



AGENDA APPENDIX

Council Meeting

Wednesday 28 September 2016

AGENDA ITEM FOR SEPARATE DISTRIBUTION TO COUNCILLORS AND EXECUTIVE LEADERSHIP TEAM DUE TO DOCUMENT SIZE.

THE ITEM IS ACCESSIBLE VIA THE COUNCIL WEBSITE OR BY CONTACTING COUNCIL ON 03 5662 9200.

E.1 DRAFT 2015/16 ANNUAL REPORT - REPORT OF OPERATIONS

Appendix 1 – 2015/16 Annual Report (Report of Operations)

SOUTH GIPPSLAND SHIRE COUNCIL

Annual Report 2015/16



South Gippsland
Shire Council

Our Vision

Communities in charge of their destinies in partnership with Council

Our Mission

To achieve a resilient and sustainable community

Our Values

- Integrity
- Community Engagement
- Collaboration
- Innovation and Achievement
- Openness and Honesty
- Equity
- Diversity and Inclusion

Photos: Piers Buxton & Ken Fraser

Welcome

South Gippsland Shire Council is committed to transparent reporting and accountability to its community. This Annual Report provides a detailed account of Council's achievements, challenges and performance measures for the 2015/16 financial year.

In accordance with the Victorian *Local Government Act 1989*, all councils are required to present an Annual Report to the Minister of Local Government by 30 September each year.

This report also demonstrates the breadth of Council's operations and the diversity of services provided to the community. A copy of the report is available on Council's website at www.southgippsland.vic.gov.au.

You Asked - Council Delivered

Stop large increases in rates, reduce senior management numbers, improve service delivery and distribute rates equitably.

Rates capped at 2.5% with no reduction in service levels. Rating Strategy implemented. An organisational restructure, reduced senior management positions and streamlined service provision.

Extend the Great Southern Rail Trail (GSRT) and improve signage and marketing promotion.

Black Spur section at Koonwarra completed, resulting in 70km of continuous trail between Leongatha and Port Welshpool.

New signage and marketing will be introduced early in 2016/17.



Council, help us to determine if a regional equestrian facility could be established at Stony Creek.

Business case and concept plans being developed with the Equestrian Committee.

Council, help us to build and design a skate park in Leongatha?

Skate Park built in Leongatha with involvement from 800 young people. Facebook used to encourage participation.



Council, make Coal Creek financially viable.

A range of cost saving initiatives are being implemented.

Council, help us to maintain and improve the bike track between Venus Bay and Tarwin Lower.

3.2 kilometres of pathway improved from Venus Bay to Tarwin Lower.

You Asked - Council Delivered

Culture, Tourism & Arts is important to us, help us to improve this industry and support the community.

Arts and Tourism Policy developed in partnership with the Arts community.

Our roads are in terrible condition, please fix up our roads and work with VicRoads to fix State owned roads.

- Advocated to VicRoads for major repairs to the South Gippsland Highway between Korumburra and Leongatha.
- \$6.2M invested in local road resealing and reconstruction.
- Advocated to State and Federal governments for funding for the Black Spur realignment Koonwarra.
- Council has invested a further \$15.3M in maintenance and improvements to local roads.



Reseal the last section of Grand Ridge Road (South Gippsland section).

Sealing of Grand Ridge Road (South Gippsland section) complete.

Green Waste collection is important to us, help to protect our properties and communities.

- Green Waste collection service introduced, used by 7,113 properties.
- Amnesty period provided to encourage owners to maintain fire safe properties.



Help to reduce the impact of weeds alongside our roads

857 kilometres of roadside weed spraying completed.

Council, please construct a Children's Hub in Korumburra for our children and families in the community.

Construction of the Karmai Community Children's Centre commenced. Opening planned early 2017.

Council, keep our swimming pools. They are important to us.

All pools have been retained with a 6.5% increase in visitation.

Advocacy

\$123.7M
achieved

Council actively advocates on behalf of its community. It approaches other levels of government and other funding and support agencies to assist with projects that are of benefit to South Gippsland.

The nature of advocacy is that the results of the work do not generally come to fruition in the year that the advocacy took place. Over the past few years Council has successfully lobbied for the following projects, totalling \$123.7M.

Northern Towns Water Connection Project:	\$43M	Agnes Falls Scenic Reserve - new rotunda and toilet block:	\$180,000
Black Spur South Gippsland Highway realignment:	\$25M	Korumburra Bowls Club:	\$140,000
Loch, Poowong, Nyora sewerage connection:	\$20M	Fish Creek netball courts:	\$120,000
Port Welshpool Long Jetty:	\$10.8M	Foster Football Club lights:	\$120,000
Karmai Children's Centre:	\$5.2M	Port Welshpool precinct masterplan:	\$120,000
Leongatha Heavy Vehicle Alternate Route:	\$5.1M	Municipal Fire and Emergency Management Resourcing:	\$110,000
Great Southern Rail Trail extension – Toora to Port Welshpool:	\$2.9M	Korumburra Training Centre of Excellence:	\$110,000
Great Southern Rail Trail Black Spur missing link:	\$1.9M	Stockyard Creek footbridge:	\$100,000
Strzelecki Highway overtaking lane (between Leongatha and Mirboo North):	\$1.3M	Nyora shared pathway:	\$100,000
Sandy Point Community Centre:	\$1.3M	Toora shared pathway:	\$100,000
Sealing of the remaining section of Grand Ridge Road at Trida	\$775,000	Corner Inlet lookout:	\$85,000
South Gippsland sustainability work and E-community:	\$620,000	Coal Creek Feasibility Study:	\$80,000
Toora Railway Park Reserve:	\$500,000	Leongatha public place recycling:	\$70,000
Poowong pool refurbishment:	\$450,000	NBN rollout to South Gippsland	
Leongatha skate park:	\$430,000	Mobile telecommunications blackspots in South Gippsland (11 towers being rolled out)	
Yanakie Recreation Reserve:	\$400,000	State government roads in South Gippsland	
Bridges Renewal Project - Allambee Estate:	\$400,000	South Gippsland Highway (Crightons Hill, Leongatha North) road safety improvements	
Venus Bay shared path:	\$350,000	Burra Foods factory expansion - \$20M project:	
Nyora Public Hall:	\$340,000	Pennicott's Wilderness Journeys: new tourism product at Wilsons Promontory	
Mirboo North soccer club lights:	\$260,000	Expansion of herb producer Freshzest at Pound Creek	
Leongatha Children's Centre upgrade:	\$250,000	Energy upgrade of Murray Goulburn's Leongatha plant from briquettes to natural gas - \$22M project	
Korumburra Bena Football Netball Club lights:	\$240,000		
Foster War Memorial Arts Centre:	\$220,000		
Leongatha Golf Club irrigation:	\$220,000		
Yanakie Automated Weather Station:	\$200,000		
Meeniyah Mechanics' Institute:	\$185,000		

Year in Review

A Prosperous Shire (pages 38 - 49)

To achieve our objective of a Prosperous Shire, we will work with the business community to support existing businesses, diversify employment opportunities and attract new businesses, we will raise the awareness of local and regional issues with State and Federal decision makers and we will improve the sustainability of the local and regional environment.

Our achievements

- The Black Spur section of the Great Southern Rail Trail (70km) officially opened in March 2016 and the development of promotional material and trail signage was completed. Signage installation to be undertaken during August 2016.
- 857 kilometres of roadside weed spraying completed, well above target of 200 kilometres.
- Nine shovel ready projects and six footpaths have been designed and approved for construction.
- 7,113 properties serviced for kerbside green waste collection.
- 7,814 tonnes of garbage, recyclables and green waste collected, compared to 6,172 tonnes in the previous year (26% increase).
- 16,770 tonnes of waste managed at the Koonwarra landfill.
- 6,400 cubic metres of landfill airspace saved through the use of a landfill tarp cover system, rather than daily soil cover.
- Agricultural Resilience project implemented with almost 400 people attending seven workshops throughout the year.
- Resource Smart Schools program implemented at 14 schools through Council's hosting and support of a Resource Smart Schools Facilitator.

COUNCIL PLAN INITIATIVES ACHIEVED

80%

OF COUNCIL'S OBJECTIVES



- 77% of planning applications were decided within 60 days.
- Successful request for funding for the Long Jetty, Port Welshpool submitted to the Commonwealth Government in March 2016.
- The final Seasonal Population Impacts in Coastal Towns Plan and recommendation was endorsed by Council in December 2015.
- Council adopted the Domestic Wastewater Management Plan 2016-2020 in May 2016.
- Five priority projects adopted by Council in February 2016 for advocacy activities with State and Federal government.
- Entered shared service arrangements with Baw Baw Shire Council to support our Risk Management and People and Culture teams.

Closely Connected Communities

(pages 50 - 58)

To achieve our objective of Closely Connected Communities we will engage and work collaboratively with our community.

Our achievements

- \$277,780 was provided to fund 58 Community Grant applications.
- 22,424 hours of Home and Community Care was provided to older people and people with a disability.
- Kindergarten enrolment was centralised via Council, making the process easier for parents to complete a single enrolment form to nominate kindergarten preferences.
- Commenced planning for the Active Ageing Plan 2017-2021.
- Community Planning Forum held in March 2016 with 16 community participants from seven different communities.
- Twelve projects are listed in the Community Directions Statement, with funds allocated in the 2016/17 Annual Budget.
- 1,880 vaccines administered.
- A 95% average immunisation rate for children 0-6 years. This is a 4.8% increase compared to the previous year.

COUNCIL PLAN INITIATIVES ACHIEVED

91%

OF COUNCIL'S OBJECTIVES



- A Municipal Precinct Study was completed.
- Hosted the Deadly in Gippsland Cultural Event which was attended by 253 participants. Nineteen local organisations were directly involved in this successful Indigenous cultural event.
- Extensive community consultation resulted in a \$430,000 new Leongatha Skate Park project, completed in May 2016, to meet the growing needs of local young people in the area.
- Successful community education forum - Plan Grow Thrive held on 25 June 2016 with 60 participants representing 40 South Gippsland community groups.
- FreeZa Committee planning a free music event to be held in one of our dairying towns.
- Arts and Culture Policy review completed by the working group (anticipate adoption at the 27 July Council Meeting).

Integrated Services & Infrastructure (pages 59 - 65)

To achieve our objective of Integrated Services and Infrastructure we will deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.

Our achievements

- 92% of the Capital Works Civil Program has been completed, well above the target of 80%.
- 44% of grant applications submitted to State and Federal program funding were successful, above our target of 30%.
- A Municipal Early Years Plan – Children and Families - 2016-2021, was developed with key stakeholders and adopted by Council in June 2016.
- \$4.7M Federal Government funding for the 'Roads to Recovery Program' for 2015/16 has been implemented to improve Grand Ridge Road, Trida, Carmodys Road, Leongatha, Station and Princes Street, Korumburra. The remainder of the funds is allocated to the Re-sheet Program budget (\$500,000) and the Rural Road Rehabilitation Program (\$296,410).
- Responded to the May 2016 severe weather event with Contractors engaged to assist in the clean-up and follow-up work.

COUNCIL PLAN INITIATIVES ACHIEVED

81%

OF COUNCIL'S OBJECTIVES



- Construction of the Karmai Community Children's Centre in Korumburra commenced.
- Shelter constructed at Mossvale Park and seating installed.
- Tree and safety works undertaken at Mossvale Park and Korumburra Botanic Park.
- As part of the Leongatha Tree Replacement program, trees were removed on Turner and Peart Street, Leongatha and replaced with appropriate plant species.

A Leading Organisation

(pages 66 - 73)

To achieve our objective of a Leading Organisation we will improve the financial sustainability of Council, including diversifying revenue streams and pursue best practice in organisational development and operations of the organisation.

Our achievements

- The 2016/17 Annual Budget, containing the Annual Plan initiatives and the Long Term Financial Plan, was adopted by Council on 22 June 2016.
- \$20.81M has been allocated to major capital works.
- The Long Term Financial Plan is financially sustainable.
- There were 98 public presentations and 107 speakers presented to Council.
- Risk management services shared with Baw Baw Shire Council has achieved cost efficiencies.
- 2,300 (12%) of ratepayers elected to pay rates using the new nine monthly instalment option.
- 75% of IT Capital projects have been completed, slightly below the target of 80%.
- Progressing the Strategic Review of Landholdings Project with 18 properties identified for sale in the 2015/16 Land Sales Program.

COUNCIL PLAN INITIATIVES ACHIEVED

89%

OF COUNCIL'S OBJECTIVES



The following community engagement activities took place and informed the 2016/17 Annual Budget and future Council Plan:

• **2016/17 Annual Budget and Annual Plan**

- online forum, community workshop conducted in October 2015 and individual public presentations to Council;
- S223 hearing of submissions to the Proposed 2016/17 Annual Budget;
- Community consultation and a workshop held in February 2016 to consider the proposed Community Budgeting initiative.

Our Challenges

- The Minister for Local Government announced a 2.5% cap to the rate increase for the 2016/17 financial year. A rate cap is likely to remain in place for the foreseeable future.
- Due to this change in legislation, Council will receive \$38.9M less in rates and charges revenue over a 14 year period in comparison to the previously adopted 2015/16 Budget and Long Term Financial Plan.
- Council's focus on improving productivity and achieving efficiencies will, in part, assist the anticipated loss of revenue in future years. The community will be invited to provide suggestions on the priorities for future investment, given this restriction in funding.
- Continuing cost savings initiatives, endorsed by Council for Coal Creek Community Park and Museum in August 2015.
- Strategic planning for Council's caravan parks.
- Providing the level of support necessary to assist with Section 86 Committee responsibilities.
- Managing the community's expectations of funding for new infrastructure, such as building upgrades, as higher service levels are sought from Council.
- Addressing community concerns with the Strategic Review of Landholdings Project in order for them to develop an understanding of the project's objectives and benefits.
- Knowledge and management of non-council assets on Council land.
- Costs associated with managing a large property and aged building portfolio.
- Managing social media and communications.
- Competing with other regional councils for State/Federal Government grant funding for Council projects.
- Planning for the digital environment.
- Considering how best to manage the responsibility of seawalls.
- Recognise climate change and adapt to meet this challenge.
- Planning for the reduction of Roads to Recovery Funding from 2017/18 onwards.
- Reviewing the Recreation Strategy, Open Space Strategy, and the Paths and Trails Strategy.

Our Future

- Council has restructured the organisation to position itself for the future. The use of technology to support service delivery is a key element of the restructure aimed at increasing the efficiency and effectiveness of service delivery.
- The future funding arrangement of the Home and Community Care Service by the Federal Government has been reviewed. Council will need to consider the best way to respond to the government changes planned for this service.
- Slight but steady population growth is expected in future years for the Shire. The Nyora and Poowong areas are anticipated to have the greatest levels of growth, once reticulated sewerage is provided and subdivision completed.
- The Gippsland Local Government Network is undertaking a regional benchmarking project of internal services that will allow us to compare information, collaborate on better ways to work together and pursue best practice improvements to the delivery of services.
- Commencement of the Port Welshpool Long Jetty redevelopment project.
- All Section 86 delegations will be reviewed to streamline processes and to provide the level of support necessary to assist with Section 86 responsibilities.
- Transition into a paperless office environment.
- Review and adoption of the Asset Management Policy and Strategy, including updating the Asset Management Plans by 30 June 2017.
- Consider the recommendations from the Municipal Precinct Study, which includes a new library and community centre.

CONTENTS

Overview

- 1.1 Message to the Minister
- 1.2 Achievements
- 1.3 Financial Overview
- 1.4 Major Capital Works
- 1.5 Community Grant Funding
- 1.6 Shire at a Glance
- 1.7 Our Councillors & Executive
- 1.8 Organisational Structure
- 1.9 Our People

Reporting

- 2.1 Victorian Planning and Accountability Framework
- 2.2 Council Plan 2013-2017
- 2.3 Strategic Objective 1:
A Prosperous Shire
- 2.4 Strategic Objective 2:
Closely Connected Communities
- 2.5 Strategic Objective 3:
Integrated Services & Infrastructure
- 2.6 Strategic Objective 4:
A Leading Organisation

Governance

- 3.1 Council's Governance
- 3.2 Management Framework & Auditing
- 3.3 Risk Management
- 3.4 Occupational Health & Safety
- 3.5 Statutory Information
- 3.6 Governance & Management Checklist

Performance

- 4.1 Performance Statement
- 4.2 Certification of the Performance Statement & Victorian Auditor General's Audit Report
- 4.3 Financial Performance Statements
- 4.4 Certification of Financial Statement & Victorian Auditor General's Audit Report

SECTION

1

Overview



MESSAGE TO THE MINISTER

Dear Minister,

We would like to take this opportunity to commend this document to you. The Annual Report on the activities of Council for the 2015/16 financial year is a worthy measure of our achievements.

South Gippsland Shire Council continues to deal with the pressures of balancing community needs and our capacity to raise the revenue required to meet those needs. With a small population in a large geographical area, the reality is that we are always challenged to manage the asset renewal gap, particularly as we framed the budget for the 2016/17 year in the context of your government's Fair Go Rates policy. As a rural Council we only have one substantial revenue source: rates.


While we have been able to successfully frame a budget for 2016/17, the implications for our community and its assets will be more pronounced the longer the policy endures. As a result of the policy we are forecasting a cut to our revenue by \$38.9M between now and 2030.

As a consequence of Councils no longer being able to levy sufficient rates to provide the services and asset maintenance their communities expect without seeking an exemption through the Essential Service Commission, competition for grants will intensify. Thus far we have been quite successful in attracting funding to our municipality, but we fear that this may not be the case into the future.

Over 2015/16 we advocated on behalf of our community for a number of projects, particularly the key priority projects as identified by Council. Three of the five key priority projects had been committed to by 30 June, namely the Long Jetty rehabilitation at Port Welshpool; the Northern Towns Connection project to secure a potable water supply to Korumburra and surrounds; and the Black Spur re-alignment at Koonwarra (Federal commitment only).

At the end of June 2016, Council's financial position remained strong with over \$500M of community assets under Council's stewardship. The operating result of \$4.23M was in line with the forecast outcome of \$2.50M.

A significant restructure of the organisation was implemented at the beginning of the financial year, as we adapted the way we work to meet the challenges of an ever-changing economic and political environment. We will continue to undertake further service reviews and to implement new systems and processes to improve our responsiveness to community needs, including taking up further opportunities for shared services.



I would like to thank all staff and volunteers who work for our organisation on behalf of their community. They have, as always, done an outstanding job. As mentioned above, a significant restructure came into place at the start of 2015/16 and it is a reflection on the professionalism and commitment of the staff that there was no diminution of service levels. The highlights within this Annual Report are a true testament to the work achieved.

Mr Tim Tamlin
Chief Executive Officer
South Gippsland Shire Council

1.2

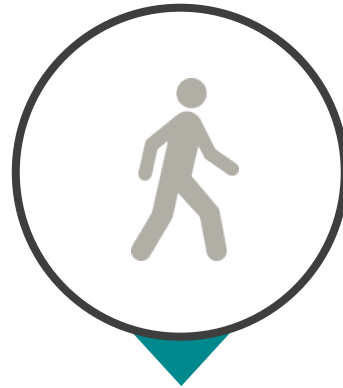
2015/16 Achievements



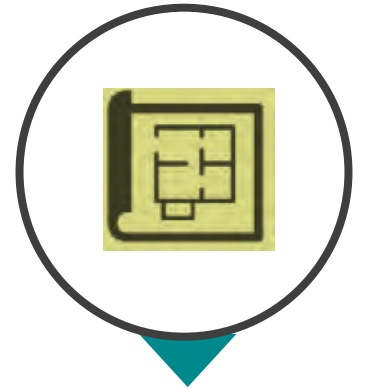
19,385
rateable properties



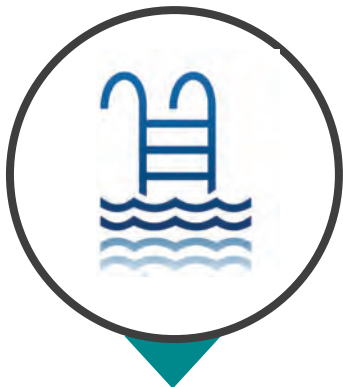
2,093km
of sealed & unsealed
roads maintained



145km
of footpaths



446
planning applications
received



168,662
visits to aquatic
facilities



159
bridges maintained



3,890
tonnes of waste
collected



3,924
tonnes of recyclables
collected



\$277,780
in community grant
funding



1,395
children enrolled for
Maternal & Child Health



217,547
library collection
loans



13,110
meals on wheels
delivered



129,135

library visits

- 58,343 Leongatha
- 25,451 Korumburra
- 19,149 Foster
- 17,001 Mirboo North
- 7,049 Poowong
- 1,712 South Coast Mobile
- 430 Nyora Mobile



10,220

library members

- 4,736 Leongatha
- 1,988 Korumburra
- 1,334 Mirboo North
- 1,421 Foster
- 348 South Coast Mobile
- 320 Poowong
- 73 Nyora Mobile



39,407

Home & Community Care
hours of support provided

- 15,283 Domestic Assistance (19% above target*)
- 12,457 Community Transport
- 4,411 Personal Care (11% above target*)
- 3,434 Assessment (2% above target*)
- 2,730 Respite (4% above target*)
- 1,092 Property Maintenance (0.5% above target*)

**Annual targets set by Department of Health & Human Services*



1,880

number of
vaccinations
provided

- 499 0-6 Child
- 806 7-18 Adolescent
- 45 19+ Adult
- 530 Flu Program



95%

immunisation rate
for children 0-6 years

- 96.8% 12 - < 15 months
- 95.7% 24 - < 27 months
- 92.5% 60 - < 63 months

**Average of age range rates*

FINANCIAL OVERVIEW

Financial Overview

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this Report.

