

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

COVER IMAGE: Australia Day Awards celebrations held at Sarsfield Recreation Reserve on Thursday 21 January.

Please note: Images depicting people not wearing face masks were taken outside of COVID-19 mask wearing restriction periods.

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The Corporate Centre was illuminated orange to mark 16 Days of Activism, raising awareness against violence against women in our community.

Corporate Centre



1 Introduction

East Gippsland Shire Council is committed to transparent reporting and accountability to its community. The Annual Report 2020-21 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 2017-2021 and the 2020/21 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 2020 to 30 June 2021.

Council's Vision

East Gippsland is the most liveable region in Australia. A place of natural beauty, enviable lifestyles, and opportunities.

Councillor Standards 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. 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.

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.

Mayor Cr Mendy Urie and Chief Executive Officer Anthony Basford officially open redeveloped Bairnsdale Skatepark with local skaters, contractors and Youth Ambassadors.





Highlights of the Year

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

With the backdrop of the COVID-19 pandemic, Council's work included the working with bushfire affected communities to support their own recovery activities, including 10 Community Recovery Committees or representative groups.

Strong Communities



Council supported bushfire-affected communities to lead their own recovery, including work with ten community recovery committees or representative groups. Support was provided for events, community recovery projects and much more.

525

Animals were collected by Council's Community Laws Officers.

\$

Council successfully allocated over \$100,000 of funding from Regional Development Victoria for community events, which focus on bringing bushfire-affected communities together.



The Australia Day Awards were held outdoors in the community (Sarsfield) with a large crowd in attendance.



Bushfire and COVID-19 pandemic recovery services engaged advice from recognised experts in trauma recovery working with trauma-impacted individuals, providing advice for rebuilding and on establishing Community Recovery Committees.



Council, along with Country Fire Authority (CFA), hosted a Summer Ready community barbecue in Mallacoota and provided information to the community. Pictured: Commander Don Tomkins (CFA District 11 Headquarters) and Council's Emergency Management Coordinator Shane Turner.



Changes to the mobile library service were undertaken to provide a more responsive service to community needs.

374

Food premises were assessed to ensure that they met food safety standards.

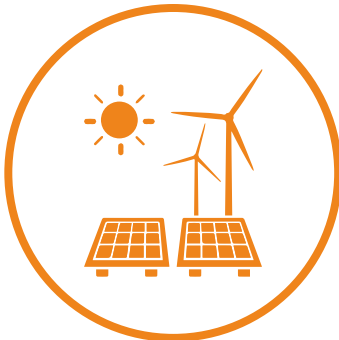


A Dogs Off Lead in Public Places trial and evaluation was undertaken, with the permanent rules adopted at the June Council Meeting.

A Liveable Region



A total of 19 projects were funded under the Drought Relief Communities Programme Extension, 10 of these have been completed, which includes the Cann River Hall, painting of the Johnsonville Hall and construction of a new playground at Bendoc.



Council committed to purchase 100% of its power consumption through a renewable power purchase agreement (over 10 years) under the Victorian Councils' Power Purchase Agreement.

698

Planning permit applications were issued, an increase of 34.2% on 2019-20.



Waste Management and Sealed Local Roads services were rated above the Large Rural Councils average in the Community Satisfaction Survey.

\$

Securing over \$1 million to upgrade Council's final portion of street lights to LED.



The Wairewa community celebrates the opening of the new Hospital Creek Bridge on 30 April. The bridge opening also marked the completion of the bushfire vehicular bridge rebuild program.



Employed 54 people under the Working for Victoria program. Most roles were focused on enhancing services across the municipality, include a 'maintenance blitz' for Council-managed infrastructure/parks/open spaces; environment support and asset management.



Finalised remediation of 236km of bushfire-damaged roads and roadside and replaced 11 bridges destroyed by the 2019-20 Black Summer bushfires valued at over \$17m.

A Growing Regional Area with Opportunities



Council attracted \$92.1m in funding to support the delivery of more than \$227m worth of projects identified in the Economic Recovery Sub-plan.



A total of 180 events were delivered, well down on previous years due to COVID-19 restrictions and the subsequent cancellation of events.

4,000

Small business supported to receive bushfire recovery support provided through Small Business Victoria.



Council approved \$562,717 of drought and agribusiness support initiatives - \$244,195 from Council's allocated drought support, and \$318,522 from Regional Development Victoria drought funding.



The Agribusiness Program launched and fully subscribed, with 45 farmers participating across three rural districts. The 12-month program is designed to assist agribusinesses to undertake diversification or value-adding projects on their properties to increase income security and resilience.



Anthony Basford (Council CEO), Leecia Angus, Nick Blandford, Cr Mendy Urie (Mayor), Andrew Bulmer, Matt Zagami, Stuart McConnell (Council General Manager Bushfire Recovery, holding the computer with online participants Paul Menke and Alison Gunn), Trevor Caithness, Graeme Dear, David Caldwell, Jen Smith and Cr John White at the first Agriculture Sector Advisory Committee meeting.

7

Event industry development programs were delivered across a range of relevant topics including Re-imagining Events in a Post COVID World and Successful Volunteer Management for Events.



The Bairnsdale Airport Masterplan progressed several projects to improve the functionality of the facility, including:

- design of necessary runway and other infrastructure upgrades;
- working to attract commercial services;
- working to design new patient-transfer facilities;
- continuing to upgrade infrastructure and security; and
- working with East Gippsland Field Days and Gippsland Agricultural Group on an agricultural research and events space.

Good Governance



Council accessed its largest ever pool of capital grant funding, with over \$31.41m of grant funding received in 2020-21. This represents a 244% increase on the previous year.



Council adopted the Community Engagement Policy at the March Council Meeting.



136 resolutions made at Council meetings.



Council adopted a 10-year Financial Plan, which includes financial statements and statements of human resources for the next 10 years.



Council oversaw management of the local government elections and subsequent induction of new Councillors. Six of the nine Councillors were elected for their first time on Council.



Elected as East Gippsland Shire Councillors in October 2020 were (back) Sonia Buckley, Tom Crook, Jane Greacen OAM, Arthur Allen, Kirsten Van Diggele, John White, (front) Trevor Stow, Mendy Urie (Mayor) and Mark Reeves (Deputy Mayor).

43

Tenders awarded, with 219 submissions received for these tenders.



Over 470 community members were engaged for the review of the Community Vision and the development of the Council Plan and strategic financial documentation. This included the use of a 15-person Community Panel to deliberate on the Community Vision and Council Plan.

Responsive Services



The Customer Experience Strategy and Action Plan were adopted by Council in February 2021.



A new corporate website was launched to facilitate improved customer experience, and improved online accessibility.



A Staff Culture Survey was undertaken in July 2020, with an action plan developed to seek improvements in aspects of organisation culture.



A new monthly electronic newsletter was published for the community – My Council, My Community (pictured). The newsletter shares updates on Council projects, services, bushfire recovery, Council decisions, open consultations, events and openings, how to contact Council and Councillors, advocacy and more.

72,006

Emails were received through our feedback account, an increase of more than 12,000 from 2019-20. There were also 15,157 letters received through Australia Post and over the counter.



Customer Service Officer Andrea Priestley assists a customer in Orbost during COVID-19 restrictions.

171

New staff, including casuals and limited tenure positions, in an increasingly competitive labour market. Most of these roles were in the Assets and Environment and Place and Community areas, where the call on services continued to grow as a result of ongoing bushfire recovery work.



Council's call centre received 70,342 calls, with 54.18% answered within 45 seconds. 49.47% of calls were resolved at first point by the customer service team.

The way we did business needed to change during the COVID-19 pandemic, including at our outdoor swimming pools during the summer/autumn swim season.





Challenges Faced

East Gippsland communities have demonstrated incredible resilience in navigating major external challenges and disasters over the past two years. Over 2020-21, communities were still in recovery phase following the 2019-20 Black Summer bushfires and had to endure the impacts of the COVID-19 pandemic.

Council has supported communities as they identify needs and priorities with a community-led recovery approach. Support provided includes supporting applications to Local Economic Recovery and administering funding provided through Regional Development Victoria to enable multiple community events. These events have occurred in all of the fire-impacted districts and have ranged from fire preparedness barbecues to family fun days, sporting events and more.

There has been support both for the mental health and financial wellbeing of our community. Short-term housing was being established, public assets restored and roads rebuilt. This has been the work of many agencies, including all levels of government. In addition, significant sums of grants, donations and commitments of money flow from government and agencies, continuing their commitment to assist East Gippsland.

The work of Place Managers, whose focus spans community and business groups, residents and ratepayers, has allowed Council to work in the community to support community-led bushfire recovery, working closely with community recovery committees, community leaders and Bushfire Recovery Victoria. Additional Place Managers were appointed by Council to support bushfire impacted communities, taking the total to eight. The Place Managers worked one-on-one with impacted communities to provide a direct connection with Council and to support community recovery committees and other groups in their recovery journey. The bushfire event has

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Place Managers working one-on-one with communities

impacted each community differently and the Place Manager model enables service delivery to be flexible to community needs.

The underlying impacts of drought and the differing levels of social and economic disadvantage in communities were also exacerbated by these events. The place model has also enabled trusted relationships between Council and community at the local level through the Place Managers' connection with the committees, which has been highly valued. Each committee has had its own journey and timeframe, with some just starting to identify planning priorities, while other have finished interim or complete plans.

There were significant impacts on community recovery due to COVID-19 and border closures. While we continued to work alongside communities, these challenges restricted the ability to come together and connect in ways that are essential for recovery. The COVID-19 pandemic changed how recovery and rebuilding initiatives were delivered. Critical opportunities for communities to come together and reconnect were significantly reduced, with experts observing that COVID-19 has significantly delayed overall recovery in East Gippsland. Council has had to change how people interact with services, how



A commemorative seat at Bastion Point, built in memory of Mallacoota recycling champion the late Joan Hunt that was destroyed by fire has recently been reinstated.



The Gelantipy community continued to have face-to-face conversations where possible between COVID-19 enforced lockdowns. These community meetings were designed to provide a safe environment for community and agencies to hear residents tell their stories.



Governor-General David Hurley AC DSC (Retd) and Mrs Linda Hurley met with Orbost SES and other agencies involved in the bushfire response.

information is provided to the community, how services are delivered and how rebuilding is managed with restrictions on stock and supply.

However, even with these challenges, infrastructure has continued to be rebuilt and reconstructed, including roads, bridges, parks and coastal areas. The natural environment is being carefully monitored and regrowth is occurring.

Tailored bushfire recovery support of small business owners has been provided through Small Business Victoria's Mentoring Service. Mentors are working in close collaboration with Council to support over 4,000 business engagements in East Gippsland this past year. Tangible progress for the support of economically impacted business in 2020-21 has been considerable, in addition to responding to grant opportunities to deliver future long-term recovery projects.

Highlights include the Regional Connectivity Program funding of \$3.6 million for valuable, digital resilience building upgrades within East Gippsland.

Rolling COVID-19 lockdowns impacted Council's service delivery. Certain facilities and services were forced to close between 1 August – 20 October 2020; and between 25 May – 11 June 2021. A major impact of these service closures was that Council experienced reduced revenue from closing services that generate income. When these services were opened, they transitioned from business as usual to an operating model that observes the COVIDSafe restrictions.

An organisation-wide plan to return staff to the office in a safe, responsible way was implemented. The plan recognises new and more flexible ways of working that were implemented successfully during COVID-19 work from home restriction periods.

You'll know some things are taking longer with restrictions.

**It's the same for us.
Thanks for understanding.**



To respond to the challenges associated with providing services to the community, Council created a plan which helped identify the needs of the community, services and employees throughout the pandemic. East Gippsland – The Way We Do Business Now document was introduced to outline the impacted areas within Council and how Council operations would continue in a safe way. This plan included a public education campaign across print and social media.

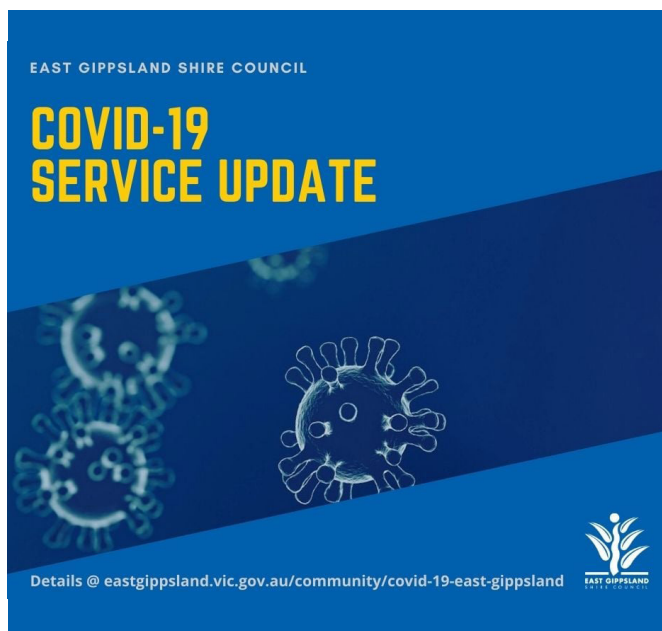
Council was successful in receiving funding under the Victorian Government's Working for Victoria initiative. Working for Victoria is designed to connect workers with new opportunities that will help the community and contribute to Victoria's ability to respond to the pandemic. Through the initiative Council appointed 54 people on temporary six-month contracts. These staff assisted existing staff in a range of roles, with most focused on the maintenance of public places, playgrounds and parks and gardens to ensure East Gippsland was looking its best to welcome visitors back, following bushfires and an easing of COVID-19 restrictions. A number have stayed on post their short-term contracts.

Apart from bushfire recovery and COVID-19, there were other major challenges that Council faced in 2020-21, which include:

- For a range of reasons, Council's Planning team has not been fully resourced for most of the year. To assist existing staff to work through the backlog of planning applications Council used contract staff and officers from other local government organisations under resource sharing agreements. Council also experienced an increase in planning applications because of the bushfire rebuild and the stimulus and regional living changes under COVID-19.
- Each year, the Minister for Local Government sets a cap on rate increases based on that period's Consumer Price Index. A rate cap of 2% for the 2020-21 financial year was applied, which creates a restraint on Council operations.
- Significant cost escalations in the cost of goods due to the global COVID impacts, especially in our building and capital works projects.
- During COVID-19 there was a substantial increase in online scams and phishing campaigns across the local government sector.
- Onboarding new staff virtually and giving them a strong sense of our culture without the benefit of physical exposure to it.



Working for Victoria provided work opportunities for 54 people in East Gippsland including Alick Young who had a role with our Waste Audit Team.



Consistent and timely messaging was provided across Council's available communication platforms, particularly social media and website, and telephone on-hold and voice messages. On occasions during significant lockdowns our call centre remained open after hours and over the weekend to support customers with enquiries related to service changes due to COVID-19.



Five citizenship ceremonies were held, which saw 37 conferred as new Australian citizens. All ceremonies were live streamed.

The Year in Review

The past year has been one of challenge, change and progression for East Gippsland. A new Council was elected, and development of the Council Plan 2021-25 completed. Major infrastructure projects completed and bushfire recovery continued, and the delivery of services and events were challenged with the backdrop of the COVID-19 pandemic.

Message from the Mayor

It is a pleasure to present the first Annual Report for our Council term to you. The past year has been one of challenge, change and progression.

A new Council was elected in October 2020 with six Councillors elected for their first terms on Council.

The first year of a new Council term will always be challenging. It is a year of rapid learning about governance responsibilities, the aspirations of our communities, the limits and extent of Council's jurisdiction and most importantly, how to work together across a spectrum of views to settle on a suite of plans to focus the work of Council for the next four years.

At the June Council Meeting, these strategic documents were adopted – Our Community Vision, Council Plan and Annual Action Plan, Council Budget 2021/22, 10-year Financial Plan, and Rating and Revenue Strategy. For Council, this is a major milestone, marking the start of a critical next step towards realising our shared vision.

The community consultation process to develop these documents was significant. The community was consulted through a Community Perceptions Survey; community engagement workshops, which Councillors attended; and the use of a 15-person community panel. It was pleasing that Council was able to reach over 470 people through these processes.

The East Gippsland region has experienced a lot over the past two years, and the community has shown remarkable resilience during this time.

Since Council was sworn in at the November meeting, we have been advocating strongly to the Victorian and Australian governments for bushfire recovery assistance programs and economic support following COVID-19 impacts. Through this advocacy, Council was successful in receiving \$35.5 million in grant funding through the Local Economy Recovery (\$25.5m) and Regional Recovery Partnership (\$10m) programs. The funding will see many Council and community projects undertaken to boost the regional economy and strengthen our communities as we look to the future.

To stay informed on Council business, projects and news stories I recommend that you all have a read through the monthly newsletter *My Council, My Community*. This is a great way to stay up to date with Council business.

It is an enormous responsibility and honour to be elected as a councillor of East Gippsland Shire and I am particularly proud to serve as Mayor in the first year of our Council term. On behalf of all of us, I would like to acknowledge the CEO and Council staff for their great support in helping the new Councillor group settle into our roles and for their hard work and achievements throughout the last 12 months.

Councillor Mendy Urie – Mayor



Message from the Chief Executive Officer

I am also pleased to present Council's Annual Report for 2020/21, in a year that has seen our organisation challenged and respond to ever changing circumstances.

COVID-19 continues to impact East Gippsland and its recovery efforts. Parts of East Gippsland have also been significantly impacted by interstate border closures. While provisions were in place for local communities to access services in cross-border areas, tourism traffic was significantly reduced in some areas with a commensurate impact on local economies.

During periods of significant restrictions due to COVID-19, access to trades, services and supply were limited and holidaymakers and property owners alike were restricted from entering the area. Many recovery activities and services were affected or modified, with events and gatherings unable to proceed, limiting opportunities for communities to connect. Where possible, services were modified to operate online and adapt to using technology to continue to deliver services to the community.

From an organisational perspective, we launched the new staff values and supporting behaviours – Collaboration, Respect, Integrity and Accountability. We all want to work in an environment where we can flourish and achieve the best possible outcomes for ourselves and the community.

We delivered over \$35 million in capital works, with major works that included the Lucknow Recreation Reserve Pavilion (\$2.5m), replaced 11 bridges that were damaged by the bushfires (combined value of more than \$4.5m) and the commencement of the Mallacoota seawalls (\$1m).

Council continues to be in a sustainable financial position, recording an underlying surplus of \$5.35m and a net increase in asset values by \$134m to \$1,303m.

I have been proud to lead the organisation through another tumultuous year and I want to specifically thank my staff who despite the challenges have continued to provide the services, functions and amenity that our community need, albeit differently than in previous years.

I would like to thank the Council for their support to me and the organisation through this challenging period. The East Gippsland community are resilient, resourceful and passionate and I look forward to continuing to work with you into the future.

Anthony Basford – Chief Executive Officer



Summary of Financial Performance

The summary of financial performance provides an overview of how Council has performed financially in 2020-21. The Long-term Financial Plan focused on improving Council's financial position, ensuring its long-term financial sustainability.

Financial Snapshot

- \$133.3m revenue against a budgeted \$133.3m.
- Rates and Charges comprised \$60.5m (45%) of the total operating revenue.
- \$113.8m expenditure against a budgeted \$110.6m.
- Operating surplus of \$19.5m (budget \$22.6m).
- \$35.2m Capital Works program delivered against a budgeted \$64.7m.
- Cash holdings and other financial assets increased by \$23.5m from \$68.6m in 2019-20 to \$92.1m in 2020-21.
- Net debt remained unchanged from 2019/20 at \$3.350m.

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 2020-21 is 147.6%.

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

No new borrowings were taken up during the year and borrowings totalled \$3.350m as at 30 June 2021.

Council's operating results

Council achieved an operating surplus of \$19.517m this year compared to a \$18.676m surplus in 2019-20. This is greater than last year's result by \$841,000. The operating surplus in 2020-21 though includes unbudgeted income of \$8.2m for an advance payment of the 2021-22 Federal Assistance Grant.

Without this advance payment, the operating surplus for the year would have been \$11.3m which is \$11.3m less than the budgeted result.

A decrease in capital grants over the budget of \$11.6m and other income of \$3.4m decreased the income for the year which was offset by an increase in operating grants over budget of \$9.5m and non-monetary contributed assets of \$4.0m as well as additional supplementary rates income of \$1.1m over budget. \$8.2m of the increase in operating grants was a result of the advance Financial Assistance Grant for 2021-22 being received in 2020-21. Additional contributed assets for reserves and other land related assets from developers was also greater than the original budget. There were some significant commercial/industrial supplementary valuations during the year and these accounted for the increase in rate income. Bushfire restoration works will be completed in early 2021-22 and as a result the other income relating to reimbursement for these works was less than budget.

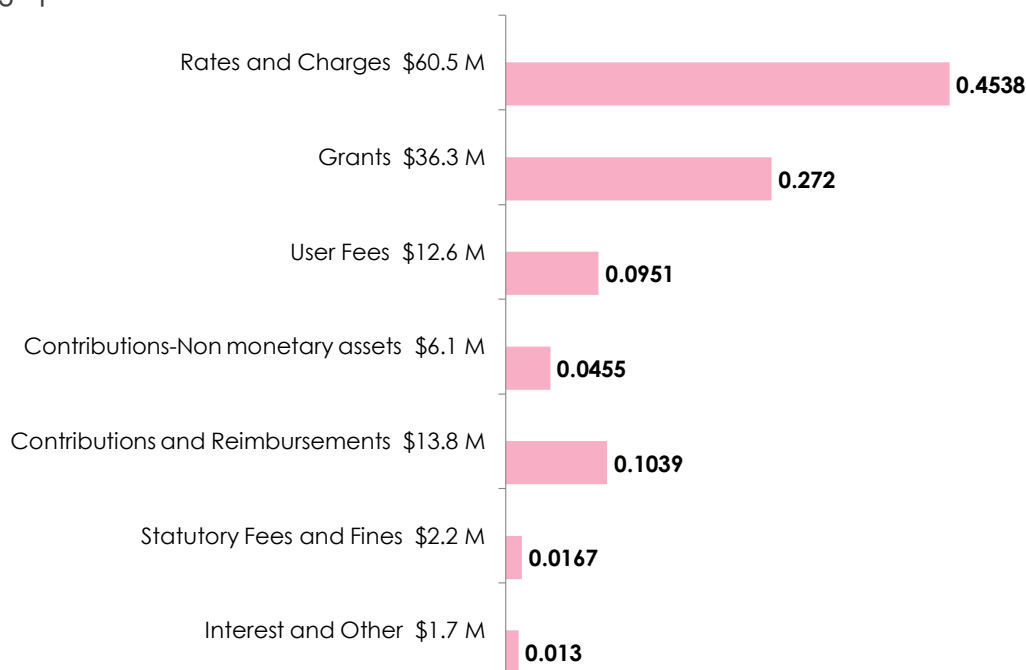
While the operating surplus represents an overall good result, an important indicator of financial sustainability is the underlying result, which removes all non-recurrent capital income to show the true operating position. An underlying surplus indicates that all operational expenditure including depreciation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

Council recorded an underlying surplus of \$5.3m this year compared to an underlying surplus of \$11.5m last year.

Income

This year's operating income totalled \$133.3m.

The graph below shows the breakdown of Council's income in 2020-21:



Rates and Charges

Rates and charges income was \$60.536m this year. As a percentage of total income this is 45.38%, compared with 47% in the previous year.

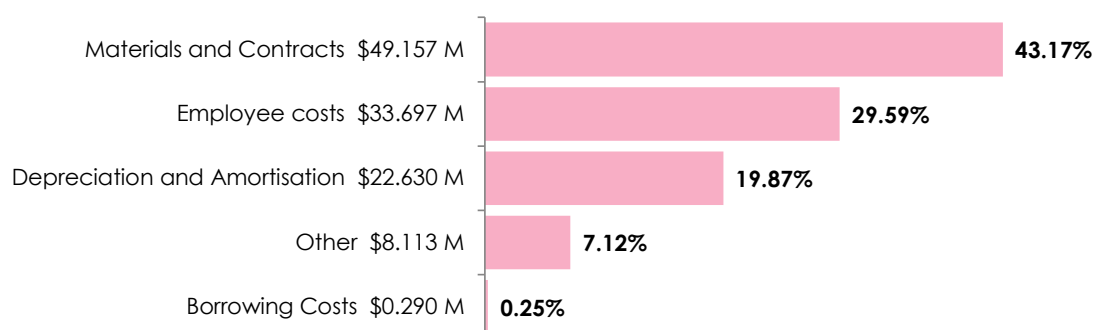
Other revenue sources

Grant funding was \$36.3m this financial year and accounted for 27.2% of total income, compared to 31.06% last year. The lesser percentage of total income from grants mainly resulted from a reduction in bushfire recovery grants in 2020-21.

User fees accounted for 12.6% of total income compared to 15.6% in the previous year. In 2019-20 there was additional income for user fees as a result of bushfire waste disposal of \$7.748m and this accounted for the reduction in user fees for 2020-21.

