

**BAW BAW
SHIRE COUNCIL
ANNUAL REPORT**
Report of Operations
2016/17







Key Achievements

Quarter One

JULY - SEPTEMBER 2016

- Introduced a pricing policy for the management of all Council land and buildings which was introduced on 1 July 2016.
- The Domestic Wastewater Management Plan was endorsed by Council and the relevant water authorities, in August 2016.
- Community Local Law 2016 was adopted by Council and implemented.
- The Municipal Building Control Plan was adopted by Council in September 2016, which establishes service standards and essential safety measures.
- Council transitioned to My Aged Care in August 2016, the national information and referral portal for Aged Care Services.

Quarter Two

OCTOBER - DECEMBER 2016

- Completion of the Baw Baw Leisure Centre redevelopment, Warragul – project cost \$14 million.
- Conducted the 2016 Local Government elections. The internal operations and organisational management of the 2016 General Election was completed.
- Footpath works at the following locations were completed:

| | |
|-----------|--|
| Warragul | Sargeant Street, Burke Street, Tarwin Street, Western Park Drive |
| Drouin | Settlement Road, Hearn Street, Davey Drive, Acacia Street |
| Erica | Playground Footpath |
| Thorpdale | Morwell-Thorpdale Road |
| Trafalgar | Bullen Court |
| Longwarry | McCrae Street, Edgar Road |
- Implemented the Road Construction Program. The tender for works to close unsealed gaps between sealed sections of roads was awarded and works started on the ground in October 2016. Works completed on Tripp McDonald Road, Nilma North, Hunts Road, Willow Grove and East West Road, Warragul.
- Council's Public Health team conducted audits of all caravan parks throughout the municipality. Council is responsible for protecting the health and safety of occupants by ensuring caravan parks comply with legislated standards.
- Partnering with Monash University, a research study aimed at improving the participation rates in the secondary school immunisation program was conducted.
- Council's Family and Children Services team hosted an Annual Children's Expo day as part of Children's Week in October 2016 with over 150 parents and children in attendance.
- The Baw Baw Shire Council Family Day Care Service was awarded Victorian Family Day Care Service of the Year 2016.

Quarter Three

JANUARY – MARCH 2017

- West Gippsland Arts Centre Upgrade - Design and development documentation were completed. Works were tendered out in mid-October and closed on 18 November 2016. Tender for construction was awarded to Building Engineering Pty Ltd in February 2017 and works commenced on site in April 2017. Total project cost \$13.4 million.
- Annual road renewal programs - Gravel Road re-sheet program works were completed in January 2017.
- Construction of a pedestrian crossing opposite the Post Office, Princes Way, Drouin was completed in January 2017.
- Baw Baw Shire hosted Economic Development Australia State Conference in March 2017 with an estimated injection of \$77,250 into our local economy.
- Development of new policy for roadside training to ensure fairness and transparency in assessing permit applications.
- Family Children Services implemented a new electronic satisfaction survey for the preschool field officer service, replacing the paper based version.
- Council in partnership with the Federal Government reconstructed the Daveys Road Bridge, Willow Grove. Construction works completed March 2017.
- Council's valuation service tender was advertised in December 2016, the contract was awarded in February 2017 to Gippsland Property Valuations and the revaluation of the Shire's property database commenced.

Quarter Four

APRIL - JUNE 2017

- Development and adoption of Council's Child Safety Standards Action Plan, May 2017.
- Toilet renewal/upgrade works completed at Memorial Park, Drouin and Bennett St Park, Longwarry in May 2017.
- Council resolved to allocate \$500,000 in the draft 2017/18 Annual Budget to kindergartens.
- Arts and Culture Strategy completed with professional advice and guidance provided by the Arts and Cultural Advisory Committee.
- Western Park Recreation Precinct sports field development, Warragul – Oval construction commenced.
- Eastern Park, Warragul oval training lights were completed in April 2017.
- Ellinbank Recreation Reserve new change rooms and amenities project was completed and officially opened in April 2017.
- Municipal Public Health and Wellbeing Plan – project and engagement plan endorsed by Council in June 2017.
- Completed review and update of the Road Management Plan.
- New footpaths program - Works at the following locations completed June 2017:

| | |
|-----------|---|
| Warragul | Brandy Creek Road, Sutton Street, Landsborough Street |
| Trafalgar | Brown Street, Depot Lane, Kitchener Street |
| Walhalla | Church Hill Road |
- Trafalgar Recreation Reserve entry and carpark construction completed.
- Upgraded the retarding basin wall on Tarwin Street, Warragul.
- The Municipal Emergency Management Plan and Municipal Fire Management Plan were reviewed and endorsed by the Municipal Management Planning Committee and Council in June 2017.