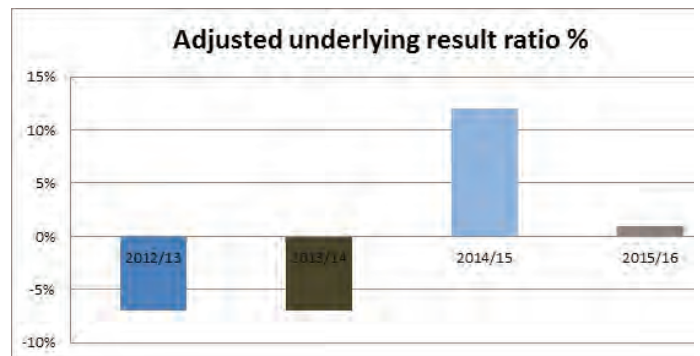
Operating Position

Council achieved a surplus of \$4.23M in 2015/16. This surplus compares unfavourably to the prior year surplus of \$9.98M. As per the Comprehensive Income Statement in the Financial Report, the unfavourable variance is mainly due to the Australian Accounting Standard requirement to recognise \$4.27M Victoria Grants Commission allocation for 2015/16 as income in 2014/15 because it was received in advance.

The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$0.59M or (1)% when compared to adjusted underlying revenue. This compares favourably to the expected target of >0%.

The ratio compares unfavourably to the prior year result of 12%. Again, this indicator is impacted by the Australian Accounting Standard requirement to recognise grant income as revenue when Council receives the grant. Sustaining an adjusted underlying

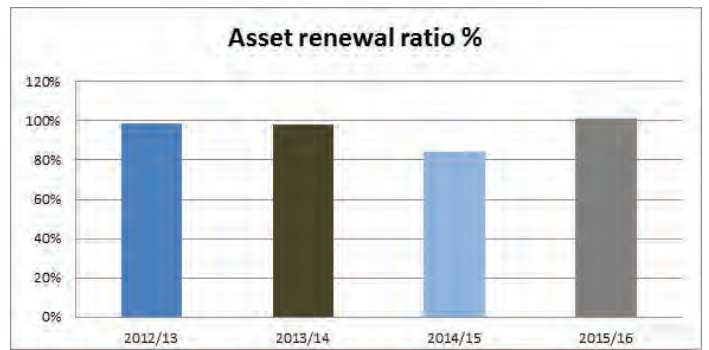
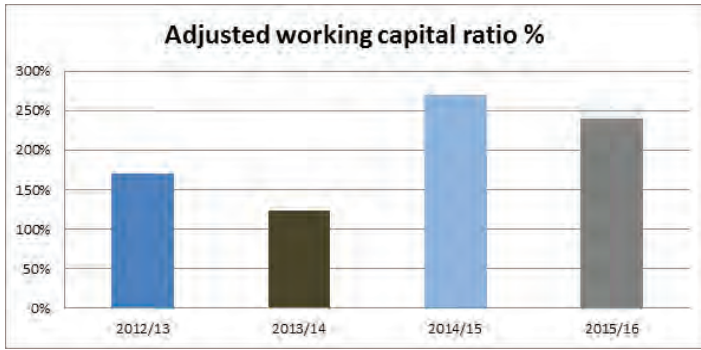
surplus is a critical financial strategy that provides capacity to renew over \$500M of community assets under Council's control.



Liquidity

Cash (this includes 'cash and cash equivalents' and 'other financial assets') has decreased by \$1.48M from the prior year. The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities.

Council's result of 240% is an indicator of satisfactory financial position and within the expected target band of 100% to 300%.



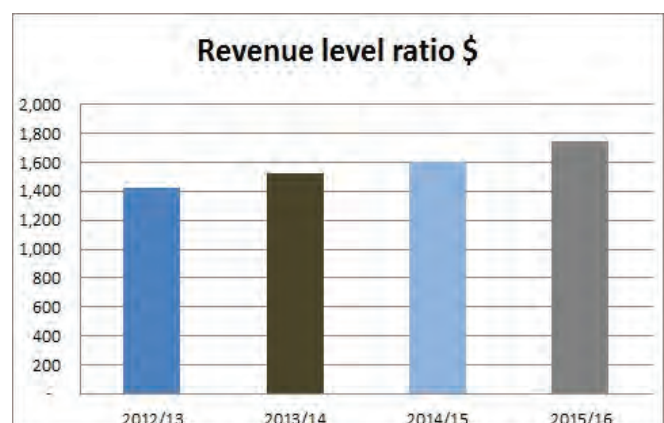
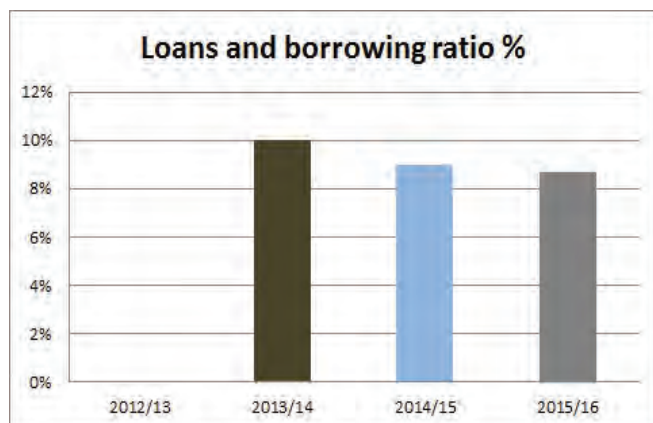
Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$10.71M in renewal works during the 2015/16 year.

At the end of the 2015/16 year, Council's debt ratio which is measured by comparing interest bearing loans and borrowings to rate revenue was 9% which indicates that Council has no concern over its ability to repay debt. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 101% which was within the expected target band of 90% to 110%. Council carried forward \$2.54M capital works funding into 2016/17 for projects that had not been completed by 30 June 2016.

Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Council's rates concentration which compares rate revenue to adjusted underlying revenue was 65% for the 2015/16 year which is in the mid-range of the expected target band of 40%-80%. This indicator has again been impacted upwards by the Australian Accounting Standard requirement to recognise grant income as revenue when Council receives the grant. The average rate per residential assessment is \$1,741.



Economic Factors

Council was faced with a financial challenge following the Federal Government announcement that it would freeze the indexation on Victoria Grants Commission allocation to councils for three years to 2016/17.

Major Changes

In the last three months of the of the 2014/15 financial year, the Chief Executive Officer coordinated a restructure of the organisation as a means to establish a strong foundation for the future. The restructure became effective on 1 July 2015.

The Rating Strategy 2014-2018 provides a more equitable distribution of the rates. The Municipal Charge was removed and a new differential rating structure for land types developed. The changes resulted in increases for higher valued properties and decreases for lower valued properties. The strategy has been implemented over two years, as the changes were considered too significant to implement in one year.

Description of Operations

South Gippsland Shire Council is responsible for more than 100 services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community buildings; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget.

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2013-2017 and the associated Annual Budget 2016/17 and reported upon in this document. Refer to the section on Our Performance for more information about Council services.

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 Victorian and Australian legislation.



MAJOR CAPITAL WORKS

92%

TOTAL NUMBER OF CAPITAL
WORKS COMPLETED OR NEAR
COMPLETION

Buildings

Nine projects

\$2.8M spent including:

Karmai Community Children's Centre

- Construction of a new 1,100m² Community Children's Centre including outdoor play space, landscaping, access road and 34 car parking spaces.

Renewal Program

- New flooring for South Gippsland Splash, the Leongatha Memorial Hall kitchenette was refurbished and the Leongatha Senior Citizens toilet facilities were upgraded.

Public Toilet Reconstruction

- Toora, Fish Creek, Tarwin Lower and Waratah Bay (to be completed early September 2016)

Municipal Precinct Study

Footpaths

Seven projects

\$586,000 spent including:

- Balook Street & Brennan Street, Mirboo North.
- Shellcotts Road, Korumburra.
- McCartin & Turner Street, Leongatha.
- Jupiter Boulevard, Venus Bay.
- Walkerville Road, Tarwin Lower. (shared footpath) is near completion.
- Waratah Bay/Sandy Point Shared Trail study has been completed and will be considered as part of the Paths & Trails Strategy.

Bridges Rehabilitation Program

\$1M spent including:

This program was developed from the Level 2 bridge and major culvert inspections conducted by external consultants, Pitt and Sherry. The program details the maintenance works and estimated costs, and recommends further structural investigations for consideration.

This financial year, five major culverts and one bridge have been repaired under this program, and seven recommended structural investigations completed.

Playgrounds & Pools

Seven projects

\$123,000 spent including:

Installation of new playground equipment at:

- Yanakie & Long Jetty Caravan Parks
- Foreshore Reserve, Port Welshpool
- Day Care Centre, Mirboo North
- Allora Kindergarten
- Walter Tuck Recreation Reserve, Mirboo North
- Mine Road, Korumburra.

Splash Hydrotherapy Pool,

- Business case developed.

Korumburra swimming pool

- Solar panel installation.

Culverts & Drainage

Five projects

\$205,000 spent including:

- Trembaths Road, Mirboo North.
- Gibbs Street, Foster.
- Hannah Rise Crescent, Korumburra.
- Drouin Road, Poowong.
- Parr Street, Leongatha.

Guardrail Replacement

One project

\$91,000 spent:

- Spencers Road, Leongatha North.

Blackspot Program

Five projects

\$666,000 spent including:

- Bena Kongwak Road, Bena
- Bena Kongwak Road, Kongwak
- Cape Liptrap Road, Walkerville.
- Mirboo Road, Mirboo.
- Yannathan Road, Nyora.

Roads

27 projects

\$7.8M spent including:

A'Beckett Street, Leongatha - Road Reconstruction

- Full street reconstruction between Long Street and Hassett Street, including new asphalt road pavement, drainage, kerb and channel and footpath.

Princes & John Streets, Korumburra Road Reconstruction

- Full street reconstruction of Princes Street between Bridge Street and Mair Crescent and John Street from South Gippsland Highway to the Primary School entrance, including new asphalt road pavement, drainage, kerb & channel and footpath.

Station Street, Korumburra - Road reconstruction from Korumburra - Warragul Road to Railway Station

- Full street reconstruction including new deep lift asphalt road pavement, drainage, kerb and channel and footpath.

Gravel to Sealed Road:

Grand Ridge Road, Trida

- Construction of 4km of sealed road including new road crossing culverts, retaining wall, guardrail and signage.

Gravel to Sealed Road:

Carmodys Road, Leongatha

- Construction of 2km of sealed road including new road crossing culverts, floodway and signage.

Road Rehabilitation Program

- Bass Valley Road, Bena.
- Buffalo Waratah Road, Buffalo.
- Dollar Road, Dumbalk.
- Leongatha Yarragon Road, Leongatha North.

Recreation

Four projects

\$550,000 spent including:

Great Southern Rail Trail - Black Spur section

- The replacement of the bridge over the Black Spur Creek, and the reconstruction/rehabilitation of two timber trestle bridges over the Tarwin River, including the construction of 2.6km of a 3m wide gravel and concrete trail.

Trail Upgrade - Welshpool to Port Welshpool

- Reconstruction of gravel trail from Welshpool to Port Welshpool including drainage upgrade, fencing, gates, vegetation clearing and the construction of an asphalt shared path along the foreshore at Port Welshpool from the foreshore toilets to the Long Jetty Caravan Park.

Leongatha Skate Park

- Demolition and construction of a new skate park in the Leongatha Recreation Reserve.

Nyora Hall Refurbishment

- Successfully completed renovations which included re-roofing and damp proofing to prevent 'rising damp' on external walls of the hall. Improvements were also made to the court yard and meeting room areas.

Waste Management

Four projects

\$1.5M spent including:

Koonwarra Landfill - Cell 4 construction

- New landfill cell which will accommodate approximately five to six years' worth of waste.

Leongatha CBD Recycling Project

- Successfully completed the replacement of litterbin infrastructure with new public place recycling bin enclosures with the aim to divert waste from landfill and recover materials for recycling (grant funded project).

COMMUNITY GRANT FUNDING

South Gippsland Shire Council's Community Grants Program aims to support community initiatives that enhance the quality of life, heritage, recreation and cultural opportunities for South Gippsland residents. All applications were assessed under categories comprising: Minor Projects and Equipment, Celebrations, Festivals and Events, Major Projects and Planning and Development Studies. Council received 58 applications and awarded \$277,780 in Community Grants. A list of the successful applications is outlined below:

ROUND ONE Organisation	Project Details	Approved Funding (\$)
Arthur Sutherland Recreation Reserve Committee Inc.	Welshpool Recreation Reserve kitchen upgrade	\$10,000
Leongatha Lyric Theatre Inc.	Stage 2 theatre seating upgrade	\$10,000
Toora Netball Club Inc.	Playground	\$10,000
Toora Recreation Reserve Committee of Management	New machinery shed	\$10,000
Milpara Community House Incorporated	Korumburra Skate Park Planning Project	\$9,580
Leongatha Cricket Clubs Turf Committee (LCCTC)	Major surface upgrade to the Leongatha Recreation Reserve main oval.	\$9,000
Kongwak Public Hall Inc.	Kongwak Hall electrical upgrade	\$7,500
Foster War Memorial Arts Centre Committee of Management	Foster War Memorial Arts Centre rear covered area	\$7,000
Nyora Recreation Reserve Committee	Master Plan Review	\$7,000
Mirboo Farm	Gippsland Garlic Festival	\$5,000
Outtrim Moyarra Kongwak Cricket Club	Lining and fitting out of change rooms	\$5,000
Southern Business Womens Network (SBWN) Inc.	SBWN business event	\$5,000
St Paul's Catholic Social Club Inc.	Mirboo North Italian Festival	\$5,000
Tarwin Lower & District Bowls Club	Tarwin Bowls Club Goes Green	\$5,000
Nerrena Landcare Group	Black Spur Creek Wetlands- Consultation and Planning Project	\$4,500
Prom Coast Arts Council Inc.	Asanti African Drum and Dance Project	\$4,300
Foster Showground Committee of Management	Foster Showground ride on mower	\$4,000
Venus Bay Community Centre Inc.	Venus Bay Community Centre garden & grounds improvement	\$3,300
Fish Creek Community Garden	Self-sufficient watering at the Fish Creek Community Garden	\$2,500
Korumburra Botanic Park Advisory Committee	Construction of a small carpark	\$2,000
Foster Football Netball Club	IT upgrade	\$1,500
South Gippsland Singers Inc.	New keyboard	\$1,200

ROUND TWO Organisation	Project Details	Approved Funding (\$)
Fish Creek Memorial Hall	Let's Start with Supper event	\$10,000
Leongatha Chamber of Commerce & Industry	Lennie Gwyther statue	\$10,000
Outtrim Moyarra Kongwak Cricket Club	New Outtrim sports oval	\$10,000
Poowong Pre-School Parent Enrichment Group	All weather access deck and ramp	\$10,000
RSL Meeniyana & District Men's Shed	Meeniyana Men's Shed Marching On	\$10,000
Toora Community Hall and Library Inc.	Toora Hall upgrade	\$10,000
Loch Public Hall Inc.	Upgrading hall toilets and entrance of hall	\$8,000
Korumburra Cricket Club	Korumburra Cricket Club deck	\$5,000
Poowong Family Festival	Fun, food, wine and entertainment. A festival to celebrate the community of Poowong and family	\$5,000
Stony Creek Football Netball Club	Netball coaches boxes	\$5,000
Meeniyana Pre-School Inc.	Meeniyana Preschool Goes Solar program	\$4,600
Poowong Football and Netball Club	Refurbishment of the club rooms	\$3,350
Port Franklin Public Hall Inc.	Heating and cooling	\$3,240
Leongatha Horticultural Society Inc.	Leongatha Daffodil & Floral Festival	\$3,020
Mirboo North Playgroup & Toy Library Inc.	Make Our Space Safe program	\$3,000
Poowong Recreation Reserve Committee Inc.	Partial oval surface upgrade	\$3,000
Dumbalk & District Progress Association Inc.	Upgrade of community rooms for visiting professionals	\$2,500
Loch & District Bowling Club Inc.	Loch & District Bowling Club Strategic Plan	\$2,400
Leongatha and District Netball Association Inc.	Feasibility Study	\$2,225
South Gippsland Beekeepers	Trailer purchase	\$2,185
Korumburra Community Development & Action Inc.	Welcome Korumburra Town App	\$2,180
Poowong-Loch Cricket Club Inc.	Poowong wicket repair	\$2,000
Prom Coast Singers (a subsidiary of Foster Arts Music and Drama Association Inc.)	Sing South Gippsland 2 program	\$1,550
Outa Metro Indigenous Football Committee	Indigenous (AFL Gippsland) Round Gippsland League	\$1,500
Prom Coast Arts Council Inc.	More: Things Of Wood And Stone	\$1,500
South Gippsland Concert Band Inc.	Purchase of saxophone	\$1,200
Fish Creek Community Development Group	Operational equipment	\$1,000
South Gippsland Bass Swimming Club	Gippsland swimming event	\$700

Small Emergency Grants Funding

Organisation	Project Details	Approved Funding (\$)
Walter J Tuck Reserve, Mirboo North	Removal of additional trees	\$5,000
Korumburra Gun Club	Retrofit kitchen to meet health regulations	\$5,000
South Gippsland FM Radio Incorporated	Replace and repair aerial and transmission tower at Foster	\$4,650
Tarwin Football Netball Club	Remove and replace two oval spotlight poles that were leaning precariously	\$4,550
Loch Memorial Reserve Committee	Replacement of gas hot water system	\$2,300
Foster Cricket Club	Install hot water to Foster Cricket Clubrooms	\$1,800
University of the Third Age Prom Coast Inc.	Purchase of two Epson ET 4550 Multifunction Printer/Copiers	\$1,000
Welshpool Memorial Hall	Replace failed hot water service	\$950



SHIRE AT A GLANCE

South Gippsland Shire Council is located in coastal south eastern Victoria, approximately 100km south-east of Melbourne. It is made up of three wards (Tarwin Valley, Strzelecki and Coastal-Promontory), each represented by three Councillors.

South Gippsland is named for the southern part of Gippsland, which honoured Sir George Gipps, the then Governor (1838-1846). The original inhabitants of the South Gippsland area were the Gunnai, Bun Wurrung and Wurundjeri Aboriginal people. South Gippsland Shire Council was formed in 1994 from the amalgamation of four municipalities.

The Shire is bounded by Cardinia and Baw Baw Shires to the north, Latrobe City and Wellington Shire to the east, Bass Strait to the south, and Bass Coast Shire to the west.

The Shire is a rural, residential and tourist area. It encompasses 3,308 square kilometres, including extensive coastal areas and the spectacular Wilsons Promontory National Park. Much of the rural area is used for forestry and agriculture; with dairy, beef, sheep, and snow pea farming being the main agricultural pursuits. Fishing, viticulture and tourism are also important industries that contribute economic diversity to the region.

Other major attractions of the Shire include Cape Liptrap Coastal Park, Strzelecki Ranges, Coal Creek Community Park and Museum, the Great Southern Rail Trail, Grand Ridge Rail Trail, Nyora Speedway, Stony Creek Racecourse, Agnes Falls and specialist wineries.