Operating Expenditure

The graph below shows the breakdown of Council's operating expenditure in 2020-21:



Over 92% of our operating costs occur in the following three categories:

- Employee expenses 29.5%
- Materials and services 43.1%
- Depreciation and amortisation 19.8%

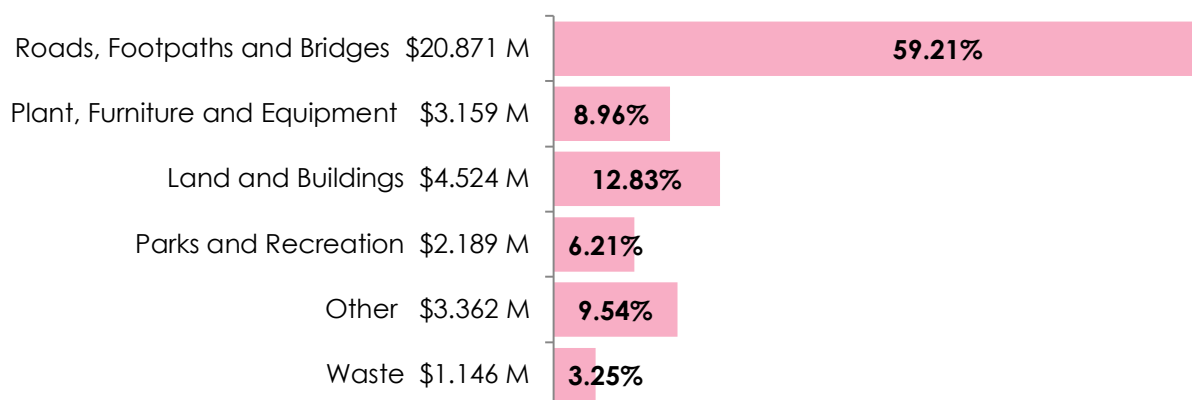
This year's operating expenditure totalled \$113.887m, which was \$3.186m greater than forecast in the budget. Other expenses, including the landfill rehabilitation provision movement were \$6.444m greater than budget as a result of \$6.6m of infrastructure write-offs, primarily due to assets being replaced. This was offset by materials and services which were \$3.242m less than budget as a result of a number of projects and programs that were interrupted as a result of COVID-19 restrictions and the expenditure for the year was less than budget.

All other expenditure in 2020-21 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 \$35.251m, which was \$29.515m less than budget. This was due to the timing of some projects that will not be completed until the 2021-22 year.

The graph below shows the major capital expenditure categories for the 2020-21 year:



Roads and Bridges capital expenditure was \$20.871m this year, \$79,000 less than last year, and accounted for 59.21% of total capital expenditure compared to 67.96% last year.

Plant, Furniture and Equipment capital expenditure was \$3.159m this year, \$101,000 greater than last year and accounted for 8.96% of total capital expenditure compared to 9.92% last year.

Land and Buildings capital expenditure was \$4.524m this year, \$1.530m greater than last year, and accounted for 12.83% of total capital expenditure compared to 9.71% last year.

Parks and Recreation capital expenditure was \$2.189m, \$869,000 greater than last year. It accounted for 6.21% of total capital expenditure compared to 4.28% last year.

Other Infrastructure capital expenditure was \$3.362m this year, \$1.229m greater than last year and accounted for 9.54% of total capital expenditure compared to 6.92% last year.

Balance sheet

Council has maintained a healthy balance sheet this year. Net Assets were \$1,303m as at 30 June 2021 compared to \$1,169m last year. This is an increase of \$133.9m. \$114.4m of the increase relates to the increase in the fair value of infrastructure. The remaining increase is mainly due to the operating surplus of \$19.5m.

Debt levels

No new borrowings were taken up during the year. Borrowings totalled \$3.350m as at 30 June 2021, the same as last year.

Council borrowings as at 30 June 2021 of \$3.350m 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 \$290,000, which is \$10,000 less than last year.

Cash and cash equivalents and other financial assets

Cash and cash equivalents and other financial assets totalled \$92.198m as at 30 June 2021; this was \$23.561m greater than last year. There was an increase in cash held at year end to fund 2020-21 capital and landfill rehabilitation projects that will be completed in the 2021-22 year of \$13.469m. Unearned income also increased at year end by \$17.881m as a result of significant capital grants being received in advance of the works to be undertaken in 2021-22 year.

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 Councils from the 2016-17 financial year. Whilst the Victorian government set the rate cap at 2.0% for the 2020-21 year, Council resolved to not increase the total of base rates and charges for the 2020-21 year given the impact on the community following the 2019-20 bushfires and COVID-19. Council was able to address this in the 2021-22 Budget, with a 10 Year Financial Plan that will continue to maintain its cash reserves at a prudent level providing Council with financial flexibility whilst continuing 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.

Councillors Mendy Urie, Mark Reeves, Trevor Stow, Tom Crook and Arthur Allen with Brian Donchi (left) and Rod Natty (right) during a visit to local hardwood sawmill Fenning Bairnsdale to discuss timber supply and rail freight opportunities.





Advocacy

Councillors and the Chief Executive Officer 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.

Councillors also hold representative positions on external advisory committees and boards to ensure that East Gippsland is represented in regional, state and national arenas.

Advocacy that was driven by the organisation includes:

- Council resolved to participate in the Fingerboards Mineral Sands Project Inquiry and Advisory Committee hearing. Participation at this hearing allows Council to explain to the committee why it considers the current justification for the mine is deficient and gives it the opportunity to seek better environmental, social and economic outcomes for the community should the mine go ahead.
- Council advocated for and received over \$25.5m in Local Economy Recovery grant funding to support East Gippsland communities. The funding is from the Regional Economic Stream and two rounds of Local Economy Recovery grants. The successful projects are for both Council managed projects (\$8m) and community and private led applications (\$17.5m). Some of the Council managed projects include:
 - o Buchan Streetscape upgrade (\$2.8m)
 - o Swifts Creek Recreation Reserve upgrade (\$1.9m)
 - o Bruthen Streetscape upgrade (\$1m)
 - o Upgrade of existing community facilities (\$1m)
 - o Livingstone Park, Omeo upgrade (\$924,000)
 - o Mallacoota Hall upgrade (\$818,000)
 - o Old Slipway, Lakes Entrance site redevelopment (\$560,000)
 - o Multi-purpose community facility in Tambo Crossing (\$426,000)
- Mayor Cr Mendy Urie is one of 15 Victorian mayors to be appointed to the 2021 Local Government Mayoral Advisory Panel. This panel will provide advice on a range of matters that impact local government.
- Council also advocated for and received further funding of \$10m in Regional Recovery Partnership grant funding to support community-based projects to boost the regional economy. The major projects that will be delivered with the funding are:
 - o Krautungalung Walk Lakes Entrance (\$2.2m)
 - o East Gippsland Rail Trail (\$2m – Community led project)
 - o Mallacoota streetscape (\$1.5m)
 - o Kalimna Lookout (\$1.5m)
- A site visit to Mallacoota to meet with Major General Andrew Hocking, Deputy Coordinator, Engagement and Operations of the National Bushfire Recovery Agency, and the Mallacoota and District Recovery Association.
- A joint meeting with Bushfire Recovery Victoria, Regional Development Victoria, and The Hon. Mary-Anne Thomas (Minister for Regional Development and Minister for Agriculture) regarding updates on bushfire recovery, economic and community recovery, including priority infrastructure projects and work being undertaken as part of the Victoria Forestry Plan.

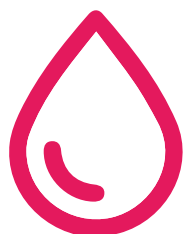
Council has on behalf of our communities advocated for improved connectivity and more resilient telecommunications through projects such as restoring the NBN fibre connection to Mallacoota and the Federal Government's Mobile Blackspot Program. This includes advocating for the Australian Government to address these issues where they are a barrier to improved digital connectivity and telecommunications infrastructure in East Gippsland.





Tambo Crossing residents advocate for improved resilience during emergency incidents on a visit to the High Country by Council. Pictured: Cr Kirsten Van Diggele, Cr Jane Greacen, Brad Smith, Andrew 'Rambo' Travis, Fiona Angus, Jamie Johnson and Cr Tom Crook.

- Council submitted two motions to the May Municipal Association of Victoria (MAV) State Council Meeting, dealing with prioritisation of vegetation management and aiming for zero waste by 2030. Council's objective was to enable the MAV to advocate for better vegetation management to protect vulnerable communities from fires, promote the engagement of local communities in the management of coastal and mountain regions and provide support for significant waste minimisation in the medium term.
- In collaboration with Wellington Shire Council, released the results of a new jointly commissioned study that will help inform decision-making about the Victorian Government's native timber harvesting phase out. Council is also working with the Victorian Government on a pilot community transition program in Orbost.
- Advocating with the Victoria's Cross Border Commissioner and Snowy Monaro Regional Council CEO to manage and mitigate Victoria / NSW border closure impacts.
- The CEO and Mayor attended external committees to promote and advocate for East Gippsland. These included One Gippsland, the Canberra Region Joint Organisation, Municipal Association of Victoria Rural Gippsland regional meeting and State Council Meeting, One Gippsland and Destination Gippsland Board.
- Council wrote to:
 - o The Prime Minister of Australia, the Hon Scott Morrison MP, noting East Gippsland Shire Council's support of the Treaty on the Prohibition of Nuclear Weapons;
 - o The Victorian Government, requesting urgent reconsideration of decision to phase out native timber harvesting by 2030; and
 - o The Hon Lily D'Ambrosio (Minister for Energy, Environment and Climate Change) and the Hon Jane Garrett (Upper House Member for Eastern Victoria) to urgently request township protection operations for Marlo through strategic, mosaic or planned burning and vegetation management be prioritised.



A partnership with Adventist Development and Relief Agency provided water to 400 rural families who rely on rainwater for their household water supply. The support included a subsidised 10,000-litre tank of water.

The much-anticipated opening of new Omeo Pump Track and Skills Park was held on 19 December in front of a crowd of more than 120 community members and guests in the heart of Omeo at Livingstone Park. The pump track is an undulating asphalt course designed around the word 'Omeo' and suitable for skill levels from beginners to the most advanced.





Description of Operations

The broad range of community services and infrastructure provided by Council for residents 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 also has a wide range of responsibilities under the Victorian and Australian legislations.

Major Capital Works

Lucknow Recreation Reserve Clubrooms Upgrade

Jointly funded between the Australian Government, Council and Lucknow Football Netball Club, the upgraded clubrooms provide a fit-for-purpose facility with:

- Modern changerooms for football and netball teams and umpires, ensuring players and officials of all genders have suitable, compliant facilities;
- A timekeepers' area and first aid facilities;
- New canteen, function room and bar area;
- Great internal and external vantagepoints to view both netball and football matches from; an
- New storage shed and solar system.

The contract for the major clubrooms overhaul was awarded in September 2020. Partnering with the Victorian Government through Sport and Recreation Victoria a full netball court upgrade is also in place, making for a combined investment of \$2.5m.

Swifts Creek Transfer Station Upgrade

The upgrade to the Swifts Creek Transfer Station project was fully funded by Council at a cost of \$306,000. The upgrade is in accordance with Council's Waste Facilities and Disposal Strategy, improving service for community members and achieving Environment Protection Authority requirements.

Omeo Mountain Bike Track and Pump Track

This three-year, \$4.5m project aims to transfer 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 been constructed this year by contractor Common Ground Trails Pty Ltd.

In the next financial year, we plan to commence delivery of the first stage of the mountain bike trails which includes a minimum of 55-kilometre of the 121 km trail network. Funding for further stages of the project is being currently being sought through the Economic Recovery Funding Program.

Poet's Walk, Swifts Creek

Sculptor and poet John Butler's dream of a walking track marked by stone cairns with verses of his poem *The River* has been realised. Construction of the Poet's Walk walking path at Swifts Creek was completed in June 2021.

The new walking path will create a safe, accessible connecting walking path along the Swifts Creek and Tambo River Reserve frontage. Council funded the project with \$147,000 from the Capital Works 2020-21 Budget, with local contractor Cranes Asphalt and Bitumen Sealing undertaking the works.

Livestock Exchange Sheep Pen Upgrade

Works to construct the new sheep pens at the East Gippsland Livestock Exchange were completed. The project, fully funded by Council with a budget of \$1.2m, saw the installation of a new roof and soft flooring over the newly rebuilt sheep and multi-stock pens. The project also includes new draft and delivery areas, new loading ramps, LED lighting, extra cattle pens and water troughs.

This is stage two of a significant upgrade of the facility. The combined cost of stage one and two is \$1.8m. The Australian Government's Drought Community Support Initiative contributed \$542,638 to stage one.

The new Lucknow Recreation Reserve clubrooms provide a modern and fit-for-purpose facility.





Allan Pappin (President Bairnsdale RSL Sub-branch), the Hon Darren Chester (Federal Member for Gippsland), Cr Mendy Urie (Mayor), Cr John White (former Mayor when the conservation work started) and Ray Rock (Bairnsdale RSL sub-branch) declared the Bairnsdale Cenotaph restoration complete.

Davison Oval Skatepark, Bairnsdale

The new skatepark in Bairnsdale opened in October 2020 and has been a hive of activity since. Designed by Baseplate and EastbyWest, the skatepark caters for all ages and skill levels. It includes a fully enclosed bowl, street course with hips, banks, ledges, ramps and stairs, and conversion of the old concrete slab to an open plaza area. Skatepark construction specialist Grind Projects undertook the \$743,000 project which was funded by Council and a \$250,000 grant from Sport and Recreation Victoria.

Bairnsdale Cenotaph

Major conservation works on the Bairnsdale Cenotaph were completed in March 2021. Council awarded the contract to Cathedral Stone, a specialist in conservation projects. The works commenced on the 24 July 2020 following the de-consecration ceremony performed by Rt. Revd. Dr Richard Treloar, Bishop of Gippsland. Cathedral Stone rebuilt the shaft stone, cleaned the stone, restored bronzes and polished the marble amongst many other works needed for the restoration. Scaffolding was erected and the cenotaph was wrapped up to protect the sensitive works from the elements and create a controlled environment. The project was jointly funded by Council and the Australian Government, the latter contributing \$137,000 in funding under the Saluting Their Service Commemorative Grants Program. The Bairnsdale RSL Sub-branch was an important and valued partner working in consultation on the project.



One of the cairns on the Poet's Walk path at Swifts Creek.



The East Gippsland Livestock Exchange yards and associated infrastructure were expanded to include additional soft-floor yards under cover.

Significant Projects Underway

Omeo Heritage Precinct

This \$384,000 project is part funded by Heritage Victoria and supported by Council. The project has provided the opportunity to rejuvenate these buildings that are a strong connection to the region's historical past. These significant buildings are receiving repairs and rework both internally and externally in accordance with Heritage Victoria's requirements. Overseen by a heritage consultant, contractor Period Building Conservation is utilising its expertise to restore and protect these historic buildings.

Bullock Island Master Plan Implementation

The Bullock Island Master Plan refresh, led by Council and with significant reference group input, will guide the investment into upgrades on the island. The work follows Council taking control of a large portion of the management of Bullock Island in late 2019.

The master plan confirms that the vision for Bullock Island and any upgrade to the island should be to enhance the visitor experience, maximise visitation, and contribute to the visitor economy of Lakes Entrance and the region. The intention to develop a passive recreational area for public use by locals and visitors to Lakes Entrance alike remains. Development will be sensitively undertaken befitting the Ramsar-listed Gippsland Lakes, entrance to Bass Strait, and scenic surroundings.

- Reeves / Crabbing Jetty – partly funded and project managed by Gippsland Ports, construction completed July 2020. The works included a \$6m new extension and providing OH&S features to both the old and new jetty.
- Fish Café – partly funded and project managed by Lakes Entrance Fishing Limited, the planning application has been lodged with Council, seeking planning approval. The scope of work includes a new café and include public viewing platforms at the trawler unloading area.
- Replacement bridge – funded by Federal grant and project managed by Council.
- Recreational components of the island.

These projects will be implemented over the next two years. Council will also continue seek additional funds to implement the unfunded aspects. The maintenance and replacement of the seawalls remains the responsibility of DELWP and will be incrementally addressed over time.

Bullock Island Bridge

Work to replace the Bullock Island Bridge in Lakes Entrance began in June 2021. The Council project will provide reliable long-term access to the island for

The restoration of the Omeo Courthouse buildings will preserve an important link to the region's past.



local, visitor and commercial users.

The new bridge accommodates pedestrians and cyclists with a shared path on the south side and a second pedestrian path on the north side. It will be replaced one half at a time to maintain access to the island.

For public safety, the carpark and open space area on Bullock Island, on the south-west side of the bridge, will be closed throughout the construction period. Afterwards, this space will be reinstated and improved as part of the Bullock Island Master Plan Implementation project.

Funding of \$5m has been provided by the Australian Government for the bridge replacement and associated works on Bullock Island, through the Victorian Infrastructure Investment Program.

Genoa Pedestrian Bridge

Work has commenced on a new pedestrian bridge across the Genoa River. The iconic timber truss bridge was destroyed by the 2019-20 bushfires and the new bridge will re-establish the pedestrian link from the Genoa Wayside Stop into the township. Funded by Council, the new \$1.5m bridge will be 111 metres long, made from steel reinforced concrete, and will be completed prior to Christmas 2021. Council and community members have worked together to ensure a design that is appropriate for the location, including an overhead steel truss structure that will be painted white to mimic the former heritage bridge.

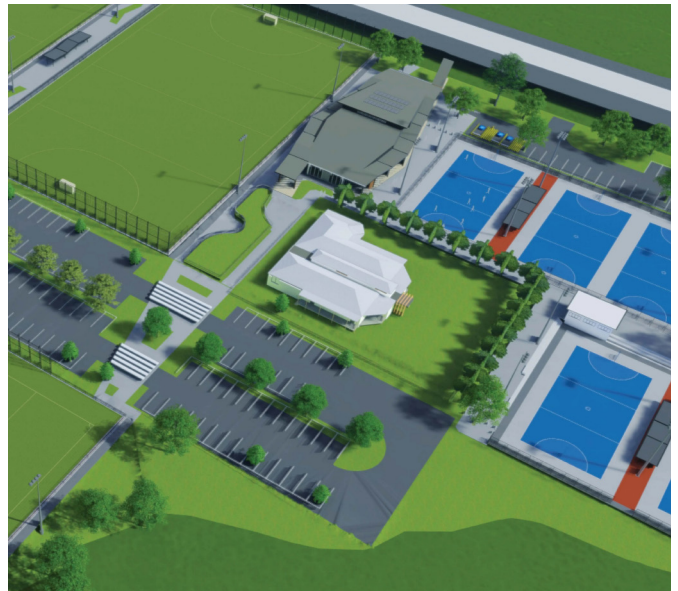
Mallacoota Seawalls

The project to replace a section of failing seawall adjacent to the Mallacoota Foreshore Holiday Park commenced in April 2021. Initial works include replacing a 200-metre section of the seawall with a new precast concrete wall and galvanised piles. The new wall will be constructed one metre in front of the existing seawall, which will be left in situ. The project will provide higher flood protection for the foreshore and will greatly improve amenity of both visitors and Mallacoota residents with the provision of a new shared path that will be 2.2m wide. The path will replace vehicle access along Panoramic Drive adjacent to the works, between amenity block number 5 near the main wharf and the base of the hill leading up to the camp kitchen.

WORLD Sporting Precinct

This project is multi-funded with the Australian Government providing \$5.3m, the Victorian Government \$5.65m, Council \$647,000 plus a \$5m community infrastructure low-interest loan.

When fully constructed, the WORLD Sporting Precinct



The WORLD Sporting Precinct will include new netball courts, soccer and futsal pitches and synthetic hockey field.

will provide a great home for over 750 netballers, 630 soccer players and an increasing number of hockey players, most of whom are juniors, allowing these sports to grow. The site will also provide an opportunity for students from throughout the district to utilise these much-improved facilities for carnivals and inter-school sports events. It will build on the great history the precinct has had since opening in 1984 and will continue to be one of the most highly used recreational facilities in East Gippsland.

This \$16.6m project will include:

- an upgraded pavilion for hockey and netball
- new lighting and amenities
- an eight-court regional level netball facility. Four courts will be marked for both futsal and netball
- a soccer precinct that includes a dedicated pavilion and two synthetic pitches with lighting
- associated car parking
- new walkways and connections to the Bairnsdale Aquatic and Recreation Centre and Bairnsdale Secondary College.

Orbost Forest Park

Plans are being developed for a \$1.82m upgrade of Forest Park, the picturesque gateway to Orbost, and community members are being invited to share their thoughts on the draft design with Council.

Forest Park is a much-loved passive recreation area and rest stop for locals and visitors. The upgrade will revitalise and modernise the park by providing a place for community members of all ages.

The works will include a new toilet and amenities block, parking, adventure playground, picnic area, and gateway to the East Gippsland Rail Trail.

Major Changes

Below are major changes that were introduced as the East Gippsland Shire Council Enterprise Agreement.

1. Introduction of change to the works area. A new road maintenance contract separated road maintenance in four new contract areas: North, East, Central and West areas, with the contract to transition in a staged approach with full implementation as of January 1, 2021. Four new Roads Supervisor positions will manage and oversee the changes to road maintenance.
2. The Parks and Gardens team created additional leading hand positions. The positions were filled from the existing crew and created changes to reporting lines.
3. There were changes made to the structure of the Sustainability and Waste Minimisation business unit structure. These changes included the introduction of two new positions, one role was made redundant, changes in duties and reporting lines.
4. There was a temporary change to the Library Operations team reporting structure, with a movement of the whole team into the Business Excellence directorate for a period of between six and 12-months, depending on the outcomes of a service review.

Major Achievements

East Gippsland Shire Council won three top awards at the 2021 LGPro Awards for Excellence. For only the second time in the 17-year history of the awards East Gippsland earned top gongs for Service Delivery, Sustainability, and Community Assets Projects.

This was a major achievement, as winning three state LGPro awards in the one year is a rare accomplishment. Two projects were finalists (see opposite page).

East Gippsland Shire Council's Chief Executive Officer Anthony Basford (back, second right), and (front) Manager Sustainability and Waste Minimisation Wayne Bath, General Manager Assets and Environment Fiona Weigall, and General Manager Bushfire Recovery Stuart McConnell accepting the three LGPro awards from Bronson Justus (Jardine Lloyd Thompson), Liana Thompson (LGPro President) and Chris Eddy (LGPro Acting CEO).



LGPro Awards for Excellence

Bosworth Road Recreational Area – winner

Significant environmental and community outcomes were achieved and more than \$6 m was saved through phytocapping the disused Bairnsdale landfill. The new park includes native tree species, walking and bike tracks, an off-leash dog park and observatory decks overlooking the nearby Ramsar-listed wetlands.

Bright Futures East Gippsland – winner

This project has been operating for multiple years leveraging federal, state and local funds to implement climate change mitigation and adaptation projects. At the core of the program is local implementation and demonstration of how energy efficiency and renewable energy can reap the multiple benefits.

Mobile Recovery Service – winner

A co-designed, community-centred initiative of Council provided an opportunity for a range of government and non-government agencies to travel together to bushfire affected areas to deliver much needed support to communities, where and when needed. Over 10 weeks the service travelled to 48 disaster-affected communities to assist people who could not or did not want to travel away from their properties during the 2019-20 bushfire season.

Orbost Landfill Bushfire – finalist

The Orbost landfill was re-established to accept waste from over 890 properties destroyed or damaged by the 2019-20 bushfires, to facilitate an efficient clean-up process.

The re-opened site accepted 44,000 tonnes of waste and the project delivered significant savings in transport cost and time, mitigated risks to the environment and public health, and expedited the clean-up. It was established in less than three weeks.

Orbost Streetscape Project – finalist

Actively seeking to transition to a desirable location for retirees, tree-changers and tourists, the rejuvenation of the Orbost town centre through streetscape improvements has been a key project for the town. The streetscape has enhanced the character and amenity of the town. This project followed extensive community consultation and delivered a safe and attractive pedestrian-friendly and age-friendly streetscape.



The network of walking trails at the Bosworth Road Recreation Area.



Council's largest solar system, installed on the Lakes Entrance Aquadome.



The mobile recovery service visiting Cabbage Tree.



Bushfire waste is deposited at the Orbost Landfill.



Coinciding with National Volunteer Week, Council held an inaugural East Gippsland Volunteer Recognition Morning Tea in May 2021, simultaneously across five locations - Orbost, Omeo, Mallacoota, Bairnsdale and Lakes Entrance. Pictured: Sandra Patten (Gunai Senior Elder, Welcome to Country), Mayor Cr Mendy Urie and Anne Macarthur AM (Red Cross life member and keynote speaker).

Civic Events

As part of its civic leadership role and commitment to active community engagement, Council recognises the importance of maximising local community involvement through civic events. Celebrating the achievements of Council working with the community, when COVID-19 restrictions allowed we hosted a range of project openings and civic events. These included:

19 December 2020

Omeo Pump and Skills Track Opening

21 January 2021

Australia Day Awards, Sarsfield

5 March 2021

Bairnsdale Cenotaph Restoration Project Opening

10 March 2021

HMAS Choules Homeporting, Mallacoota

24 and 25 March 2021

Governor-General's visit to bushfire-impacted towns

10 April 2021

Bairnsdale Skate Park Opening

23 and 24 April 2021

East Gippsland Field Days

30 April 2021

Wairewa (Hospital Creek) Bridge Opening
and celebration of the completion of the bushfire vehicular bridge rebuild program

22 May 2021

East Gippsland Volunteer Recognition Morning Tea

19 June 2021

Lucknow Recreation Reserve Clubrooms Opening



Mayor Mendy Urie with Captain Scott Houlihan on the beach at Bastion Point, marking the ceremonial homeporting of the HMAS Choules to Mallacoota.