About this Annual Report

Baw Baw Shire Council's 2016/17 Annual Report provides commentary on Council's performance against the themes and objectives outlined in the Council Plan for the 2016/17 financial year.

The information in this report covers the Council's actions in support of the Shire's economic, environmental and social sustainability, and provides evidence for the sound planning, management and implementation conducted by the Council during the year.

The report also provides audited financial and performance statements according to relevant legislation, together with specified information under the *Local Government Act 1989*.

How The Report Is Structured

The report is divided into three key sections being; an overview of Council, the organisation and its governance processes; highlights of its performance against the Council Plan objectives; and the Financial Report.

The performance reporting section has been broken down to address each of the five Council Plan themes and includes details on how the organisation has worked to achieve the eleven strategic objectives.

The Financial Report has been compiled as an accompanying document to this report. An overview of the Financial Report has been provided on page 20 of this report.

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Welcome

Baw Baw Shire Council is committed to providing a range of quality services for its community, managing Council's assets, planning for future growth, and protecting the environment for future generations. As an organisation, Baw Baw Shire Council works in partnership with all levels of government and residents to deliver over 100 services to the community.

Council is committed to transparent reporting and accountability to the community and the Annual Report is the primary means of advising the community about Council's operations and performance during the financial year.

The Annual Report outlines Council's performance against the Council Plan objectives, and forms part of Council's legislated requirements under the *Local Government Act 1989*.

The Annual Report focuses on key events, projects and programs that have been undertaken across the year, rather than the day-to-day operations. The report also identifies any issues/challenges that have impacted on the organisation throughout the year.

Every business unit across the organisation has had input into the development of this document. The

performance reporting section is informed by each business unit's services, programs, activities and achievements as described in the report.

The Council Plan helps to guide Council's financial planning, service delivery priorities and capital work projects, with the annual budget developed to ensure that Council has sufficient funds to deliver on the Council Plan objectives. A more detailed explanation of Council's planning framework can be found on page 51.

As part of Council's commitment to reducing our impact on the environment, Council has reduced the number of copies of the report it prints. Instead, we encourage the report to be viewed in full on our website www.bawbawShire.vic.gov.au/Annual-Report or at one of our Customer Service Centres.

Our commitments

Through its vision, mission and values, Council commits to working in an open and transparent manner, delivering outcomes that are community centric.

Our vision

Happy, healthy people sharing prosperity and knowledge from living sustainably and in harmony with our rural identity, thriving villages, productive and inspiring landscapes.

Our mission

Leaders in delivering quality, innovative and community-focused services today that make a difference for tomorrow.

Core values

Community focused

Accessible, responsive (we're here to help), can-do attitude, communicative, empathetic.

Integrity

Equitable, honest, ethical, transparent.

Respect

Listening, compassionate, open-minded, understanding, patient.

Pride

Caring, enthusiastic, inspiring, accountable.

Innovation

Creative, bold, challenging, flexible.

Collaboration

Partnering, building productive relationships, inclusive.