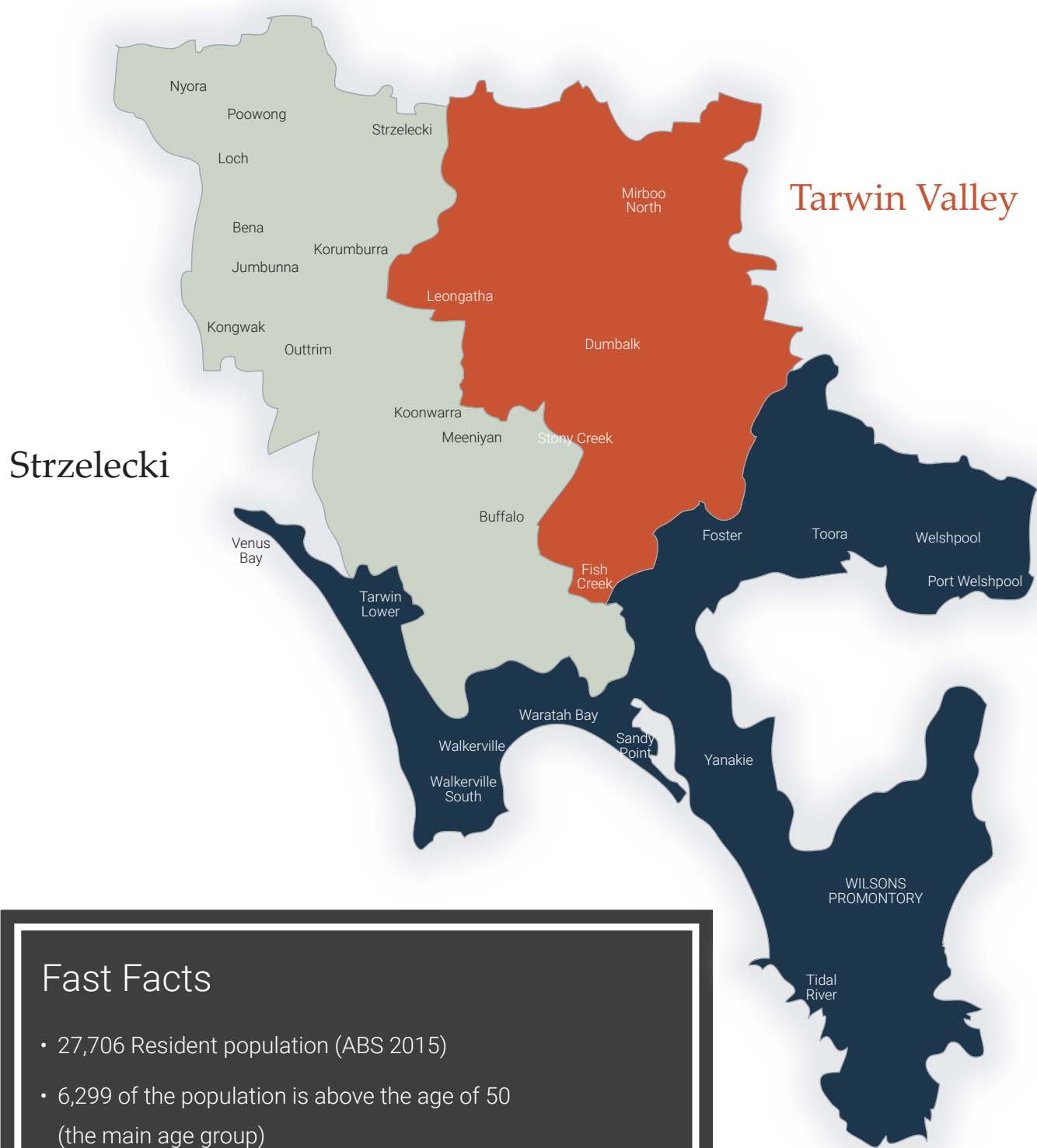
The major towns in South Gippsland are Leongatha, Korumburra, Mirboo North and Foster. Other townships include Dumbalk, Fish Creek, Loch, Meeniyar, Nyora, Poowong, Port Welshpool, Sandy Point, Tarwin Lower, Toora, Venus Bay and Welshpool. There are also many other small rural hamlets.

Council Offices

South Gippsland Shire Council Office
9 Smith Street, Leongatha VIC 3953

Phone: (03) 5662 9200
 Fax: (03) 5662 3754
 Email: council@southgippsland.vic.gov.au
 Web: www.southgippsland.vic.gov.au
 Facebook: www.facebook.com/southgippslandshirecouncil
 Hours: 8:30am – 5:00pm Monday to Friday

Snapshot of Council



Strzelecki

Tarwin Valley

Coastal Promontory

Fast Facts

- 27,706 Resident population (ABS 2015)
- 6,299 of the population is above the age of 50 (the main age group)
- 2.4 average people per household
- 44 is the median age of people residing in the Shire
- 4% of the population have a non-English speaking background
- 32% of the population is 'couples without children'
- 26% of the population is 'couples with children'
- 26 Townships and Hamlets

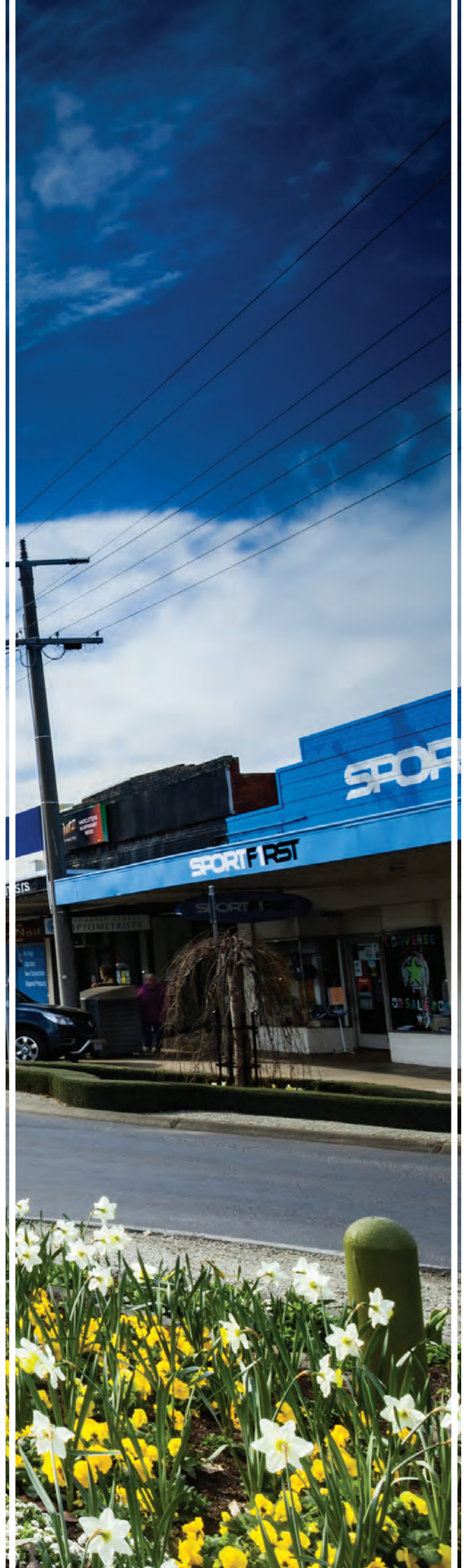
Purpose

Council's role is to provide leadership for the appropriate governance of the Shire and its local communities. Council undertakes its responsibilities in accordance with the Local Government Act 1989 (the Act) and other Acts for the peace, order and good government of the Shire.

Council's Vision 2020, developed in 2006/07, represents the aspirations of our diverse communities and articulates a vision of what South Gippsland should be like in the year 2020. The vision has been refined slightly by the current Council to reflect changing community needs and expectations.

This vision still aspires to achieve a number of key outcomes with the aim of creating South Gippsland as a place which has:

- A caring community where people feel safe and secure.
- A wide range of recreation and leisure amenities.
- High grade transport links.
- Appropriate infrastructure to meet community needs.
- Respect for the environment by being clean and green.
- Sustainable economic growth.
- Coordinated health services.
- Youth who are valued and participate in the community.
- A sustainable agricultural industry, including direct and indirect support for businesses.
- A sustainable thriving tourism industry.



OUR COUNCILLORS & EXECUTIVE

Coastal Promontory Ward

CR. DAVIES

ELECTED: 2008
TELEPHONE: 0429 386 297
EMAIL: mohya.davies@southgippsland.vic.gov.au

CR. HARDING

ELECTED: 2008
TELEPHONE: 0417 546 578
EMAIL: jeanette.harding@southgippsland.vic.gov.au

CR. KENNEDY

ELECTED: 2003
TELEPHONE: 0407 838 820
EMAIL: kieran.kennedy@southgippsland.vic.gov.au

Strzelecki Ward

CR. BRUNT

ELECTED: 2012
TELEPHONE: 0419 199 673
EMAIL: lorraine.brunt@southgippsland.vic.gov.au

CR. MCEWEN

ELECTED: 2012
TELEPHONE: 0488 242 478
EMAIL: andrew.mcewen@southgippsland.vic.gov.au

CR. NEWTON

ELECTED: 1998
TELEPHONE: 0408 515 923
EMAIL: robert.newton@southgippsland.vic.gov.au

Tarwin Valley Ward

CR. FAWCETT

ELECTED: 2008
TELEPHONE: 0418 461 439
EMAIL: james.fawcett@southgippsland.vic.gov.au

CR. HILL

ELECTED: 2012
TELEPHONE: 0419 934 233
EMAIL: don.hill@southgippsland.vic.gov.au

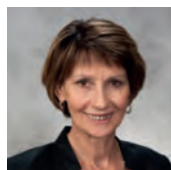
CR. HUTCHINSON-BROOKS

ELECTED: 2012
TELEPHONE: 0419 758 400
EMAIL: nigelhb@southgippsland.vic.gov.au

Executive



Tim Tamlin
Chief Executive
Officer



Jan Martin
Director
Corporate &
Community Services



Bryan Sword
Director
Development Services



Anthony Seabrook
Director
Sustainable Communities
& Infrastructure

ORGANISATIONAL STRUCTURE

COUNCILLORS

CHIEF EXECUTIVE OFFICER

MANAGER

People & Culture

Human Resources
Payroll
Learning & Development

COORDINATOR

Media & Communications

Marketing & Communication
Media/Social Media
Web content

DIRECTOR – CORPORATE & COMMUNITY SERVICES

MANAGER

Finance, Risk & Procurement

Accounting
Rates
Valuations
Risk
Procurement

MANAGER

Community Services

Aged & Disability
Children & Family Services
Community Programs
Library Board
Emergency Management
Grants

MANAGER

Innovation & Council Business

Corporate Planning
Councillor Support
Council Business
IT Systems & Support
Information Management
Business Analysis

DIRECTOR – SUSTAINABLE COMMUNITIES & INFRASTRUCTURE

MANAGER

Operations

Roads & Drains
Footpath, Kerb & Channel Workshop
Routine Maintenance
Plant/Fleet Maintenance
Parks & Gardens
Construction

MANAGER

Engineering & Assets

Engineering
Design
Community Construction Projects
Asset Management
Development Referrals from Planning

MANAGER

Sustainable Communities

Waste Management
Sustainability
Biodiversity
Buildings & Property
Accessibility
Arts, Culture, Recreation & Youth
Volunteers
Section 86 Committees
Road Safety/L2P

DIRECTOR – DEVELOPMENT SERVICES

MANAGER

Planning

Statutory Planning
Strategic Planning
Social Planning

MANAGER

Economic Development Tourism & Customer Service

Economic Development & Tourism
Customer Services
Visitor Information Centres
Caravan Parks
Coal Creek Community Park & Museum

MANAGER

Regulatory Services

Building & Planning Enforcement
Local Laws
Environmental Health

OUR PEOPLE

About Our People

As at 30 June 2016 Council had 261.75 Full Time Equivalent (FTE) employees including ongoing, temporary and casual positions. A summary of the number of FTE Council staff by organisational structure, employment type and gender is set out below.

Workforce data by headcount

	Total Number (Headcount)	Full Time (Head Count)	Part Time (Head Count)	Casual (Head Count)
June 2015	352	199	102	51
June 2016	351	199	95	57

Workforce data by full-time equivalent and gender type

Gender	Employment Classification	Executive Office * FTE	Corporate & Community Services FTE	Sustainable Communities & Infrastructure FTE	Development Services FTE	Total 2015/16 FTE
Female	Full Time	5.0	21.0	10.0	25.0	61.0
	Part Time	3.84	30.18	3.27	6.85	44.14
	Casual	0.0	2.92	0.44	1.91	5.27
Total		8.84	54.10	13.71	33.76	110.41
Male	Full Time	7.0	18.0	94.0	19.0	138.0
	Part Time	0	3.69	3.81	0.47	7.97
	Casual	0	0.46	2.7	2.21	5.37
Total		7.0	22.15	100.51	21.68	151.34
Grand Total		15.84	76.25	114.22	55.44	261.75

*People & Culture and Media & Communications teams report to the CEO, as a result of the organisational restructure.

Workforce data by classification & gender type

Gender	Employment Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other FTE
Female	Full Time	0	0	3.0	14.0	13.0	12.0	12.0	4.0	3.0
	Part Time	1.72	12.98	0.67	5.23	10.32	8.13	4.91	0	0
	Casual	0.40	1.54	0.70	1.78	0.12	0.30	0.47	0.01	0
Total		2.12	14.52	4.37	21.01	23.44	20.43	17.38	4.01	3
Male	Full Time	0	0	43.0	19.0	16.0	14.0	20.0	15.0	11.0
	Part Time	2.84	2.39	0.84	0	0.60	1.10	0	0.20	0
	Casual	2.98	1.28	0	0.39	0.85	0	0	0	0
Total		5.82	3.67	43.84	19.39	17.45	15.10	20.0	15.20	11.0
Grand Total		7.94	18.19	48.21	40.40	40.89	35.53	37.38	19.21	14.0

Restructure

From 1 July 2015, Council adopted a new organisational structure, which resulted in a reduction from four Directorates, to three Directorates. Greater functional alignment, through streamlining the management structure, has resulted in a reduction of FTE, and greater operational efficiency and effectiveness throughout the 2015/16 financial year.

Professional Development

Through a strong commitment to professional development of all staff, Council is creating a workforce with the necessary skills, qualifications and expertise to undertake roles to deliver effective and efficient services to the South Gippsland community, now and into the future.

Leadership Development

Leadership Development Program for Supervisors

This program increased leadership capacity to facilitate behavioural change through establishment of clear performance expectations through effective coaching, development, performance management, communication and recognition of our people.

Community Engagement

Selected Council staff participated in a Certificate in Engagement by IAP2 course, aimed at improving the practice of public participation and community engagement. This was offered in partnership with a neighbouring council. This program also resulted in strengthened professional partnerships and engagement practice across municipal borders.

Corporate Training and Development

A diverse range of corporate training programs were delivered throughout 2015/16, across the following broad categories;

- Safety and Wellbeing
- Financial and Information Management
- Management and Leadership
- Diversity and Inclusion
- Personal Development
- Systems and Process
- Employee Performance Development.

Employee Performance Development

A new approach to employee performance development was developed for implementation in 2016/17. The new approach seeks to provide the various areas of Council with greater flexibility in how they approach staff development, through customisable plans under an established best practice framework. This program was developed collaboratively by a cross-organisational team drawn from staff at various levels.

Training & Development

As part of developing health and safety knowledge and capability, a wide range of training has been provided including:

- Drug and alcohol awareness
- Occupational Health & Safety (OH&S) for Leaders
- Manual Handling
- AgVet Chemical Handling
- Confined space entry
- Chainsaw operation
- Working at heights
- Conflict resolution.

This complements ongoing internal education sessions, OH&S inductions for new staff and equipment specific training that is provided.

Equal Employment Opportunity (EEO) Program

South Gippsland Shire Council is dedicated to providing a workplace that is free from all discrimination, bullying and harassment in which each employee is treated with dignity, courtesy and respect.

Council is committed to achieving and maintaining high quality working relationships within the organisation. It recognises that this is essential for the well-being of all people in the workplace to maximise individual employee skills and abilities, achieve business objectives and maximise productivity.

The organisation adopts a proactive approach towards prevention of discrimination, through initiatives such as the EEO Contact Officer and employee training opportunities. A number of measures are also in place to effectively manage any arising issues, including the embedding of contemporary workforce policies and procedures, employee support programs and grievance mechanisms within the organisation.

Enterprise Agreement

Council's current Enterprise Agreement has a nominal expiry date of 30 June 2016, however it remains in effect until such time that a new agreement is approved. Council has worked with staff and the relevant unions to deliver a new enterprise agreement that will continue to take us forward in the years to come. The new Enterprise Agreement seeks to facilitate successful organisational delivery of the Council Plan, within the dynamic pressures and opportunities of the changing Victorian Local Government landscape. The Enterprise Agreement has been submitted to the Fair Work Commission for consideration.

Preventing Violence against Women

Enshrined within Council's Workplace Health & Wellbeing Plan, prevention of violence against women has been identified as a strategic priority for the organisation and has brought about the establishment and implementation of a range of violence prevention initiatives, activities and events, driven by the internal working group.

The key highlight was the White Ribbon Breakfast attended by a large number of employees and Councillors. Speakers from Victoria Police and Gippsland Women's Health highlighted the link between gender equity and family violence. Staff and Councillors made pledges to the 'Make the Link' campaign and the event was strongly promoted to all staff.

SECTION

2

Reporting

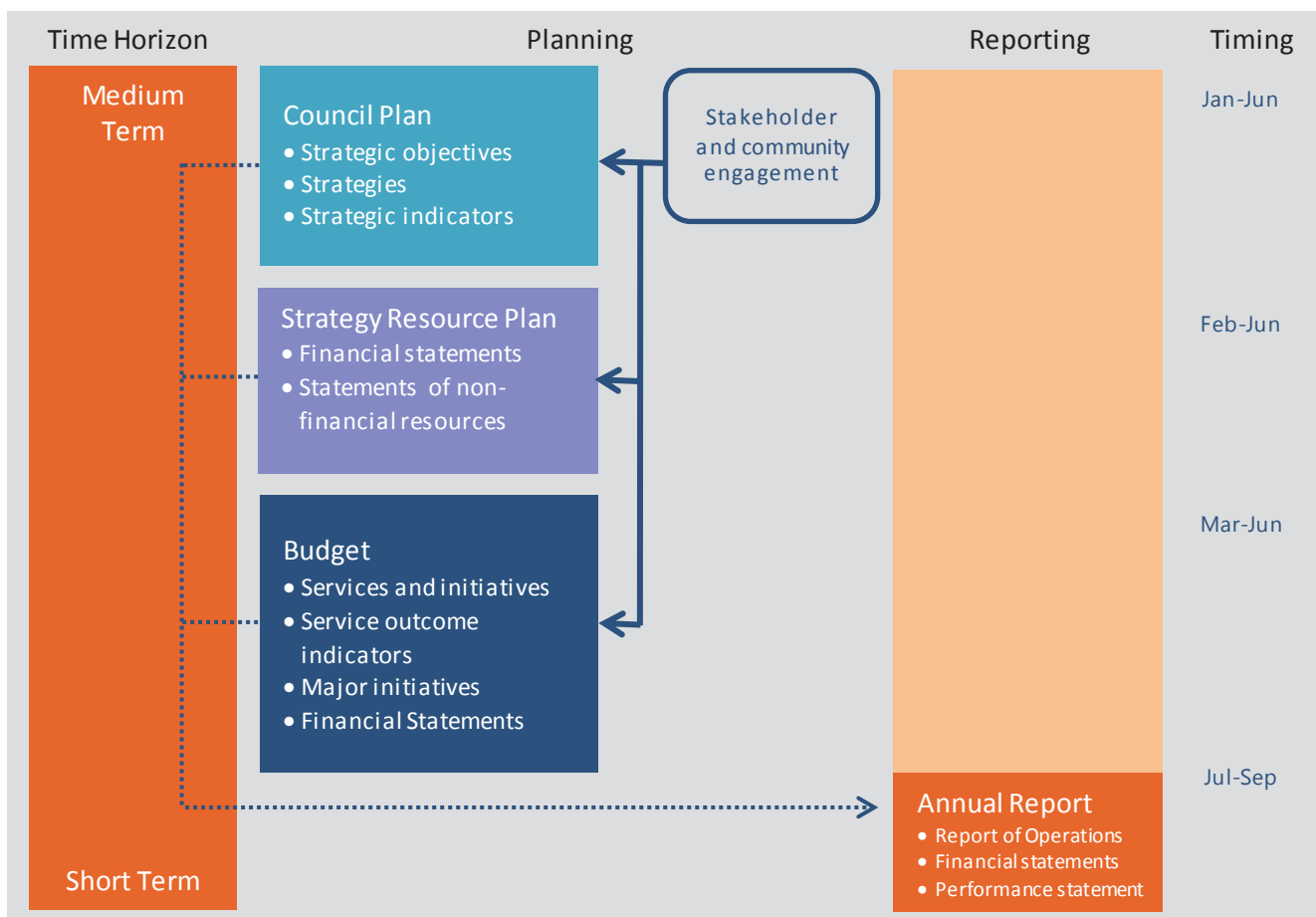


VICTORIAN PLANNING & ACCOUNTABILITY FRAMEWORK

The Local Government Act 1989 requires Council to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is the later;
- A Strategic Resource Plan for a period of at least four years and include this in the Council Plan;
- A Budget for each financial year;
- An Annual Report in respect of each financial year.