Australia Day Awards

East Gippsland's resilience after a tough year, and the efforts of community members to support one another was the focus of the East Gippsland Australia Day Awards held on the evening of 21 January 2021. COVID restrictions were eased just in time to help Council and community join to celebrate the achievements of our community at a bumper awards ceremony in Sarsfield.

In addition to the announcement of award winners and celebration of all nominees, Community Recovery Committee representatives from across the shire accepted certificates of appreciation on behalf of their communities for the tireless work their communities had done as part of the community-led bushfire recovery, supported by Council.

Citizen of the Year – Leo op den Brouw of Mallacoota

Leo op den Brouw's inspirational leadership was clearly demonstrated in December 2019, when the Mallacoota community faced one of its greatest challenges. Throughout the bushfire emergency, Leo worked tirelessly to coordinate community effort and responses. Following the fires, Leo was integral in the establishment of 'The Sanctuary', a space for local youth to gather, share and organise.

Young Citizen of the Year – James Bush of Bairnsdale

James Bush exhibits a high degree of civic duty and motivation to assist some of the region's most disadvantaged young people. He has volunteered on numerous youth committees over the past four years



Citizen of the Year: Leo op den Brouw.

including the HEY (Healthy Equal Youth) Project Working Group, FReeZA and Headspace's Youth Advisory Group. He has strived to share a message of acceptance and inclusion in his mission to make East Gippsland a more accepting and understanding place for all.

Community Event of the Year – Paynesville Classic Boat Rally

The Paynesville Classic Boat Rally is a free community event attracting around 10,000 people from all around Australia on the first weekend in March every second year.

Over 300 boats from every state except Western Australia took part in 2020, providing a fantastic spectacle to locals and visitors alike. The rally is already acknowledged as being second in size only to the Australian Wooden Boat Festival in Hobart.



Young Citizen of the Year: James Bush.



Community Event of the Year: Paynesville Classic Boat Rally.



Stage 1 of the Jemmy's Point Lookout project at Kalimna (Lakes Entrance) was completed. The new lookout offers improved all abilities access to the views of the Gippsland Lakes, Entrance, Bass Strait and hinterland.



3

Our Council

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. East Gippsland has evolved 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% of the state.

Demographic Profile

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.

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 grown 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 Economy

East Gippsland has experienced significant economic disruption over the past 12 months as a direct result of COVID-19 forced lockdowns, and continued restrictions on movement across the state and around the country.

Extended metropolitan lockdowns requiring employees to work from home has driven unprecedented interest in the lifestyle afforded by regional living, resulting in increased property values, peak real estate sales and a tightened housing rental market across East Gippsland. Economic stimulus packages released by the Victorian Government in response to COVID-19 have spurred the construction sector, however labour shortages and supply of construction materials is

impacting productivity and driving up the cost of construction.

Tourism continues to be important to the local economy and will be the slowest to recover from the impacts of COVID-19. Council contributed to recovery campaigns encouraging regional travel and East Gippsland was a primary beneficiary of the Victorian Government's travel stimulus voucher program.

Travel uncertainty resulted in 37.2% fewer domestic visitors in the 12 months to March 2021, total visitor expenditure decreased by 14.1% for the same period. International visitation to East Gippsland was minor due to national border closures but this helped drive intrastate travel and minimize losses.

Consumer sentiment is positive with resident local spending sustained at \$42.4m reflecting ongoing support for businesses through buying locally.

The East Gippsland Bushfire Economic Recovery Sub-Plan which outlines key initiatives to support business growth and stimulate recovery has seen over \$85 m of project funding, unlocking over \$168m in project value and local investments.

Council continues to respond to the needs of East Gippsland's business communities, delivering assistance and facilitating connections with the relevant agencies, funding programs, business mentoring and skill development.

Council support the establishment of 'parklets' at venues to support an increase in outdoor dining during COVID-19 restrictions.





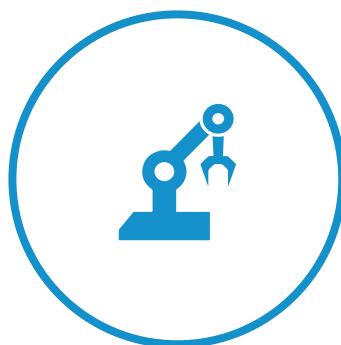
Total of 16,539 jobs, with unemployment at 6.3% (as at March 2021).



Total local spending \$734.2m, down 3.71% from last year.



Domestic visitors, down 37.2% from last year.



Top five industries by Gross Regional Product: Manufacturing (14.9%); Construction (13%); Agriculture (12%); Healthcare (6.8%); and Tourism (6.5%).



Top five industries by employment: Healthcare (16%); Retail (12.1%); Agriculture (9.7%); Tourism (9.3%); and Education (9.2%).



Customer Service Officer Andrew Thomson helps a customer visiting Council's site at the East Gippsland Field Days. Council supported the Field Days with funding to allow for a reduction in the gate ticket price.

Events

2020-21 has been a challenging year for events due to ongoing disruption brought on by the COVID-19 pandemic. Events are reliant on the ability of people to travel about the state and gather freely which have both been significantly compromised throughout this past year and resulted in most public events being postponed or cancelled.

Despite the current event environment, Council supported:

- 180 individual events;
- 6 events through the Regional and District Events Sponsorship (RADES)
- 9 Australia Day events
- Lakes Entrance Foreshore Summer Carnival
- Securing 6 new events to the region during off peak periods
- 71 events with event permits

Through periods of lockdown where events could not be held, Council continued to provide essential skill development and capacity building to over 65 local event organisers:

- Volunteer Management for Events
- Re-imagining Events in a Post COVID World
- Event Masterclass webinar series by Events Academy

Council invested \$63,000 in sponsorship of 12 regional events and providing a return on investment (ROI) of 7.5:1 (or \$256,677 of economic benefit). This represents a significant decrease from the previous year where the ROI was calculated at 36:1 and can be attributed to the impacts of restrictions imposed by COVID-19.

Council secured \$190,000 under the Commonwealth Government's Regional Bushfire Tourism Recovery Grant program to deliver a new trail-running event in Lakes Entrance, three Mountain Bike Events in Omeo and a Public Art Activation along the East Gippsland Rail Trail for delivery in 2021-22.

28 November 2020

Cattlemen's 100 MTB Omeo
RADES

13 January 2021

Professional Golfers Association Southern Division and ALPG 1 Day Pro Am
Sponsorship

21, 28 February and 18 April 2021

Riding for Recovery
RADES

13 - 14 March 2021

Nicholson Hobie Kayak Bream Series
RADES

20 - 21 April 2021
Super Flow MTB at Mt Taylor
Sponsorship

27 - 28 March 2021
Victorian Masters Open Squash Tournament
Sponsorship
30 March – 8 April 2021
Waterfront - Design Week with Open House and NGV
Sponsorship

23 - 24 April 2021
Adventurethon Demolish East Gippsland
Sponsorship

1 May 2021
Gippsland Lakes Paddle Challenge
RADES

14 - 16 May 2021
Tennis Seniors Victoria National Ranking Tournament
Sponsorship

18 June – 11 July 2021
East Gippsland Winter Festival
RADES

19 - 20 June 2021
Vic Bream Classic, Round 2, Mallacoota
RADES



The Cattlemen's 100 MTB was held in Omeo for the first time in 2020.



Local markets, including Paynesville (pictured) were supported through event permits, which also considered COVID-19 restrictions.

Mayor Cr Mendy Urie with the angel wings at the East Gippsland Winter Festival.



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 Council consists of seven new Councillors and two Councillors returning from the previous Council. The elected Council is responsible for providing leadership for the good governance of the shire by setting the strategic direction for the shire.



Cr Mendy Urie
Mayor

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



Cr Mark Reeves
Deputy Mayor

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



Cr Arthur Allen

First elected
October 2020



Cr Sonia Buckley

First elected
October 2020



Cr Tom Crook

First elected
October 2020



Cr Jane Greacen OAM

First elected
October 2020



Cr Trevor Stow

First elected
October 2020



Cr Kirsten Van Diggele

First elected
October 2020



Cr John White
Deputy Mayor

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

The following former Councillors served until the local council election in October 2020.



Cr Ben Buckley

Elected terms
2003-2020



Cr Richard Ellis

Elected terms
2008-2020
Served as Mayor
2010-13



Cr Natalie O'Connell

Elected terms
2016-2020
Served as Mayor
2018-19



Cr Marianne Pelz

Elected terms
2008-2020
Served as Mayor
2015-16



Cr Joe Rettino

Elected terms
2016-2020
Served as Mayor
2016-18



Cr Jackson Roberts

Elected terms
2017-2020



Cr Colin Toohey

Elected terms
2016-2020

Council officers Angus Howlett, Annette Farley and Jenny Heyne offering information about sustainability, waste, library and other services at the Sustainability Expo as part of the Orbost Show in March.





4

Our Organisation

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

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 2021





Council staff on the final day of operations at the Bairnsdale Recovery Centre in April: Julie Richards, Alison Doucette, Narelle Van Dam, Delia Warne and Marlene Rickhuss with Amanda Lynford (Windermere Case Support Coordinator, left) and Lea Davis (Salvation Army, fifth from left).

Staff Profile

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

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

The 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, limited-tenure staff and excluding staff on parental leave. The full-time equivalent (FTE) positions as at 30 June 2021 were 403, including casuals.

Year	Total Staff	FTE
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, limited-tenure staff. Excluding the CEO and staff on parental leave. 2020-21 saw an increase in total staff as we recruited staff into Working for Victoria and Bushfire Recovery roles. These roles were externally funded.

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

Total staff numbers by salary band and gender

Employment Classification	Total Staff	Female Total Staff	Male Total Staff	Self-described Gender Total Staff
Band 1	27	17	10	0
Band 2	28	12	16	0
Band 3	201	114	87	0
Band 4	103	75	28	0
Band 5	52	37	15	0
Band 6	71	41	30	0
Band 7	50	23	27	0
Band 8	6	2	4	0
Senior Executive Officer / Senior Officer	22	12	10	0
Total	560	311	249	0

Job level by gender

Job Level	Total Staff	Female	Male	Self-described Gender
CEO	1	0	1	0
General Manager	4	2	2	0
Manager	17	10	7	0
Coordinator	36	20	16	0
All other staff	503	279	223	0
Total	561	311	249	0

Staff numbers by directorate

Staff numbers for each directorate as at 30 June 2021 are:

Work type/ gender	CEO team	Assets and Environment	Bushfire Recovery	Business Excellence	Place and Community	Total
Full time – Female	1	24	19	40	30	114
Full time – Male	0	106	7	14	28	155
Part time – Female	1	13	8	31	36	89
Part time – Male	0	27	0	3	16	46
Casual – Female	0	2	7	6	93	108
Casual – Male	0	8	1	1	38	48
Total	2	180	42	95	241	560



Elise Alkemade was one of 54 people who was employed through the Working for Victoria program. Elise worked with the Environmental Blitz Team, who maintained Council environmental assets, in particular walking tracks.

People and Culture

Learning and Development

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

Extensive work was completed to recruit and induct staff to work in the Working for Victoria program. Training was provided to many of these staff in Construction Induction (White Card), asbestos awareness and in operating plant and equipment as needed.

Training sessions for all staff included:

- Positive Workplace Culture
- Infection Control in the Workplace
- Child Safety Standards online course
- Online modules were completed on Family Violence and Gender Equality and Fraud and Corruption
- Communications

A leadership program was also developed for our General Managers, Managers and Coordinators, with four sessions delivered. This tailored program focussed on resilience, positive culture, communication and collaboration, and customer experience.

Training of staff continues to be of high priority and changes have been made where necessary to facilitate online learning in accordance with the constraints presented by COVID-19 restrictions around conducting face-to-face training.

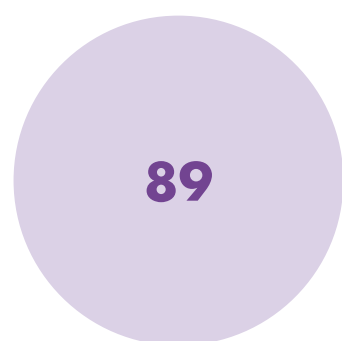
In 2021, Council has offered traineeship programs across a range of services, being the host employer to trainees in our saleyard, recreational facilities and two trainees in administration; bringing the total number of trainees to four. As part of the program, the trainees complete a certificate level course, spending time in the workplace and time with an external training provider. During the year, two current trainees who commenced in 2019 graduated from their traineeships in Parks and Gardens.

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. Council retains a robust insurance policy portfolio to address the workplace health and safety risks.

Council actively managed the workplace health and safety performance and risks associated with bush fires and will continue to do so as part of the bush fire recovery efforts. In addition, Council is actively engaged in supporting efforts to manage the spread of COVID-19 virus and variants.

An extensive review of current workplace health and safety practices was initiated which has identified opportunities to improve Council's safety performance and contribute to improve safety culture and reduce incident rates. Processes are being developed to enhance communications and accountability across the organisation in response to the many challenges of having a workforce spread across a large geographic region and diverse range of tasks undertaken daily. Additionally, considering the significance of workplace health and safety, there has been an internal restructure to place further emphasis on compliance across the organisation. In 2020-21:



Incidents were reported involving staff; 12 of which resulted in WorkCover claims. Of the WorkCover claims lodged, nine resulted in lost time.



WorkCover claims as a percentage of staff is 2.4% for 2020-21.

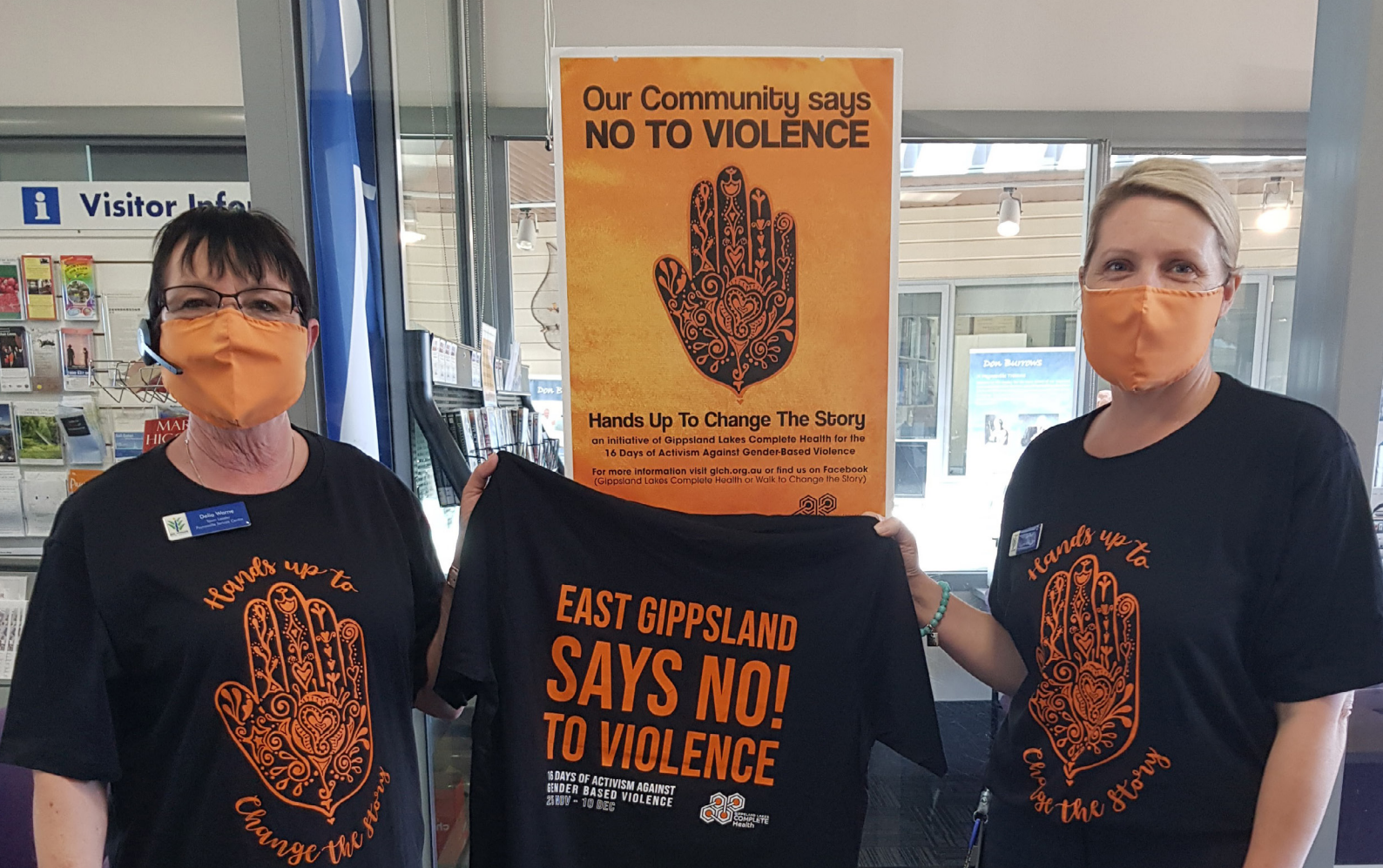
Equal Employment Opportunity Program

Council's Equal Employment Opportunity Program is designated to eliminate discrimination against and promote equal opportunity for women and people in designated groups for employment matters.

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

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

- Percentage of new employees receiving equal opportunity training within six months of commencement.
Target: 100%. Result: 100%
- Percentage of existing employees receiving refresher equal opportunity training at least every two years.
Target: 100%. Result: 100%
- Number of contact officers per employee. Target: 1:50. Result: 1:64



Customer Service Officer Delia Warne and Sam Abraham promote the 'Say No to Violence' campaign.

Gender Equality

The Gender Equality Act 2020 (the Act) came into effect on 31 March 2021. Council has ongoing obligations under the Act to develop and drive outcomes to meet future objectives of improving gender equality in the workplace and in the community through improved policies, programs, and services.

Council participated in the People Matter Survey for Local Government 2021 and will use these results to understand and improve upon the current state of gender equality within the organisation.

Preventing Violence Against Women

Council continues to undertake internally focused work to review the drivers of violence against women and identify opportunities to improve. As a large workplace, Council is well positioned to influence and set expectations regarding what is acceptable across workplace conditions, culture, support structures, commitments, and daily practices.

Council reaffirmed commitment to the Victorian Local Government (VLGA) Women's Charter, stating that Council will continue to 'support the VLGA campaign to increase women's participation in local government as citizens, candidates and Councillors.

Two Councillors have also been nominated as Charter Champions. Council has also acknowledged its commitment to the prevention of violence against women through endorsing the following statement:

'East Gippsland Shire Council acknowledges the prevalence and impact of violence against women in our community, and regards all forms of violence against women as unacceptable. Council will lead by example as an employer, service provider, advocate, funder and key stakeholder by acting in a manner that demonstrates relationships built on respect and by providing opportunities that are gender-equitable and non-discriminatory.'

Council has participated at a state level in a community of practice for the Workplace Equality and Respect standards, and in East Gippsland Partners in Violence Prevention network, including support and participation in the 16 Days of Activism campaign (pictured).

The installation of lighting on a feature tree in the Nicholson Street Mall, Bairnsdale, to support the East Gippsland Winter Festival and drive community participation for the events sector.





Our Performance

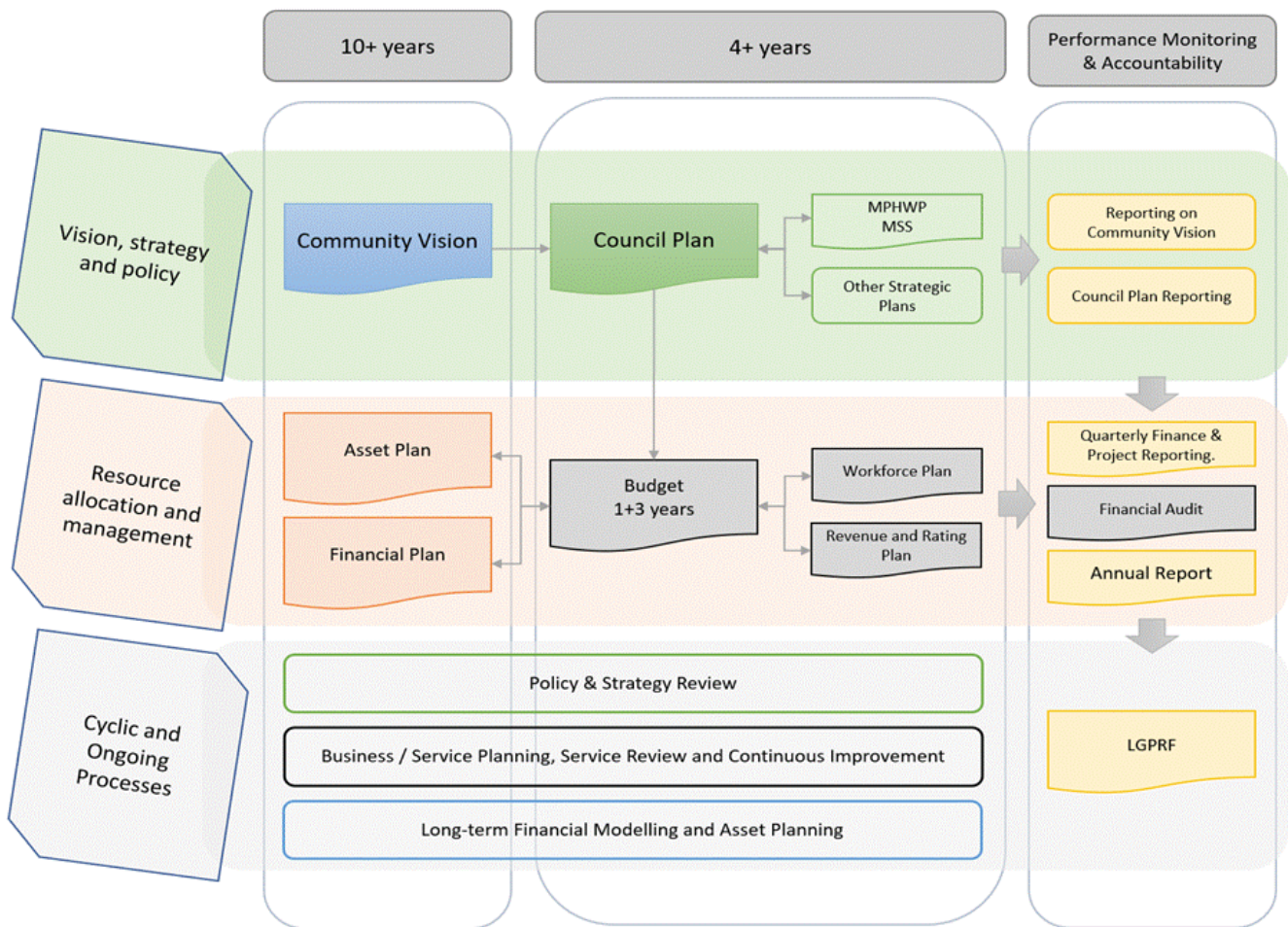
Council measures its performance against against goals and strategic objectives outlined in the Council Plan, with a focus on the themes: Strong Communities, A Liveable Region, A Growing Region of Opportunities, Good Governance and Responsive Services.

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 of Council that:

- an integrated approach to planning, monitoring and performance reporting is to be adopted;
- strategic planning must address the Community Vision;
- strategic planning must take into account the resources needed for effective implementation;
- strategic planning must identify and address the risks to effective implementation; and
- strategic planning must 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 2017-21 includes goals and strategic objectives for the four-year period. It also includes strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan that shows the financial and other resources required to deliver the Plan. The following are the strategic objectives documented in the Council Plan.