Facts at a Glance

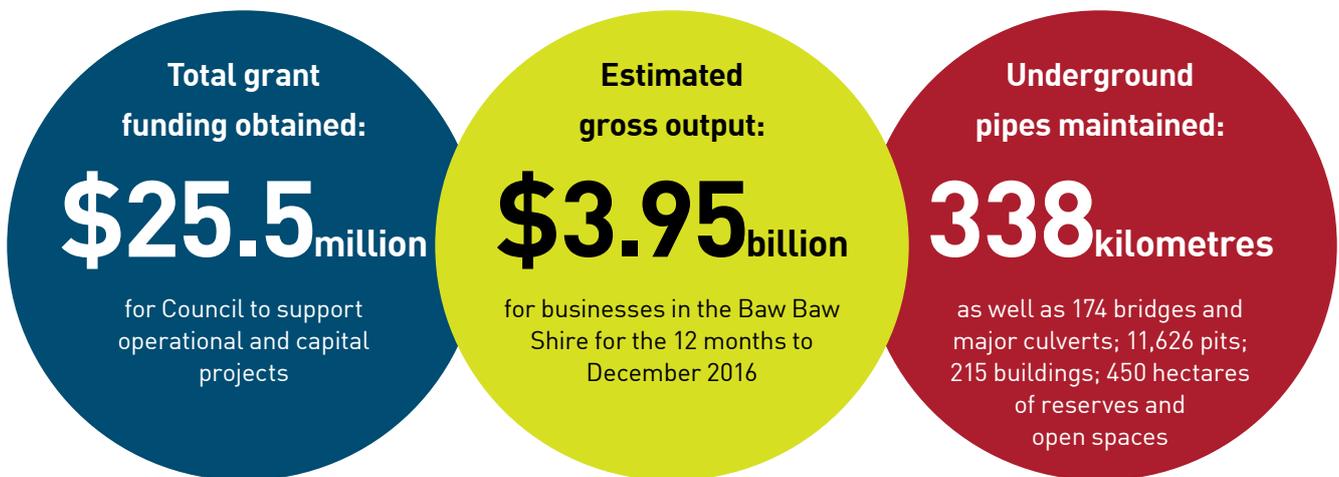
| | | |
|--|---|-------------|
| Fire prevention notices issued | > | 1,013 |
| Kilometres of roads maintained | > | 1,775 |
| Council registered volunteers | > | 321 |
| Home and community care service delivery hours | > | 54,512 |
| Meals on wheels delivered throughout the year | > | 24,890 |
| Social media reach | > | 1.1 million |

The Thomson Lake located in the Baw Baw Shire holds 1,068,000 mega-litres and is a drought reserve source for Melbourne



39,339 attendances at events presented by West Gippsland Arts Centre

1,777 children seen by Maternal and Child Health service (whilst 2,497 Children are enrolled in the service)



Council maintains 698 kilometres of unsealed roads and 1,077 kilometres of sealed roads across the Shire. With a total capital budget of \$33.25 million (inclusive of 2015/16 carryovers) a third is directed towards maintaining our roads

| | | |
|--|---|-----------|
| Visits to swimming pools | > | 224,015 |
| Library visits | > | 176,191 |
| Library loans | > | 273,630 |
| Cats and dogs registered in the Shire | > | 10,500 |
| Household kerbside bins collected | > | 1,577,013 |
| Tonnes of waste collected | > | 19,017 |
| Statutory planning applications received | > | 441 |
| Food premises inspected | > | 684 |
| Council allocated community grants | > | \$223,000 |

Baw Baw Shire is the second fastest growing regional municipality in Victoria



The Year in Review

Delivering Best Value

The *Local Government Act 1989* (the Act) requires all Victorian Councils to make sure their services are planned, managed and delivered in accordance with the Best Value principles. Specifically, Council's services need to:

- Meet appropriate quality standards and cost of the service.
- Be responsive to the needs of the community.
- Be accessible to those members of the community for whom the service is intended.
- Achieve continuous improvement in the provision of services.
- Involve regular consultation with the community.
- Be regularly reported to the community.

This summary outlines the achievements and progress made in relation to Council's Best Value program in 2016/17.

It highlights the range of services, initiatives and processes being implemented across Council to meet the needs of our community, meet the Best Value principles, and promote a culture of continuous improvement.

Council's Best Value Program

Council aims to progressively review each of its service areas with the objective of assessing the performance of each service in terms of the above Best Value principles, and identify opportunities for improvement to the service and its key business processes.

Key activities include:

- Consultation with service users and benchmarking the service against other Councils and organisations.
- Process mapping and documentation, and identifying inefficiencies, wasteful steps and activities in the process.
- Analysis of the service performance against the Best Value principles.
- Preparation of an action plan to implement the recommendations of the review.