The following diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows the opportunities for community and stakeholder input and feedback at various stages of the planning and reporting cycle.



COUNCIL PLAN 2013 - 2017

The Council Plan is a legislative requirement where each local government must adopt a four-year strategic plan. The Council Plan provides guidance and direction by setting organisational goals, outcomes, strategies, actions, resource requirements and performance measures for the four year term of Council. The following are the four strategic objectives as detailed in the Council Plan 2013-2017:

Outcome 1: A Prosperous Shire

Objective 1.1
Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.

Objective 1.2
Raise the awareness of local and regional issues with State and Federal decision makers.

Objective 1.3
Improve the sustainability of the local and regional environment.

Outcome 2: Closely Connected Communities

Objective 2.1
Engage and work collaboratively with our community.

Outcome 3: Integrated Services & Infrastructure

Objective 3.1
Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.

Outcome 4: A Leading Organisation

Objective 4.1
Improve the financial sustainability of Council, including diversifying revenue streams.

Objective 4.2
Pursue best practice in organisational development and operations of the organisation.

The following section provides a report of Council's performance against each strategic objective in the Council Plan 2013-2017. Performance has been measured as follows:

- Results achieved against the strategic indicators for each objective in the Council Plan;
- Progress against the Major Initiatives and the Initiatives set out in Section 3 of the 2015/16 Annual Budget;
- Services funded in the 2015/16 Annual Budget by Department supporting the achievement of each objective;
- Results against the prescribed service performance indicators and measures.

STRATEGIC OBJECTIVE 1

A PROSPEROUS SHIRE

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

Council Plan Indicator	Action/Target	Comment
<p>The value of total investments in the Shire measured through Building Permits, by investment sector</p> <p>Regulatory Services</p>	<p>Comparison with baseline - an increase in investments annually is a positive trend</p>	<p>Target Not Achieved</p> <p>Value of approved building work for financial year is \$72.3M which is down 9% compared to 2014/15. This is consistent with the general downturn in building activity across regional Victoria which dropped 11% in 2015/16 compared to 2014/15.</p>
<p>Shovel ready projects prepared</p> <p>Engineering Assets</p>	<p>Aim for at least two ready at any time</p>	<p>Target Achieved</p> <p>Nine projects are ready for construction subject to funding: Agnes River Rd, Agnes Bridge; Mirboo North Transfer Station; Leongatha Splash Hydrotherapy Pool; Henrys Rd, Nyora; Simons Lane, Leongatha South; Bena Kongwak Rail Overpass Bridge; Toora Boat Ramp Dredging Project; Fish Creek School Crossing; and the Great Southern Rail Trail Welshpool to Hedley.</p> <p>Six footpath projects have been designed ready for construction subject to funding: Steele St, Leongatha; Baths Rd, Mirboo North; George St, Korumburra; Brown St, Leongatha; Peart St, Leongatha; and Couper St, Mirboo North.</p>
<p>Number of representations made to State and Federal politicians</p> <p>Executive Office</p>	<p>At least one delegation annually</p>	<p>Target Achieved</p> <p>The Mayor and CEO met key Ministerial Advisors in Canberra to further progress the Long Jetty – Port Welshpool project.</p> <p>The Mayor and CEO attended a presentation by Minister Natalie Hutchins in relation to the Rural Living Campaign. The CEO personally briefed outcomes of that presentation to Danny O'Brien MP and Harriet Shing MP.</p> <p>On separate occasions they met with Danny O'Brien MP and Harriet Shing MP to discuss "Advocating Women in Council."</p>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015/16 Budget for the year:

No.	Major Initiatives	Action/Target	Progress
1.1	In July 2014 Council adopted a new green waste kerbside collection to commence in July 2015, in response to growing community requests. The service will be provided to residential properties in towns where Council based waste collections exist.	Establish a baseline for the collection of green waste volumes by weight.	<p>Target Achieved</p> <p>The contractor has provided monthly data on quantities collected and the number of green waste bins put out for collection. This will be used as a baseline to evaluate future year's collections.</p> <p>1,700 tonnes of green waste collected through the service in the 2015/16 year. This is more than was projected when planning for the service.</p>
	Sustainable Communities	Cost of the kerbside green waste bin collection service recorded based on the direct cost of green waste collected divided by the number of kerbside green waste collection bins.	<p>Target Achieved</p> <p>Total cost for the kerbside green waste collection service for 2015/16 was \$531,999 with 7,113 properties serviced. This cost is fully recovered through service charges.</p>
1.2	Building on Steep Slopes planning control guidelines will be established to ensure appropriate subdivision and development on steep slopes.	The planning control guidelines will be presented to Council for adoption by 30 June 2016.	<p>Target Achieved</p> <p>A report, including planning control guidelines, was presented to Council and adopted in May 2016.</p>
	Planning		
1.3	The Environmental Significance Overlay (ESO 5) for areas subject to erosion will be reviewed and accurate area mapping established to reduce the number of planning permits that are triggered by the current controls.	The revised Environmental Significance Overlay will be developed and presented to Council for adoption by 30 June 2016.	<p>Target Achieved</p> <p>A report, including planning control guidelines, was presented to Council and adopted in May 2016.</p>
	Planning		

Initiatives

The following statement reviews the progress of Council in relation to the initiatives identified in the 2015/16 Budget for the year:

No.	Initiative	Action/Target	Progress
1.4	Implementation of the Economic Development & Tourism Strategy will commence with project targeted at increasing the prosperity and growth of the Shire through greater support to the economic sector, with particular emphasis for Agriculture, Industry, Commercial, Land Development, Tourism and Retail sectors.	The Manufacturing Network project will create a network for local manufacturing businesses developing links with the South Eastern Melbourne Manufacturing Association by 30 June 2016.	Target Achieved Established the Manufacturing Network with three meetings held during the year. Links established with South Eastern Melbourne Manufacturing Association.
	Economic Development, Tourism & Customer Services	Southern Gippsland Food Cluster project (joint project with Bass Coast Council) will create linkages between farms, manufacturing and retail to provide viable markets for boutique and new produce enterprises through the enhancement of the Food Map website by 30 December 2015 and investigation of infrastructure barriers and transport challenges of produce grown in a non-urban area by 30 June 2016.	Target Achieved The food map website update is complete. Consultant's report has been received and will be presented to the Economic Development Steering Committee for consideration in 2016/17.
1.5	'Priority Projects' for the Shire are determined by Council and will be actively pursued in advocacy activities with State and Federal politicians and other relevant stakeholders or potential funding partners. These projects, when supported, will provide a range of economic benefits to improve the prosperity of the Shire.	Priority Projects identified and a report presented to Council for adoption by 30 June 2016.	Target Achieved Report adopted by Council in February with five priority projects being pursued for advocacy. <ul style="list-style-type: none"> • Long Jetty rehabilitation project • Leongatha revitalisation project • Foster streetscape development project • Northern towns water security project • South Gippsland Highway Koonwarra Black Spur road realignment. Commitment and funding has been secured for Long Jetty rehabilitation, Northern Towns water security and South Gippsland Highway Koonwarra Black Spur (Federal commitment only). Foster Streetscape funding application being prepared.
	Executive Office		

No.	Initiative	Action/Target	Progress
1.6	Development of the Port Welshpool Marina Precinct Plan will be commenced to progress the Corner Inlet Tourism Priority Project. Planning	Project commenced after the funding decision has been made on the Long Jetty Project by the Federal Government	Target Achieved Commitment for funding by the Federal Government has been secured for the Long Jetty rehabilitation. Project brief for Port Welshpool Marina precinct plan is currently under development.
1.7	A report in response to the Coastal Townships Seasonal Population Study will be presented to Council for consideration. Planning	Recommendations arising from the Coastal Townships Seasonal Population Study will be presented to Council for consideration by 30 June 2016.	Target Achieved The final 'Seasonal Population Impacts in Coastal Towns Plan' and recommendations were endorsed by Council on 16 December 2015.
1.8	Legislative change in 2014 has made Council the responsible authority for roadside weed management. Council has determined that the service level of roadside weed management works will be undertaken in accordance with Council's Roadside Weed and Pest Animal Management Plan and reflect an agreed level of Council funding. Sustainable Communities	A minimum of 200 kilometres of roadside maintained per annum.	Target Achieved 857 kilometres of roadside weed spraying completed, well above target of 200 kilometres.



No.	Initiative	Action/Target	Progress
1.9	<p>The 'Agricultural Resilience and Climate Change Opportunities' grant and the 'Integrating Climatic Impacts Into Government Processes' grant will be actioned to respond to climate change. The 'Agricultural Resilience and Climate Change Opportunities' grant will be utilised to assist the Shire's agricultural businesses in their sustainability activities, and the 'Integrating Climatic Impacts Into Government Processes' grant will be actioned and utilised to progress organisational sustainability processes.</p> <p>Sustainable Communities</p>	<p>Five seminars held by 30 June 2016.</p> <hr/> <p>One specific climate change adaptation project initiated as a direct result of the seminars held.</p>	<p>Target Achieved</p> <p>Seven seminars held as per project plan.</p> <ul style="list-style-type: none"> • Two Climate Change Café events - Foster & Korumburra - discussing decision making and mental health - over 30 attendees. • Biosecurity Forum – 11 people explored climate change and disease risk. • Drought Resilience workshop – 37 people found out how to improve the drought resilience of their soil with a workshop and farm walk. • Two agricultural diversity days - Phillip Island, 50+ attendees; Leongatha, 28 attendees. • The focus of these two events was diversifying to increase agribusiness resilience. Investigated marketing, risk management, and specifics of several agricultural commodities including value adding with eggs, cheese, and meat. Local mentors provided information to food producers via a forum. • Fish Creek Shade and Shelter workshop - 20 attendees. <hr/> <p>Target Achieved</p> <p>Over 200 landholders engaged at events this year. Shade and Shelter Small Grants Program delivered in partnership with the South Gippsland Landcare Network.</p> <p>Six landholders will plant shelter belts on their property.</p> <ul style="list-style-type: none"> • Over 6,000 trees. • Two kilometres of shelter belts. • 2.47 hectares revegetation. <p>Also represented the project at the Bass Coast Show and the Fair Food Film Screening.</p>
1.10	<p>The Mirboo North Structure Plan will be reviewed to revitalise the outdated plan, ensure compliance with DPTLI requirements and address Bushfire Management Overlay provisions.</p> <p>Planning</p>	<p>The Structure Plan review will be completed and presented to Council for adoption by 30 June 2016.</p>	<p>Target Not Achieved</p> <p>Draft Mirboo North Structure Plan was presented to Council in June 2016.</p> <p>The draft will then be placed on public exhibition in 2016/17 for feedback.</p>

No.	Initiative	Action/Target	Progress
1.11	Branding of the Shire to be reviewed and a coordinated direction forward determined to enhance positive experiences of visitors to the Shire that in turn lead to increased economic development and support to the Tourism, Arts and Business sectors.	Branding review completed by 30 June 2016 with recommendations to the Economic Development and Tourism Committee	Target Achieved Consultant's report recommendations received. These recommendations will be presented to the new Economic Development Steering Committee in 2016/17.
	Economic Development, Tourism & Customer Services		
1.12	Great Southern Rail Trail Integrated Marketing and Signage Strategy implemented to promote the trail for the community's use and capitalise on the economic benefits arising from the investment made in this community asset.	A website will be developed and operationalised for the Great Southern Rail Trail by 30 June 2016. Key informational signage will be installed in three main towns along the trail.	Target Not Achieved Website available to go live when new signage is installed. Target Not Achieved Signage tender awarded with installation to occur by November 2016.
	Sustainable Communities		
1.13	Maintenance of the Great Southern Rail Trail will be increased to protect this valuable community and economic asset that extends between Leongatha and Welshpool and to support the volunteers that manage this facility on the community's behalf.	An additional funding allocation of \$21,285 provided to the Great Southern Rail Trail Committee to maintain the recent extensions to the trail.	Target Achieved Funds provided to the Great Southern Rail Trail Committee of Management in September.
	Sustainable Communities		



Services Funded

The following statement provides information in relation to the services funded in the 2015/16 Budget and the persons or sections of the business area responsible.

The description of the 'Business' and 'Service Area' reflects the new organisational structure that came into place 1 July 2015. These vary slightly from the Adopted 2015/16 Annual Budget that was adopted by Council on 24 June 2015.

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Development Services Management	<p>The Development Services Management unit is accountable for ensuring that Council's objectives for the Development Services Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Planning; • Regulatory Services; and • Economic Development, Tourism and Customer Service. <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, undertake regional advocacy to facilitate planned growth in the Shire and implement the strategic directions set by Council relevant to the Directorate.</p>	\$313 \$317 <hr/> \$4
Economic Development, Tourism & Customer Service	<p>The Economic Development, Tourism and Customer Services Department plans for and facilitates economic growth and prosperity within the Shire. This is achieved by actively promoting and supporting sustainable agriculture and industry development, commercial business opportunities and by providing excellent customer and visitor information services.</p> <p>The Department manages Council's Caravan Parks and Coal Creek Community Park & Museum.</p> <p>The Department plays a key role in working with the business community to support existing businesses, diversify employment opportunities and attract new businesses.</p>	\$1,960 \$1,555 <hr/> (\$405)
Planning Department	<p>The Planning Department provides statutory, strategic and social planning services to the community to provide for development, land use and community policy.</p> <p>The Department actively supports planned growth across the municipality, protects and enhances the unique identity and liveability of local districts and advocates to other levels of government and stakeholders for developments that will increase prosperity in the Shire.</p>	\$1,396 \$1,550 <hr/> \$154

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Regulatory Services	<p>The Regulatory Services Department is responsible for administration, education and enforcement of varied Victorian legislation along with Council's General Local Law.</p> <p>Services include:</p> <ul style="list-style-type: none"> • animal management; • building/planning enforcement; • building/property information; • fire prevention; • registration and inspection of food and accommodation premises; • local laws development and enforcement; • occupancy permits for places of public entertainment; • parking control; • report and consent applications for new building work; • school crossings; and • wastewater. <p>The Department responds to a variety of community enquiries and undertakes public health and nuisance complaint investigations. Together these services work towards providing a safer Shire for businesses and the community.</p>	\$590 \$895 <hr/> \$305



Services Performance Indicators

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

Local Government Service Performance Reporting Indicators				
Service	Normal Range	Result 2015	Result 2016	Material Variation
Statutory Planning				
Timeliness				
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	30 to 110 days	60	60	No material variations
Service standard				
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	40% to 100%	83%	77%	Within annual variation expectations and result was lower due to staff vacancies
Service cost				
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$500 to \$4,000	\$1,180*	\$1,677	Increase in cost of 2015/16 is related to contract labour used to fill vacant positions during recruitment and an increase in legal fees associated with VCAT appeals * The cost of Statutory Planning was incorrectly reported in 2014/15. The previous figure of \$1,470 has been updated to \$1,180
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] x 100	30% to 100%	0%	71%	Only one decision was reviewed in 2015. In 2016, two decisions of the seven reviewed were set aside

Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
---------	--------------	----------------	----------------	--------------------

Waste Collection

Satisfaction

Kerbside bin collection requests
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000

10 to 300 requests

88

98

Number of households serviced and requests increased due to introduction of compulsory kerbside services in Venus Bay in 2015/16.

Service standard

Kerbside collection bins missed
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000

1 to 200 bins

5

8

A higher number of missed bins is due in part to the introduction of a new service in Venus Bay and new drivers appointed for pickups

Service cost

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

\$40 to \$150

\$127

\$120

The average cost per bin pickup has decreased due to a 16% increase in the number of bin collections

Service cost

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

\$10 to \$80

\$47

\$46

The average cost per bin pickup has decreased due to a 16% increase in the number of bin collections.

Waste diversion

Kerbside collection waste diverted from landfill
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100

20% to 60%

33%

50%

A kerbside green waste collection service was introduced in 2015/16. This has increased the percentage of waste diverted from landfill

Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
---------	--------------	----------------	----------------	--------------------

Animal Management

Time taken to action animal management requests

[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1 to 10 days	N/A	1	On average the animal requests for dogs and cats are actioned within one day
--	--------------	-----	---	--

Service standard

<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x 100	30% to 90%	64%	59%	There has been a 6% increase in the number of cats and dogs collected and a reduction of 2.5% in the number of cats and dogs reclaimed
---	------------	-----	-----	--

Service cost

<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$10 to \$70	\$64	\$64	No material variations
---	--------------	------	------	------------------------

Health and safety

<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0 to 50 prosecutions	20	23	More reports of animals or people being attacked or bitten during the current period resulted in more prosecutions being undertaken
--	----------------------	----	----	---

N/A - Not Applicable



Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
---------	--------------	-------------	-------------	--------------------

Food Safety

<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1 to 10 days	N/A	4	No material variations
---	--------------	-----	---	------------------------

Service standard

<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	50% to 100%	97%	91%	Council's Environmental Health team was understaffed following the resignation of a full-time Environmental Health Officer in December 2015. A contract Environmental Health Officer was appointed in March 2016 to address the resource deficiency
---	-------------	-----	-----	---

Service cost

<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$300 to \$1,200	\$551	\$519	An increase in the number of registered premises for the 2015/16 financial year resulted in a decrease in the cost of the food safety service
--	------------------	-------	-------	---

Health and safety

Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	60% to 100%	94%	95%	No material variations
--	-------------	-----	-----	------------------------

N/A - Not Applicable

STRATEGIC OBJECTIVE 2

CLOSELY CONNECTED COMMUNITIES

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

Council Plan Indicator	Action/Target	Comment
Council supported Community Direction Statement priority projects identified and reported to Council for consideration Sustainable Communities	Council supported priority projects from Community Directions Statements to be funded in the following financial year, identified and funded by 30 June annually	Target Achieved Nine priority projects spread across eight communities funded in the 2016/17 Annual Budget as part of the Community Directions Statements
Development activities for volunteers provided Sustainable Communities	A program of activities developed and implemented annually	Target Achieved Sixteen activities held with more than 80 participants: <ul style="list-style-type: none"> • Two, two-day Social Impact Training sessions – March and May 2016. • Turf Management training for recreation reserve committees – November 2015. • Four individual Older Driver Training sessions which included volunteers involved in Meals on Wheels, Community Transport, and L2P program. • Conflict Resolution Training for Community Groups provided in February 2016. • Eight workshops provided as part of the Community Engagement Conference – 25 June 2016.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015/16 Budget for the year:

No.	Major Initiatives	Action/Target	Progress
2.1	Implement the revised Aquatic Strategy 2015-2020, incorporating community engagement, participation and consideration of community ownership models/options.	The net cost of Indoor Aquatic facilities as measured through the Local Government Performance Reporting Framework.	Target Achieved Net cost of indoor aquatic facilities at year end \$428,776.
	Sustainable Communities	The net cost of Outdoor Aquatic Facilities as measured through the Local Government Performance Reporting Framework.	Target Achieved Net cost of outdoor aquatic facilities at year end \$423,106.
		Target: Outcomes of the Strategy implementation reported in the Quarterly Performance Report.	Target Achieved Progress reported in Council's Quarterly Performance Reports. Two briefings provided to Council on 1 June and 15 June 2016.