Strong Communities		East Gippsland has strong communities that are inclusive, healthy, safe and resilient. We treasure and celebrate the unique character and identity of the places we live and are proud to call East Gippsland home.	
East Gippsland has connected, inclusive and vibrant communities.	East Gippsland communities plan for their future.	East Gippslanders enjoy healthy lifestyles.	East Gippsland has safe, resilient communities.
Increase people's skills and capabilities to participate in their community and make a difference.	Increase community participation in engagement activities to plan for their future by 10 per cent by 2019.	Use evidence to drive future work across agencies that delivers better health and wellbeing outcomes for the community.	Increase community preparedness for before, during and after emergencies in all high-risk communities by 2020.
A Liveable Region		Our lifestyles are enviable. Council provides services and infrastructure that supports residents and visitors at every stage of life. East Gippsland is the regional area people choose to live, work and play in.	
East Gippsland has safe, accessible and well utilised open spaces and built environments that reflect the priorities of our community.		Sustainable planning and growth supports thriving townships, while maintaining our commitment to sustainability and protecting our natural environment.	
By 2021, decrease the infrastructure renewal gap through increased expenditure on renewal projects.		Reduce Council's energy use and greenhouse gas emissions by 2021.	
Maintain and extend built infrastructure that meets community needs and supports their work, leisure, lifestyle and connectedness.		By 2030, East Gippsland will reduce waste to landfills by 20 per cent.	
		Ensure land use growth respects the unique characteristics, environment and priorities of our towns.	
A Growing Region of Opportunities		East Gippsland is a region of economic opportunity with strong industry sectors, a skilled workforce and local jobs.	
East Gippsland is a region of economic opportunity with strong industry sectors, a skilled workforce and local jobs.		East Gippsland is Australia's number one adventure destination. We offer unforgettable tourism experiences for people of all interests, ages and abilities.	
By 2021, increase funding for the production and export of commodities.		The number of people visiting East Gippsland to participate in adventure tourism and events will have increased by 10 per cent by 2021.	
Increase the number of new and emerging businesses in the region by 2021.			
Support an increase in the workforce participation rate from current rate of 47.9 per cent.			

We will achieve this by being a leading local government that works together with our communities to make East Gippsland the most liveable region in Australia.

Good Governance		
East Gippsland Shire Council is inclusive, engaged and open. We provide leadership on issues affecting East Gippsland. Our relationships with other levels of government and partners deliver great outcomes for East Gippsland.		
East Gippsland Shire Council is inclusive, engaged and open.	Our relationships with other levels of government and partners deliver great outcomes for East Gippslanders.	Council is in a strong financial position and can provide for future generations of East Gippslanders.
Increase transparency and awareness about council decisions, services and activities by 2021.	Increase funding to address critical regional issues by 5 per cent by 2021.	Council's overall financial sustainability is assessed as low risk by VAGO.

Responsive Services		
We are a leading local government service provider. Our services are driven by the needs of our communities, residents and visitors. We put the customer first and give each customer a great experience of Council's services.		
East Gippsland Shire Council is a leading local government service provider.	We put the customer first and give each customer a great experience of Council's services.	East Gippsland Shire Council is a great place to work.
By 2021, establish, embed and measure an organisation-wide understanding of customer service levels and expectations.	Increase digital transactions by 50 per cent by 2020.	Increase the diversity of our workforce to reflect the diversity of our region by 2021.

Performance

The following pages document the performance, achievements and challenges of Council during 2020-21 in each of the areas of focus.

Council's performance for the 2020-21 year is reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan. Performance has been measured as follows:

- Results achieved for the goals in the Council Plan.
- Progress on the major initiatives identified in the Annual Budget 2020/21.
- Results against the prescribed service performance indicators and measures.
- Services funded in the budget.

The following pages outline Council's performance in each area of focus: Strong communities; a liveable region; a growing region of opportunities; good governance; and responsive services.



Club Terrace community members meeting face-to-face to continue bushfire recovery.

Strong Communities

East Gippsland has strong communities that are inclusive, healthy, safe and resilient. We treasure and celebrate the unique character and identity of the places we live and are proud to call East Gippsland home.

STRATEGIC INDICATORS

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

Strategic Indicator	2019-20	2020-21	Comments
Increase in library activity from the previous year	335,379	184,043	Library activity declined this year due to continuing COVID-19 closures and restrictions on services. In between enforced closures the library operated with restrictions in capacity numbers for both the building and the library programs, which affected usage.
Number of people participating in library programs	10,747	5,412	The decline in participation is largely due to the reduced number of library programs being offered due to COVID-19 restrictions and closures.
Percentage of people volunteering in East Gippsland	25.3% (2011)	24.8% (2016)	Although the percentage of people volunteering is decreasing, the number of people volunteering increased by 549 between 2011 and 2016. (Data source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data)).

Strategic Indicator	2019-20	2020-21	Comments
Increase the number of people reported as 'engaged' on Council's Your Say website	185	738	The increase in engagement is due to the large projects that have used Your Say to engage with the community. The biggest projects include the Community Perceptions Survey; Jemmy's Point Lookout project; Progress Jetty at Paynesville project; Orbost Forest Park; and Lakes Entrance Foreshore plan.
Percentage of people who rate Council's performance as 'Very Good' or 'Good' for community consultation and engagement	38%	34%	Opportunities for in-person engagement were postponed, cancelled or conducted through electronic methods due to COVID-19 restrictions, which when combined with connectivity and blackspot issues, impacted community participation. <i>(Data source: EGSC Community Satisfaction Survey 2021 conducted by JWS Research)</i>
Immunisation coverage rates	96%	96%	The federal government set a benchmark early in 2017 to 95% coverage rate. This rate encompasses the early childhood immunisation program. This does not include COVID-19 immunisation rates.
Number of Local Incident Management Plans implemented in communities based on their risk level	6	31	The large increase is due to the commitment made by Council to protect public safety following the 2019-20 bushfires when a large number of local plans were enacted. Communities also wanted to ensure they had updated plans that are accessible and have clear instructions. Council plays a supportive role to the communities in developing or updating their plans, as they are led by the community.

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major Initiative 1 Continue to implement Place Planning in selected communities across the shire with a focus in bushfire affected communities	<p>The place-planning model was upscaled in the past 12 months following the 2019-20 Black Summer bushfires. There have been nine place managers working across 10 communities, at the district or locality level, to support establishment of representative groups and development of plans. This has increased connection between community and Council, and is supporting communities realise their visions and priorities.</p> <p>Most community recovery committees are working through the 'discovery' phase – identifying and reviewing existing plans, mapping their assets, talking to community groups, undertaking community surveys and identifying priorities. Some communities have started to document or endorse their plans. Community conversations have also commenced with impacted communities to inform future planning and preparedness work. Council is also working with agencies in place to support coordination of local action.</p>

Major Initiative	Progress
Major Initiative 2 Implement the Bairnsdale Sporting Facilities Plan and extend this approach to the communities across the shire	A range of projects continue to be progressed as part of the implementation of the Bairnsdale Sporting Facilities Plan, including: <ul style="list-style-type: none"> • Construction of the new Lucknow Recreation Reserve pavilion. • Design work for a new gymnastics facility. • Detailed design and approval work for the WORLD Sporting Precinct. • Design and funding application work for Bairnsdale City Oval. The extension to include sporting facilities across the shire has commenced with the development of data and auditing of sporting facilities as stage one of the project.
Major Initiative 3 Support the East Gippsland community and economic recovery following the impacts of drought, bushfire event and COVID-19 pandemic	This year, a number of communities were supported by identifying needs and priorities through successful applications to Local Economic Recovery and other grants. Community connection has been crucial to recovery. Funding provided through Regional Development Victoria has also been facilitated to enable community events. These have occurred in all of the fire-impacted districts and have ranged from fire preparedness barbeques to family fun days, sporting events and more.

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	2017-18	2018-19	2019-20	2020-21	
Animal Management					
Timeliness <i>Time taken to action animal requests¹</i>	2.25	3.42	2.60	2.60	Local Laws officers responded to 1,063 domestic animal management requests during the reporting period, with an average initial response time of 2.6 days. Animal management requests range from lost, wandering or nuisance pets to barking dogs, animal welfare concerns, dog attacks, reports of dangerous or menacing dogs and reports of illegal pet breeding activities.

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service standard <i>Animals reclaimed²</i>	56.77%	57.96%	28.10%	23.24%	Council maintains a proactive program to attempt to reunite registered animals with their owners in the first instance before they are taken to the animal shelter. If the animals are returned directly to their owner, the action is not included in the reported figure, resulting in a lower reclaimed rate. The decrease in performance is a result of animals surrendered by the public were not previously being counted in the reported figure, this was addressed in the 2019-20 reporting period.
Service standard <i>Animals rehomed³</i>	New in 2020	New in 2020	31.86%	38.67%	During financial year 2020-21 a total of 525 domestic animals were collected, of these 203 were rehomed or adopted. Whilst this is an increase on the previous year's results, the overall animal management results show a similar percentage of animals were either reclaimed or rehomed when compared to last year. As part of the creation of the new Domestic Animal Management Plan, Council will seek to place a greater emphasis on the adoption or rehoming of domestic animals which enter the animal shelter and are not reclaimed by their owners.
Service cost <i>Cost of animal management service⁴</i>	\$6.56	\$10.09	\$15.11	\$12.64	The decrease in cost can be attributed to two vacant community laws officer roles for a large portion of the year.
Health and safety <i>Animal management prosecutions⁵</i>	New in 2019-20	New in 2019-20	100%	0	Council had no prosecution hearings during 2020-21. Due to COVID-19 restrictions imposed a number of animal prosecutions were unable to be heard during the reporting period and remain postponed to a later date.

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

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]

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Aquatic Facilities					
Service standard <i>Health inspections of aquatic facilities⁶</i>	0	0	0	0	No inspections were carried out by an authorised officer under the <i>Public Health and Wellbeing Act 2008</i> as no public health issues were lodged with Council by customers. Council-run pools (when open) 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 <i>Utilisation of aquatic facilities⁷</i>	8.45	8.31	5.63	4.06	The result is impacted by mandated COVID-19 closures of aquatic facilities. Both the Bairnsdale Aquatic and Recreation Centre and Lakes Aquadome facilities were forced to close between 1/08/20 and 20/10/20; and between 25/05/21 and 11/6/21. There was also a period where the facilities were open but under strict attendance restrictions between 20/10/20 and 29/10/20. When the facilities were reopened to the public, attendance figures were low.
Service cost <i>Cost of aquatic facilities⁸</i>	New in 2019-20	New in 2019-20	\$7.92	\$11.69	The COVID-19 pandemic has severely impacted this result, with the facilities closing for extended periods during the year. The operational costs remained fairly consistent with previous years, although a large reduction in user charge income received and the number of visits from last year has increased the cost of service per visit.
Food Safety					
Timeliness <i>Time is taken to action food complaints⁹</i>	2.26	2.29	1.58	1.77	The overall result is within Council's target and below Council's Customer Response Policy of two business days.

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]

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service standard <i>Food safety assessments¹⁰</i>	100.28%	100.56%	107.37%	104.76%	The results are consistent with previous years and more than the minimum required. This is due to food safety assessments being carried out on businesses that have subsequently transferred ownership.
Service cost <i>Cost of food safety service¹¹</i>	\$567.57	\$686.71	\$768.45	\$604.85	There was an increase cost in 2019-20 relating to fee waivers as a result of COVID-19 support.
Health and safety <i>Critical and major non-compliance outcome notifications¹²</i>	100%	90.48%	85.71%	100%	All major and critical non-compliance notifications for food premises were followed up. For the 2020 period, there were 11 critical and major non-compliance notifications.
Libraries					
Utilisation <i>Physical library collection usage¹³</i>	3.11	3.31	2.31	1.76	Library usage has declined due to continuing COVID-19 closures and restrictions on services. Library centres suffered significant closures throughout the year and when services reopened, there were restrictions on the number of customers in the building which affected to collection usage. While the library was closed a click and collect service was made available to help support the community.

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]

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Resource standard <i>Recently purchased library collection¹⁴</i>	58.15%	59.06%	51.97%	52.08%	Results are consistent with the previous year. Council was able to continue purchasing new items throughout the COVID-19 mandatory closures. The deselection process slowed down early in the year due to the lockdowns, although with the easing of restrictions the deselection has been prioritised to compensate for the loss of time. The deselection of older items was further hindered due to the staff being required on the floor to ensure the centres were meeting COVID safe service, such as QR code compliance.
Service cost <i>Cost of library service per population¹⁵</i>	\$24.02	\$24.35	\$25.22	\$22.23	Library facilities continue to provide value for services across the shire, with a cost reduction per head of population in 2020-21. This can be attributed to a reduction of expenditure on wages, utilities and resource spending due to library closures and activity under COVID-19 restrictions.
Participation <i>Active library borrowers in the municipality¹⁶</i>	20.13%	19.60%	19.01%	16.88%	COVID-19 lockdown periods that forced libraries to be closed to the public, impacted on the ability of members to borrow physical items. COVID-19 has also resulted in many members of the community being cautious about returning to public spaces.

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]

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 2020/21.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'000
Arts and Culture	This service provides a varied ongoing program of arts and cultural events that bring our communities together to celebrate our identity and generate ideas. It also provides funding and strategic advice to support the development of arts and culture in East Gippsland.	307 <u>340</u> 33
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 are able to 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.	852 <u>913</u> 61
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.	281 <u>384</u> 103
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.	456 <u>867</u> 411
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.	833 <u>650</u> 183
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.	(95) <u>305</u> 400
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.	159 <u>345</u> 186
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.	665 <u>952</u> 287

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
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 the regions cultural diversity and enrich the lives of our community and visitors.	427 <u>575</u> 148
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.	223 <u>285</u> 62
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.	2,269 <u>1,786</u> (483)
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.	594 <u>713</u> 119



Genoa community celebrate the work commencing on a new pedestrian bridge across the Genoa River

A Liveable Region

Our lifestyles are enviable. Council provides services and infrastructure that supports residents and visitors at every stage of life. East Gippsland is the regional area people choose to live, work and play in.

STRATEGIC INDICATORS

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

Strategic Indicator	2019-20	2020-21	Comment
Target area roadside weed control treated	250km	127km	<p>The funding agreement was not signed until later in 2020, delaying the start of the program. As such, the program has been extended in 2021 and is still running past 30 June.</p> <p>During the year 117km of Regionally Controlled Weeds and 10km of Regionally Prohibited Weeds were treated under the <i>Catchment and Land Protection Act 1994</i>.</p>
Decrease the infrastructure renewal gap (Asset renewal and upgrade compared to depreciation)	136.06%	147.69%	The infrastructure renewal gap is asset renewal and upgrades compared to depreciation. The higher the percentage the more that Council spends on renewal as opposed to asset depreciation.
Reduce emissions from Council's energy use (CO₂)	6,152	5,898	Council buildings, streetlights and operations were responsible for 5,898 tonnes of CO ₂ –e (equivalent) emissions. This is down by 254 tonnes from the year before due to COVID-19 shutdowns and less vehicle fleet use during these periods. Emissions relate to electricity, mains gas, bottled gas (only used at the Lakes Entrance Aquadome) and fuel from the fleet vehicles, the Raymond Island Ferry and landfill trucks

Reduce Council's energy use (GJ)	26,172	25,569	Council had a slight decrease of 603 GJ of energy from the year before. There was a slight decrease in mains gas use at the Bairnsdale Aquatic and Recreation Centre, a decline in stationary and fleet diesel consumption, but an overall small increase in electricity use.
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PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major Initiative 4 Complete road reconstruction and repair projects to 250 roads and 11 bridges effected by the bushfire	<p>Delivered repair or replacement works to 236 kilometres of fire-damaged roads and 11 fire-damaged bridges.</p> <p>In partnership with Regional Road Victoria, Council has been able to deliver over \$14 m of road repair works and \$3 m of bridge replacements within the financial year, which is an extraordinary effort when considered in the context of other works also delivered over the same period.</p> <p>The only remaining project is the resealing of 14 kilometres of Buchan-Orbost Road. The approval for funding to reseal this road came through quite late and, due to the cold conditions, it was decided to hold off undertaking this work around mid-October 2021. These works will still be within the permitted timeframe for the disaster, therefore no issues are predicted.</p>
Major Initiative 5 Deliver projects to improve amenity in Lakes Entrance, including the main street and Bullock Island.	<p>These are multi-year projects, with the works delivered this year including:</p> <ul style="list-style-type: none"> • Finalisation of footpath works and landscaping of the Lakes Entrance Esplanade. • Securing funding for 2021-22 works, including works to Marine Parade and the Spit area. • Commencing the replacement of the Bullock Island Bridge. • Constructing a new toilet on Bullock Island. • Securing funding to upgrade the North Arm Boat Ramp, Jetty and Gantry. • Designing seawall works for delivery in 2021-22. • Designing civil work and landscape upgrades for Bullock Island for delivery in 2021-22. • Designing and securing funding for the foreshore park to be delivered in 2021-22. • Working with community groups on design work and funding for stage 1 of the Krautungalung Walk. • Upgrading The Entrance Walk. • Finalising seawall works prior to the busy summer tourism season in 2020-21.
Major initiative 6 Optimise asset management through the development of guiding policies and elevated use of management systems	<p>This is a multi-year action with significant work undertaken on Council's asset management system, including the development of a draft Asset Management Policy and development of a clear project plan for the delivery of a new Asset Management Strategy and seven Asset Management plans by June 2022.</p> <p>Work has also been undertaken securing an enterprise system for the management and reporting of capital and major projects to enhance and improve the organisation's project management framework.</p>

Major Initiative	Progress
<p>Major initiative 7</p> <p>Reduce waste going into landfill, through e-waste services initiatives, education and introducing new approaches and partnerships to reusing waste</p>	<p>Waste entering Bairnsdale Landfill increased by eight percent from 2019-20 (17,000 tonnes, up from 15,720 tonnes), while Lakes Entrance Landfill experienced a very minor increase (6,980 tonnes, up from 6,950 tonnes).</p> <p>There are a number of reasons that has contributed to the increase of waste being deposited at Bairnsdale Landfill, which includes the disposal of approximately;</p> <ul style="list-style-type: none"> • 420 tonnes of waste resultant of the Avian Bird Flu outbreak, • 160 tonnes of bushfire waste; and • commercial industrial waste that was deposited at the landfill increased by approximately 580 tonnes, which could be contributed to COVID-19. <p>To mitigate this, Council continued to explore, trial and introduce new processes and technology to our region that best fits our needs to reduce waste going to landfill that reflects best practice in relation to recycling and reuse. These include:</p> <ul style="list-style-type: none"> • Carrying out a composting trial at Bairnsdale Landfill commencing trials for composting of green waste. • Liaising with Tambo Waste, Cranes and Fowlers regarding the use of crushed glass in road construction. • Managing green waste in a manner that allows for internal re-use as part of construction projects and within our parks and gardens. • Working at a regional level on new opportunities for food organics / green organics processing and reuse in Gippsland. • Attracting funding to facilitate the separate collection of glass materials at transfer stations. • Supporting local contractors to advance their glass separation and re-use processes. • Removal of fees and charges for recyclables within landfills and transfer stations to encourage more separation of these materials from comingled waste. • Continue to roll out waste education programs. • Commence development of a Waste Action Plan to guide Council's activities in a structured and considered manner. <p>Reduction of Waste going to landfill has been identified within the Council Plan 2021-2025 as a high priority action for Council.</p>

Major Initiative	Progress
Major initiative 8 Progress projects and contracts that will reduce resource consumption and increase use of clean energy	<p>Multiple projects are progressing. The development of a policy and the Environmental Sustainability Strategy will provide direction to guide and reduce Council and the community's reliance on fossil fuels.</p> <p>Over the year this work has included:</p> <ul style="list-style-type: none"> • Installed solar power on multiple council buildings, including the high energy using Bairnsdale Aquatic and Recreation Centre. • Entered into a power purchase agreement with 45 other Victorian councils, which will enable Council to source 100% of its electricity from renewable power sources by January 2022. • Secured over \$1 m to upgrade council's final portion of street lights to LED. • Secured funding to commence installation of four public electric vehicle charge points within the region to encourage use of electric vehicles. • Commenced work on the new Environmental Sustainability Strategy - with a strong focus on climate change. • Worked with the CSIRO to develop Climate Change modelling for East Gippsland that recognises and responds to different geographic sub regions. • Published an annual report on Council's environmental sustainability activity, which includes the measurement and publication of Council's carbon emissions. • Worked with local schools through the Resource Smart program to encourage behavioural change through our young people. • Produced four community newsletters over the year that provides over 600 community subscribers with access to information and support to reduce their carbon outputs. <p>Council has also embedded Climate Change action within the new Council Plan 2021-25.</p>

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
	2017-18	2018-19	2019-20	2020-21	
Roads					
Satisfaction of use Sealed local road requests ¹	18.49	18.71	24.74	33.04	There has been a significant increase requests for sealing of roads, which can in part be attributed to transition out of drought conditions to roads that are now regularly impacted by rainfall. Council continues to focus on sealing roads that meet set road management criteria, rather than responding to ad-hoc requests. This indicator unfortunately does not show the number of kilometres of road sealed during the year.

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Condition <i>Sealed local roads below the intervention level²</i>	96.59%	96.79%	97.31%	96.81%	The condition of sealed road assets are assessed every three years and were therefore not reassessed during the period. Additional roads have been added to the register of public roads during the period, with some of these additional roads not meeting the condition standards, reducing the overall rating slightly.
Service cost <i>Cost of sealed local road reconstruction³</i>	\$26.90	\$58.85	\$62.86	\$87.88	The direct cost of sealed road construction alters from year to year depending on the sealing treatment selected for individual roads in the program. This year Council has undertaken more asphalt reconstruction than previous years, resulting in an increase to the overall cost per square meter. The benefit of this upfront investment is then realised in longer road-life and reduced maintenance requirements.
Service cost <i>Cost of sealed local road resealing⁴</i>	\$5.00	\$5.01	\$5.42	\$5.76	As a large shire, the mobilisation costs for resealing roads will vary depending on the distance from the contractor's registered depot. In 2020-21 Council has delivered more dust-suppression sealing to roads in and around the remote areas of Mallacoota, Omeo, Bemm River and Marlo. Thus, the cost per square metre is slightly elevated due to the increased costs of mobilisation and travel.

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

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

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Satisfaction <i>Satisfaction with sealed local roads ⁵</i>	50	49	55	53	<p>Although the rating decreased two points from the previous year's result, it still remained three points higher than the large rural councils average rating. Council continued to invest significantly in sealed road reconstruction, sealing and the improvement of urban streets, while also striving to maximise external Victorian and Australian Government grants for road projects. In these satisfaction surveys Council finds that responders often assume that all roads are managed by Council and don't understand that some of the roads they express dissatisfaction with are actually controlled by the Victorian Government (DOT and DELWP)</p>
Statutory Planning					
Timeliness <i>Time taken to decide planning applications⁶</i>	43	38	41	77	<p>As a direct consequence of the Black Summer bushfires, and the rebuilding of hundreds of homes and the impact of COVID-19 stimulus, the number of applications received has increased by over 50% since 2018-19. While Council has tried to resource the planning team to deal with this significant increase, the volume and complexity of applications has led to an increase in processing time.</p>

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

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service standard <i>Planning applications decided within 60 days⁷</i>	81.82%	85.66%	82.44%	32.38%	The significant increase in the number of planning applications received during the year as a direct outcome of the Black Summer bushfire rebuild work and COVID-19 stimulus, and the complexity of many of these applications, has impacted Council's ability to maintain its usual high standard of determination timeframes.
Service cost <i>Cost of statutory planning service⁸</i>	\$2,010.71	\$2,278.66	\$1,728.65	\$2,266.19	Additional resources were utilised in 2020-21 to assist with an increase in statutory planning work.
Decision making <i>Council planning decisions upheld at VCAT⁹</i>	66.67%	25.00%	100.00%	50.00%	Six of Council's planning decisions were appealed to VCAT, with one being upheld, two being varied and the remaining three were set aside (overturned) by VCAT as they did not agree with Council's decision
Waste Collection					
Satisfaction <i>Kerbside bin collection requests¹⁰</i>	19.79	32.96	42.23	31.47	This indicator represents the number of requests from the community to replace stolen or damaged bins, change services or have bins repaired. The reduction in requests from last year acknowledges that 2019-20 was an abnormal year due to the need to replace a significant number of bins damaged or destroyed in the Black Summer bushfires.

7 [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100

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

9 [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

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

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service standard <i>Kerbside collection bins missed¹¹</i>	1.66	1.63	1.85	1.37	The improved results this year could be attributed to improved waste truck technology introduced during the year that now monitors truck locations, route and movements. This has ensured a more effective service
Service cost <i>Cost of kerbside garbage collection service¹²</i>	\$53.89	\$73.32	\$64.83	\$61.30	Consistent with previous years.
<i>Cost of kerbside recyclables collection service¹³</i>	\$47.11	\$48.88	\$71.58	\$75.21	There was an increase in the cost for the recyclables collection service during the year due to the changes in the recycling sector, which has resulted in a considerable increase in cost of processing recyclables.
Waste Diversion <i>Kerbside collection waste diverted from landfill¹⁴</i>	50.81%	51.45%	52.48%	53.48%	The increase in this indicator is due to the higher volume of green organics collected. This is attributed to the higher rainfall across the year causing more need for garden maintenance. Also, as residents were home more with COVID-19 restrictions, it is anticipated that some spent increased time maintaining properties and removing green organics.

- 11 [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000
- 12 [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]
- 13 [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]
- 14 [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

Indicator <i>Measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service standard <i>Kerbside collection bins missed¹</i>	1.66	1.63	1.85	1.37	The improved results this year could be attributed to improved waste truck technology introduced during the year that now monitors truck locations, route and movements. This has ensured a more effective service
Service cost <i>Cost of kerbside garbage collection service²</i>	\$53.89	\$73.32	\$64.83	\$61.30	Consistent with previous years.
<i>Cost of kerbside recyclables collection service³</i>	\$47.11	\$48.88	\$71.58	\$75.21	There was an increase in the cost for the recyclables collection service during the year due to the changes in the recycling sector, which has resulted in a considerable increase in cost of processing recyclables.
Waste Diversion <i>Kerbside collection waste diverted from landfill⁴</i>	50.81%	51.45%	52.48%	53.51%	The increase in this indicator is due to the higher volume of green organics collected. This is attributed to the higher rainfall across the year causing more need for garden maintenance. Also, as residents were home more with COVID-19 restrictions, it is anticipated that some spent increased time maintaining properties and removing green organics.