Snapshot of how we improved our services against the Best Value principles in 2016/17.

Our quality and cost standards



- Continued to monitor performance against the Local Government Performance Reporting Framework. This includes quality and cost standards for Council's Aquatic Facilities, Animal Management, Food Safety, Governance, Home and Community Care, Libraries, Maternal and Child Health, Roads, Statutory Planning and Waste Collection services.

Council's performance in each of these areas is shown in the Performance Reporting section of this Annual Report.

Responsive to community needs and accessible



- Carried out a comprehensive service review for Council's Planned Activity Group.
- Reviewed and updated annual Service Plans for all other Council services. These include consideration of the service's activities against the objectives of the Council Plan, and how the service can better meet the needs of the community and service users.

Continuously improving



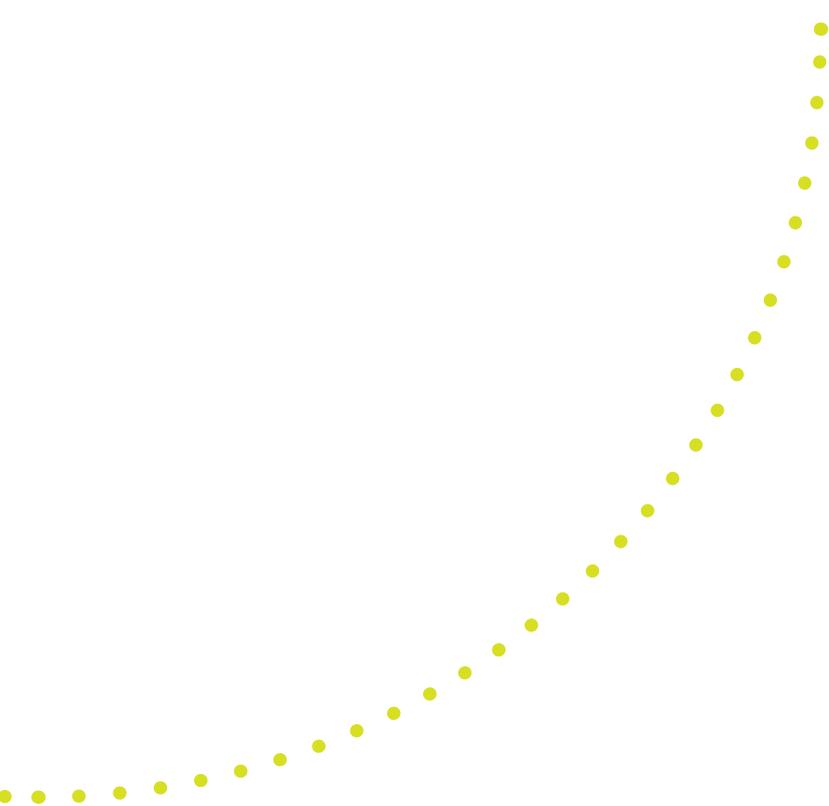
- Continued the implementation of a new Business Improvement Framework, designed to combine the existing Best Value program with a new program of process reviews in accordance with current best practice.

Consulting and reporting



- Participated in the annual Community Satisfaction Survey, which assesses the communities' satisfaction with Council's performance over the past year.
- Regularly sought community input and feedback into its planning and decision making. A total of 23 opportunities were advertised on Council's 'Have Your Say', and 399 submissions were received. Significant consultation opportunities include the Council Plan, annual budget and long term financial and infrastructure plans.
- Provided updates and information to a significant number of people via social media. During the year over 1.1 million people were reached via social media channels.
- Prepared quarterly and annual reports, including progress on its Best Value program, progress against the Council Plan, budget, capital works program and performance measures.





Mayor and Interim CEO Overview

We are pleased to present Baw Baw Shire Council's Annual Report 2016/17.

Council is pursuing a new way of working with our community. We are seeking to understand community needs and engage in the delivery of Council services and programs to further strengthen our social fabric.

It has been a rewarding, yet equally challenging year at Baw Baw Shire Council.

Our vision of 'Happy, healthy people sharing prosperity and knowledge from living sustainably and in harmony with our rural identity, thriving villages, productive and inspiring landscapes', remains at the forefront of what drives us at Council.