Initiatives

The following statement reviews the progress of Council in relation to the initiatives identified in the 2015/16 Budget for the year:

No.	Initiative	Action/Target	Progress
2.2	The Shire has been given the honour of hosting the Deadly in Gippsland cultural event that will be held in late 2015. This significant major Indigenous gathering aims to strengthen a shared appreciation and understanding of the Indigenous culture.	One hundred and fifty participants involved in the event	Target Achieved Total of 253 participants over the duration of the conference, with the majority being people who identify as Indigenous.
	Sustainable Communities	Fifteen organisations contributing to the presentation of the conference.	Target Achieved Nineteen organisations directly involved. Extra organisations that directly assisted in the presentation of the Conference included Cricket Victoria, Gippsport, Deadly Sports, Ilbiggerri Aboriginal Theatre, and Surfing Victoria.
2.3	Review of the Arts and Culture Policy in consultation with the Arts and Culture Network.	Revised Policy presented to Council for adoption by 28 February 2016.	Target Not Achieved Final meeting of the Policy Review Working Party held during January and draft Policy finalised. Briefing held in June 2016 and Policy adoption will be presented to Council on 24 August 2016.
	Sustainable Communities		
2.4	Support the local Equestrian community to develop a business case and undertake economic modelling to determine the feasibility of the establishment and ongoing operation of a regional indoor equestrian centre. This project may incorporate assisting the Equestrian community to establish a governing incorporated body to develop, own and manage a facility, if such a facility is deemed economically viable.	The Equestrian Committee supported to develop the business case by 30 June 2016.	Target Achieved Final Draft Economic Impact Study received and will be presented to Council in 2016/17. Review of concept plans complete and governance models identified.
	Sustainable Communities		
2.5	The Skate Park working group consisting of interested young people, Council and interested members will be actively supported to raise funds to assist the grant submission requirements for development of the Leongatha Skate Park.	A minimum of 15 young people directly involved in fund raising activities for the Skate Park.	Target Achieved Over 100 young people attended the formal opening on 15 May 2016, including most of the Leongatha Skate Park Youth Planning Committee.
	Sustainable Communities	Outcomes of fund raising activities reported in the Quarterly Performance Report.	Target Achieved Young people planning a skate event at the Leongatha Skate Park (when weather improves) to raise further funds.

Services Funded

The following statement provides information in relation to the services funded in the 2015/16 Budget and the persons or sections of the business area responsible.

The description of the 'Business' and 'Service Area' reflects the new organisational structure that came into place 1 July 2015. These vary slightly from the Adopted 2015/16 Annual Budget that was adopted by Council on 24 June 2015.

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Corporate and Community Services Management	<p>The Corporate and Community Services Directorate Management is accountable for ensuring that Council's objectives for the Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Community Services; • Finance, Risk & Procurement; and • Innovation & Council Business. <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, coordinate the preparation of the Vision and four year Council Plan for the Shire, plan for long term financial sustainability and implement strategic directions relevant to the Directorate, once set by Council.</p>	<p>\$1,626</p> <hr/> <p>\$1,628</p> <hr/> <p>\$2</p>
Community Services	<p>The Community Services Department provides policy advice and program delivery for the following services:</p> <ul style="list-style-type: none"> • Aged & Disability Services, including Home and Community Care and Disability Service support; • Children and Family Services; including Maternal & Child Health; Immunisation, Pre-school and Playgroup support; • Community Grants and Emergency Management; • Libraries; and • Creates the Municipal Public Health and Wellbeing Plan. <p>Together these teams work towards creating a collaborative, self-supporting community.</p>	<p>\$1,354</p> <hr/> <p>\$1,732</p> <hr/> <p>\$378</p>

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000 (below the line)
Sustainable Communities	<p>The Sustainable Communities Department plans for and delivers a diverse range of integrated community strengthening, facility, land and building management services that include:</p> <ul style="list-style-type: none"> • Sustainability services including Waste Management and Biodiversity; • Property services including leases, land sales/purchases and property oversight; • Community Strengthening services including Community, Recreation/Aquatic Facilities, Arts and Culture, Youth, Volunteers, Event Management, Section 86 Committees and Access and Inclusion planning and support; and • Building Management services including building maintenance. <p>Together these teams connect and support community groups, volunteers, committees and other Council Departments to provide services beyond those that Council, by itself, can provide.</p> <p>The team also supports practices by Council and the community to live and operate in a sustainable manner thereby protecting our environment for current and future generations. (Refer Outcome 3 - Integrated Services & Infrastructure)</p>	\$7,223 \$6,813 <hr/> (\$410)
Media & Communications	<p>The Media and Communications Unit plays a pivotal role in raising community awareness of Council services and strategic directions. It provides the interface between Council, Council Departments and the community through media management, published materials, social media and website management. It also develops the advocacy materials that Council uses to lobby on behalf of the community.</p>	\$337 \$261 <hr/> (\$76)

Total
Expenditure
\$10,540K

Total
Revenue
\$10,434K

Net
Cost
(\$106K)

Services Performance Indicators

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

Local Government Service Performance Reporting Indicators				
Service	Normal Range	Result 2015	Result 2016	Material Variation
Libraries				
Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	1 to 9 items	5	5	No material variations
Resource standard				
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	40% to 90%	53%	61%	Increase due to the growth of the library collection, particularly the availability of electronic resources
Service cost				
Cost of library service [Direct cost of the library service / Number of visits]	\$3 to \$15	\$9	\$10	Higher maintenance and leasing costs for libraries
Participation				
Active library members [Number of active library members / Municipal population] x 100	10% to 40%	25%	23%	Measures those who borrow physical books and some e-resources, but not all. If the library card is not activated then a person's activity at the library is not recorded. A growing trend by members to access e-resources is impacting on comparative data



Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
---------	--------------	-------------	-------------	--------------------

Aquatic Facilities

Service standard

Health inspections of aquatic facilities

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

1 to 4 inspections

0

1

Regular monitoring is undertaken by the pool contractors. This year one sample was taken from each pool

Health and Safety

Reportable safety incidents at aquatic facilities

[Number of WorkSafe reportable aquatic facility safety incidents]

0 to 20 incidents

0

2

In 2014/15 there were no reportable incidents. In 2015/16, there were two reportable incidents occurred in two of the outdoor pools

Service cost

Cost of indoor aquatic facilities

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

-\$3 to \$10

\$4

\$4

No material variations

Service Cost

Cost of outdoor aquatic facilities

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

\$3 to \$20

\$8

\$7

Decrease in cost per user directly related to the warmer weather that increased attendance to outdoor pools

Utilisation

Utilisation of aquatic facilities

[Number of visits to aquatic facilities / Municipal population]

1 to 10 visits

6

6

The number of visits to aquatic facilities increased by 6.5%, due to the warmer weather season

Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
Home and Community Care (HACC)				
No material variations				
* The time taken to commence the HACC service was incorrectly reported in 2014/15. The previous figure of 0.04 days has been updated to 13 days				
Timeliness				
<i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	1 to 30 days	13*	14	
Service standard				
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x 100	60% to 100%	94%	94%	No material variations
Service cost				
<i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service provided]	\$40 to \$60	\$53	\$52	No material variations
Service cost				
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service provided]	\$40 to \$60	\$50	\$53	Salaries increased in accordance with Enterprise Agreement by 4% and travel increased by 20%
Service cost				
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service provided]	\$40 to \$60	\$53	\$54	No material variations
Participation				
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x 100	10% to 50%	26%	26%	No material variations
Participation				
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	10% to 40%	23%	22%	The small decrease of CALD people is due to the increase of aged care packages made available

Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
Maternal and Child Health				
Satisfaction				
Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x 100	90% to 110%	104%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
Service standard				
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	90% to 110%	101%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
Service cost				
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$50 to \$200	\$64*	\$64	No material variations * The cost of the Maternal and Child Health service was incorrectly reported in 2014/15. The previous figure of \$50.63 has been updated to \$64
Participation				
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	70% to 100%	79%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	60% to 100%	76%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
N/A - Not Applicable				

STRATEGIC OBJECTIVE 3

INTEGRATED SERVICES & INFRASTRUCTURE

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

Council Plan Indicator	Action/Target	Comment
<p>Number of grants submitted to State and Federal programs for funding and number of grants announced for South Gippsland Shire projects</p> <p>Community Services</p>	<p>Aim for 30% of applications submitted to be funded</p>	<p>Target Achieved</p> <p>There have been 18 applications received for this financial year. Of these applications the following has resulted:</p> <ul style="list-style-type: none"> • Successful = 8 (44%) • Unsuccessful = 6 (33%) • Pending = 4 (23%)
<p>Sustainability activities for various sectors provided, in partnership with others where possible</p> <p>Sustainable Communities</p>	<p>A program of activities developed and implemented annually</p>	<p>Target Achieved</p> <ul style="list-style-type: none"> • Successfully held the annual Sustainability Festival at Coal Creek in partnership with Bass Coast Shire Council with approximately 2,500 in attendance. • Implemented Kindergarten Talks initiative to educate kids on waste and environmental issues. • Kindergarten sessions held in Welshpool, Toora, and Mirboo North with a focus on worm composting and integration of awareness of the South Gippsland Giant Earthworm. • Community Talks Climate sessions held in May and June 2016 in partnership with Grow Lightly by the Sustainability Network. • Partnered with DELWP, Gippsland Unwrapped and Grow Lightly to deliver education session to a Gippsland Broadening Horizons Group. • New initiative commenced with South Gippsland Water to improve awareness of wet wipes not being degradable through information notices in public toilets and through the Maternal Health & Child program. • Small funding agreement secured from Sustainability Victoria for the delivery of Love Food, Hate Waste information to school holiday group in partnership with Manna Gum Community House. • Led engagement of school community around sustainability issues.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015/16 Budget for the year:

No.	Major Initiatives	Action/Target	Progress
3.1	The Federal Government has doubled the allocation for the Roads to Recovery Program for the 2015/16 year. This funding will predominantly be directed toward two major projects including the sealing of North Poowong Road in Poowong and the reconstruction of Station Street in front of Burra Foods in Korumburra.	The total grant of \$3,344,816 will be expended by 30 June 2016.	<p>Target Achieved</p> <ul style="list-style-type: none"> • Grand Ridge Road, Trida complete. • Carmodys Road, Leongatha Stage 1 and Stage 2 complete. • Station Street Korumburra complete. • North Poowong Road Construction deferred due to Giant Earth Worms and native vegetation.
	Engineering & Assets		
3.2	The Korumburra Community Children's Centre will commence construction subject to securing the required funding.	Construction commenced this financial year.	<p>Target Achieved</p> <p>Construction works progressing well and currently under budget. At 30 June 2016, building was at lock up stage.</p>
	Engineering & Assets		



Initiatives

The following statement reviews the progress of Council in relation to the initiatives identified in the 2015/16 Budget for the year:

No.	Initiative	Action/Target	Progress
3.3	<p>The Land Realisation Project will be further progressed with a focus on rationalising surplus assets.</p> <p>Sustainable Communities</p>	<p>Surplus land assets that may be rationalised are to be identified and presented to Council for adoption by 30 June 2016.</p>	<p>Target Achieved</p> <p>2015/16 Land Sales Program</p> <ul style="list-style-type: none"> • <i>Special Committee of Council held on 9 February 2016 to hear, consider and determine submissions received for the proposed 23 land sales, with a further public report tabled at the 24 February 2016 Council Meeting.</i> <p>2016/17 Land Sales Program</p> <ul style="list-style-type: none"> • <i>Planning the 2016/17 Land Sales Program with proposed program tabled at the 25 May 2016 Council Meeting. Next report is anticipated to be presented to August Council Meeting.</i>
3.4	<p>The Annual Capital Works program will be delivered.</p> <p>Engineering & Assets</p>	<p>80% of the Capital Works Civil Program expended in accordance with approved Council decisions by 30 June 2016.</p>	<p>Target Achieved</p> <p>92% of the Capital Works Program budget expended in accordance with approved Council decisions.</p> <hr/> <p>Target Achieved</p> <p>Progress updates to be provided in the Quarterly Performance Report.</p> <p>Progress reported in all Quarterly reports with full details provided in the appendices titled "Capital Works Traffic Light Report."</p>
3.5	<p>A definitive plan for Coal Creek is to be finalised and implementation commenced. The plan outcomes will focus on reducing the net cost to Council and establish a business model to achieve this outcome.</p> <p>Economic Development, Tourism & Customer Service</p>	<p>Progress and outcomes arising from the implementation of the Business Plan will be reported in the Quarterly Performance Report.</p>	<p>Target Achieved</p> <p>First tranche of cost saving initiatives endorsed by Council in August 2015 have largely been implemented with some work continuing:</p> <ul style="list-style-type: none"> • Tender process for Pig & Whistle Café complete and café closed. • Education program adjustments implemented. • Staffing efficiencies to be considered following the conclusion of the Visitor Information Services review.
3.6	<p>Master Plans for the Long Jetty Foreshore Caravan Park and Yanakie Caravan Park completed and a program of works prepared.</p> <p>Economic Development, Tourism & Customer Service</p>	<p>Master Plans completed and adopted by Council by 30 June 2016.</p>	<p>Target Not Achieved</p> <p>Draft Master Plan development well advanced however, this has been put on hold pending conclusion of caravan park legal matters.</p> <hr/> <p>Implementation works to be referred to the 2016/17 Budget for funding consideration.</p> <p>Target Not Achieved</p> <p>Deferred to 2016/17</p>

No.	Initiative	Action/Target	Progress
3.7	A strategic plan for transition of direct management of Waratah Bay Caravan Park is to be developed. <i>Sustainable Communities</i>	Plan developed and adopted by Council by 30 June 2016.	Target Not Achieved Draft Consultant's report presented at a Confidential Council Briefing held 2 March 2016. Final Draft report scheduled to be presented at the December 2016 Council Meeting.
3.8	Installation of a new shelter at Mossvale Park with information boards and seating to accommodate increased usage of the reserve. <i>Operations</i>	Infrastructure constructed by 30 June 2016.	Target Achieved Shelter constructed at Mossvale Park and seating installed. The signage will be installed once the Mossvale Park Committee have finalised the design.
3.9	Arboriculture works at Mossvale Park and Korumburra Botanic Park will protect the significant trees within these two parks. <i>Operations</i>	Completion of Management Plan detailing recommendations and works programmed by 30 June 2016.	Target Achieved Tree uplifts and safety works undertaken.
3.10	The Leongatha Tree Replacement Program will commence in 2015/16 to remove and replace inappropriate tree species that are causing damage to infrastructure and require regular pruning from power lines. <i>Operations</i>	Inappropriate trees removed from Turner Street and Peart Street Leongatha and replaced with appropriate species by 30 June 2016.	Target Achieved Trees removed and replaced as per program.
3.11	Maintenance works for the Venus Bay / Tarwin Lower bike path are aimed at improving the access to various facilities through the use of this pathway. <i>Operations</i>	3.2 kilometres of bike path maintained	Target Achieved Asset inspected as part of the Footpath Maintenance Program and defects identified are carried out as part of the Zone Maintenance Program. Grass mowing is included in the Parks and Gardens mowing rounds. Path maintenance and grass mowing undertaken in readiness for the Easter season and Tour De Tarwin.
3.12	Municipal Early Years Plan reviewed, revised and presented to Council for adoption to guide the future delivery of children's services within the Shire. <i>Community Services</i>	The plan will be prepared and adopted by Council by 30 June 2016.	Target Achieved Following consultation with key stakeholders through a survey, workshops and interviews, the plan 'Children and Families – A Plan for the Future in South Gippsland 2016 – 2021' was adopted by Council on 22 June 2016.

Services Funded

The following statement provides information in relation to the services funded in the 2015/16 Budget and the persons or sections of the business area responsible.

The description of the 'Business' and 'Service Area' reflects the new organisational structure that came into place 1 July 2015. These vary slightly from the Adopted 2015/16 Annual Budget that was adopted by Council on 24 June 2015.

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000 Variance \$000
Sustainable Communities and Infrastructure Management	<p>The Sustainable Communities and Infrastructure Directorate is accountable for ensuring that Council's objectives for the Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Engineering and Assets; • Sustainable Communities; and • Operations. <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, prepare and deliver the Capital Works Program and Asset Management Plan and work with the community to integrate community needs into Council's plans.</p>	\$308
		\$314
		\$6
Engineering and Assets	<p>The Engineering and Assets Department prepares and delivers asset plans and project delivery services:</p> <ul style="list-style-type: none"> • Project Coordination includes capital works planning, administration, project management and delivery of Council's long term and annual Capital Works Program; • Asset Management includes planning Council's infrastructure networks in order to meet current and future needs of the community and to integrate with State networks; and • Assets Management Systems includes collection, analysis and management of infrastructure related data to effectively manage Council's infrastructure assets. <p>The team works together to clearly define Council requirements for the design and development of infrastructure that is, or will become, a civil Council asset. The team also standardises development submissions thereby expediting Council's engineering approvals for civil assets and ensuring specified design criteria are met for the design and construction of civil infrastructure.</p>	\$2,732
		\$3,118
		\$386

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Operations	<p>The Operations Department implements Council's asset management plans and improve the appearance and amenity of townships, rural areas, streetscapes and parkland through the following services:</p> <ul style="list-style-type: none"> • Sealed Roads Planning including drainage operations, maintenance and construction of internal capital works; • Unsealed Roads Planning including drainage operations, maintenance and construction of internal capital works; • Parks and Gardens including planning operations, maintenance and construction; and • Fleet and Plant including proactive purchasing to minimise Council's vehicle emissions. <p>Together these teams work towards providing a healthy and safe community at realistic and affordable service standards and efficient management of assets and resources.</p>	<p>\$19,738</p> <p>\$17,868</p> <hr/> <p>(\$1,870)</p>



Services Performance Indicators

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

Local Government Service Performance Reporting Indicators				
Service	Normal Range	Result 2015	Result 2016	Material Variation
Roads				
Satisfaction of use				
Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100	10 to 120 requests	20	20	No material variations.
Condition				
Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	80% to 100%	99%	99%	No material variations.
Service cost				
Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$20 to \$200	\$45	\$54	More urban roads were rehabilitated during 2015/16 resulting in higher costs due to kerb and channel, drainage and footpaths being included and some significant subgrade issues.
Service cost				
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4 to \$30	\$5	\$5	No material variations.
Satisfaction				
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	50 to 100	27	30	More roads have been rehabilitated and/or resealed.

STRATEGIC OBJECTIVE 4

A LEADING ORGANISATION

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

Council Plan Indicator	Action/Target	Comment
<p>Policy portfolios and/or specific project groups developed and implemented.</p> <p>Executive Office and Corporate & Community Services</p>	<p>Portfolio or project scope and committee structure endorsed by Council prior to establishment</p>	<p>Target Achieved</p> <p>Korumburra Roundtable is the only portfolio group that remains operational. This Committee was established by Council in 2013. The group provided a progress report to Council in February 2016. This resulted in a Council motion to continue to provide the Committee with support until the end of 2016. Council will then assist Korumburra Roundtable to transition to a community driven group.</p>
<p>An Annual Plan and Annual Budget developed.</p> <p>Finance, Risk & Procurement and Innovation & Council Business</p>	<p>Adopted by Council by 30 June annually</p>	<p>Target Achieved</p> <p>The 2016/17 Annual Budget, incorporating the Annual Plan (refer to Chapter 3) was adopted by Council on 22 June 2016 following formal community consultation.</p>
<p>Council will encourage community members to provide information to Council on matters affecting them.</p> <p>Innovation & Council Business</p>	<p>Public presentation sessions will be available for community members to participate</p>	<p>Target Achieved</p> <p>Public presentation sessions are held on the 3rd and 4th Wednesday of each month. The full year results include:</p> <ul style="list-style-type: none"> • Public Presentations = 98 • Speakers = 107 • Attendees in the gallery = 238
<p>Department Service Summaries, Business Plans and corresponding Budgets will be developed annually.</p> <p>Innovation & Council Business</p>	<p>By 30 June annually</p>	<p>Target Achieved</p> <p>Departmental Business Plans incorporating their Service Summaries and Departmental Business Plans have been developed for 2016/17. These incorporate the initiatives adopted in the 2016/17 Annual Budget.</p>
<p>Community Satisfaction Survey results published annually.</p> <p>Innovation & Council Business</p>	<p>By 30 June annually</p>	<p>Target Achieved</p> <p>The results of this survey were presented to Council on 22 June 2016. These results were published in an open report to Council.</p>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2015/16 Budget for the year:

No.	Major Initiatives	Action/Target	Progress
4.1	<p>The State Government is introducing Rate Capping in 2016/17. A framework for maintaining a sustainable rate management strategy that brings the General Rate in line with the new government policy is to be established and implemented to prepare for this impact on future budgets. The framework will pursue ongoing productivity savings, reviews and reductions of service levels, investigation of shared Council or community based service models and diversification of income. It will utilise an understanding of the State Government's Rate Capping Policy as a guide.</p> <p>Finance, Risk & Procurement</p> <p>Finance, Risk & Procurement</p>	<p>Respond proactively to establish the 2016/17 Budget in line with the State Government Rate Capping Policy.</p>	<p>Target Achieved</p> <p>Long Term Financial Strategies adopted by Council in December 2015.</p> <p>The 2016/17 Annual Budget incorporating a 15 year Long Term Financial Plan was adopted by Council in June 2016. This takes into consideration the 2.5% rate cap as announced by the Minister for Local Government in December 2015.</p> <p>The adopted 2016/17 Annual Budget/Long Term Financial Plan is financially sustainable.</p>

Initiatives

The following statement reviews the progress of Council in relation to the initiatives identified in the 2015/16 Budget for the year:

No.	Initiative	Action/Target	Progress
4.2	Improve the ease of access for customers for making payments through the introduction of a nine monthly instalments option for rate payments for 2015/16.	New payment option introduced for the 2015/16 rates collection.	Target Achieved Of the total number of ratepayers, 2,300 (12%) have elected to pay rates on the new nine monthly instalment option.