- 1 [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000
- 2 [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]
- 3 [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]
- 4 [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 2020/21:

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Asset Maintenance	This service provides management and ongoing maintenance of the Council's assets, including 2,983 km of roads, 203 bridges and 23 pedestrian bridges; over 300 km of drains, 186 km of footpath, and 533 km of kerb and channel; numerous playgrounds, parks, gardens, and recreation reserves; three aerodromes; over 4,500 street lights; 41 public jetties, 19 fishing platforms and 31 boat ramps; and the Raymond Island Ferry.	10,158 8,332 (1,826)
Asset Management	This service conducts planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include roads, laneways, car parks, foot/bike paths, drains and bridges.	912 788 (124)
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.	136 217 81
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.	(95) 20 105
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.	546 773 227
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.	2,515 4,597 2,082
Project Management	This service undertakes project planning, design and delivery of various works within Council's Capital Works Program.	1,211 697 (514)
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.	744 591 (153)

Business area	Description of services provided	Net Cost Actual Budget Variance \$'000
Strategic Planning	This service aims to deliver vibrant, connected and productive places and infrastructure to 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.	1,502 <u>1,026</u> (476)
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.	3,104 <u>5,501</u> 2,397
Emergency Response	Council has a significant responsibility in emergency management and disaster response across East Gippsland, along with other lead agencies. Although the Australian Government provides significant funding to repair and reconstruct assets following natural disasters, Council (in the first instance) is required to fund the response and then seek recompense after the event. Council therefore carries that burden while waiting for reimbursement, which can impact upon current plans for infrastructure planning and maintenance.	(696) <u>(3,560)</u> (2,864)
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.	3,386 <u>1,766</u> (1,620)



Council supports the tourism industry and helps promote East Gippsland, including the Great Alpine Road (pictured) as a highly sought-after visitor destination. Picture: Anne Morley

A Growing Regional Area with Opportunities

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

STRATEGIC INDICATORS

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

Strategic Indicator	2019-20	2020-21	Comments
Increase in the number of registered businesses in the region	4,416	4,446	The breakdown of registered businesses based in East Gippsland include: 79 businesses that hire 20 or more people; 289 new businesses established; and Agriculture, Forestry and Fishing the largest industry sector, with 1,086 businesses. <i>(Data source: ABS Regional Data – East Gippsland)</i>
Growth of Gross Regional Product	\$2.587 billion	\$2.642 billion	The total estimated gross regional product for East Gippsland is \$2.642 billion, which is up \$72 m from the previous year's figure. <i>(Data source: REMPLAN – East Gippsland)</i>

Strategic Indicator	2019-20	2020-21	Comments
East Gippsland workforce participation rate	51.7% (2011)	47.9% (2016)	Labour force participants are defined as people aged 15 years and over who, in the week before to Census night, have a full-time or part-time job, or who did not have a job but were actively looking for and available to start work. (Data source: Profile .id – community profile)
Regional unemployment rate	5.2%	6.3%	The East Gippsland unemployment rate is 6.3% at the end of the March 2021, which is 1.6% higher than the regional Victoria rate. The unemployment rate for East Gippsland has been trending up since the initial impacts of COVID-19, where it reached a low of 4.5% in December 2019. (Data source: Department of Employment Small Area Labour Markets (SALM). (2021).
Increase in the percentage of exiting Year 12 students continuing to higher education	42.0%	57.4%	For East Gippsland school leavers 28.7% of students were undertaking a Bachelor degree, 6.9% were undertaking a Certificate/Diploma level course and 21.8% were employed in an apprenticeship/traineeship. When compared to the state averages, the proportion of Bachelor degree enrolments is well below state average, while the apprenticeship/traineeship percentage for East Gippsland is above the state average. (Data source: On Track 2020 Survey. East Gippsland (S). Conducted by State of Victoria (Department of Education and Training).
Funding dollars received for the expansion and growth of businesses in East Gippsland	No data available	No data available	Council is currently not able to track funding that has been used for the expansion and growth of businesses.
Increase in the number of events held in the region (with event permits)	82	71	There were numerous events cancelled due to the COVID-19 pandemic.
Increase total visitors to the region	1.608 m	1.001 m	This figure only includes domestic visitors, as international tourism has been stopped due to COVID-19. The reduction could be attributed to state-imposed lockdowns and interstate boarder closures, reducing domestic visitors during these periods. (Data source: Tourism Research Australia).

Strategic Indicator	2019-20	2020-21	Comments
Increase in international visitors to the region	46,000	No data	International tourism in Australia has been blocked due to the risks associated with COVID-19, therefore there is no recorded data for this indicator. <i>(Data source: Tourism Research Australia).</i>
Increase the length of stay for international and domestic visitors in the region	2.891 m	2.050 m	This figure only includes domestic visitors, as international tourism has been stopped due to COVID-19. The reduction could be attributed to state-imposed lockdowns and interstate boarder closures, reducing domestic visitors during these periods. <i>(Data source: Tourism Research Australia).</i>

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major initiative 9 Develop a revised Economic Development and Tourism Strategy that responds to the range of issues facing East Gippsland	Delivery of the Economic Development Strategy 2021-25, which is taking a community led, co-design approach to develop both a 10-year Strategic Directions Report to guide the community and a four-year action plan for Council has commenced. The project was originally due to be completed by June 2021, however deliberation with the new Council to ensure alignment with the new Council Plan and optimal structure and membership of the project focus groups delayed commencement. The project is now underway and tracking for completion later in 2021.
Major initiative 10 Deliver the Omeo Mountain Bike Destination Project	This is a multi-year project. The first component of the project, the Omeo Pump and Skills Track, was completed and opened in December 2020 A planning permit has been granted for the trail construction project and Council has approved a contractor to undertake the trail construction work. Unfortunately, these works are unable to proceed as the planning permit is being challenged by a third party, which is scheduled for a VCAT hearing in November 2021. No works will be able to proceed until this planning permit matter is resolved.

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2020/21:

Business Area	Description of Services Provided	Net Cost Actual Budget Variance \$'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.	26 110 84
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.	744 1,181 437
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.	333 359 26
Major Projects	This service works with the Victorian Government, industry and business to facilitate and advocate for major planning, infrastructure and investment projects aimed at opening significant opportunities for business growth and employment for the region.	0 0 0
Tourism and Visitor Information services	Council supports the tourism industry and helps promote East Gippsland as a highly sought-after visitor destination. High quality visitor information services are provided with the aim of meeting the expectations and needs of visitors.	718 700 (18)



Councillors and members of the Community Panel following the Councillors accepting the recommendations for revising the Community Vision 2040.

Good Governance

East Gippsland Shire Council is inclusive, engaged and open. We provide leadership on issues affecting East Gippsland. Our relationships with other levels of government and partners deliver great outcomes for East Gippsland.

STRATEGIC INDICATORS

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

Strategic Indicator	2019-20	2020-21	Comments
VAGO assessment of Council's Financial Sustainability Indicators deemed high risk	0	Report not yet available	Each council is required to undertake a financial sustainability risk audit by the Victorian Auditor General's Office. The council is measured against seven indicators if they are deemed to be high, medium or low risk. This indicator displays the number of Council's high-risk financial indicators as part of the annual financial audit.

Value of funding received from Victorian and Australian Governments to address critical regional issues	\$16.416m	\$15.257m	Council received funding to address critical regional infrastructure upgrades for the Roads to Recovery Program (\$3.803m), Lakes Entrance and Mallacoota seawalls (\$807,000), Local Roads and Community Infrastructure Program (\$2.255m), various other road projects (\$1.527m) and Bullock Island Masterplan (\$412,000). Drought support funding of \$898,000 and funding to assist the community to recover from the 2019-20 bushfires of (\$3.284m) for resourcing, immediate financial assistance and other support to the community. COVID-19 assistance of \$2.151m was received, which included the Working for Victoria Program (\$2.007m). Funding of \$120,000 was also received for the South Bairnsdale Industrial Estate Water upgrade project.
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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 <i>measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Governance					
Transparency <i>Council resolutions at meetings closed to the public¹</i>	19.46%	2.67%	3.57%	8.09%	Council has proactively limited the number of decisions made at meetings closed to the public. Matters resolved at meetings closed to the public are limited to those matters which includes personnel and commercially sensitive contracts.

¹ [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

Indicator <i>measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Consultation and engagement <i>Satisfaction with community consultation and engagement²</i>	52	48	54	51	COVID-19 restrictions impacted face-to-face engagement activity during the year. Some opportunities for in-person engagement were therefore postponed, cancelled or conducted through electronic methods, which when combined with connectivity and blackspot issues, impacted community participation. Council has adopted a new Community Engagement Policy which reinforces Council's commitment to engaging with communities and stakeholders in a way that is purposeful, representative and easy to be involved in.
Attendance <i>Councillor attendance at Council meetings³</i>	96.53%	90.97%	92.59%	95.06%	Councillor commitment to actively serve the community is reflected in its 95.06% attendance rate. Legislation passed for virtual council meetings to be held enabled Councillors to remotely participate in Council meetings.

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

3 [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

Indicator <i>measure</i>	Results				Comments
	2017-18	2018-19	2019-20	2020-21	
Service cost <i>Cost of governance⁴</i>	\$52,986.14	\$53,182.56	\$58,190.67	\$50,641.89	Although a Councillor's role is largely voluntary, they receive an allowance within the limits set by the Victorian Government. It is also appropriate that allowable expenses incurred are reimbursed whilst undertaking Council duties. This cost reflects both Councillor allowances and reimbursements for the period. The decrease in cost is due to less spending on conferences/training and delegate costs when compared to previous years. The reason for a decline from last year is due to a three-month period where the Mayoral and Councillor allowances received a Minister for Local Government gazetted 50 per cent increase in 2019-20, in recognition of the additional work due to the Black Summer bushfires.
Satisfaction <i>Satisfaction with council decisions⁵</i>	51	46	54	51	Since being elected in November 2020, Council has considered a number of matters in which community interest was high. A focus for Council continues to be on improving community satisfaction with its decisions by being open and transparent about the reasons they were made.

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

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

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2020/21:

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'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.	1,722 <u>2,353</u> 631
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.	(10,276) <u>(4,405)</u> 5,871
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.	2,141 <u>2,199</u> 58
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.	574 <u>583</u> 9



Council was part of the Gippsland East Jobs Expo in Bairnsdale, promoting job opportunities, work experience and career information to job seekers. Pictured: Council officers Lily Hodge (Youth), Fiona Blevins (Learning and Development) and Khloe Moxham (Council Enterprises).

Responsive Services

We are a leading local government service provider. Our services are driven by the needs of our communities, residents and visitors. We put the customer first and give each customer a great experience of Council's services

STRATEGIC INDICATORS

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

Strategic Indicator	2019-20	2020-21	Comments
Increase in digital transactions for payments	140,483	140,960	The digital payments (mainly through direct debit) for recreation centre memberships were suspended during COVID-19 lockdowns. Other digital transactions are up due to office closures and increased use of digital payment methods. This figure includes digital transactions (through the website and BPay) and payments through Australia Post.
Percentage of Council's workforce that are of Torres Strait Islander and Aboriginal heritage	No data available	No data available	Council does not currently record this information.

PROGRESS AGAINST MAJOR INITIATIVES

Major Initiative	Progress
Major initiative 11 Respond to changing financial and community expectations by undertaking service planning in focused areas	A Service Planning and Review Policy and Framework was developed and endorsed. A review of the Community Laws service commenced in March and is still under way, with completion due in July. The focus for process mapping has been to update our process-mapping system and identify current versus redundant processes prior to developing new ones and working to optimise current processes.
Major initiative 12 Undertake service planning to establish service levels and community expectations	<p>The Customer Experience Strategy and action plan was adopted by Council in February 2021.</p> <p>Training was rolled out to the leadership team, however, whole-of-organisation training has been deferred to next year.</p> <p>Council engaged an external company to undertake a benchmarking exercise through a survey with people who had utilised a range of Council services in a specified period. This will provide baseline data that can be assessed against other Councils. When received, the reporting will be assessed, opportunities identified and provided to the relevant departments to consider.</p> <p>There has been a shift in dates associated with the action plan as a result of competing priorities and to align with service reviews being undertaken.</p>

COST OF OUR SERVICES

The following statement provides information about the services funded in the Annual Budget 2020/21:

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'000
Council Enterprises	This service supports the local economy and provides an alternative revenue stream for Council through the effective operation of a range of Council-managed commercial enterprises such as caravan parks, aerodromes, marinas and the East Gippsland Livestock Exchange.	(2,039) <u>(1,017)</u> (1,022)
Customer Experience	This service acts as the main customer interface with the community. It provides accessible, high-quality customer service at Council's Service Centres, which connects people to Council services and general information.	2,074 <u>2,226</u> 152
Human Resources	This service provides human resource and industrial relations services dedicated to ensuring Council's workforce operates efficiently and effectively within a framework that encourages innovation and continuous improvement.	1,099 <u>1,455</u> 356

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$'000
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.	3,402 <u>4,017</u> 615
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 units.	562 <u>533</u> (29)
Property Management	This service manages Council's property portfolio, including purchases, sales, leases and licenses, to ensure land is used effectively and in the best interests of current and future generations. It also supports local groups that have a focus on land and facility stewardship.	163 <u>211</u> 48
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.	1,438 <u>1,571</u> 133

Retired service performance indicators

Indicator <i>measure</i>	Results			
	2017-18	2018-19	2019-20	2020-21
Aquatic facilities				
Service standard <i>Health inspections of aquatic facilities¹</i>	0	0	retired	retired
Service cost <i>Cost of indoor aquatic facilities²</i>	\$4.28	\$4.52	retired	retired
Service cost <i>Cost of outdoor aquatic facilities³</i>	\$13.49	\$12.37	retired	retired
Animal Management				
Service cost <i>Cost of animal management service⁴</i>	\$37.66	\$52.96	retired	retired
Health and safety <i>Animal management prosecutions⁵</i>	7	2	retired	retired
Libraries				
Service cost <i>Cost of library service⁶</i>	\$3.52	\$3.46	retired	retired

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

2 [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]

3 [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]

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

5 [Number of successful animal management prosecutions]

6 [Direct cost of the library service / Number of visits]



Councillors undertook cultural awareness training with Grattan Mullett, General Manager Culture from Gunaikurnai Land and Waters Aboriginal Corporation.

Governance, Management and Other Information

The 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 has been phased in during 2020-21. However, provisions in relation to rates, roads and sewage remain in the Local Government Act 1989.

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's Roles and Responsibilities

The 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 take into account economic, social and environmental sustainability of the East Gippsland Shire, including where possible mitigating and planning for climate change.
- Addressing the diverse needs 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.
- Foster community cohesion and encourage active participation in the East Gippsland Shire Council activities.
- 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 East Gippsland Shire Council's YouTube channel, East Gippy TV.

During 2020-21, COVID-19 pandemic restrictions meant members of the public were not able to attend Council meetings in person, however, meetings were livestreamed to maintain open meetings and ensure access by the community. In addition, Councillors, Council staff and members of the community presenting to Council were able to attend meetings virtually.

Council meetings generally 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 2020-21, there were 16 scheduled Council meetings and two unscheduled Council meetings.

Council Meeting Attendance

The following table provides a summary of Councillor attendance at Council meetings in 2020-21. As there was a local council election on 24 October 2020 this table outlines attendance by Councillors prior to and after the election. Those who attended six or fewer meetings were Councillors who were members of the previous Council. The two Councillors were re-elected have attendance recorded both prior and after the election.

Councillor	Council Meetings
Cr Ben Buckley ¹	6
Cr Richard Ellis ¹	6
Cr Natalie O'Connell ¹	6
Cr Marianne Pelz ¹	6
Cr Joe Rettino ¹	6
Cr Jackson Roberts ¹	5
Cr Colin Toohey ¹	6
Cr Mendy Urie	12
Cr Mark Reeves ²	16
Cr Arthur Allen	12
Cr Sonia Buckley	10
Cr Tom Crook	12
Cr Jane Greacen OAM	11
Cr Trevor Stow	12
Cr Kirsten Van Diggele	10
Cr John White ²	18

1 Councillor until October 2020

2 Councillor re-elected in the 2020 local council election



Councillors meeting with Member for Gippsland Darren Chester in February on projects and initiatives of importance to East Gippsland.

Councillor Allowances

The *Local Government Act 2020* provides for Councillors and Mayors to receive an allowance while performing their duties as Councillor or Mayor. A Mayor cannot receive an allowance as a Councillor while receiving an allowance as the Mayor.

The Victorian Government determines the maximum allowances for the Councillors and Mayor. This is based on the income and population of the Council. Council determines the exact amount of the allowances within the range set by the Government. In March 2021, Council resolved that the allowances for the Mayor would be \$81,204 and for Councillors it would be \$26,245. This amount was the same as the previous Council.

The process for establishing the allowances will change in 2021-22, in accordance with the Act the Victorian Independent Remuneration Tribunal will set the allowances for the Mayor and Councillors.

The Mayor is elected in October each year. In any given year the allowances will reflect whether a Councillor has been Mayor for part of a financial year.

Councillor	Allowance \$
Cr Ben Buckley ¹	9,763
Cr Richard Ellis ¹	9,763
Cr Natalie O'Connell ¹	9,763
Cr Marianne Pelz ¹	9,763
Cr Joe Rettino ¹	9,763
Cr Jackson Roberts ¹	9,763
Cr Colin Toohey ¹	9,763
Cr Mendy Urie	52,864
Cr Mark Reeves	26,848
Cr Arthur Allen	17,085
Cr Sonia Buckley	17,085
Cr Tom Crook	17,085
Cr Jane Greacen OAM	17,085
Cr Trevor Stow	17,085
Cr Kirsten Van Diggele	17,085
Cr John White	47,293
Total	297,856

¹ Cr White was Mayor for part of the reporting year, succeeded by Cr Urie

Councillor Expenses

The *Local Government Act 2020* requires the Council to reimburse Councillors for out-of-pocket expenses incurred while performing their duties as a Councillor. It further requires Council to provide support to Councillors to undertake the role of a Councillor. The Councillor Support and Expenses Policy adopted by Council details the support provided to Councillors and the out-of-pocket expenses that will be reimbursed. This policy is available on Council's website.

Council's Audit and Risk Committee review the details of Councillors expenses and reimbursements each six months as outlined in the Audit and Risk Committee Charter.

Councillor	Remote Travel \$	Conferences/ Training \$	Office Expenses \$	Delegate Costs \$	Other Council Rep. \$	Vehicle \$	Total \$
Cr Ben Buckley	520	0	36	0	120	4,350	5,026
Cr Richard Ellis	0	0	88	0	0	4,350	4,438
Cr Natalie O'Connell	0	0	(6)	0	0	4,350	4,344
Cr Marianne Pelz	160	0	18	0	0	4,350	4,528
Cr Joe Rettino	0	0	(5)	0	0	4,350	4,345
Cr Jackson Roberts	0	0	(11)	0	0	4,350	4,339
Cr Colin Toohey	0	0	15	0	0	4,350	4,365
Cr Mendy Urie	0	0	366	0	564	8,762	9,692
Cr Mark Reeves	0	675	370	0	348	13,824	15,217
Cr Arthur Allen	0	0	366	647	4	8,762	9,779
Cr Sonia Buckley	880	0	734	54	5,005	8,762	15,435
Cr Tom Crook	0	697	366	0	0	8,762	9,825
Cr Jane Greacen OAM	0	5,000	365	0	120	4,045	9,530
Cr Trevor Stow	0	0	366	0	95	8,762	9,223
Cr Kirsten Van Diggele	0	3,205	366	0	177	8,762	12,510
Cr John White	0	0	898	2,067	111	13,824	16,900
Total	1,560	9,577	4,332	2,768	6,544	114,715	139,496

* Office Expenses include telephone and stationery

* Conferences/training, delegate and other Council rep. (representation) costs includes 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 February 2021 in accordance with the *Local Government Act 2020* to adopt a new Code within four months of the general election.

The 2016 Councillor Code of Conduct was in place until the new Code was adopted.

Conflict of Interest

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

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

Advisory Committees

Council has appointed several advisory committees to provide advice in relation to the matters of significance for the East Gippsland community. These committees provide advice to Council on issues affecting the community and emerging issues.

Committee	Councillors	Officers	Other	Purpose
Agriculture Sector Advisory Committee	2	0	13	The East Gippsland Agriculture Sector Advisory Committee will provide advice, guidance and recommendations to Council on matters that affect the agriculture sector in East Gippsland and its communities.
Audit and Risk Committee	3	0	4	Monitors Council's effectiveness in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management.
Chief Executive Employment and Remuneration Committee	4	0	1	The committee assists Council fulfil its obligations in respect of recruitment of the CEO, determining the CEO's performance criteria, assessing the CEO's performance against that criteria, and reviewing the CEO's remuneration arrangements.
Disability Advisory Committee	1	1	12	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 Livestock Exchange Consultative Committee	2	4	7	Provides advice, guidance and recommendations to Council on the need for existing and emerging services, and overall sustainable management of Council's livestock exchange business.
Economic Development Advisory Board	2	6	7	Provides advice to Council that supports economic and tourism activities in the municipality.
Local Road Community Safety Committee	2	4	7	Create and implement projects that support safer roads within East Gippsland Shire.
Marina Consultative Committee	2	5	6	To provide 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

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, in order to assist Council decision-making.

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

The Committee comprises of seven members: four independent external members – one of whom will be Chair – the Mayor of the day and two other Councillors appointed by Council. The Chair is appointed each February.

In 2020-21 the Audit and Risk Committee members:

Audit and Risk Committee Chair

- Jason Hellyer: July 2020 – June 2021

Councillors

- Cr John White, Mayor: July 2020 – October 2020
- Cr Mendy Urie, Mayor: December 2020 – June 2021
- Cr Joe Rettino: June 2020 – October 2020
- Cr Mark Reeves: June 2020 – October 2020
- Cr Arthur Allen: December 2020 – June 2021
- Cr John White: December 2020 – June 2021

** Cr White was re-elected on 24 October 2020 and was appointed as a Councillor representative commencing in December 2020.*

Independent Committee members:

- Christopher Badger: June 2020 – June 2021
- Andrew Roberts: June 2020 – June 2021
- Stephen Paterson: February 2021 – June 2021

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.

External Audit

Council is externally audited by the Victorian Auditor-General. For 2020-21, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, DMG Audit and Advisory.

Risk Management

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

The Risk Management Framework is 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

Governance and Management Checklist


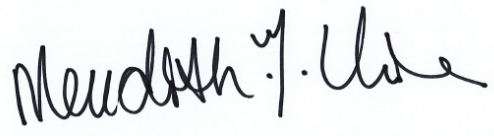
The following are the results in the prescribed form of Council's assessment against the prescribed Governance and Management Checklist.

Governance and Management Items	Assessment	
1 Community Engagement Policy (Policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 16 March 2021	✓
2 Community Engagement Guidelines (Guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 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 10 financial years.)	Adopted in accordance with section 91 of the Act Date of adoption: 29 June 2021	✓
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.)	The Asset Plan will be developed and adopted by 30 June 2022 in accordance with section 92(6) of the <i>Local Government Act 2020</i> .	X
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 operation of current strategy: 29 June 2021	✓
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: 29 June 2021	✓
7 Risk Policy (Policy outlining council's commitment and approach to minimising the risks to council's operations)	Policy Date of operation of current policy: 6 August 2019	✓
8 Fraud Policy (Policy outlining Council's commitment and approach to minimising the risks to Council's operations.)	Policy Date of operation of current policy: 5 May 2020	✓
9 Municipal Emergency Management Plan (Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 22 November 2018	✓

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 approval: 23 June 2020	✓
11 Business continuity plan (Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan in operation Date of preparation: 26 March 2020	✓
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 in operation Date of preparation: 16 March 2020	✓
13 Risk management framework (Framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 11 May 2020	✓
14 Audit and Risk Committee (Advisory committee of Council under section 53 of the <i>Local Government Act</i> whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide advice on risk management, and provide oversight on internal and external audit functions)	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 131 of the Act 1989)	Framework Date of operation of current framework: 1 July 2017	✓
17 Council Plan reporting (Report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date statements presented: 6 October 2020 and 9 February 2021	✓
18 Financial reporting (Quarterly statements to Council under section 138 of the Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act 1989 Date statements presented: 15 September 2020; 1 December 2020; 16 March 2021; and 4 May 2021	✓

Governance and Management Items	Assessment	
19 Risk Reporting (Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date statements presented: 28 July 2020; 08 December 2020; 16 February 2021; and 20 April 2021	✓
20 Performance Reporting (Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act 1989)	Report provided. 16 February 2021	✓
21 Annual Report (Annual report under sections 131, 132 and 133 of the Act 1989 to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the <i>Local Government Act 1989</i> Date statements presented: 6 October 2020	✓
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: 23 February 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 last review: Council to staff 06/10/2020; Council to CEO 02/06/2020; CEO to staff 07/07/2020	✓
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 local law last revised: 25 August 2020	✓

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

 Anthony Basford Chief Executive Officer Dated: 9 September 2021	 Cr Mendy Urie Mayor Dated: 9 September 2021
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Statutory Information

Information Available for Public Inspection

Council has adopted 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 available on Council's website outlines the publicly available information.