The organisation continues to focus on delivering vital services and infrastructure to support rapid population growth and positively influence the lives of an estimated 48,000 residents who call Baw Baw Shire home.

As the municipality continues to experience significant population growth, it is important we implement plans to support our community into the future. The Rural Land Use Review continues to seek community input to further inform Council as it responds to managing growth, protecting agricultural land and protecting the Shire's rural identity.

Some 2016/17 highlights include:

- West Gippsland Arts Centre upgrade commenced in April. Council's effective advocacy campaign attracted State and Federal Government funding of \$8 million (\$4 million State Government and \$4 million Federal Government).
- In March 2015, the Warragul Leisure Centre closed to begin work on the \$14 million redevelopment project. It was Baw Baw Shire Council's largest Capital Works project – The new Warragul Leisure Centre reopened in September 2016.
- A total Capital Works program investment of \$24.443 million delivering more than 100 projects.
- Baw Baw Shire hosted Economic Development Australia State Conference in March 2017 with an estimated injection of \$77,250 into our local economy.
- Celebrated the 10th Anniversary of the Baw Baw Shire Business Excellence Awards in March 2017.
- Secured funding for the refurbishment of the Drouin Library. Construction will commence Quarter Two 2017/18 and be completed in early 2018.
- Yarragon and Trafalgar CBD parking studies completed.
- Municipal Building Control Plan revised and adopted.
- Rural Recreation Reserve Master Plans (Stage 2) – Darnum; Longwarry; Thorpdale; Willow Grove have master plans which will inform future planning and development of sports and community infrastructure (stage one) – Athlone; Buln Buln; Ellinbank; Hallora; Jindivick; Neerim South; and Erica/Rawson.
- Community consultation regarding the Warragul and Drouin Civic Park master plans.

During the 2016/17 financial year we were disconcerted by the closure of Hazelwood Power Station and the drop in milk prices. Agriculture, Dairy and Energy have been the backbone of the Gippsland economy and it is imperative that we harness the power of the collective conscience to build upon our diverse economy and resilient community.

Baw Baw Shire Council is committed to working with our community, our Local Government colleagues, the State and Federal Governments and the private sector to continue to transition our municipality along with the greater region diversifying our economy and building resilience and expertise in our community and workforce.

Council’s advisory groups will continue to play an important role in providing sound advice regarding major investment required in our community aimed at stimulating economic activity, creating new jobs, improving productivity and ultimately ensuring a sustainable future for our community.

During February and March 2017, we invited leaders from across the municipality to help capture ‘where we want to be’ in eight years’ time to help develop our new Council Plan. What we heard from this diverse group of local people, were things such as:

- Vibrant, cohesive, inclusive healthy communities
- Community hubs – support, gathering, education, music studios
- Improved connectivity – rail, buses, uber
- More Connected – each other, education, Aboriginal culture, mental health
- Preserve our natural landscape and environment whilst welcoming growth
- Invest in young people
- Public Private Partnerships
- Innovation in business and technology
- Promote our natural attractions