Finance, Risk & Procurement

4.3	Investigate and implement technology improvements that increase mobile computing (GPS Tracking), improve information exchange through electronic based services and/or increase productivity savings.	75% of the IT Capital Works Program expended in accordance with approved Council decisions by 30 June 2016.	Target Not Achieved 52% of capital works budget expended with 75% of IT Capital projects on track or complete. These included: <ul style="list-style-type: none"> • Unified Communications project successful tender and project initiation; • IntraMaps (Geographic Information System) project complete; • Child Development Information System (CDIS) project complete; • Conquest (Asset Management System) upgrade complete; • Major upgrade to the Virtual Management software complete; • GPS tracking in plant and vehicles complete; • Aerial photography refresh complete; • Major upgrade to audio visual facilities in Meeting Room 1 and Backstage Meeting Room complete. • Pathway (Property Management System) upgrade complete. The proposed TRIM upgrade (Council's document management system) was deferred as the new version was not able to integrate with Council's Asset Management system. This project will be reviewed in 2016/17.
-----	---	---	---

Innovation & Council Business

No.	Initiative	Action/Target	Progress
4.4	Community engagement activities planned and implemented that will inform the 2016/17 Annual Budget and commence to inform the 2017-2021 Council Plan, including further development of online engagement to increase community participation.	Community on-line and workshop engagement activities held to inform Council's draft budget considerations.	<p>Target Achieved</p> <p>The community engagement activities to inform the 2016/17 Budget and Annual Plan Initiatives included an on-line forum in September 2015, a community workshop in October 2015 and public presentations to Council by individuals and groups.</p> <p>A formal community engagement activity through the s223 process was undertaken following the endorsement of the Proposed 2016/17 Annual Budget in March 2016. A Hearing of Submissions was held then considered and determined at a Special Council Meeting on 1 June 2016.</p> <p>The output from these and other community engagement activities carried out across the organisation will inform the development of the 2017-2021 Council Plan.</p>
	Innovation & Council Business		

Services Funded

The following statement provides information in relation to the services funded in the 2015/16 Budget and the persons or sections of the business area responsible.

The description of the 'Business' and 'Service Area' reflects the new organisational structure that came into place 1 July 2015. These vary slightly from the Adopted 2015/16 Annual Budget that was adopted by Council on 24 June 2015.

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Executive Office/ Management	<p>The Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.</p> <p>The Executive Office is accountable for ensuring that Council's objectives for the Council Plan are achieved through the allocation of appropriate resources, the provision of strategic policy and legal advice to Council and the establishment of good governance practices to guide the management of the organisation.</p>	\$762 \$806 <hr/> \$44
Finance, Risk and Procurement	<p>The Finance, Risk and Procurement Department delivers financial planning, budget management oversight, risk management coordination and procurement coordination for the organisation. The Department comprises:</p> <ul style="list-style-type: none"> • Accounting includes strategic financial advice, accounting systems and services, management accounting support and financial reporting; • Rates and Valuations includes property valuations for rating purposes and administration of rate collection; and • Risk and Procurement includes contract and quotation management, shared risk management services delivery with Baw Baw Shire Council, risk and insurance management, internal audit and regulatory compliance. <p>Together the teams improve the financial sustainability of Council by pursuing continuous improvement in processes and procedures, pro-actively managing risks, sustainably managing finances and gaining efficiencies through procurements.</p>	\$2,473 \$1,991 <hr/> (\$482)

Business Area	Description of Services provided	Net Cost \$000
		Actual Budget \$000
		Variance \$000
Innovation and Council Business	<p>The Innovation and Council Business Department leads organisation-wide planning and implementation of good governance, innovation, technology and corporate information management practices. The Department comprises:</p> <ul style="list-style-type: none"> • Corporate Planning and Council Business including policy development and review, Council elections, Council meeting, briefings and public presentation coordination, corporate planning and reporting and community engagement to inform the Council Plan and annual initiatives for the Budget; • Innovation including Information Technology strategy, policy and planning, project development and delivery, systems management and on-going management of hardware and software; and • Corporate Information Management including strategy, policies, systems' coordination and operational support to capture, manage and archive corporate records; Freedom of Information and Privacy. 	\$3,179 <u>\$3,434</u> \$255

People and Culture	<p>The People and Culture Unit ensures our people are developed and supported so they have the opportunity to deliver services to the best of their ability for the benefit of the community.</p> <p>The team's contribution to employee and organisation success is achieved through business partnerships with Directorates using people and culture processes and systems; developing employee work environment, mindset and culture; providing people and culture expertise in role, work design, staffing, professional development, performance, remuneration, recognition, OHS, return to work, and wellbeing.</p>	\$1,152 <u>\$1,311</u> \$159
--------------------	---	------------------------------------

Total
Net Cost
\$7,566K

Total
Actual Budget
\$7,542K

Total
Variance
(\$24K)

Services Performance Indicators

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

Local Government Service Performance Reporting Indicators				
Service	Normal Range	Result 2015	Result 2016	Material Variation
Governance				
Transparency				
<p><i>Council decisions made at meetings closed to the public</i></p> <p>[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] x 100.</p>	0% to 30%	11%*	15%	<p>Council held a number of Special Meetings for Landsales submissions in 2015/16. These were in addition to personnel matters and contract reports regularly considered in closed session, resulting in the higher variation.</p> <p>* The number of procedural reports was incorrectly reported in 2014/15. The previous figure of 16.15% has been updated to 11%.</p>
Consultation and engagement				
<p><i>Satisfaction with community consultation and engagement</i></p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	40 to 70	49	47	No material variations
Attendance				
<p><i>Councillor attendance at Council meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x 100.</p>	80% to 100%	93%	90%	No material variations

Local Government Service Performance Reporting Indicators

Service	Normal Range	Result 2015	Result 2016	Material Variation
Service cost				
<i>Cost of governance</i>				No material variations
[Direct cost of the governance service/ Number of Councillors elected at the last Council general election] .	\$30,000 to \$80,000	\$44,826*	\$44,061	* The cost of Governance was incorrectly reported in 2014/15. The previous figure of \$46,584 has been updated to \$44,826
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].	40 to 70	44	47	While Council's results remain lower than the State average, a 3 point increase in satisfaction levels compared to 2014/15, indicates that actions taken to involve the community in informing decision making through public participation sessions and better communication of Council decisions through social and print media, are improving the community's perception of decisions made by Council.



SECTION

3

Governance

COUNCIL'S GOVERNANCE

South Gippsland Shire Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- responsibly taking into account the diverse needs of the local community in decision making;
- providing leadership by establishing the policy direction of Council, setting strategic objectives to be achieved and monitoring progress;
- achieving good governance through delegations of authority and establishing frameworks for the management of advisory portfolio committees and formally appointed Section 86 Committees of Council;
- advocating the interests of local communities to other communities and governments, including external funding to supplement Council and Community funded projects;
- ensuring resources are managed in a responsible, accountable and sustainable manner; and
- fostering community cohesion and encouraging active participation and engagement in civic life and decision making.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring the Council and its administration meets the community's priorities. The community has many opportunities to provide input into Council decision making processes including community consultation and engagement activities, public presentations to Council, community workshops/forums and the ability to make formal submissions to major

strategic documents. Community members and groups are also able to speak directly to Councillors, submit petitions and ask questions in public question time at Council Meetings.

Council's formal decision making processes are conducted through Ordinary and Special meetings of Council. Council delegates the majority of its decision making to Council staff. Council has also delegated decision making for specific facilities/reserves through Section 86 Committees.

Council Meetings are held on the fourth Wednesday of each month and are open to the public.

Public presentation sessions are held on the third Wednesday to allow Councillors fair consideration of the issues before the next meeting. Public presentation sessions are also available on the fourth Wednesday of the month. Meeting dates may change if the meeting falls on a public holiday. All meetings are advertised each week in local newspapers under Council Noticeboard and on the Council's website.

Code of Conduct

Improved governance was the focus of the State Government's 2015 amendments to the Local Government Act 1989. Under the Act, Council was required to review and amend its Councillor Code of Conduct policy by 30 June 2016.

At a Special Meeting of Council held on 25 May 2016, the revised and amended Councillor Code of Conduct policy was adopted by Council and signed by all Councillors

This policy is designed to:

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

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

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

Two Councillor Conduct Panels were requested by Councillors in 2015; with both Panel hearings being held in January 2016. A report on the findings and recommendations of the first Councillor Conduct Panel was presented to the 27 April 2016 Council Meeting and the second at the 22 June 2016 Council Meeting. Both Councillor Conduct Panel Reports were provided to the Minister of Local Government.

Conflict of Interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to put aside personal interests to make decisions in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

A register is maintained to record all disclosed conflict of interests for Councillors and staff. The following table provides a summary of the conflict of interest disclosures made by Councillors' during 2015/16.

Conflict of Interest	Number of Declarations
Indirect Interest	27
Direct Interest	5
Total	32

Council Meetings

Council aims to ensure its decision making is informed; having considered the legislative requirements it must meet and the diverse needs and opinions of the community. Assemblies of Councillors are held in open and closed briefing sessions to provide the background information Councillors require to consider matters being brought before Council. The topics covered and Councillors attending these sessions are reported in the Ordinary meetings to provide transparency.

Public participation sessions are Assemblies of Councillors that provide an opportunity for community members to present issues of interest to Council. These sessions allow community members affected by potential decisions of Council to present their viewpoint to assist and inform Council's decision making processes. These sessions are held on the third and fourth week of the month, prior to each Ordinary meeting.

Council conducts open public meetings, known as Ordinary meetings on the fourth Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to Council.

In 2015/16, Council held the following meetings:

- 11 Ordinary Council meetings
- 4 Special Council meetings
- 1 Special Committee meeting
- 153 resolutions were determined

Council Attendance at Meetings

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2015/16 financial year:

Councillor	Council Meeting	Special Council Meeting	Total
Cr Lorraine Brunt	11	4	15
Cr Mohya Davies	11	4	15
Cr James Fawcett	11	4	15
Cr Don Hill	11	4	15
Cr Nigel Hutchinson-Brooks	11	3	14
Cr Robert Newton	9	4	13
Cr Andrew McEwen	9	4	13
Cr Kieran Kennedy	8	3	11
Cr Jeanette Harding	8	3	11

Special Committees

The Act allows Council to establish one or more special committees consisting of: Councillors, Council staff, other persons and any combination thereof. Council has established Special Committees of Council to hear formal submissions for various Section 223 public consultations. The following table contains a list of all Special Committees established by Council that are in operation and the purpose for which each was established:

Special Committee	Date	Councillors	Officers	Purpose
Special Committee to hear, consider and determine submissions under Section 223 Local Government Act 1989 – Proposed Land Sales.	9 February 2016	8	4	To consider submissions made under Section 223 of the Act in regards to proposed land sales.

Council has established a number of Section 86 Committees in accordance with Section 86 of the Act. These Committees have limited delegations, including minor financial delegations for site specific facilities/areas of responsibility. The following table contains a list of all Section 86 Committees established by Council that are in operation and the purpose for which each was established:

Section 86 Committee	Councillors	Officers	Other	Purpose
Allambee South Community Hall	-		24	Committee of Management with limited delegation for the purpose of management of the Hall.
Corner Inlet Drainage Area	2 Cr Davies Cr Harding	1	4	Committee of Management with limited delegation for the purpose of management of the Drainage Area.
Dumbalk Hall and Ladies Auxiliary	1 Cr Hutchinson-Brooks		18	Committee of Management with limited delegation for the purpose of management of the Hall.
Foster Showgrounds	1 Cr Davies	1	11	Committee of Management with limited delegation for the purpose of management of the Showgrounds.
Foster Stockyard Gallery	1 Cr Davies	1	9	Committee of Management with limited delegation for the purpose of management of the Building.
Foster War Memorial Arts Centre	1 Cr Davies	1	9	Committee of Management with limited delegation for the purpose of management of the Hall.
John Terrill Memorial Park and Fish Creek Reserve	1 Cr Hutchinson-Brooks	1	13	Committee of Management with limited delegation for the purpose of management of the Park and Reserve.
Korumburra Botanic Park Advisory Committee	-	1	10	Committee of Management with limited delegation for the purpose of management of the Botanic Park.
Korumburra Recreation Reserve	1 Cr Newton		6	Committee of Management with limited delegation for the purpose of management of the Reserve.
Leongatha Court House	1 Cr Hutchinson-Brooks	1	7	Committee of Management with limited delegation for the purpose of management of the Building.

Special Committee	Councillors	Officers	Others	Purpose
Mardan Hall	-	1	5	Committee of Management with limited delegation for the purpose of management of the Hall.
Meeniyar and District Sports Stadium	1 Cr Newton	1	5	Committee of Management with limited delegation for the purpose of management of the Building.
Mirboo North Hall	-	1	5	Committee of Management with limited delegation for the purpose of management of the Hall.
Port Welshpool and District Maritime	-	1	7	Committee of Management with limited delegation for the purpose of management of the Building.
TP Taylor Reserve	2 Cr Davies Cr Harding	1	14	Committee of Management with limited delegation for the purpose of management of the Reserve.
Walter J Tuck Recreation Reserve	1 Cr Hill	1	15	Committee of Management with limited delegation for the purpose of management of the Reserve.

Councillor Allowances & Expenses

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

Each Council must determine the precise annual amount to be paid to the Mayor and Councillors by way of a Council resolution. This must be done by 30 June in the year following a general election. The amount must be within the limits of the Council Category set by the Victorian Government, and will apply and remain in effect from the day of resolution until the time of the next election.

In accordance with Section 75 of the Act, Council is also required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor and adopt and maintain a policy in relation to this. The Councillor Support and Expenditure Policy adopted 25 March 2015, provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to conduct their duties.

The following table contains a summary of the Councillor allowances and expenses for 2015/16:

Councillor Allowance & Expense Report 2015/16							
Councillor	Allowance /Superannuation	Travel & Car Mileage Expenses	Mobile Phone/IPad Support	Conference, Training & Professional Development	Printing/ Sound Recording Transcript	Other	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cr Robert Newton	62,388*	4,296	882	138	48	153	67,905
Cr Jeanette Harding	45,789*	4,484	708	3,212*		109	54,302
Cr Andrew McEwen	26,184	9,021	1,438	1,804	834	235	39,516
Cr Don Hill	26,184	8,340	1,855*	754	1,556	228	38,917
Cr Kennedy	26,184	4,910	1,409	3,497*	48	69	36,117
Cr Mohya Davies	26,184	4,918	1,912	2,104		293	35,411
Cr Lorraine Brunt	26,184	4,599	1,706	1,045	5	56	33,595
Cr Hutchinson-Brooks	26,184	5,204	577	1,003			32,968
Cr James Fawcett	26,184		1,040	138		55	27,417
Total (\$)	291,465	45,772	11,527	13,695	2,491	1,198	366,148

*Cr Harding (Mayor) from July 2015 to 4 November 2015. Allowance includes \$440 Remoteness Allowance.

*Cr Newton (Mayor) from 4 November 2015 to July 2016.

*Cr Hill Mobile/IPad costs include \$645 for phone, fax and modem support service to improve remote connectivity purposes.

*Training & professional development expenses of Cr Kieran Kennedy include \$2,400 for completing a Diploma of Local Government. Cr Harding expenses include interstate travel and accommodation to support her appointment as the Chair of the South Eastern Australian Transport Strategy Inc. (SEATS)

Expense Categories

Training & Professional Development

This category covers registration fees associated with attendance by Councillors generally held within Victoria at one-off or short-term conferences, training and professional development courses held by local government related organisations, professional bodies or institutions. These include accommodation, conference, parking-related expenses and airfares where applicable. Cr Harding has attended interstate events associated with her appointed position on the South East Australian Transport Strategy Inc. (SEATS).

Travel Expenses & Car Mileage

Council's Councillor Support and Expenditure policy and Councillor Vehicle policy provide for the reimbursement of car mileage, depreciation, insurance and/or use of private vehicle while conducting Council business. Councillors' use of private vehicles is at the prescribed rate of reimbursement. Reimbursements also include parking fees and public transport costs.

Councillor Allowances & Superannuation

The Victorian Government sets the upper and lower limits for all allowances paid to Mayors and Councillors. Councils are divided into three categories based on the income and population of each Council. In this instance South Gippsland Shire Council is recognised as a Category 2 Council and allowances are paid at the top level within this category. Allowances are paid in accordance with Section 74 of the Act.

IT & Communication Support

Councillors are supplied with mobile devices, iPad, laptop and 4G Wireless internet service and/or modem support. The cost of providing these services is paid by Council.

Printing, Sound Recording & Transcript Request

Council provides access to fax, photocopying and printing which is made available at Council offices. Printing and audio recording transcription costs have been included in the report from the Quarter ended 30 June 2016.