Freedom of Information

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

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

Application forms are available at www.eastgippsland.vic.gov.au/council/find-a-form, at Customer Service Centres, or by contacting Council on (03) 5153 9500.

Council received 22 applications during the reporting year 2020-21 and two requests from the previous year were finalised in 2020-21.

	2020-21	2019-20	2018-19	2017-18	2016-17
New applications/requests	22	18	26	15	16
Access granted in full	7	6	12	4	1
Access granted in part	12	6	10	8	9
No documents existed in the requested form/Act does not comply	4	1	1	0	0
Access denied	1	1	0	1	3
Withdrawn¹	0	2	0	3	1
Requests outstanding at end of financial year	0	2	3	1	2
Reviews by Freedom of Information Commissioner	1	2	0	1	2
Appeals lodged with VCAT	0	0	0	0	0
Fees collected	\$651.20	\$473.60	\$722.50	\$369.20	\$418.50
Fees waived	0	\$59.20	\$22.90	\$28.40	0
Charges collected	0	\$88.00	\$75.00	\$265.30	\$271.90

¹ Documents were provided outside the Act on several occasions.

Protected Disclosures

Council has a policy for handling disclosures made under the *Public Interest Disclosure Act 2012*, as required by the Act. The purpose of the 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 protected disclosure notifications to the Independent Broad-based Anti-corruption Commission for the year ended 30 June 2021.

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

Council's Information Privacy Policy is available on Council's website.

Contracts

During the year Council entered into the following contract/arrangement in accordance with section 186A (9) of the *Local Government Act 1989*:

- Purchase of spare chain and two spare pocket wheels for the Raymond Island Ferry for the price of \$167,786.14 excluding GST.

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 Action Plan

Council has worked in partnership with residents, community groups, service providers, and the Disability Advisory Committee (DAC) to implement the plan. Actions reflect the plan's commitment to developing socially inclusive communities and townships that value everyone and encourage all people to belong. Supporting the community to adapt to remote/online engagement opportunities under the pandemic response has been a key focus throughout the year. The plan's strategic goals guided this process and include:

- Collaboration and Partnership Development.
- Community Engagement, Information, and Education.
- Leadership and Advocacy.
- Access and Services. Initiatives and achievements include:
 - Online celebrations of Social Inclusion Week, Cultural Diversity Week and International Day of People with Disability.
 - Facilitation of online DAC meetings supporting access and inclusion work to continue.
 - Focus on improved access to the built environment and events.

Domestic Animal Management Plan

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:

- Undertook an evaluation of the Dogs in Public Places trial and endorsed the continuation of the dogs off-leash rules ongoing;
- Worked with Animal Aid to secure funding to facilitate an extension to the existing animal shelter to create a new cat exercise yard; and
- Attended the East Gippsland Field Days and provided education on responsible pet ownership.

Year	Animal Impoundments	Reclaimed	Adopted	Euthanised	Transferred to Animal Aid Coldstream ¹
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, Council's 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.

No such report was required of Council during the reporting year.

Financial Performance Statement

**East Gippsland Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2021

East Gippsland Shire Council

Financial Report

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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 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Elizabeth Collins CPA

Principal Accounting Officer

Date : 14 September 2021

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 2021 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 2014* to certify the financial statements in their final form.

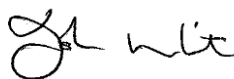


Councillor Arthur Allen

Councillor

Date : 14 September 2021

Bairnsdale



Councillor John White

Councillor

Date : 14 September 2021

Bairnsdale



Anthony Basford

Chief Executive Officer


Date : 14 September 2021

Bairnsdale

Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	<p>I have audited the financial report of East Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cashflows 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. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, 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.</p> <p>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.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <div style="text-align: right;">  Sahchu Chummar <i>as delegate for the Auditor-General of Victoria</i> </div>
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MELBOURNE
27 September 2021

Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	60,536	58,845
Statutory fees and fines	3.2	2,220	2,083
User fees	3.3	12,684	19,520
Grants - operating	3.4	24,391	28,143
Grants - capital	3.4	11,898	10,732
Contributions - monetary	3.5	58	90
Contributions - non monetary	3.5	6,077	1,593
Fair value adjustments for investment property	6.2	178	-
Other income	3.7	15,362	4,098
Total income		133,404	125,104
Expenses			
Employee costs	4.1	33,697	30,253
Materials and services	4.2	49,157	44,432
Depreciation	4.3	21,569	20,788
Amortisation - intangible assets	4.4	977	602
Amortisation - right of use assets	4.5	84	73
Bad and doubtful debts	4.6	52	150
Borrowing costs	4.7	290	300
Net loss on disposal of property, infrastructure, plant and equipment	3.6	64	(59)
Landfill rehabilitation provision movement	5.5	(746)	1,395
Finance costs - leases	4.8	17	6
Other expenses	4.9	8,726	8,488
Total expenses		113,887	106,428
Surplus/(deficit) for the year		19,517	18,676
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	114,424	-
Total comprehensive result		133,941	18,676

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

Balance Sheet As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	92,198	35,137
Trade and other receivables	5.1	10,993	12,234
Other financial assets	5.1	-	33,500
Other assets	5.2	7,726	7,361
Total current assets		110,917	88,232
Non-current assets			
Trade and other receivables	5.1	241	410
Property, infrastructure, plant and equipment	6.1	1,237,274	1,110,713
Right-of-use assets	5.8	785	869
Investment property	6.2	8,882	8,704
Intangible assets	5.2	1,882	2,756
Total non-current assets		1,249,064	1,123,452
Total assets		1,359,981	1,211,684
Liabilities			
Current liabilities			
Trade and other payables	5.3	9,474	9,995
Trust funds and deposits	5.3	2,835	2,799
Unearned Income	5.3	20,977	2,952
Provisions	5.5	9,571	9,811
Interest-bearing liabilities	5.4	1,700	-
Lease liabilities	5.8	62	72
Total current liabilities		44,619	25,629
Non-current liabilities			
Unearned Income	5.3	383	527
Provisions	5.5	9,417	12,157
Interest-bearing liabilities	5.4	1,650	3,350
Lease liabilities	5.8	759	809
Total non-current liabilities		12,209	16,843
Total liabilities		56,828	42,472
Net assets		1,303,153	1,169,212
Equity			
Accumulated surplus		418,286	398,827
Reserves	9.1	884,867	770,385
Total Equity		1,303,153	1,169,212

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

Statement of Changes in Equity For the Year Ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		1,169,212	398,827	769,323	1,062
Surplus/(deficit) for the year		19,517	19,517	-	-
Net asset revaluation increment	6.1	114,424	-	114,424	-
Transfers to other reserves	9.1	-	(58)	-	58
Transfers from other reserves	9.1	-	-	-	-
		<u>1,303,153</u>	<u>418,286</u>	<u>883,747</u>	<u>1,120</u>
Balance at end of the financial year		1,303,153	418,286	883,747	1,120

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		1,152,025	381,721	769,323	981
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers		(148)	(148)	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities		(1,341)	(1,341)	-	-
Impact of change in accounting policy - AASB 16 Leases		-	-	-	-
Adjusted Opening balance		<u>1,150,536</u>	<u>380,232</u>	<u>769,323</u>	<u>981</u>
Surplus/(deficit) for the year		18,676	18,676	-	-
Transfers to other reserves	9.1	-	(81)	-	81
Transfers from other reserves	9.1	-	-	-	-
		<u>1,169,212</u>	<u>398,827</u>	<u>769,323</u>	<u>1,062</u>
Balance at end of the financial year		1,169,212	398,827	769,323	1,062

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 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		61,006	57,802
Statutory fees and fines		2,172	2,038
User fees		17,788	15,042
Grants - operating		23,620	28,791
Grants - capital		31,844	7,875
Contributions - monetary		58	90
Interest received		589	1,172
Trust funds and deposits taken		11,034	9,905
Other receipts		10,417	3,219
Net GST refund/(payment)		4,119	3,289
Employee costs		(33,149)	(30,761)
Materials and services		(58,698)	(45,137)
Trust funds and deposits repaid		(10,998)	(8,673)
Other payments		(1,489)	(2,965)
Net cash provided by/(used in) operating activities		58,313	41,687
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(35,233)	(29,507)
Proceeds from sale of property, infrastructure, plant and equipment		933	412
Payments for investments		-	(33,500)
Proceeds from sale of investments		33,500	34,000
Net cash provided by/(used in) investing activities		(800)	(28,595)
Cash flows from financing activities			
Finance costs		(292)	(304)
Repayment of borrowings		-	(727)
Interest paid - lease liability		(17)	(6)
Repayment of lease liabilities		(143)	(61)
Net cash provided by/(used in) financing activities		(452)	(1,098)
Net increase (decrease) in cash and cash equivalents		57,061	11,994
Cash and cash equivalents at the beginning of the financial year		35,137	23,143
Cash and cash equivalents at the end of the financial year		92,198	35,137
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Property			
Land		80	243
Total land		80	243
Buildings		4,282	2,738
Heritage buildings		162	13
Total buildings		4,444	2,751
Total property		4,524	2,994
Plant and equipment			
Plant, machinery and equipment		1,772	1,963
Fixtures, fittings and furniture		804	520
Computers and telecommunications		372	361
Library books		211	214
Total plant and equipment		3,159	3,058
Infrastructure			
Roads		12,403	10,666
Bridges		6,063	5,939
Footpaths and cycleways		1,035	1,788
Drainage		1,081	2,295
Recreational, leisure and community facilities		1,755	476
Waste management		1,146	372
Parks, open space and streetscapes		434	844
Aerodromes		179	-
Off street car parks		110	262
Other infrastructure		3,362	2,133
Total infrastructure		27,568	24,775
Total capital works expenditure		35,251	30,827
Represented by:			
New asset expenditure		3,395	2,349
Asset renewal expenditure		26,334	21,750
Asset expansion expenditure		-	-
Asset upgrade expenditure		5,522	6,728
Total capital works expenditure		35,251	30,827

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

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 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 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)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable (refer to Note 8.2)
- 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.

(b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

Additional revenue

- Working for Victoria funding of \$2.006M

Impact on Services/Facilities

A number of facilities were closed or had restrictions to their operations during the year. As a result there was a reduction in revenue for these services; but there was also a reduction in the cost of running these facilities. The impact for services that were significantly impacted are as follows:

Bairnsdale and Lakes Entrance Aquatic and Recreation Centres

- Reduction in income from memberships, entry fees and other sales \$886k
- Reduction in costs as a result of facility closures \$983k

Forge Theatre

Whilst income was reduced by \$121k, there was a cost reduction of \$328k as a result of not being able to hold shows for most of the year.

Additional costs

Council waived a number Communit Laws and Health permits during the year at a cost of \$104k

Working for Victoria

Council received a government grant under the Working for Victoria program to provide employment for 60 people for a period of six months. During the 2020/21 year the grant income of \$2.006M covered the costs associated with employing eligible people.

Note 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 2014* 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.

The budget figure below were adopted by Council on 25/08/2020. The budget was based on assumptions that were relevant at the time of adoption of the Budget. Councils sets guidelines and parameters for income and expense targets in the budget in order to meet Council's planning and financial performance targets for both the short and long-term.

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

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Income					
Rates and charges	59,381	60,536	1,155	2%	1
Statutory fees and fines	1,974	2,220	246	12%	2
User fees	12,652	12,684	32	0%	
Grants - operating	14,820	24,391	9,571	65%	3
Grants - capital	23,503	11,898	(11,605)	(49%)	4
Contributions - monetary	141	58	(83)	(59%)	5
Contributions - non monetary	2,000	6,077	4,077	204%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(64)	(64)	100%	
Fair value adjustments for investment property	-	178	178	100%	7
Other income	18,839	15,362	(3,477)	(18%)	8
Total income	133,310	133,340	30		
Expenses					
Employee costs	33,453	33,697	(244)	(1%)	
Materials and services	52,399	49,157	3,242	6%	9
Depreciation	21,952	21,569	383	2%	
Amortisation - Intangible assets	900	977	(77)	(9%)	
Amortisation - Right of use assets	-	84	(84)	100%	
Bad and doubtful debts	68	52	16	24%	
Borrowing costs	328	290	38	12%	
Landfill rehabilitation provision movement	-	(746)	746	100%	10
Finance costs - Leases	-	17	(17)	100%	
Other expenses	1,537	8,726	(7,189)	(468%)	11
Total expenses	110,637	113,823	(3,186)		
Surplus/(deficit) for the year	22,673	19,517	(3,156)		

Note 1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance		Explanation
Ref	Item	
1	Rates and charges - \$1.155M greater than budget	Supplementary rates were greater than budget by \$1.115M as a result of some significant commercial/industrial developments.
2	Statutory fees and fines - \$246k greater than budget	Planning and subdivision activities increased these fees by \$322k greater than budget. There were additional animal registrations of \$53k and additional land information and building certificates of \$69k. Building and other licences were also greater than budget by 114k. These were offset with debt recovery fees under budget by \$122k due to unpaid rates recovery being paused during most of the year due to COVID-19 (this is offset with a corresponding reduction in debt recovery costs), health registration fees being under budget by \$89k as a result of COVID-19 waivers and animal and parking fines were underbudget by \$135k as a result of a reduction in issuing these infringements during COVID-19 periods.
3	Grants - operating - \$9.571M greater than budget	<p>The Victoria Grants Commission advance payment of part of the 2021/22 grant in the 2020/21 year accounted for \$7.945M of the additional grant income. There were a number of bushfire grants totalling \$4.811M included in the 2020/21 budget but were brought to account in the 2019/20 year. In 2020/21 Council also received a number of unbudgeted grants to support the community following the 2019/20 bushfires, the drought and as a result of the impact of COVID-19. These grants are detailed below:</p> <p>Bushfire Grants</p> <ul style="list-style-type: none"> - Concierge Business Support - \$116k - Immediate Assistance - \$250k - Rebuild Support Services - \$378k - Community Resilience and Development Program - \$339k - Resourcing Grant - \$2M <p>COVID-19 Grants</p> <ul style="list-style-type: none"> - Outdoor Eating and Entertainment - \$120k - Working for Victoria - \$2.006M <p>Drought</p> <ul style="list-style-type: none"> - Recharge Shearing Shed Events - \$226k - Recharge Family Packages - \$52k <p>Other</p> <ul style="list-style-type: none"> - Lakes Entrance Reserve Netball Court Development - \$94k - Bairnsdale South Industrial Estate - \$120k - Mallacoota Fuel Management Project - \$70k - Mallacoota and District Recovery Association - \$200k - Lake Tyers Trust - \$210k
4	Grants - capital - \$11.605M less than budget	<p>Capital grants were \$11.605M less than the adopted budget. The timing of the works for a number of large capital projects will see those projects completed in the 2021/22 year. As a result grant income associated with the projects will now not be received until the 2021/22 year. Some of those more significant projects and the capital grant income variances are as follows:</p> <ul style="list-style-type: none"> - Omeo Mountain Bike Trails - \$1.784M - Lucknow Recreation Reserve Upgrade - \$259k - Jemmy Point Lookout Infrastructure renewal - \$425k - Cann River Roadside Rest Area - \$280k - Genoa Roadside Rest Area - \$980k - Newmerella Roadside Rest Area - \$240k - WORLD Sporting Precinct Stage 1 - \$1.718M - Lakes Entrance Marine Parade Upgrade - \$800k - Bullock Island Masterplan Implementation - \$1.088M - Mallacoota Recreation Reserve Upgrade - \$789k - Slip Road Maritime Precinct Paynesville - \$260k - Mallacoota Seawall - \$681k - Design for Gymnastics facility Lucknow - \$421k - Roads to Recovery - \$413k - Lakes Entrance Seawall Reconstruction Stage 2 - \$202k - Bullock Island Bridge Replacement - \$616k

Note 1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance		
Ref	Item	Explanation
5	Contributions - monetary - \$83k less than budget	Capital contributions of \$91k were not received as a result of the timing of related capital projects. Subdivision developer contributions exceeded budget by \$8k.
6	Contributions - non monetary - \$4.077M greater than budget	Contributed assets of \$6.077M were received during the year against a budget of \$2M. Developer contributed assets vary from year to year depending on subdivision activity.
7	Fair value adjustments for investment property - \$178k greater than budget	There was an increase in the fair value of investment properties as at the end of year. No budget had been provided for this increase in value.
8	Other income - \$3.477M less than budget	The timing for reimbursements for replacement and rehabilitation works following the 2019/20 fire events is the most significant variance. Reimbursements for bridges destroyed was \$907k less than budget due to the costs for reconstruction being less than the original estimate. The timing of reimbursements for rehabilitation works has impacted on the income expected in 2020/21 and was less than budget by \$3.527M. It is expected that further reimbursements of \$4.544M will be received in the 2021/22 year as works are undertaken. Interest received on investments was less than budget by \$61K as a result of interest rates being lower than anticipated at the time of adopting the buudget. Offsetting these underbudget income items were additional income received for foreshore, caravan parks and other property leases of \$182k, additional insurance reimbursement for walking tracks destroyed/damaged and other claims for losses incurred as a result of the 2019/20 bushfire of \$690k. Workcover reimbursements exceeded budget by \$51k as a result of additional workcover costs.
9	Materials and services - \$3.242M less than budget	A number of prgrams and projects underspent on materials and services during the year as a result of interruptions to services during COVID-19 restrictions. The Forge Theatre underspent on other services by \$252k, Economic Development by \$218k, Community Development by \$216k and Bushfire Recovery by \$665k. Utility payments were also \$278k less than budget partly as a result of the lesser costs whilst facilities were closed or operating at a reduced capacity during COVID-19 restrictions. Corporate training programs were also underspent by \$361k. The EPA waste levy was less than budget by \$217k as a result of less waste to landfill than originally expected. Information technology software licencing and other costs were under budget by \$381k. Grants and contributions were less than budget by \$1.126M as a result in delays to some projects and annual operating grant requirements. These underspends were partly offset by additional payments for consultants of \$465k to provide assistance in a number of areas of Council works.
10	Landfill rehabilitation provision movement - \$746k less than budget	There was an adjustment to the present value calculation of a reduction of \$560k and other adjustments that reduced the required provisions for landfill rehabilitation works.
11	Other expenses - \$7.189M greater than budget	There was \$6.626M of buildings, roads, bridges and other assets written off primarily as a result of assets being replaced. Legal costs exceeded the budget by \$292k as a result of additional legal costs in excess of the budget for a planning matter offset by less costs for legal services for debt recovery of \$140k and coporate legal costs of \$89k.

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	100	80	(20)	(20%)	1
Total land	100	80	(20)		
Buildings	6,719	4,282	(2,437)	(36%)	2
Heritage buildings	363	162	(201)	(55%)	3
Total buildings	7,082	4,444	(2,638)		
Total property	7,182	4,524	(2,658)		
Plant and equipment					
Plant, machinery and equipment	2,930	1,772	(1,158)	(40%)	4
Fixtures, fittings and furniture	30	804	774	2580%	5
Computers and telecommunications	3,936	372	(3,564)	(91%)	6
Library books	209	211	2	1%	
Total plant and equipment	7,105	3,159	(3,946)		
Infrastructure					
Roads	15,642	12,403	(3,239)	(21%)	7
Bridges	7,706	6,063	(1,643)	(21%)	8
Footpaths and cycleways	3,249	1,035	(2,214)	(68%)	9
Drainage	1,043	1,081	38	4%	
Recreational, leisure and community facilities	4,497	1,755	(2,742)	(61%)	10
Waste management	5,843	1,146	(4,697)	(80%)	11
Parks, open space and streetscapes	5,863	434	(5,429)	(93%)	12
Aerodromes	337	179	(158)	(47%)	13
Off street car parks	685	110	(575)	(84%)	14
Other infrastructure	5,614	3,362	(2,252)	(40%)	15
Total infrastructure	50,479	27,568	(22,911)		
Total capital works expenditure	64,766	35,251	(29,515)		
Represented by:					
New asset expenditure	10,962	3,395	(7,567)	(69%)	16
Asset renewal expenditure	47,503	26,334	(21,169)	(45%)	17
Asset expansion expenditure	30	-	(30)	(100%)	
Asset upgrade expenditure	6,271	5,522	(749)	(12%)	18
Total capital works expenditure	64,766	35,251	(29,515)		

Note 1 Performance against Budget (cont'd)
(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land - \$20k less than budget	Minor variance in the acquisition of land.
2	Buildings - \$2.437M less than budget	Building renewal had a budget of \$1M but actual expense of only \$93k as a result of the majority of expenses being reclassified to operating. Several projects were delayed and will be completed in the 2021/22 year. The most significant of these projects were the Pavilion at Mallacoota Recreation Reserve under budget by \$452k, Mallacoota Caravan Park Toilet Block under budget by \$119k, Gymnastic Facility at Lucknow under budget by \$750k and Eagle Point Caravan Park Fire Safety Works under budget by \$236k. There were several projects that had components of the project classified as Buildings but the budget had been classified in a different classification. The most significant of these were the WORLD Sporting Precinct Stage 1 expenditure of \$267k and the Bullock Island Masterplan implementation with expenditure of \$412k. There were also a number of projects that were classified as Buildings at the time of adopting the budget but have been reclassified to other classifications. The most significant of these projects and the associated budgets are the Livestock Exchange Sheep Pen renewal of \$477k and the Eagle Point Hub \$500k.
3	Heritage Buildings - \$201k less than budget	The Omeo Justice Precinct is under budget by \$201k and will be completed in the 2021/22 year.
4	Plant, Machinery and Equipment - \$1.158M less than budget	The timing of plant and vehicle renewals has been delayed and as a result Plant renewals were under budget by \$1.221M and Vehicles renewals were under budget by \$519k. These under budgets were partly offset by other works that were reclassified as plant at year end. The most significant of those was expenditure for the Waste Hook Truck of \$391k.
5	Fixtures, fittings and furniture - \$774k greater than budget	Unbudgeted funding was received for Outdoor Dining Activation and the expenditure for this project was \$130k. There were other adhoc purchases the were reclassified from other projects totalling \$158k that were not included in this classification at budget time. Street Litter Bins had been classified as Waste but reclassified at year end to fixtures and the expenditure for this item was \$297k. There was also \$210k of expenditure for the Lakes Entrance Streetscape works that was reclassified to fixtures at year end.
6	Computers and telecommunications - \$3.564M less than budget	A number of system upgrades for information technology systems have been delayed and will not be implemented until the 2021/22 year. These projects accounted for \$3.459M of the variance.
7	Roads - \$3.239M less than budget	There were a number of road projects that have been delayed and will be completed in the 2021/22 year. The most significant of these projects and the related budget variances are Eagle Point Foreshore Hub - Road Development \$342k, Carpenter Street Lakes Entrance \$102k and Parking Lanes Lakes Entrance \$100k. Roads to Recovery projects were \$414k less than the adopted budgets as a result of the timing for project works. There were also a number of projects that were classified as roads in the budget but have had components reclassified to other asset categories. The most significant of these projects is McMillan Street Lucknow \$484k, Phillips Lane \$132k, Road Reseals \$202k and Lake Tyers Beach Road \$131k.
8	Bridges - \$1.643M less than budget	A number of bridge projects have been delayed and will be completed in 2021/22. The most significant of these is the Bullock Island Bridge \$616k, the Genoa Roadside Stop \$396k and Tarbucks Road Bridge Cabbage Tree Creek \$450k.
9	Footpaths and cycleways - \$2.214M less than budget	The Omeo Mountain Bike Trails - Stage 1 is a multi year project and works completed in the 2020/21 year were under budget by \$1.716M. This project will be completed over coming years. The Great Alpine Road footpath project expenditure was split over a number of classifications and accounted for \$166k of the variance. The Omeo Caravan Park to Livingston Park Footpath project was also delayed and accounted to \$250k of the variance.