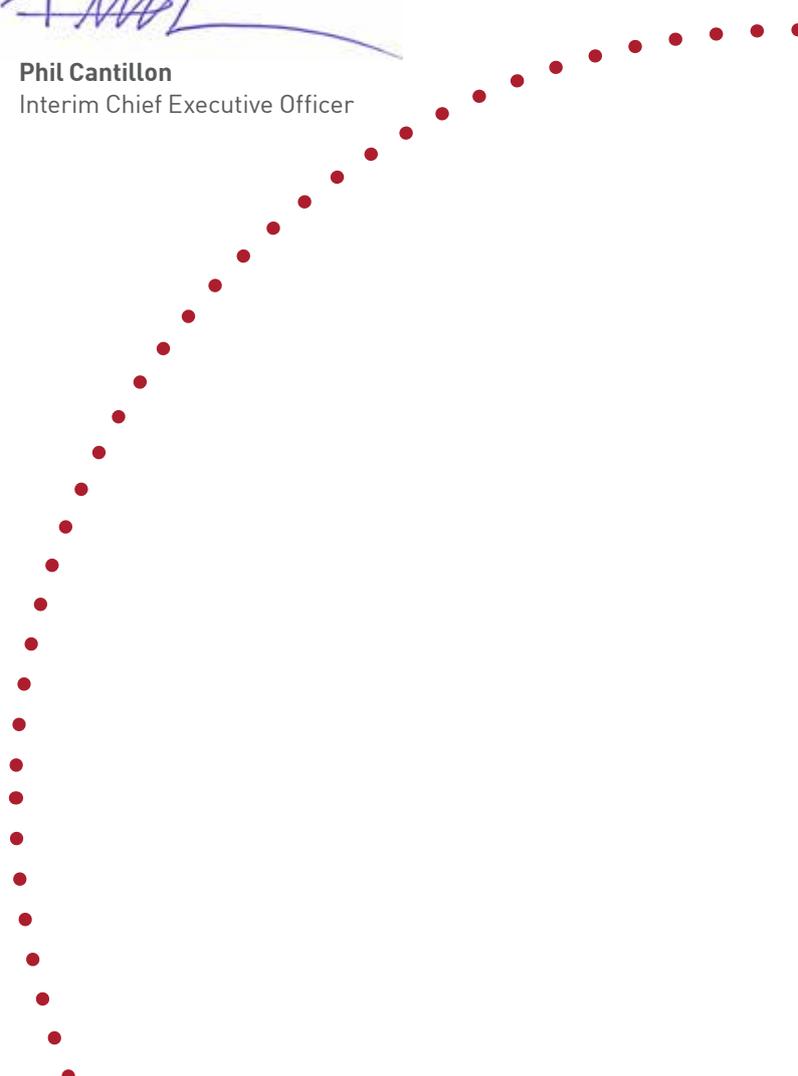
Council continued to lobby strongly to the State and Federal Governments on behalf of residents, and secured \$10.4 million of non-recurrent and recurrent grant funding which was invested responsibly towards essential infrastructure and services for the municipality.

These accomplishments, along with the many others featured in the comprehensive service review, highlight the work that we have done to fulfil many of the strategic objectives outlined in the Council Plan, while working towards Council’s vision of ensuring financial sustainability and excellence in service delivery.

We are extremely proud of the work that has been achieved by our organisation, which would not be possible without our dedicated team of Councillors, employees, advisory groups, volunteers and the broader community. We encourage you to read through the remainder of this report to see a more detailed explanation of the activities and financial accounts of the Council.

Cr Joe Gauci
Mayor

Phil Cantillon
Interim Chief Executive Officer



Our Opportunities

Managing Growth

Baw Baw Shire is working to find an appropriate balance between managed settlements (growth) and protecting and enhancing rural economic activities and the Shire's natural resources, biological diversity and quality landscapes.

Baw Baw Shire's challenge (and opportunity) is to manage growth, protect agricultural pursuits and increase the diversification of our economy and create local employment for its growing community.

The fast pace of projected growth presents a significant opportunity for the provision of a diversity of housing, employment, community services and infrastructure that can meet the needs of a growing population while retaining the desired rural character.

With a growing population, and a regional economy in transition, there is increasing demand on community infrastructure and services, and for Baw Baw Shire, the following areas will be put under significant pressure.

Employment

Jobs creation, diversifying and developing new skills, and increasing demand for labour within and neighbouring the Shire, is vital to our economic prosperity and to ensuring residents can both live and work in the municipality. In addition, with the projected population increases, the demand for transport to employment nodes will continue to rise.

Social Infrastructure

Council's Settlement Management Plan and a Community Infrastructure/Community Service Plan provide a planning framework for future services and infrastructure provision across Baw Baw Shire; such as childcare, kindergartens and schools.

With our close proximity to Melbourne our community profile is changing. Council is aware of this shift and is planning for our future. As we welcome new residents to our municipality there is growing expectation for services and infrastructure, which replicates what they had when residing in metropolitan Local Government areas.

Public Transport

Rail services and infrastructure on the Gippsland line requires substantial investment with the Warragul railway station having one of the highest passenger loadings of the Gippsland region. Our changing community profile (young, ageing and culturally diverse) will see greater demand for public transport connections, including bus and rail services, intra and inter-municipality, and to Melbourne. The Baw Baw Shire Council acknowledge the recent investment in bus connections but recognise the ongoing need for greater connections in line with Council's anticipated high growth.