Councillor Discretionary Grants

Councillors provided discretionary funds to individuals and community groups to undertake smaller activities that do not generally fit within the guidelines for the Community Grants Program. The provision of Discretionary Grants ceased, following changes made in the Act in October 2015. The Discretionary Grants allocated prior to the legislation change by Councillors for 2015/16 are outlined below:

Cr. Davies

Recipient	Purpose of Allocations	Amount
Yanakie Progress Association	To secure stock water for drought affected farmers within the Yanakie District now and into the future.	\$ 1,000
Sandy Point Community Group	To assist in the contribution of repair and maintenance to the public toilet facility at the Sandy Point Foreshore.	\$ 1,000
Port Welshpool Coast Guard	To assist with the purchase of a range of rescue and first aid equipment.	\$ 600
Foster Community House Inc.	To assist in the development of a new website to increase their capacity for social media promotions.	\$ 500
Waratah Beach Life Saving Club	To assist with the costs of purchasing a boat catch divide.	\$ 300
Corner Inlet Boxing Club	To assist with the costs of purchasing safety flooring.	\$ 200
Venus Bay Community Centre	To assist with costs to operate the Venus Bay Free Summer Beach Shuttle Service 27 December – 12 January 2016.	\$ 200
Prom Coast Arts Inc.	To contribute in the making of Ghost Horse Gallery stands for the Horse Arts Anzac Project.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Total		\$4,000

Cr. Harding

Recipient	Purpose of Allocations	Amount
Venus Bay Community Centre	To assist with costs to operate the Venus Bay Free Summer Beach Shuttle Service 27 December – 12 January 2016.	\$ 300
Toora Village Artists Collective Inc.	To assist with marketing material to promote the Toora Village Artists Collective.	\$ 300
Prom Coast Arts Inc.	To contribute in the making of Ghost Horse Gallery stands for the Horse Art Anzac Project.	\$ 300
Toora Primary School	To cover the cost of hiring the Toora Community Hall for a fundraising event for the school.	\$ 220
Fish Creek Primary School Parents and Friends	To assist with costs for the end of year local food celebration.	\$ 200
Tarwin Valley Development Group Inc.	To assist with the costs associated with the launch of the Tarwin Valley Brand to be held 23 October 2015.	\$ 200
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 200
Foster War Memorial Arts Centre	Hall rental for Christmas Carols.	\$ 114
Second Leongatha Scout Group	To assist with costs of sending a group of Scouts and leaders to attend the next Scout Association Jamboree in 2016.	\$ 100
Total		\$1,934

Cr. Kennedy

Recipient	Purpose of Allocations	Amount
Venus Bay Life Saving Club	To assist with costs to purchase a Jet Ski.	\$ 1,000
Tour De Tarwin Inc.	To assist with costs associated to run the Tour De Tarwin 2016 event (10th Anniversary).	\$ 1,000
Tarwin Lower & District Community Health Centre	To assist with the costs of purchasing a new Vaccine Fridge along with a UPS Battery Backup System.	\$ 600
Venus Bay Community Centre	To assist with costs to operate the Venus Bay Free Summer Beach Shuttle Service 27 December – 12 January 2016	\$ 500
Fish Creek Primary School Parents and Friends	To assist with costs for the end of year local food celebration.	\$ 200
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Total		\$3,400

Cr. Brunt

Recipient	Purpose of Allocations	Amount
Poowong Community Consultative Committee	Purchase of a new printer and a toner for the PCCC.	\$ 420
Korumburra & District Agricultural & Pastoral Society	To purchase three x truckloads of sand medium to assist in the Flyball Competitions.	\$ 400
Loch Community Development Association	To assist with meeting short fall costs for the Loch Community Storage Shed project.	\$ 334
Korumburra Community Development & Action Inc.	To assist with the coordination of the Christmas Street Celebrations in Korumburra.	\$ 334
Anglican Parish of Korumburra	To assist with the costs of employing a Youth Leader for their after school youth program.	\$ 333
Meeniyen Progress Association	To assist with the development of a new community website.	\$ 333
Korumburra RSL Sub Branch	To assist with the production costs for a book documenting local World War 1 servicemen who gave the ultimate sacrifice.	\$ 300
Meeniyen Golf Club	To assist with provisions of courtesy bus, face painting, jumping castle, advertising for their New Year's Eve Event.	\$ 250
Nyora Men's Shed Association	To assist with the costs of providing an upgrade to their electrical power supply	\$ 200
Prom Coast Arts Inc.	To contribute in the making of Ghost Horse Gallery Stands for the HorseArtsAnzac Project.	\$ 100
Total		\$3,004

Cr. Newton

Recipient	Purpose of Allocations	Amount
Anglican Parish of Korumburra	To assist with the costs of employing a Youth Leader for their after school youth program.	\$ 334
Loch Community Development Association	To assist with meeting short fall costs for the Loch Community Storage Shed project.	\$ 333
Korumburra Community Development & Action Inc.	To assist with the coordination of the Christmas Street Celebrations in Korumburra.	\$ 333
Meeniyen Progress Association	To assist with the development of a new community website.	\$ 333
Korumburra RSL Sub Branch	To assist with the production costs for a book documenting local World War 1 servicemen who gave the ultimate sacrifice.	\$ 300
Korumburra & District Agricultural & Pastoral Society	To purchase three truckloads of sand medium to assist in the Flyball Competitions.	\$ 300
Korumburra Primary School	To assist with costs to purchase graduation prizes for their grade 6 students	\$ 250
Meeniyen Golf Club	To assist with provisions of courtesy bus, face painting, jumping castle, advertising for their New Year's Eve Event.	\$ 250
Poowong Community Consultative Committee	Purchase of 20 litres of weed master agro weed spray.	\$ 210
Nyora Men's Shed Association	To assist with the costs of providing an upgrade to their electrical power supply.	\$ 200
Prom Coast Arts Inc.	To contribute in the making of Ghost Horse Gallery stands for the Horse Arts Anzac Project.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Total		\$3,043

Cr. McEwen

Recipient	Purpose of Allocations	Amount
Meeniyen Golf Club	To assist with provisions of courtesy bus, face painting, jumping castle, advertising for their New Year's Eve Event.	\$ 500
Tarwin Valley Development Group Inc.	To assist with the costs associated with the launch of the Tarwin Valley Brand held on 23 October 2015.	\$ 466
Meeniyen Progress Association	To assist with the development of a new community website.	\$ 334
Loch Community Development Association	To assist with meeting short fall costs for the Loch Community Storage Shed project.	\$ 333
Anglican Parish of Korumburra	To assist with the costs of employing a Youth Leader for their after school youth program.	\$ 333
Korumburra Community Development & Action Inc.	To assist with the coordination of the Christmas Street Celebrations in Korumburra.	\$ 333
Korumburra RSL Sub Branch	To assist with the production costs for a book documenting local World War 1 servicemen who gave the ultimate sacrifice.	\$ 300
Korumburra & District Agricultural & Pastoral Society	To purchase three truckloads of sand medium to assist in the Flyball Competitions.	\$ 300
Nyora Men's Shed Association	To assist with the costs of providing an upgrade to their electrical power supply	\$ 200
Prom Coast Arts Inc.	To contribute in the making of Ghost Horse Gallery stands for the HorseArtsAnzac Project.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015	\$ 100
Total		\$3,299

Cr. Fawcett

Recipient	Purpose of Allocations	Amount
The Friends of the Mirboo North Swimming Pool	To assist with the costs of a film night to launch the 2015/16 season.	\$ 334
Leongatha Carols in the Dome	To assist with costs of hosting the 2015 Carols in the Dome.	\$ 333
Mirboo North Music Festival	To assist the associated with the Mirboo North Music Festival.	\$ 333
Leongatha and District Historical Society	Sponsorship towards the bi-annual lecture/dinner.	\$ 300
Second Leongatha Scout Group	To assist with costs of sending a group of Scouts and leaders to attend the next Scout Association Jamboree in 2016.	\$ 300
Leongatha Community Garden	To assist with the purchase of sleepers to make raised garden beds and a composting system.	\$ 300
Corner Inlet Boxing Club	To assist with the costs of purchasing safety flooring.	\$ 266
South Coast Athletics	To assist with the costs of purchasing a laptop.	\$ 250
Mirboo North Secondary College	To assist with costs of attending the Banksia Foundation Awards in Sydney.	\$ 240
Sports First Leongatha	To assist in the running of the 'Run Fun in Leongatha' for the Royal Children's Hospital Good Friday Appeal in March 2016.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Leongatha Croquet Club Inc.	To purchase a perpetual trophy for the annual Leongatha vs Korumburra Croquet Challenge.	\$ 60
Total		\$2,916

Cr. Hill

Recipient	Purpose of Allocations	Amount
Tarwin Valley Development Group Inc.	To assist with the costs associated with the launch of the Tarwin Valley Brand held 23 October 2015	\$ 334
The Friends of the Mirboo North Swimming Pool	To assist with the costs of a film night to launch the 2015/16 season.	\$ 333
Leongatha Carols in the Dome	To assist with costs of hosting the 2015 Carols in the Dome.	\$ 333
Mirboo North Music Festival	To assist the associated with the Mirboo North Music Festival.	\$ 333
Leongatha and District Historical Society	Sponsorship towards the bi-annual lecture/dinner.	\$ 300
Second Leongatha Scout Group	To assist with costs of sending a group of Scouts and leaders to attend the next Scout Association Jamboree in 2016.	\$ 300
Leongatha Community Garden	To assist with the purchase of sleepers to make raised garden beds and a composting system.	\$ 300
Corner Inlet Boxing Club	To assist with the costs of purchasing safety flooring.	\$ 266
South Coast Athletics	To assist with the costs of purchasing a laptop.	\$ 250
Mirboo North Secondary College	To assist with costs of attending the Banksia Foundation Awards in Sydney.	\$ 200
Sports First Leongatha	To assist in the running of the 'Run Fun in Leongatha' for the Royal Children's Hospital Good Friday Appeal in March 2016.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Leongatha Croquet Club Inc.	To purchase a perpetual trophy for the annual Leongatha vs Korumburra Croquet Challenge.	\$ 50
Total		\$3,199

Cr. Hutchinson-Brooks

Recipient	Purpose of Allocations	Amount
Mirboo North Music Festival	To assist the associated with the Mirboo North Music Festival.	\$ 334
Leongatha Carols in the Dome	To assist with costs of hosting the 2015 Carols in the Dome.	\$ 334
The Friends of the Mirboo North Swimming Pool	To assist with the costs of a film night to launch the 2015/16 season.	\$ 333
Leongatha and District Historical Society	Sponsorship towards the bi-annual lecture/dinner.	\$ 300
Second Leongatha Scout Group	To assist with costs of sending a group of Scouts and leaders to attend the next Scout Association Jamboree in 2016.	\$ 300
Leongatha Community Garden	To assist with the purchase of sleepers to make raised garden beds and a composting system.	\$ 300
Corner Inlet Boxing Club	To assist with the costs of purchasing safety flooring.	\$ 267
South Coast Athletics	To assist with the costs of purchasing a laptop.	\$ 250
Mirboo North Secondary College	To assist with costs of attending the Banksia Foundation Awards in Sydney.	\$ 200
Sports First Leongatha	To assist in the running of the 'Run Fun in Leongatha' for the Royal Children's Hospital Good Friday Appeal in March 2016.	\$ 100
Cancer Council Victoria - South Gippsland Relay for Life	To assist with hire equipment for Relay for Life - March 2015.	\$ 100
Leongatha Croquet Club Inc.	To purchase a perpetual trophy for the annual Leongatha vs Korumburra Croquet Challenge.	\$ 60
Total		\$2,878

Mayoral

Recipient	Purpose of Allocations	Amount
Korumburra Community Development & Action Inc.	To assist with the coordination of the Christmas Street Celebrations in Korumburra.	\$ 500
Sandy Point Community Group	To assist in the contribution of repair and maintenance to the public toilet facility at the Sandy Point Foreshore.	\$ 300
Leongatha Community Garden	To assist with the purchase of sleepers to make raised garden beds and a composting system.	\$ 200
Total	\$1,000	\$1,000

MANAGEMENT FRAMEWORK & AUDITING

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having a strong governance and management framework supports better decision making by Council. The Act requires Council to undertake an assessment of its governance against the prescribed Governance and Management Checklist and include this in its Annual Report. The following items have been highlighted as important components of the management framework.

Audit Committee

The Audit Committee is an independent advisory committee of Council established under Section 139 of the Act. The role of the Audit Committee is to oversee and monitor Council's effectiveness in carrying out its responsibilities for accountable financial management, corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

The Audit Committee consists of three independent members, Dr Irene Irvine (Chair), Dr Craig Nisbet, and Dr John (AJ) Purcell, and two Councillors, who from the 30 November 2015 meeting were Cr Newton (Mayor) and Cr Brunt. Independent members are appointed for a three year term, with a maximum of two terms. The chair is elected from amongst the independent members.

The Audit Committee met four times in 2015/16. The Internal Auditor (HLB Mann Judd), Chief Executive Officer and Director Corporate & Community Services

attended all Audit Committee meetings. Other management representatives attended as required to present reports. The external auditors attended the September 2015, March 2016 and June 2016 meetings to present the audit plan and independent audit report.

Attendance:

Member	Meetings Attended
Independent Members	
Dr Irene Irvine (Chair)	4
Dr Craig Nisbet	4
Dr John (AJ) Purcell	3
Council Members	
Director Corporate & Community Services	4
Cr Davies (as a member, substitute, observer or acting Mayor)	3
Chief Executive Officer	3
Coordinator Risk & Procurement	3
Cr Newton (Mayor from November 2015)	2
Cr Brunt	2
Cr Harding (Mayor until November 2015)	0
Internal Auditor (HLB Mann Judd)	4
External Auditors	3

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to HLB Mann Judd, which was appointed, following a public tender in June 2011, for an initial term of three years which concluded in 30 June 2014. Council subsequently exercised its two, one year extension options; the second extension expired on 30 June 2016.

An internal auditor will be appointed for a three year term with a three year extension option from 1 July 2016 following a public tender process.

A risk based Internal Audit Program (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The IAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the IAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible Director for each area reviewed attends the Audit Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked in Council's Internal Audit Action Plan. Managers provide six-monthly status updates that are reported to Council's Strategic Risk Committee and Audit Committee.

The IAP for 2015/16 was completed with the following reviews conducted:

- Credit Cards and Gift Register;
- Council Governance;
- Payroll and WorkCover.

External Audit

Council is externally audited by the Victorian Auditor-General Office (VAGO). For the 2015/16 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attended the September 2015, March and June 2016 Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

RISK MANAGEMENT

In May 2012, Council adopted the Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines.

The Risk Management Framework and Policy addresses items such as:

- risk management culture;
- communication and training;
- best practice in risk management;
- responsibilities of and to internal and external stakeholders;
- risk registers;
- Business Continuity Plan review; and
- Council planning cycle, budget cycle and annual audit cycle.

Council's risk management objectives are to:

- Integrate risk management practices into all of Council's work practices.
- Promote and support best practice risk management throughout Council.
- Equip staff and management with the knowledge and ability to identify, analyse and prioritise areas of risk to Council.
- Implement effective processes to reduce and/or eliminate high-level risk.
- Continuously improve risk assessment, monitoring and reporting standards.
- Allow for the effective allocation and use of resources.
- Provide a basis for higher standards of accountability through the creation of effective performance objectives and measurement of performance against these objectives
- Manage appropriate cover and minimise costs associated with insurance and litigation.



OCCUPATIONAL HEALTH & SAFETY (OH&S)

Council has maintained its emphasis on ensuring the health, safety and wellbeing of all employees, contractors, volunteers and other people who may be affected by its operations. This is being achieved through:

- proactive identification and management of health and safety risks.
- developing the health and safety knowledge and capability of all people.
- strengthening the health and safety resilience of all people.

Specific initiatives completed over the past 12 months include:

- Review of Council's safety culture enabling global benchmarking.
- Mobile incident reporting app for outdoor workers.
- Review and improvement of all work safety processes.

Council has a pro-active Occupational Health and Safety Committee that considers ways of minimising injuries and accidents, monitors trends and advises improvements to policies pertaining to health and safety.

Number of reported hazards/ incidents & injuries year-on-year

By providing more emphasis on awareness and focus on OH&S, incidents and hazards have decreased over the past few years, while the number of injuries has remained relatively steady.

	Incidents & Hazards	Injuries
2015/16	126	62
2014/15	140	70
2013/14	204	57

Number of reported incidents, hazards and injuries.

WorkCover hours paid (lost time in hours)

Proactive measures are being used to gauge involvement in activities which have direct and indirect impact on workplace and personal safety. Workplace inspections are performed by Managers and Health and Safety representatives to identify potential hazards, from which actions are created and tracked to ensure that the hazard is eliminated or minimised.

	Workplace Inspections Completed	Remedial Actions Completed
2015/16	53	51*
2014/15	46	Not Measured

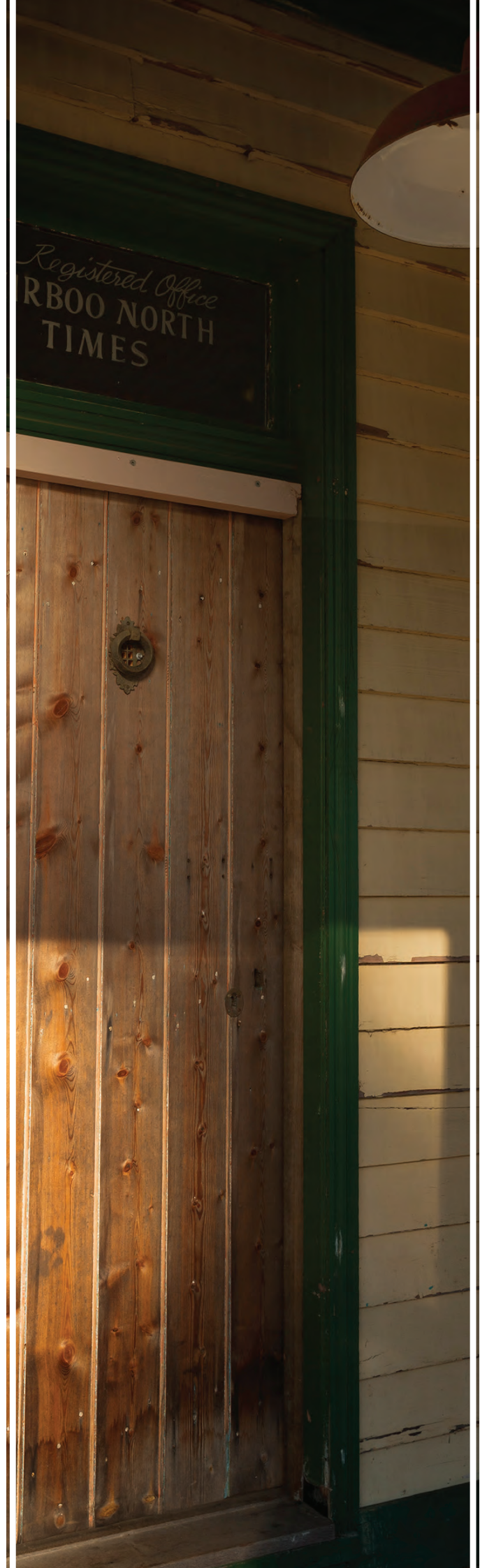
**Measures from March 2016*

Health and Wellbeing

Council maintains a workplace that supports healthy lifestyles and encourages workforce participation in programs that are designed to improve their overall health and wellbeing.

Corporate Social Responsibility

Council also supports local not for profit organisations through a staff donations program.



STATUTORY INFORMATION

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

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of Section 222 of the Act at 9 Smith Street, Leongatha, Victoria:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months.
- The agendas for, and minutes of ordinary and special meetings held in the previous 12 months which are kept under Section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- The minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Act
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under Section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

In accordance with Section 208B(F) of the Act, Council is required to report annually to its community on its initiatives carried out in relation to the Best Value Principles.

South Gippsland Shire Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation.

The following Best Value initiatives were undertaken during 2015/16:

- Organisational restructure review was implemented from 1 July 2015. This resulted in reduced senior management and executive leadership positions, improved alignment of teams into co-located work areas and changes to numerous positions, to better respond to changing community and organisational requirements.
- South Gippsland Shire Council and Baw Baw Shire Council commenced a shared service arrangement for the provision of risk management services. This innovative approach has maximised the skills and resources of specialist staff across the two shires.
- Investigations into future options for the Mobile Library Service commenced. Financial models and service delivery models are being considered.
- Investigations commenced into future options for the provision of Home and Community Care Services once a changed funding model is introduced by the Federal Government.

Carers' Recognition

In accordance with the Carers' Recognition Act 2012, Council is required to report annually on its care measurement obligations under Section 11 of the Act.

Council has promoted the principles of the Act who receive Council services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant Council services;
- providing information to organisations represented in Council/community networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Aged and Disability Services, community Services and front-line positions with the general community; and
- induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship.

- celebrated National Carers' week in partnership with South Gippsland Carers' Support Group to recognise carers and those they care for.
- Aged & Disability services recognised carers and the person they care for during National Carers week with a train ride from Leongatha to Nyora, providing an opportunity to talk with Council staff.
- provision of flexible respite services for carers under the Home and Community Care Program.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 (inc GST) or more for goods or services or \$200,000 (inc GST) or more for works without engaging in a competitive process.

Disability Action Plan

In accordance with Section 38 of the Disability Act 2006, as Council has prepared a Disability Action Plan, it must report on the implementation of the Disability Action Plan in its Annual Report.

Council has prepared a Disability Action Plan and implemented the following actions:

- develop and implement a Volunteer Strategy that integrates the needs of people with a disability;
- promote events such as Carers' Week and International Day of People with a Disability; and
- develop accessible publication guidelines.

Domestic Animal Management Plan

In accordance with the Domestic Animals Act 1994, Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the Annual Report.

Council adopted the Domestic Animal Management Plan 2013-2017 in June 2013. Actions that have been completed or that are completed on an ongoing basis are outlined below:

- Source and purchase several thousand 'lifetime tags' for animal identification;
- Developed an enforcement follow up process;
- Commenced a feasibility study into the financial viability of appointing consultants to conduct animal registration compliance audits;
- Developed an 'infringement matrix' for issuing domestic animal infringement notices to ensure consistency across the team;
- Animal information articles provided for the public on a quarterly basis and made available via press releases, Facebook and Council's website;
- Lost/found dogs and cats advertised on Council's website, Facebook and local newspapers;
- Annual audits undertaken of premises where declared menacing, dangerous and restricted breed dogs are housed;
- Annual audits of properties housing excess domestic animals via Local Law permits;
- Animal registration database assessed regularly to identify unregistered Domestic Animal Businesses;
- Press releases prepared and issued for successful dog attack prosecutions;
- Menacing, dangerous and restricted breed dog legislation actively enforced;
- Training register maintained for individual officers;
- Officers attend or able to attend at least one training/networking session per year; and
- Officers provided with access to the Bureau of Animal Welfare extranet site.