Note 1 Performance against Budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
10	Recreational, leisure and community facilities - \$2.742M less than budget	The WORLD Sporting Precinct Stage 1 was classified as Recreation and Leisure in the adopted budget but has been reclassified to Buildings at year end. The budget for this project was \$3.858M. There were several other projects that had been classified as Parks and Other Infrastructure in the budget but have been classified as Recreation and Leisure at year end. The most significant of these projects and the associated expenditure were Davison Oval Skatepark Upgrade \$539k, Mallacoota Seawall Design \$319k and Slip Road Maritime Precinct - Paynesville \$361k.
11	Waste Management - \$4.697M less than budget	There were a number of Waste projects classified as Buildings at year end and the budgets associated with these projects amounted to \$180k. The Lakes Entrance Transfer Station project had a budget of \$2.218M and was reclassified from Waste to Other Infrastructure. The Marlo Transfer Station project was also reclassified to Other Infrastructure at year end and the budget for this project was \$405k. The Lakes Entrance Landfill E-Waste Infrastructure, Skip Bins, Leachate Irrigation System and the Waste Hook Truck and Trailer were reclassified to Plant and Equipment with budgets totalling \$625k. Street Litter Bins with a budget of \$300k were reclassified to Fixtures. The Construction of Cell 4 Bairnsdale Landfill was delayed and was under budget by \$916k with these works to be completed in the 2021/22 year.
12	Parks, open space and streetscapes - \$5.429M less than budget	Lakes Entrance Marine Parade Project was delayed and was underbudget by \$800k with the works to be completed in 2021/22. A number of Playground renewal projects were delayed and underbudget by \$120k. Likewise there were a number of park upgrades that were also delayed and were underspent by \$543k, the largest being Orbest Forest Park - underspent by \$256k. The Eagle Point Foreshore Hub project with a budget of \$623k was reclassified as Buildings at year end. The Bullock Island Masterplan Implementation Project with a budget of \$2M was reclassified to Buildings at year end. Davison Oval Skatepark Upgrade with a budget of \$375k was reclassified as Recreation and the Lakes Entrance Streetscape Pavement Improvements with a budget of \$1.587M was reclassified to footpaths at year end. There were also a number of smaller projects that were reclassified to other asset classes at year end.
13	Aerodromes - \$158k less than budget	Both the Bairnsdale Runway Project and the Orbest Aerodrome Lighting and Fencing Projects with budgets totalling \$337k were reclassified to Other Infrastructure at year end. Offsetting this was the reclassification from Roads to Aerodromes of actual expenditure of \$179k.
14	Off Street car parks - \$575k less than budget	Off Street Car parks budgets of \$685k for Cann River and Newmerralla Roadside Rest areas were reclassified as Roads at year end. This was offset projects that were classified in other asset categories at budget adoption but reclassified to Carpark at year end. The most significant project was Lake Tyers Beach Road with expenditure of \$101k.
15	Other infrastructure - \$2.252M less than budget	Jemmy Point Lookout Infrastructure project is delayed and will be completed in 2021/22 and was under budget by \$376k. Mallacoota Seawall Project was reclassified to Recreation and had a budget of \$1.406M. Lakes Entrance Seawall Reconstruction Stage 2 was delayed and will be completed in 2021/22 and was under budget by \$470K. Slip Road Maritime Precinct - Paynesville, with a budget of \$600k, was reclassified as Recreation. These were partly offset by projects that were reclassified to Other Infrastructure at year end. These projects included the Livestock Sheep Pen Renewal \$439K and Orbest Aerodrome Lighting and Fencing \$216k.
16	New asset expenditure - \$7.567M less than budget	A number of projects included in the adopted budget were delayed and will now be completed in the 2021/22 year. These projects included the Omeo Mountain Bike Trails - Stage 2 \$1.716M, WORLD Sporting Precinct Stage 1 - \$1.662M, Gymnastics Pavillion Lucknow Recreation Reserve \$721k, Eagle Point Hub \$250k, Construction of Cell 4 Bairnsdale Landfill \$916k, Cann River Waste Transfer Station \$100k, Storage Unit Giles Street \$146k and the Great Alpine Road Footpath \$166k. There were also a number of projects where the budget was included in New Assets but the actual expenditure has been reclassified as either Renewal or Upgrade. The most significant of these budgets were Cann River and Newmerralla Roadside Rest Areas \$685k and Slip Road Maritime Precinct Paynesville \$600k.

Note 1 Performance against Budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
17	Asset renewal expenditure - \$21.169M less than budget	A number of projects included in the adopted budget were delayed and some others re-priorised and will be completed in the 2021/22 year. These projects included the Lakes Entrance Transfer Station upgrade \$1.020M, various road construction projects \$3.046M, Mallacoota Seawall \$1.087M, Bullock Island Bridge \$616k, Genoa Rest Area \$396k, WORLD Sporting Precinct \$1.929M and Information Technology projects \$3.104M. There were also several bridge replacements for 2019/20 bushfire destroyed bridges that were completed in 2019/20 and were therefore a budget savings of \$429k. The Tarbucks Road Bridge construction was delayed and will be completed in 2021/22 with a budget variance of \$450k. There were a number of projects where the budget was classified as Renewal but the expenditure has been reclassified as New or Upgrade. The most significant variances from budget as a result of the reclassification are Lucknow Recreation Reserve \$1.8M, Davison Oval Skatepark \$400k, Gully Road Drainage Works Lake Tyers Beach \$611k and Lakes Entrance Streetscape Improvements \$1.597M. There were also a number of projects that had expenditure less than budget including the Building Renewal Program which was under budget by \$907k as a result of expenditure being transferred to operating. The renewal of Plant and Vehicles was also less than budget by \$1.740M as a result of delays in the replacement of plant and vehicles and will be completed in 2021/22.
18	Asset upgrade expenditure - \$749k less than budget	There were a number of projects classified as upgrades in the adopted budget but the expenditure for the year has been classified as either New or Renewal. The most significant of these variances are Lakes Entrance Transfer Station Upgrade \$734k, Dust Suppression Seal program \$650k, Jemmy Point Lookout Infrastructure \$400k, Renewal and Upgrade to Corporate Systems \$450k, Orbost Aerodrome Lighting and Fencing \$237k, Lakes Entrance Marine Parade Upgrade \$800k and Bullock Island Masterplan Implementation \$2M. The Lucknow Recreation Reserve Upgrade was budgeted to be renewal and upgrade but all of the expenditure has been classified as upgrade which exceeded the budget of \$400k for upgrade by \$1.805M. The Lakes Entrance Streetscape and Pavement Improvements was budgeted as renewal but the expenditure of \$708k has been classified as upgrade. There were several other projects where the expenditure was classified as upgrade but the budget had been classified as New or Renewal. The most significant of these projects and the expenditure classified as upgrade were Fernbank Glenaladale Road Widening \$455K, Davison Oval Skatepark upgrade \$539K McMillan Street Lucknow \$485k, and Slip Road Maritime Precinct - Paynesville \$361k.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) 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, communications, governance administration and property services.

Place and Community

Activities associated with building control, environmental health and community laws, immunisations, strategic and statutory planning, economic development and tourism, commercial business operations, emergency management, family and childrens services, aged services, community planning and development, libraries, Forege Theatre and recreational facilities.

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, fleet and plant management.

Bushfire Recovery

Activities associated with providing support and assistance to the community in recovering from the 2019/20 bushfires.

Unattributed

Where expenditure was not able to be identified as a specific activity cost, such as loan interest associated with a Private Street Scheme, it has been included in this category. The income that is shown in unattributable is the surplus over the costs shown for each category of activity with the net result equal to the surplus for the year.

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Office of the CEO	704	704	-	-	-
Business Excellence	16,595	16,595	-	2,401	8,119
Place and Community	18,001	18,001	-	999	61,470
Assets and Environment	71,787	71,787		18,041	1,290,392
Bushfire Recovery	5,940	5,940	-	3,733	-
Unattributed	20,377	860	19,517	11,115	-
	133,404	113,887	19,517	36,289	1,359,981

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Office of the CEO	699	699	-	-	-
Business Excellence	14,050	14,050	-	51	7,803
Place and Community	24,036	24,036	-	1,867	56,736
Assets and Environment	63,642	63,642	-	15,529	1,147,145
Bushfire Recovery	4,019	1,009	3,010	4,010	-
Unattributed	18,658	2,992	15,666	17,418	-
	125,104	106,428	18,676	38,875	1,211,684

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2021

\$'000

2020

\$'000

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 2020/21 was \$8,471 million (2019/20 \$8,133 million). Commercial/Industrial rates was \$990 million (2019/20 \$995 million) and Farm rates was \$1,511 million (2019/20 \$1,412 million). The 2020/21 rate in the CIV dollar for General rates was 0.00392622 (2019/20 0.0040361), Commercial/Industrial rates was 0.00569302 (2019/20 0.00577169) and Farm rates was 0.00314098 (2019/20 0.00332982).

General rates	43,641	43,272
Municipal charge	7,106	7,042
Waste management charge	8,001	7,779
Supplementary rates and rate adjustments	1,337	451
Interest on rates and charges	320	131
Revenue in lieu of rates	131	170
Total rates and charges	60,536	58,845

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation was first applied in the rating year commencing 1 July 2020

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

Infringements and costs	131	130
Application Registration Fees	250	369
Animal Registrations	453	434
Town planning fees	885	753
Land information certificates	160	96
Permits	77	69
Other	264	232
Total statutory fees and fines	2,220	2,083

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

Aged and health services	22	28
Leisure centre and recreation	1,248	2,015
Raymond Island Ferry	280	181
Arts and Culture	70	140
Caravan Parks	2,578	1,125
Saleyards	781	895
Marinas	1,119	1,090
Child care/children's programs	79	197
Tourism	46	96
Building services	74	78
Waste management services	6,267	13,444
Other fees and charges	120	231
Total user fees	12,684	19,520

User fees by timing of revenue recognition

User fees recognised over time	1,935	2,224
User fees recognised at a point in time	10,749	17,296
Total user fees	12,684	19,520

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.

3.4 Funding from other levels of government	2021	2020
	\$'000	\$'000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	25,533	25,016
State funded grants	10,692	13,503
Other	64	356
Total grants received	36,289	38,875
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	15,811	15,895
Aged Services	44	43
Recurrent - State Government		
Arts and Culture	100	100
Asset Maintenance	260	89
Community Development	149	215
Community Laws	97	99
Emergency Management	192	165
Environmental Management	94	97
Libraries	361	352
Parks and Gardens	7	2
Public Health	37	39
Recurrent - Other		
Environmental Sustainability	22	18
Total recurrent operating grants	17,174	17,114
Non-recurrent - Commonwealth Government		
Community Development	679	91
Bushfire Recovery	250	1,117
Economic Development	65	-
Environmental Management	50	-
Recreational, Leisure and Community Facilities	5	-
Non-recurrent - State Government		
Community Development	95	35
Arts and Culture	16	-
Economic Development	659	527
Drought assistance	-	1,510
Bushfire Recovery	3,118	7,671
Emergency Management	85	-
Libraries	15	-
Environmental Sustainability	-	8
Environmental Management	4	-
Work for Victoria	2,007	-
Roads	15	-
Recreational, Leisure and Community Facilities	106	28
Waste	10	-
Non-recurrent - Other		
Environmental Management	2	6
Community Development	2	2
Economic Development	29	-
Arts and Culture	5	-
Libraries	-	7
Recreational, Leisure and Community Facilities	-	27
Total non-recurrent operating grants	7,217	11,029
Total operating grants	24,391	28,143

3.4 Funding from other levels of government (cont'd)

	2021 \$'000	2020 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	3,803	5,195
Recurrent - State Government		
Recreational, Leisure and Community Facilities	9	9
Total recurrent capital grants	3,812	5,204
Non-recurrent - Commonwealth Government		
Buildings	374	813
Bridges	1,801	350
Aerodrome	111	-
Footpath and Cycleways	400	494
Other Infrastructure	182	483
Parks, Open Space and Streetscapes	57	-
Recreational, Leisure and Community Facilities	261	300
Roads	1,640	235
Non-recurrent - State Government		
Buildings	24	333
Other Infrastructure	20	194
Parks, Open Space and Streetscapes	152	405
Recreational, Leisure and Community Facilities	1,696	73
Governance	100	-
Waste Management	28	-
Roads	1,218	1,321
Footpath and Cycleways	18	231
Non-recurrent - Other		
Other Infrastructure	-	24
Plant and Equipment	-	22
Drainage	-	250
Other	4	-
Total non-recurrent capital grants	8,086	5,528
Total capital grants	11,898	10,732
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	7,711	1,626
Received during the financial year and remained unspent at balance date	3,960	7,183
Received in prior years and spent during the financial year	(4,703)	(950)
Transition application of AASB15 from 18/19	-	(148)
Balance at year end	6,968	7,711
Capital		
Balance at start of year	-	2,212
Received in prior years and spent during the financial year	-	(871)
Transition application of AASB58 from 18/19	-	(1,341)
Balance at year end	-	-

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

	2021 \$'000	2020 \$'000
3.5 Contributions		
Monetary	58	90
Non-monetary	6,077	1,593
Total contributions	6,135	1,683
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	1,949	-
Buildings	-	153
Roads	2,079	1,013
Drainage	1,152	-
Off Street Car Park	334	-
Footpath	563	-
Other infrastructure	-	265
Other	-	162
Total non-monetary contributions	6,077	1,593

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

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

Proceeds of sale	933	412
Written down value of assets disposed	(997)	(353)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(64)	59

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	499	969
Investment property rental	942	803
Reimbursements - Other	2,366	1,017
Reimbursements - Natural Disasters	11,438	1,115
Other	117	194
Total other income	15,362	4,098

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	27,002	23,408
WorkCover	1,180	1,191
Casual staff	2,580	3,071
Superannuation	2,792	2,482
Fringe benefits tax	143	101
Total employee costs	33,697	30,253

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	27	27
	27	27

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,431	1,351
Employer contributions - other funds	1,334	1,104
	2,765	2,455

Employer contributions payable at reporting date.	145	114
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services	2021	2020
	\$'000	\$'000
- Bridge Maintenance	142	292
- Road maintenance	17,666	8,402
- Road and Bridge design	60	135
- Vegetation management	1,207	950
- Ferry maintenance	142	122
- Aerodrome Operations and maintenance	92	40
- Building maintenance	131	24
- Ferry service	520	517
- Waste collection	3,938	3,827
- Waste Management	891	946
- Animal pound services	241	225
- Courier services	86	87
- Cleaning	995	919
- Other	87	192
Total Contractors	26,198	16,678
Building maintenance	313	843
General maintenance	11,089	15,041
Utilities	2,042	2,077
Office administration	1,105	770
Information technology	2,053	1,967
Insurance	1,141	926
Consultants	1,750	1,565
Contributions	3,466	4,565
Total materials and services	49,157	44,432

4.3 Depreciation

Property	3,449	3,417
Plant and equipment	3,278	3,153
Infrastructure	14,842	14,218
Total depreciation	21,569	20,788

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

4.4 Amortisation - Intangible assets

Software	77	156
Landfill Airspace	900	446
Total Amortisation - Intangible assets	977	602

4.5 Amortisation - Right of use assets

Property	70	70
Plant and Equipment	14	3
Total Amortisation - Right of use assets	84	73

4.6 Bad and doubtful debts

Parking fine debtors	6	32
Animal fine debtors	17	97
Rates debtors	32	24
Other debtors	(3)	(3)
Total bad and doubtful debts	52	150

Movement in provisions for doubtful debts

Balance at the beginning of the year	988	844
New provisions recognised during the year	52	150
Amounts already provided for and written off as uncollectible	(24)	(2)
Amounts provided for but recovered during the year	-	(4)
Balance at end of year	1,016	988

Provision for doubtful debt 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	2021	2020
	\$'000	\$'000
Interest - Borrowings	290	300
Total borrowing costs	290	300

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

4.8 Finance Costs - Leases

Interest - Lease Liabilities	17	6
Total finance costs	17	6

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	40	45
Auditors' remuneration - Internal	56	36
Councillors' allowances	330	387
Operating lease rentals	394	117
Memberships/Subscriptions	255	166
Bank fees and charges	201	183
Legal fees	774	354
Assets written-off -Buildings	950	476
Assets written-off -Bridges	3,035	3,934
Assets written-off -Roads	2,426	1,519
Assets written-off -Open Space	-	801
Assets written-off -Others	215	458
Others	50	12
Total other expenses	8,726	8,488

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	12	13
Cash at bank	87,162	120
Term deposits	5,024	35,004
Total cash and cash equivalents	92,198	35,137

(b) Other financial assets

Term deposits - current	-	33,500
Total other financial assets	-	33,500
Total financial assets	92,198	68,637

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3(b))	2,835	2,799
- Unexpended grants (Note 3.4(c))	6,968	7,711
- Non-Discretionary Reserves (Note 9.1(b))	1,120	1,062
	10,923	11,572
Total unrestricted cash and cash equivalents	81,275	23,565

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	26,097	11,219
- Cash held to fund carried forward landfill rehabilitation projects	719	2,128
- Tambo Bluff Estate	394	401
- Water transport replacement reserve	2,300	2,000
- Orbost Landfill Discretionary Reserve Bushfire 2019/20	9,626	7,662
Total funds subject to intended allocations	39,136	23,410

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.

	2021 \$'000	2020 \$'000
(c) Trade and other receivables		
Current		
Rates debtors	3,936	4,406
Special rate assessment	662	862
Infringement debtors	792	768
Provision for doubtful debts	(960)	(909)
GST Receivable	874	894
Non statutory receivables		
Other debtors	5,745	6,292
Provision for doubtful debts - other debtors	(56)	(79)
Total current trade and other receivables	10,993	12,234
Non-current		
Statutory receivables		
Special rate scheme	241	410
Total non-current trade and other receivables	241	410
Total trade and other receivables	11,234	12,644

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.

(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)	5,447	6,013
Past due by up to 30 days	142	118
Past due between 31 and 180 days	42	43
Past due between 181 and 365 days	29	37
Past due by more than 1 year	29	2
Total trade and other receivables	5,689	6,213

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$56,000 (2020: \$79,000) were impaired. The amount of the provision raised against these debtors was \$56,000 (2020: \$79,000). 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	56	79
Total trade & other receivables	56	79

Notes to the Financial Report
For the Year Ended 30 June 2021

5.2 Non-financial assets	2021	2020	
(a) Other assets	\$'000	\$'000	
Prepayments	946	828	
Accrued income	5,219	3,904	
Grant income receivable	1,529	2,508	
Other	32	121	
Total other assets	7,726	7,361	
(b) Intangible assets			
Software	528	502	
Landfill air space	1,354	2,254	
Total intangible assets	1,882	2,756	
	Software	Landfill	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 1 July 2020	1,936	4,854	6,790
Additions from internal developments	-	-	-
Other additions	104	-	104
Balance at 30 June 2021	2,040	4,854	6,894
Accumulated amortisation and impairment			
Balance at 1 July 2020	1,434	2,600	4,034
Amortisation expense	78	900	978
Balance at 30 June 2021	1,512	3,500	5,012
Net book value at 30 June 2020	502	2,254	2,756
Net book value at 30 June 2021	528	1,354	1,882

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.

	2021	2020
	\$'000	\$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	8,204	8,213
Accrued expenses	1,270	1,782
Total trade and other payables	9,474	9,995
(b) Trust funds and deposits		
Refundable deposits	2,248	2,028
Fire services levy	233	336
Retention amounts	354	433
Other refundable deposits	-	2
Total trust funds and deposits	2,835	2,799
(c) Unearned income		
Grants received in advance - operating	35	781
Grants received in advance - capital	20,516	1,573
Caravan Park and other	243	383
Prepaid Marina Income	183	215
Total unearned income	20,977	2,952
(c) Unearned income - Non Current		
Prepaid Marina Income	383	527
	383	527

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.

5.4 Interest-bearing liabilities	2021 \$'000	2020 \$'000
Current		
Borrowings - secured	1,700	-
	1,700	-
Non-current		
Borrowings - secured	1,650	3,350
	1,650	3,350
Total	3,350	3,350

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	1,700	-
Later than one year and not later than five years	-	1,700
Later than five years	1,650	1,650
	3,350	3,350

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 \$ '000	Landfill restoration \$ '000	Native Vegetation \$ '000	Total \$ '000
2021				
Balance at beginning of the financial year	6,717	15,040	211	21,968
Additional provisions	951	(186)	1	766
Amounts used	(460)	(2,502)	(20)	(2,982)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(204)	(560)	-	(764)
Balance at the end of the financial year	7,004	11,792	192	18,988

2020				
Balance at beginning of the financial year	6,122	11,763	220	18,105
Additional provisions	925	3,380	10	4,315
Amounts used	(497)	(818)	(19)	(1,334)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	167	715	-	882
Balance at the end of the financial year	6,717	15,040	211	21,968

	2021 \$'000	2020 \$'000
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(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	2,367	2,105
Long service leave	362	365
	2,729	2,470

Current provisions expected to be wholly settled after 12 months

Annual leave	359	240
Long service leave	3,261	3,282
	3,620	3,522

Total current employee provisions

	6,349	5,992
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Non-current

Long service leave	655	725
Total non-current employee provisions	655	725

Aggregate carrying amount of employee provisions:

Current	6,349	5,992
Non-current	655	725
Total aggregate carrying amount of employee provisions	7,004	6,717

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:

- discount rate	0.88%	0.57%
- inflation rate	1.50%	2.00%
- settlement period	12 years	12 years

	2021	2020
	\$'000	\$'000
(b) Landfill restoration provisions		
Current	3,222	3,819
Non-current	8,570	11,221
	11,792	15,040

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.

Key assumptions:

- discount rate	0.013%	0.81%
- inflation rate	2.00%	2.00%
- settlement period	30 years	30 years

(c) Native Vegetation Offset provision

Non-current	192	211
	192	211
Total Current	9,571	9,811
Total Non-current	9,417	12,157
Total Provisions	18,988	21,968

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021

Bank overdraft	1,500	1,500
Credit card facilities	300	300
Borrowings	6,655	3,350
Total facilities	8,455	5,150
Used facilities	3,386	3,371
Unused facilities	5,069	1,779
Total facilities	8,455	5,150

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.

	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
2021					
Operating					
Cleaning	127	-	-	-	127
Ferry Operations/Maintenance	504	39	-	-	543
Road Infrastructure Maintenance	600	600	1,255	-	2,455
Waste Management	3,317	3,185	5,096	-	11,598
Other Service Contracts	568	436	527	-	1,531
Total	5,116	4,260	6,878	-	16,254
Capital					
Buildings	552	-	-	-	552
Roads	3,850	-	-	-	3,850
Bridges	3,384	-	-	-	3,384
Recreation	5,216	-	-	-	5,216
Waste	4,292	-	-	-	4,292
Other	1,010	-	-	-	1,010
Total	18,304	-	-	-	18,304
	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
2020					
Operating					
Cleaning	1,067	129	-	-	1,196
Ferry Operations/Maintenance	542	504	41	-	1,087
Road Infrastructure Maintenance	3,220	590	1,769	49	5,628
Waste Management	3,317	3,183	8,147	-	14,647
Other Service Contracts	873	523	980	-	2,376
Total	9,019	4,929	10,937	49	24,934
Capital					
Buildings	131	-	-	-	131
Roads	2,221	-	-	-	2,221
Bridges	2,337	-	-	-	2,337
Drainage	2,751	-	-	-	2,751
Other	2,739	-	-	-	2,739
Total	10,179	-	-	-	10,179

5.8 Leases

At inception of a contract, all entities would assess 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;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer 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.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

- Nature and term of leases such as any qualitative information about restrictions on use of asset, information about lease term, description of underlying assets.