Roads

In the immediate future, population growth will inevitably increase traffic movements in the CDB's of Warragul and Drouin, which will require careful planning and investment followed closely by increased traffic movements in other towns throughout the municipality.

Expansion of local industrial and business employment will bring a greater flow of heavy traffic moving through the region to access the Latrobe Valley and the Port of Melbourne. Upgrades to existing collector and tertiary level roads are anticipated across Baw Baw Shire and the greater Gippsland region.

Council maintains 698 kilometres of unsealed roads and 1,077 kilometres of sealed roads across the Shire. With a total capital budget of \$33.25 million (inclusive of 2015/16 carryovers) in 2016/17 a third was directed towards maintaining our roads. As we welcome more road users, the maintenance requirements will respond accordingly requiring greater percentage of the ratepayer's purse. Further planning will be necessary to determine the level of maintenance formula across our road network.

Health Services

Unprecedented growth in birth numbers at the West Gippsland Hospital over the past few years has seen increases from 870 births in 2009/10 to 974 births in 2014/15.

The majority of the births in Warragul are to families within Baw Baw Shire and with population growth we know that by 2017/18, Baw Baw will face a deficit in places for the prescribed 15 hours of kindergarten for four year olds.

Education

Other than a recent redevelopment of an existing school in Yarragon, there have been no new schools built in the Baw Baw Shire for some time. There are also increasing numbers of families with young children in the Shire, leading to the need for new (and improvements to existing) kindergarten facilities to meet this growing need.

We must improve access to and the availability of quality education in the region to attract and retain younger people who often leave the region for education and employment opportunities in Melbourne.

An Ageing Population

Similar to much of regional Victoria, Gippsland's population is projected to age over the next 30 years. The proportion of people aged 65 or over is forecast to increase from 18 per cent to 30 per cent over this time, compared to 12 per cent of the population in 1996.

This will have implications for health, social services, leisure and cultural services, as well as housing preferences, with 84 per cent of future household growth to be from households with one person or couples without children.