Food Act Ministerial Directions

In accordance with Section 7E(6) of the Food Act 1984, if a Council, or the Chief Executive Officer of a Council, is given a direction under subsection (1), a copy of the direction must be published in the Annual Report under Section 131 of the Act. No such Ministerial Directions were received by Council during this financial year.

Freedom of Information

The Freedom of Information Act 1982 (the FOI Act) gives the community a legally enforceable right to apply for access to documents held by Council. This access is limited only by the application of exceptions and exemptions provided for under the legislation.

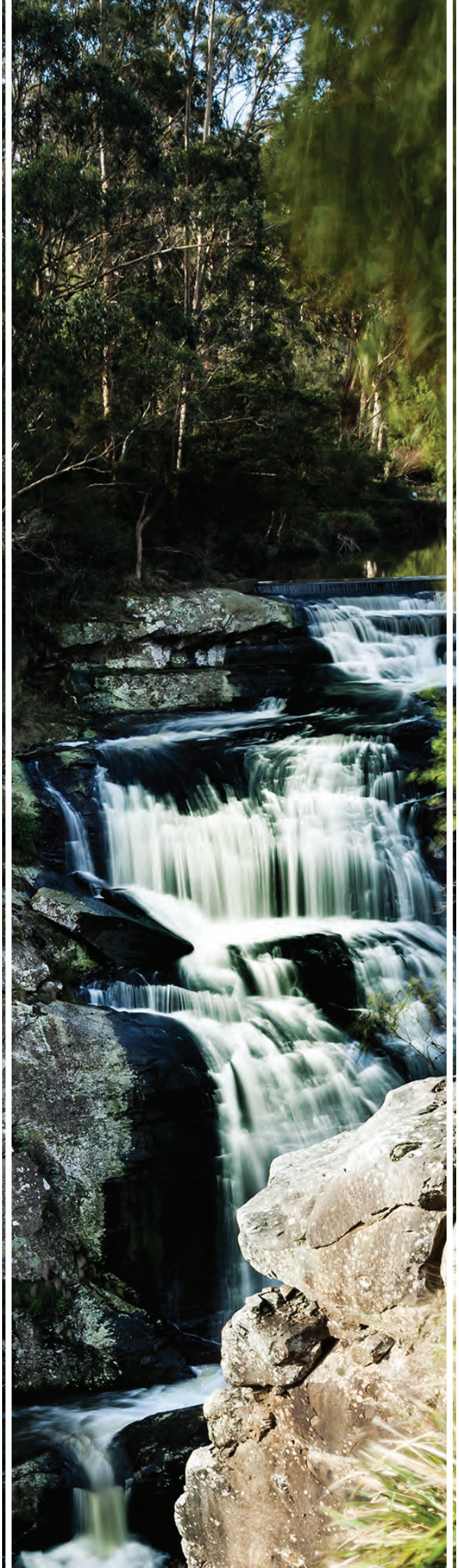
A valid request for access must be in writing, be accompanied by payment of the application fee and must provide enough information to enable the documents to be identified. Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Council's Freedom of Information Officer assists the applicant in accordance with the provisions of the FOI Act and handles all requests for FOI access.

There were 13 requests under the Act, and access to seven was granted in full or in part, one was withdrawn, three denied, and there were no relevant documents for two requests.

Further information regarding FOI can be found at www.foi.vic.gov.au and on the South Gippsland Shire Council website. FOI requests can be lodged online via Council's website or in writing and addressed to the:

Freedom of Information Officer
South Gippsland Shire Council
9 Smith Street (Private Bag 4)
Leongatha, Victoria 3953



Protected Disclosure Procedures

In accordance with Section 69 of the Protected Disclosure Act 2012 a Council must include in its Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly made available on Council's website.

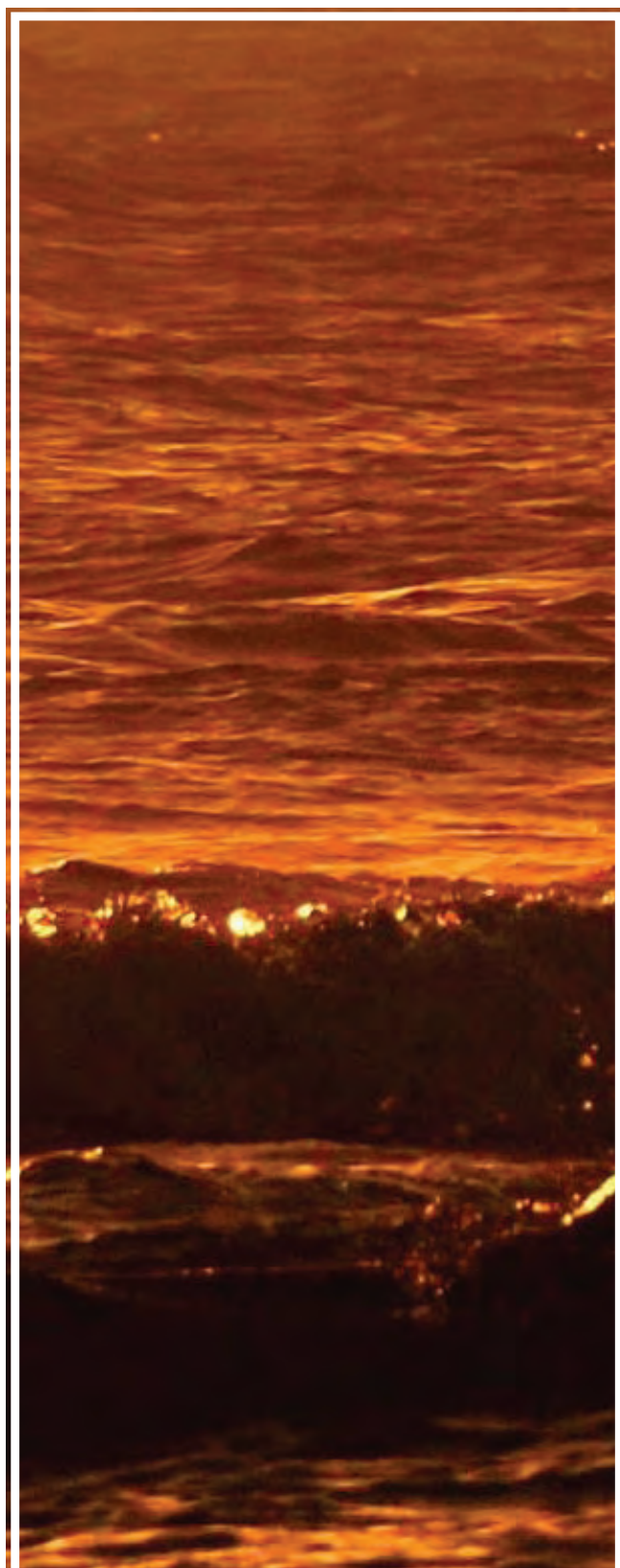
Council's Protected Disclosure Guidelines are available on Council's website on the Council Policies webpage. During the 2015/16 year there was one assessable disclosure which Council's Protected Disclosure Coordinator notified. IBAC subsequently advised that this was not a protected disclosure.

National Competition Policy

The Victorian Government is obligated to demonstrate that Local Government is compliant with competition policies. Council has a National Competition Policy and Council to the best of its knowledge has, in undertaking its functions, complied with Competition and Consumer legislation, has not undertaken any anti-competitive behaviour and has complied with the requirements of Council's National Competition Policy during 2015/16.

Road Management Act Ministerial Direction

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







GOVERNANCE & 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)	<i>Communication and Engagement Policy</i> Date of adoption: 25 June 2014	✓
2	Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	<i>Community Engagement Plan and Toolkit</i> Guidelines incorporated into the plan were endorsed by the Executive Leadership Group Date of adoption: 3 April 2014	✓
3	Strategic Resource Plan (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with Section 126 of the Act Date of adoption: 22 June 2016	✓
4	Annual Budget (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 130 of the Act Date of adoption: 22 June 2016	✓
5	Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	<i>Asset Management Plans</i> and dates of operation: <ul style="list-style-type: none"> • Buildings - 1 May 2013 • Roads – 13 March 2013 • Bridges - included in Roads Asset Management Plans • Footpaths and Cycle-ways - included in Roads Asset Management Plans • Drainage – 13 March 2013 • Parks and Open Space – 6 March 2013 <p><i>Roads Asset Management Plan</i> is currently being reviewed & will incorporate stormwater drainage associated with roads. <i>Parks, Gardens and Reserves Asset Management Plan</i> and <i>Buildings Asset Management Plan</i> are also under review.</p>	✓
6	Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	<i>Rating Strategy 2014-2018</i> Date of adoption: 24 June 2015	✓

Governance and Management Items		Assessment
7	Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<i>Risk Management Policy and Framework</i> Date of adoption: 23 May 2012 <i>Note: A revised policy has been delayed to form a combined policy with Baw Baw Shire as part of the shared service program.</i>
8	Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	<i>Fraud Policy</i> Date of adoption: 16 April 2014 <i>A revised policy is currently under development.</i>
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 adoption: 23 September 2015
10	Procurement Policy (policy under Section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<i>Procurement Policy 2015</i> prepared and approved in accordance with Section 186A of the <i>Local Government Act 1989</i> Date of adoption: 16 December 2015
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)	Adopted by Executive Leadership Group Date of adoption: 14 October 2015
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)	Endorsed by Strategic Risk Committee Date of adoption: 16 February 2016
13	Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	<i>Risk Management Framework</i> Date of adoption: 23 May 2012 <i>A revised framework has been delayed to form a combined policy with Baw Baw Shire as part of the shared service program.</i>
14	Audit Committee (Advisory Committee of Council under Section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	The Audit Committee was established in accordance with Section 139 of the Act Date of establishment: 1 January 1998 Information relating to the operations of this committee can be found in the <i>Audit Committee</i> section of this report.

Governance and Management Items	Assessment
<p>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)</p>	<p>Internal Auditor engaged</p> <p>Date of engagement of current provider: 1 July 2011</p> <p>A new contract is to be established in September 2016. The current contract expires on 30 June 2016.</p> 
<p>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)</p>	<p>Performance Reporting Framework is set out in the revised Council Plan 2013-2017 and 2016/17 Annual Budget adopted 22 June 2016.</p> <p>Date of operation of current framework adopted in 2016/17 Annual Budget on 22 June 2016 with requirements for quarterly reporting.</p> <p>Local Government Performance Reporting Framework reporting is through Audit Committee Charter and Minutes to Council and is passed through the Executive Leadership Team and Risk Committee prior to Audit Committee and Council meeting.</p> 
<p>17 Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Council Plan and Annual Plan reporting is provided in Quarterly Performance Reports to Council.</p> <p>Date of report: First Half Year report adopted: 24 February 2016</p> <p>Third Quarter report adopted: 25 May 2016</p> <p>2015/16 Financial Year report – is currently being compiled for the combined Quarterly and Annual Report which is to be presented to Council on the 28 September 2016 for adoption.</p> 
<p>18 Financial Reporting (quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with Section 138(1) of the Act.</p> <p>Financial Reporting is provided in Quarterly Performance Reports to Council.</p> <p>Date statements presented:</p> <p>First Quarter report: 16 December 2015</p> <p>Second Quarter report: 24 February 2016</p> <p>Third Quarter report: 25 May 2016</p> <p>Full Year report: Will be included in this Annual Report and presented to Council 28 September 2016</p> 

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)	Audit Committee Review of register Date of reports: First Half Year – 14 September 2015 Full Year – 15 March 2016
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)	Performance Reports Council Plan and Annual Plan reporting is provided in Quarterly Performance Report to Council. Half Year report: Communicated via Councillor's weekly newsletter and Audit Committee in February 2016 Full Year report: Will be included in this Annual Report and presented to Council 28 September 2016
21	Annual Report (annual report under Sections 131, 132 and 133 of the Act to the community containing a Report of Operations and Audited Financial and Performance Statements)	The 2014/15 Annual Report was considered at a meeting of Council in accordance with Section 134 of the Act. Date statements presented and adopted by Council was 23 September 2015 and final version after being presented to the Minister for Local Government was adopted on 28 October 2015.
22	Councillor Code of Conduct (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	The revised Councillor Code of Conduct was reviewed in accordance with Section 76C of the Act Date of adoption: 25 May 2016
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	The Delegations were reviewed in accordance with Section 98(6) of the Act. The delegations were signed by the CEO on 1 July 2015 and 16 December 2015
24	Meeting Procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with Section 91(1) of the Act Date local law made: 19 May 2010

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

Tim Tamlin
 Chief Executive Officer
 Dated: 28 September 2016

Cr Robert Newton
 Mayor
 Dated: 28 September 2016



SECTION

4

Performance



4.1

PERFORMANCE STATEMENT

Description of Municipality

South Gippsland Shire was formed in 1994 from the amalgamation of four municipalities. Located 90 minutes south east of Melbourne, the Shire has a resident population of 27,706 (ABS 2015).

The Council covers an area of 3,300 square kilometres with substantial coastal frontage. South Gippsland Shire is a spectacular region, with communities nestled among the rolling green hills, and along the coast, linking the mountains to the sea.

The Shire's major centres are Leongatha, Korumburra, Mirboo North and Foster, and other significant townships include Nyora, Toora, Venus Bay, Sandy

Point, Poowong, Port Welshpool, Loch, Dumbalk, Welshpool, Meeniyan, Fish Creek, Port Franklin, Koonwarra, Kongwak and Tarwin Lower.

Key industry sectors by employment in the South Gippsland Shire at the last census in 2011 were Agriculture, Forestry and Fishing, Health Care and Social Assistance, Retail Trade, and Construction.

Sustainable Capacity Indicators

For the year ended 30 June 2016

Indicator/measure	2015	2016	Material Variations
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,013	\$2,128	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,743	\$16,042	The combination of a net \$29M revaluation increment, predominantly for the bridges and a decline in the municipal population in 2015/16 have contributed to the increase in the infrastructure per head of population measure when compared to the 2014/15 result.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13	13	No material variations
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,522	\$1,670	The decline in municipal population over the last twelve months has had a negative impact on the increased costs per head of population in 2015/16 compared to the 2014/15 results. The accurate counts of population are established every four years through the Census.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$607	\$414	\$4.27M Victorian Grants Commission grants was received in advance in 2015. This has increased the 2015 results.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	6	6	No material variations

Definitions

"adjusted underlying revenue" means total income other than:

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by Council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2016

Service Indicator/measure	2015	2016	Material Variations
Aquatic Facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6	6	The number of visits to aquatic facilities increased by 6.5%, due to the warmer weather season
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	20	23	More reports of animals or people being attacked or bitten during the current period resulted in more prosecutions being undertaken
Food safety			
Health and safety			
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100	94%	95%	No material variation
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]	44	47	While Council's results remain lower than the State average, a 3 point increase in satisfaction levels compared to 2014/15, indicates that actions taken to involve the community in informing decision making through public participation sessions and better communication of Council decisions through social and print media, are improving the community's perception of decisions made by Council
Home and Community Care (HACC)			
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x 100	26%	26%	No material variations
Participation			
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	23%	22%	The small decrease of CALD people is due to the increase of aged care packages made available

Service Indicator/measure	2015	2016	Material Variations
Libraries			
Participation			
<i>Active library members</i> [Number of active library members / Municipal population] x 100	25%	23%	Measures those who borrow physical books and some e-resources, but not all. If the library card is not activated then a person's activity at the library is not recorded. A growing trend by members to access e-resources is impacting on comparative data
Maternal and Child Health (MCH)			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	79%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
Participation			
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	76%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is not required to report this data for the 2015/16 financial year
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]	27	30	More roads have been rehabilitated and/or resealed
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] x 100	0%	71%	Only one decision was reviewed in 2015. In 2016, two decisions of the seven reviewed by VCAT were set aside
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] x 100	33%	50%	A kerbside green waste collection service was introduced in 2015/16. This has increased the percentage of waste diverted from landfill

N/A - Not Applicable



Definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006

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

“annual report” means an annual report prepared by a Council under Sections 131, 132 and 133 of the Act

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

“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

“Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

“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

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

“HACC service” means home help, personal care or community respite provided under the HACC program

“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 authorised 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

“MCH” means the Maternal and Child Health Service provided by a Council to support the health and development of children within the municipality from birth until school age

“population” means the resident population estimated by Council
“target population” has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

“WorkSafe reportable aquatic facility safety incident” means an incident relating to a Council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/indicator/measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,607	\$1,752	\$1,807	\$1,833	\$1,861	\$1,888	A variation of 9% between 2015 and 2016 is impacted by the introduction of a green waste service in 2015/16 as well as increased waste service levels provided to Venus Bay properties
Expenditure level							
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,913	\$3,038	\$3,289	\$3,005	\$3,079	\$3,162	No material variations
Workforce turnover							
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	9.29%	13.13%	9.86%	9.86%	9.86%	9.86%	Organisational restructure in 2015 led to higher than usual turnover in 2015/16 financial year.
Liquidity							
Working capital							
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	270.40%	240.08%	210.00%	229.76%	196.76%	280.38%	\$4.27M Victorian Grants Commission grants was received in advance in 2015. This has increased the 2015 results

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020		
Unrestricted cash								
<i>Unrestricted cash compared to current liabilities</i>	107.46%	-46.01%	34.87%	43.11%	50.93%	110.78%		The reclassification of highly liquid 'cash and cash equivalent assets' to 'other financial assets' which have a maturity date of greater than 90 days has created a variation between 2015 and 2016. This does not present as a strategic concern.
[Unrestricted cash / Current liabilities] x 100								
Obligations								
Asset renewal								
<i>Asset renewal compared to depreciation</i>	84.41%	100.84%	129.30%	81.68%	97.98%	98.17%		The nature of capital renewal expenditure is expected to fluctuate over the years
[Asset renewal expenses / Asset depreciation] x 100								
Loans and borrowings								
<i>Loans and borrowings compared to rates</i>	9.40%	8.68%	8.38%	8.13%	7.88%	0.0%		No material variations
Interest bearing loans and borrowings / Rate revenue] x 100								
Loans and borrowings								
<i>Loans and borrowings repayments compared to rates</i>	0.36%	0.37%	0.36%	0.34%	0.33%	7.76%		No material variations
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100								
Indebtedness								
<i>Non-current liabilities compared to own source revenue</i>	10.85%	10.67%	12.03%	10.14%	3.25%	3.29%		No material variations
[Non-current liabilities / Own source revenue] x 100								

Dimension/Indicator/measure	Results		Forecasts			Material Variations
	2015	2016	2017	2018	2019	
Operating position						
Adjusted underlying result						
Adjusted underlying surplus (or deficit)	12.36%	0.99%	3.35%	5.33%	5.85%	5.47%
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100						
Stability						
Rates concentration						
Rates compared to adjusted underlying revenue	55.55%	64.87%	60.58%	66.94%	66.95%	67.45%
[Rate revenue / Adjusted underlying revenue] x 100						
Rates effort						
Rates compared to property values	0.50%	0.54%	0.53%	0.54%	0.55%	0.56%
[Rate revenue / Capital improved value of rateable properties in the municipality] x 100						
						No material variations

\$4.27M Victorian Grants Commission grants was received in advance in 2015. This has increased the 2015 results

\$4.27M Victorian Grants Commission grants was received in advance in 2015. This has decreased the 2015 results



Definitions

“adjusted underlying revenue” means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources

other than those referred to 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.

Other Information

For the year ended 30 June 2016

1. Basis of preparation

Council is required to prepare and include a performance statement within its Annual Report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan annually and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future

that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan 2015-2018 can be obtained by contacting Council.





9 Smith Street, (Private Bag 4)

Leongatha Vic 3953

Phone: 5662 9200

Fax: 5662 3754

Email: council@southgippsland.vic.gov.au

Websites: www.southgippsland.vic.gov.au

Facebook: www.facebook.com/southgippslandshirecouncil

Certification of the Performance Statement

For the year ended 30 June 2016

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.

Tom Lovass, CPA

Principal Accounting Officer

Dated: 28 September 2016

In our opinion, the accompanying performance statement of the South Gippsland Shire Council for the year ended 30 June 2016 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.

Robert Newton

Councillor

Dated: 28 September 2016

Lorraine Brunt

Councillor

Dated: 28 September 2016

Tim Tamlin

Chief Executive Officer

Dated: 28 September 2016