Right-of-Use Assets	Property \$'000	Equipment \$'000	Total \$'000
Balance at 1 July 2019	914	-	914
Additions	-	28	28
Amortisation charge	(70)	(3)	(73)
Balance at 30 June 2020	844	25	869
Balance at 1 July 2020	844	25	869
Additions	-	-	-
Amortisation charge	(70)	(14)	(84)
Balance at 30 June 2021	774	11	785
Lease Liabilities	2021 \$'000	2020 \$'000	
Maturity analysis - contractual undiscounted cash flows			
Less than one year	77	79	
One to five years	288	294	
More than five years	673	717	
Total undiscounted lease liabilities as at 30 June:	1,038	1,090	
Lease liabilities included in the Balance Sheet at 30 June:			
Current	62	72	
Non-current	759	809	
Total lease liabilities	821	881	

Short-term and low value leases

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

Expenses relating to:	\$'000	\$'000
Short-term leases	362	65
Leases of low value assets	28	16
Total	390	81
Variable lease payments (not included in measurement of lease liabilities)	Nil	Nil

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	40	103
Later than one year but not later than five years	35	15
Later than five years	40	41
Total lease commitments	115	159

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	244,430	4,654	1,949	20,304	(3,449)	(786)	(951)	-	266,151
Plant and equipment	14,628	3,162	-	-	(3,279)	(211)	(30)	-	14,270
Infrastructure	838,440	30,871	4,128	94,120	(14,842)	-	(5,626)	-	947,091
Work in progress	13,215	35,250	-	-	-	-	(19)	(38,687)	9,759
	1,110,713	73,937	6,077	114,424	(21,570)	(997)	(6,626)	(38,687)	1,237,271

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,362	4,524	(8)	(4,617)	1,261
Plant and equipment	96	3,159	-	(3,095)	160
Infrastructure	11,757	27,567	(11)	(30,975)	8,338
Total	13,215	35,250	(19)	(38,687)	9,759

(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 2020	124,925	3,168	128,093	17,095	167,681	184,776	1,362	314,231
Accumulated depreciation at 1 July 2020	-	-	-	(8,547)	(59,892)	(68,439)	-	(68,439)
	124,925	3,168	128,093	8,548	107,789	116,337	1,362	245,792
Movements in fair value								
Additions	82	-	82	-	4,572	4,572	4,524	9,178
Contributions	1,949	-	1,949	-	-	-	-	1,949
Revaluation	19,838	466	20,304	-	-	-	-	20,304
Disposal	(786)	-	(786)	-	-	-	-	(786)
Write-off	-	-	-	-	(2,861)	(2,861)	(8)	(2,869)
Transfers	-	-	-	-	-	-	(4,617)	(4,617)
	21,083	466	21,549	-	1,711	1,711	(101)	23,159
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(252)	(3,197)	(3,449)	-	(3,449)
Accumulated depreciation of disposals	-	-	-	-	1,910	1,910	-	1,910
	-	-	-	(252)	(1,287)	(1,539)	-	(1,539)
At fair value 30 June 2021	146,008	3,634	149,642	17,095	169,392	186,487	1,261	337,390
Accumulated depreciation at 30 June 2021	-	-	-	(8,799)	(61,179)	(69,978)	-	(69,978)
	146,008	3,634	149,642	8,296	108,213	116,509	1,261	267,412

(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 2020	21,385	9,695	4,872	4,894	96	40,942
Accumulated depreciation at 1 July 2020	(12,150)	(6,325)	(3,900)	(3,843)	-	(26,218)
	9,235	3,370	972	1,051	96	14,724
Movements in fair value						
Additions	1,812	843	296	211	3,159	6,321
Disposal	(797)	-	-	-	-	(797)
Write-off	-	(12)	(144)	-	-	(156)
Transfers	-	-	-	-	(3,095)	(3,095)
	1,015	831	152	211	64	2,273
Movements in accumulated depreciation						
Depreciation and amortisation	(1,897)	(690)	(408)	(284)	-	(3,279)
Accumulated depreciation of disposals	586	11	115	-	-	712
	(1,311)	(679)	(293)	(284)	-	(2,567)
At fair value 30 June 2021	22,400	10,526	5,024	5,105	160	43,215
Accumulated depreciation at 30 June 2021	(13,461)	(7,004)	(4,193)	(4,127)	-	(28,785)
	8,939	3,522	831	978	160	14,430

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For the Year Ended 30 June 2021

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces 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 2020	661,971	98,081	29,315	77,703	31,301	9,746	30,621	7,629	10,761	21,231	11,757	990,116
Accumulated depreciation at 1 July 2020	(81,791)	(8,234)	(4,889)	(18,188)	(11,619)	(3,628)	(4,247)	(286)	(1,410)	(5,627)	-	(139,919)
	580,180	89,847	24,426	59,515	19,682	6,118	26,374	7,343	9,351	15,604	11,757	850,197
Movements in fair value												
Additions	13,857	6,133	2,424	3,589	728	146	54	178	101	3,661	27,567	58,438
Contributions	2,079	-	563	1,152	-	-	-	-	334	-	-	4,128
Revaluation	73,745	9,690	3,061	8,674	3,258	917	3,378	870	1,155	2,258	-	107,006
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Write-off	(4,364)	(4,302)	(42)	-	-	-	-	-	(127)	(17)	(11)	(8,863)
Transfers	-	-	-	-	-	-	-	-	-	-	(30,975)	(30,975)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
	85,317	11,521	6,006	13,415	3,986	1,063	3,432	1,048	1,463	5,902	(3,419)	129,734
Movements in accumulated depreciation												
Depreciation and amortisation	(9,630)	(1,150)	(505)	(760)	(650)	(687)	(442)	(89)	(224)	(705)	-	(14,842)
Revaluation	(7,336)	(572)	(471)	(1,944)	(1,213)	(298)	(400)	(15)	(119)	(518)	-	(12,886)
Accumulated depreciation of write-off	1,939	1,267	2	-	-	-	-	-	14	4	-	3,226
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	(15,027)	(455)	(974)	(2,704)	(1,863)	(985)	(842)	(104)	(329)	(1,219)	-	(24,502)
At fair value 30 June 2021	747,288	109,602	35,321	91,118	35,287	10,809	34,053	8,677	12,224	27,133	8,338	1,119,850
Accumulated depreciation at 30 June 2021	(96,818)	(8,689)	(5,863)	(20,892)	(13,482)	(4,613)	(5,089)	(390)	(1,739)	(6,846)	-	(164,421)
	650,470	100,913	29,458	70,226	21,805	6,196	28,964	8,287	10,485	20,287	8,338	955,429

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
<i>Asset recognition thresholds and depreciation periods</i>		\$'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	5-10 years	1
fixtures, fittings and furniture	10-20 years	1
computers and telecommunications	5-10 years	1
library books	5-10 years	1
Infrastructure		
road pavements and seals	18-80 years	5
road wearing course	15-60 years	5
road formation and earthworks	-	5
road kerb, channel and minor culverts	70 - 80 years	5
bridges	60-100 years	5
footpaths and cycleways	15-65 years	5
drainage	100 years	5
recreational, leisure and community facilities	15-60 years	5
aerodromes	15-80 years	5
waste management landfill cells	3 years	5
waste management infrastructure	60 years	5
parks, open space and streetscapes	20-40 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.

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.

6.1 Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Todd Svanberg, Certified Practising Valuer CPV AAPI AM ASA, Director of JLL Public Sector Valuations Pty Ltd and Emily Villani RPV PMAPI, Valuer JLL Public Sector Valuations Pty Ltd. 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 current year, this valuation was based on the Victoria Valuer-General's indices. A full revaluation of these assets will be conducted in 2022/23.

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 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 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Specialised Land	-	-	146,008	30/06/2021
Non Specialised land	-	3,634	-	30/06/2021
Heritage Buildings	-	-	8,296	30/06/2019
Buildings	-	-	108,213	30/06/2019
Total	-	3,634	262,517	

Valuation of infrastructure

Valuation of all infrastructure assets was undertaken by Council's engineering and asset management staff as at 31 December 2017.

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Construction industries producer price indices for Victoria, a full revaluation of these assets will be conducted in 2021/22.

The valuation is at fair value based on 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 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	650,470	30/06/2021
Bridges	-	-	100,913	30/06/2021
Footpaths and cycleways	-	-	29,458	30/06/2021
Drainage	-	-	70,226	30/06/2021
Recreational, leisure and community facilities	-	-	21,805	30/06/2021
Waste management	-	-	6,196	30/06/2021
Parks, open space and streetscapes	-	-	28,964	30/06/2021
Aerodromes	-	-	8,287	30/06/2021
Off street car parks	-	-	10,485	30/06/2021
Other infrastructure	-	-	20,287	30/06/2021
Total	-	-	947,091	

6.1 Property, infrastructure, plant and equipment (cont'd)

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 \$0.02 and \$720 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$257 to \$8,442 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2021	2020
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	2,691	2,038
Parks and reserves	74,596	66,105
Recreation and Leisure	38,582	28,733
Residential Land	469	361
Commercial Land	480	480
Aerodrome Land	2,413	2,413
Community Services Land	4,940	4,739
Business Centre/Library Land	3,929	3,929
Caravan Park Land	2,380	2,377
Carpark Land	3,693	3,693
Depot Land	239	230
Quarry Reserve Land	155	155
Drainage Reserve Land	6,541	5,471
Saleyard and Pound Facility Land	731	731
Waste Management Land	3,852	3,209
Road Reserves	317	261
Total specialised land	146,008	124,925

	2021 \$'000	2020 \$'000
6.2 Investment property		
Balance at beginning of financial year	8,704	8,704
Fair value adjustments	178	-
Balance at end of financial year	8,882	8,704

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Todd Svanberg, Certified Practising Valuer CPV AAPI AM ASA, Director of JLL Public Sector Valuations Pty Ltd and Emily Villani RPV PMAPI, Valuer JLL Public Sector Valuations Pty Ltd, who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property. An index based valuation was conducted in the current year. This valuation was based on Indices provided by the Victoria Valuer-General. A full valuation of these assets will be conducted in 2022/23.

	2021 No.	2020 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
East Gippsland Shire Council is the parent entity.		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor Mendy Urie (Mayor - 17/11/2020 to 30/06/2021)		
Councillor Arthur Allen (17/11/2020 to 30/06/2021)		
Councillor Jane Greacen (17/11/2020 to 30/06/2021)		
Councillor Tom Crook (17/11/2020 to 30/06/2021)		
Councillor Mark Reeves (1/7/2020 to 24/10/2020 and 17/11/2020 to 30/06/2021)		
Councillor Trevor Stow (17/11/2020 to 30/06/2021)		
Councillor Kirsten Van Diggele (17/11/2020 to 30/06/2021)		
Councillor Sonia Buckley (17/11/2020 to 30/06/2021)		
Councillor John White (01/07/2020 to 24/10/2020 and 17/11/2020 to 30/06/2021 was Mayor - 01/07/2020 to 24/10/2020)		
Councillor Ben Buckley (1/7/2020 to 24/10/2020)		
Councillor Richard Ellis (1/7/2020 to 24/10/2020)		
Councillor Natalie O'Connell (1/7/2020 to 24/10/2020)		
Councillor Joe Rettino (1/7/20 to 24/10/20)		
Councillor Marianne Pelz (1/7/20 to 24/10/20)		
Councillor Colin Toohey (1/7/20 to 24/10/20)		
Councillor Jackson Roberts (1/7/20 to 24/10/20)		
Chief Executive Officer		
General Manager Business Excellence		
General Manager Assets and Environment		
General Manager Place and Community		
General Manager Bushfire Recovery		
Total Number of Councillors	16	9
Total of Chief Executive Officer and other Key Management Personnel	5	8
Total Number of Key Management Personnel	21	17
(c) Remuneration of Key Management Personnel	2021	2020
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,318	1,732
Long-term benefits	25	29
Post employment benefits	92	110
Total	1,435	1,871
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2021 No.	2020 No.
\$1 - \$9,999	6	-
\$10,000 - \$19,999	7	-
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	7
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$80,000 - \$89,999	-	2
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	2	1
\$210,000 - \$219,999	2	1
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	-	1
	21	17

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000 (\$151,000 in 2019/20)

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2021 No.	2020 No.
\$180,000 - \$189,999	1	1
	<u>1</u>	<u>1</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	\$186,852	\$182,294

7.2 Related party disclosure

(a) Transactions with related parties

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

For the year ended 30 June 2021 there were no staff related to Key Management Personnel.

For the year ended 30 June 2021, Council paid \$128,630 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 Pelz	Pelz Haulage Pty Ltd - \$6,820 for works and services
Cr Allen	Leftrade Ltd - \$5923 for works and services
	Wy Yung Hotel \$2,790 for services
Cr White	Melwood Investments Pty Ltd - \$48,152 for contracted slashing services
Cr O'Connell	Alps Links Regional Communities - \$10,000 Regional and District Events Sponsorship (RADES) funding
General Manager Assets and Environment	The Right Man - \$54,945 for consulting services

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Nil

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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:

	2021	2020
	\$'000	\$'000
Not later than one year	718	721
Later than one year and not later than five years	2,097	1,950
Later than five years	1,849	2,092
	4,664	4,763

(b) Contingent 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.

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 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$29,503.

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

In November 2017, the Victorian Workcover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers compensation insurance to Victorian councils. When the MAV Workcover Scheme commenced there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority.

Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would 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 would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liability as undertaken by the Authority.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 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 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 1989*. 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.

(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 + 0.3% and -0.3% in market interest rates (AUD) from year-end rates of 0.4%.

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.

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. 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 two to four years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation of <name asset class> by an associate \$'000	Balance at end of reporting period \$'000
9.1 Reserves				
(a) Asset revaluation reserves				
2021				
Property				
Land and land improvements	91,334	20,304	-	111,638
Buildings	84,209	-	-	84,209
	175,543	20,304	-	195,847
Infrastructure				
Roads	438,692	66,409	-	505,101
Bridges	64,857	9,118	-	73,975
Footpaths and cycleways	14,489	2,590	-	17,079
Drainage	37,015	6,730	-	43,745
Recreational, leisure and community facilit	11,715	2,045	-	13,760
Waste management	2,461	619	-	3,080
Parks, open space and streetscapes	7,991	2,978	-	10,969
Aerodromes	111	855	-	966
Offstreet car parks	846	1,036	-	1,882
Other infrastructure	15,603	1,740	-	17,343
	593,780	94,120	-	687,900
Total asset revaluation reserves	769,323	114,424	-	883,747
2020				
Property				
Land and land improvements	91,334	-	-	91,334
Buildings	84,209	-	-	84,209
	175,543	-	-	175,543
Infrastructure				
Roads	438,692	-	-	438,692
Bridges	64,857	-	-	64,857
Footpaths and cycleways	14,489	-	-	14,489
Drainage	37,015	-	-	37,015
Recreational, leisure and community facilit	11,715	-	-	11,715
Waste management	2,461	-	-	2,461
Parks, open space and streetscapes	7,991	-	-	7,991
Aerodromes	111	-	-	111
Offstreet car parks	846	-	-	846
Other infrastructure	15,603	-	-	15,603
	593,780	-	-	593,780
Total asset revaluation reserves	769,323	-	-	769,323
The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.				
	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2021				
Car Parking	193	-	-	193
Development Contribution Plans	19	-	-	19
Lakes Entrance Northern Growth Area	1	-	-	1
Recreational Land	815	58	-	873
Road Upgrading	34	-	-	34
Total Other reserves	1,062	58	-	1,120
2020				
Car Parking	193	-	-	193
Development Contribution Plans	19	-	-	19
Lakes Entrance Northern Growth Area	-	1	-	1
Recreational Land	735	80	-	815
Road Upgrading	34	-	-	34
Total Other reserves	981	81	-	1,062

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.

	2021 \$'000	2020 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	19,517	18,676
Depreciation/amortisation	22,630	21,463
Profit/(loss) on disposal of property, infrastructure, plant and equipment	64	(59)
Write off property, plant and equipment	6,626	7,188
Fair value adjustments for investment property	(178)	-
Contributions - Non-monetary assets	(6,077)	(1,593)
Financing cost in financing activities	309	310
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,410	(3,445)
Increase/(decrease) in other current assets	(365)	(6,185)
Increase/(decrease) in trade and other payables	(560)	1,868
(Decrease)/increase in other liabilities	17,881	1,069
Increase/(decrease) in provisions	(2,980)	1,163
Increase/(Decrease) in trust funds	36	1,232
Net cash provided by/(used in) operating activities	58,313	41,687

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 Comprehensive Operating Statement when they are made or due.

Accumulation

Council makes both employer and employee contributions to The Fund's accumulation category, Vision MySuper/Vision Super Saver, on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

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 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 Employee Benefits.

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 review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa

Salary information 2.5% pa for two years and 2.75% pa thereafter

Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). 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 2020 triennial valuation.

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

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 2020 triennial 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. A 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:

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$'000	2020 \$'000
Vision super	Defined benefit	9.50%	27	27
Vision super	Accumulation fund	9.50%	1,431	1,351
Various other funds	Accumulation fund	9.50%	1,334	1,007

There were contributions outstanding of \$144,692 as at 30 June 2021 and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$29,503.

10 Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors

Council has adopted *AASB 1059 Service Concession Arrangements: Grantors* , from 1 July 2020.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

Council has adopted *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material*, from 1 July 2020 .

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

Council has adopted *AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework* from 1 July 2020.

It is not expected that these standards will have any significant impact on council.

East Gippsland Shire Council

Performance Statement

For the year ended 30 June 2021

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 47,725 residents (as at 30 June 2020).

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 2,958 km of roads, 195 bridges, over 3,500 km of table drains, 540 km of kerb and channel, 350 hectares of Parks and Gardens and over 4,500 street lights.

East Gippsland Shire Council

Sustainable Capacity Indicators

For the year ended 30 June 2021

	<i>Indicator/measure</i>	Results				Material Variations and Comments
		2018	2019	2020	2021	
	Population					
C1	<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,918.95	\$1,953.22	\$2,250.55	\$2,386.32	There was an increase of \$7.4M of expenditure relating to Bushfire recovery works and the Working for Victoria program that increased the expenses per head. These increased expenses though were reimbursed and increase the income in 2020/21 as a result.
C2	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,505.46	\$21,029.01	\$20,767.18	\$22,789.57	A revaluation increment of \$114.424M in 2020/21 increased infrastructure per head of population.
C3	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	15.58	15.86	15.89	15.99	
	Own-source revenue					
C4	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,603.61	\$1,599.56	\$1,788.08	\$1,906.34	An increase in other revenue relating to natural disaster recovery expenditure reimbursements and insurance reimbursements increase own source revenue in 2020/21.
	Recurrent grants					
C5	<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$447.58	\$414.07	\$471.68	\$439.73	Recurrent capital grant income for Roads to Recovery decreased by \$1.4M whilst population numbers increased.
	Disadvantage					
C6	<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	3.00	3.00	3.00	3.00	
	Workforce Turnover					
C7	<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	11.4%	11.6%	9.6%	12.8%	The increase in staff turnover is due to an increase in unplanned resignations.

East Gippsland Shire Council

Service Performance Indicators

For the year ended 30 June 2021

	Service/ indicator/ measure	Results				Material Variations and Comments
		2018	2019	2020	2021	
AF6	Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	8.45	8.31	5.63	4.06	The result is impacted by mandated COVID-19 closures of aquatic facilities. Both the Bairnsdale Aquatic and Recreation Centre and Lakes Aquadome facilities were forced to close between 1/08/20 and 20/10/20; and between 25/05/21 and 11/6/21. There was also a period where the facilities were open but under strict attendance restrictions between 20/10/20 and 29/10/20. When the facilities were reopened to the public, attendance figures were low.
AM7	Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	100%	0	Council had no prosecution hearings during 2020-21. Due to COVID-19 restrictions imposed a number of animal prosecutions were unable to be heard during the reporting period and remain postponed to a later date.
FS4	Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	90.48%	85.71%	100.00%	All major and critical non-compliance notifications for food premises were followed up. For the 2020 period, there were 11 critical and major non-compliance notifications.
G5	Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	46.00	54.00	51.00	Since being elected in November 2020, Council has considered a number of matters in which community interest was high. A focus for Council continues to be on improving community satisfaction with its decisions by being open and transparent about the reasons they were made.

East Gippsland Shire Council

Service Performance Indicators

For the year ended 30 June 2021

	Service/indicator/measure	Results				Material Variations and Comments
		2018	2019	2020	2021	
LB4	Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	20.13%	19.60%	19.01%	16.88%	COVID-19 lockdown periods that forced libraries to be closed to the public, impacted on the ability of members to borrow physical items. COVID-19 has also resulted in many members of the community being cautious about returning to public spaces.
R5	Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	50.00	49.00	55.00	53.00	Although the rating decreased two points from the previous year's result, it still remained three points higher than the large rural councils average rating. Council continued to invest significantly in sealed road reconstruction, sealing and the improvement of urban streets, while also striving to maximise external Victorian and Australian Government grants for road projects. In these satisfaction surveys Council finds that responders often assume that all roads are managed by Council and don't understand that some of the roads they express dissatisfaction with are actually controlled by the Victorian Government (DOT and DELWP)
SP4	Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	66.67%	25.00%	100%	50.00%	Six of Council's planning decisions were appealed to VCAT, with one being upheld, two being varied and the remaining three were set aside (overturned) by VCAT as they did not agree with Council's decision
WC5	Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	50.81%	51.45%	52.48%	53.48%	The increase in this indicator is due to the higher volume of green organics collected. This is attributed to the higher rainfall across the year causing more need for garden maintenance. Also, as residents were home more with COVID-19 restrictions, it is anticipated that some spent increased time maintaining properties and removing green organics.

East Gippsland Shire Council

Service Performance Indicators

For the year ended 30 June 2021

Definitions

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

"annual report" means an annual report prepared by a council under sections 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 authorised 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 2021

	Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations and Comments
		2018	2019	2020	2021	2022	2023	2024	2025	
E2	Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,793.63	\$2,882.19	\$3,356.25	\$3,549.43	\$3,158.63	\$2,957.76	\$3,060.17	\$3,087.99	In 2020/21 there was a \$7.4M increase in expenditure relating to Bushfire recovery works and Working for Victoria Program. All of these works were fully funded.
	Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	New in 2020	New in 2020	\$1,599.31	\$1,623.26	\$1,644.38	\$1,670.83	\$1,697.10	\$1,723.76	
L1	Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	333.34%	349.01%	344.27%	248.59%	214.51%	221.04%	200.76%	177.80%	There was an increase in unearned income of \$18M in 20/21 mainly as a result of capital grants received in advance of works being undertaken. In 2019/20 \$33.5M of investments were classified as other financial assets, but in 2020/21 all surplus funds were classified as Cash and Cash equivalents. This increased the Cash and Cash equivalents at 2020/21 year end.
L2	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	5.73%	-8.44%	48.17%	123.66%	128.97%	129.27%	103.82%	93.73%	

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021

	Dimension/ <i>indicator</i> /measure	Results				Forecasts				Material Variations and Comments
		2018	2019	2020	2021	2022	2023	2024	2025	
	Obligations									
	<i>Loans and borrowings</i>									
O2	<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	10.80%	7.15%	5.69%	5.53%	12.41%	15.66%	14.13%	12.64%	The forecast percentage increase is a result of forecast new borrowings of \$5.767M in 2021/22 and \$2.238M in 2022/23.
O3	<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.03%	3.99%	1.75%	0.48%	3.30%	0.61%	1.61%	1.57%	There were no borrowings repaid in the 2020/21 year compared to \$727,000 being repaid in 2019/20. The forecasts repayment of loans has \$1.7M being repaid in 2021/22, no repayments in 2022/23 and then repayments of borrowings of \$776,000 in 2023/24 and \$788,000 being repaid in 2024/25 all based on loan repayment schedules.
	<i>Indebtedness</i>									
O4	<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	16.72%	16.35%	19.91%	13.42%	27.09%	25.19%	23.58%	21.88%	Own sourced revenue increased in 2020/21 as a result of Natural Disaster reimbursements increasing by \$10.3M over the 2019/20 amount. There was also an insurance reimbursement of \$1.4M in 2020/21 and supplementary rates and charges also increased by \$886,000 over the 2019/20 amount. Non-Current provisions also decreased as a result of the landfill rehabilitation decreasing.
	<i>Asset renewal</i>									
O5	<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	136.06%	147.69%	273.03%	175.67%	144.81%	113.99%	There was an increase renewal expenditure in 2020/21 year as a result of the increased capital works expenditure being greater than the previous year.

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021

	Dimension/ <i>indicator</i> /measure	Results				Forecasts				Material Variations and Comments
		2018	2019	2020	2021	2022	2023	2024	2025	
OP1	Operating position									The adjusted underlying surplus was \$6.2M less in 2020/21 when compared to 2019/20 as a result of an increase in expenditure of \$7.4M in 2020/21 compared to 2019/20 and the 2020/21 adjusted underlying revenue being \$1.2M less than in 2019/20. The increase in expenditure is mainly due to an increase in bushfire recovery expenditure of \$5.4M over the expenditure incurred in 2019/20 and Working for Victoria expenditure of \$2M incurred in 2020/21. There is a reduction in the forecast in 2021/22 for recurrent operating grants as a result of the advance payment of \$8.2M of the 2021/22 Federal Assistance Grant paid in the 2020/21 year which has impacted on the forecast result in the 2021/22 year.
	Adjusted underlying result									
	<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	7.06%	4.34%	9.78%	4.49%	-7.76%	6.29%	2.07%	3.73%	
S1	Stability									
	Rates concentration									
	<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	57.85%	59.64%	49.85%	50.77%	65.51%	61.89%	63.57%	62.98%	
S2	Rates effort									
	<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.57%	0.57%	0.55%	0.55%	0.51%	0.50%	0.48%	0.47%	

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021

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 2021

	Retired measures <i>Service/indicator/measure</i>	Results				Material Variations and Comments
		2018	2019	2020	2021	
	Animal Management					
AM4	Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	7.00	2.00	Retired in 2020	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.
	Efficiency					
E1	Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,642.79	\$1,689.12	Retired in 2020	Retired in 2020	This measure was replaced by E4 from 1 July 2019.
	Obligations					
O1	Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x 100	71.86%	112.51%	Retired in 2020	Retired in 2020	This measure was replaced by O5 from 1 July 2019.

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 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 2014* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those included in the 2021/22 budget which was adopted by Council on 29 June 2021. Detailed information on the actual financial results is contained in the General Purpose Financial Statements.

East Gippsland Shire Council Financial Performance Indicators

For the year ended 30 June 2021

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).



Elizabeth Collins, CPA
Principal Accounting Officer
Dated: 14 September 2021

In our opinion, the accompanying performance statement of the East Gippsland Shire Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

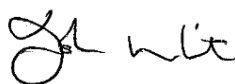
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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 2014* to certify this performance statement in its final form.



Councillor Arthur Allen
Councillor
Dated: 14 September 2021



Councillor John White
Councillor
Dated: 14 September 2021



Anthony Basford
Chief Executive Officer
Dated: 14 September 2021

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021



Independent Auditor's Report

To the Councillors of East Gippsland Shire Council

Opinion	<p>I have audited the accompanying performance statement of East Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • other information and • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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.</p>

East Gippsland Shire Council

Financial Performance Indicators

For the year ended 30 June 2021

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 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
27 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

East Gippsland Shire Council

273 Main Street

PO Box 1618 Bairnsdale VIC 3875

 **5153 9500**

 **eastgippsland.vic.gov.au**

 **EastGippyShire**

 **PO Box 1618, Bairnsdale 3875**