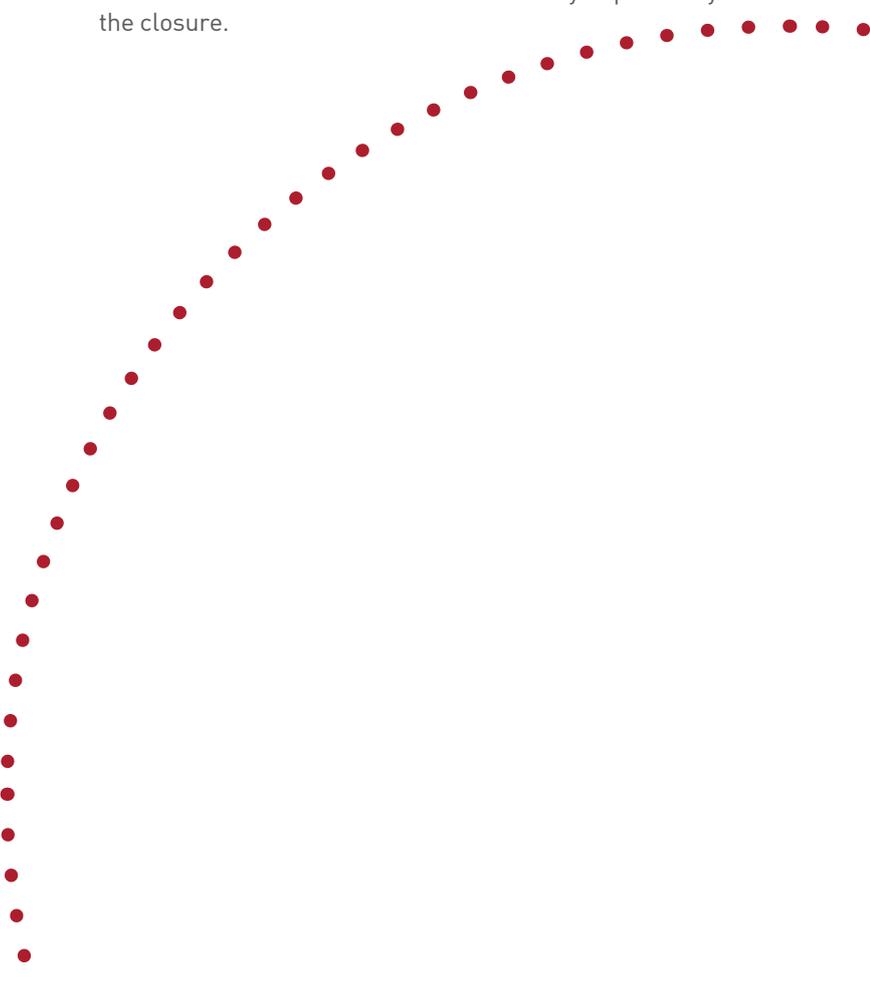
Youth

Our young people are our future. We must work with young people, alongside schools, universities and community organisations, to ensure that they are valued and contributing members of the community.

In a recent youth workshop, Council heard young people in our community don't always feel safe and there is nothing here for them, no jobs, any university and limited retail shops to name just a few. They recognise the importance of sport, health and wellbeing but also acknowledge the needs of young people are changing and the municipality needs to be ready for these changes.

Hazelwood Closure and Dairy Milk Prices

On 31 March 2017, Hazelwood Power Station and Mine ceased its operation having a detrimental impact on the Latrobe Valley. The economic impact was not isolated to the City of Latrobe. In the case of Baw Baw Shire, we understand approximately seven per cent of the workforce are employed in the Electrical Supply industry. It was also confirmed that a number of businesses in Baw Baw Shire were severely impacted by the closure.



Community Satisfaction Survey

The Community Satisfaction Survey is carried out annually, coordinated by the Department of Environment, Land, Water and Planning on behalf of Victorian Councils.

The telephone survey is to a random group of 400 residents aged 18+ years. Minimum quotas are applied to gender and age groups, and post survey weighting is also applied to ensure accurate age and gender representation. Where the measure did not form part of the survey its result is shown as 'n/a'. Council is able to select its level of participation in the survey, which includes as a minimum the 'core' performance measures on page 19.

The results in the table below show the community perception of Council's performance in relation to a number of corporate performance measures in addition to the performance of a number of Council services.



| COMMUNITY SATISFACTION PERFORMANCE MEASURE | RESULTS | | | | | |
|---|---------|------|------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| CORE PERFORMANCE MEASURES | | | | | | |
| Overall performance | 45 | 41 | 57 | 54 | 48 | 50 |
| Community consultation and engagement | 47 | 45 | 53 | 52 | 48 | 48 |
| Lobbying on behalf of the community | 47 | 44 | 52 | 53 | 50 | 48 |
| Decisions made in the interest of the community | n/a | n/a | 51 | 53 | 47 | 46 |
| Condition of sealed local roads in your area | n/a | n/a | 35 | 36 | 38 | 42 |
| Contact customer service | 61 | 62 | 67 | 64 | 66 | 61 |
| Overall Council direction | 35 | 42 | 52 | 50 | 46 | 48 |





Financial Report Overview

Understanding Council's financial performance from the financial statements prepared in accordance with Australian Accounting Standards can frequently be problematic.

The purpose of this overview is to provide readers with a greater understanding about the financial outcomes for the 2016/17 financial year, and how these results impact on Council's financial sustainability.

Council's 2016/17 Income Statement highlights that Council achieved a surplus for the year of \$16.157 million.

When reviewing the results for Council, it is important to recognise that the surplus achieved is not a cash result as it is impacted by non-cash items, such as

depreciation. Full details on the cash position for Council can be obtained by reviewing the Statement of Cash Flows, which is provided as a key financial document within the Financial Statements.

The financial results achieved by Council in the 2016/17 financial year are a key component of ensuring the long term financial sustainability of Council, and providing Council with the ability to continue its ongoing commitment to service provision for the Community, and an ongoing investment in renewal of infrastructure assets, such as roads and drainage, and redevelopment of Council buildings and facilities.

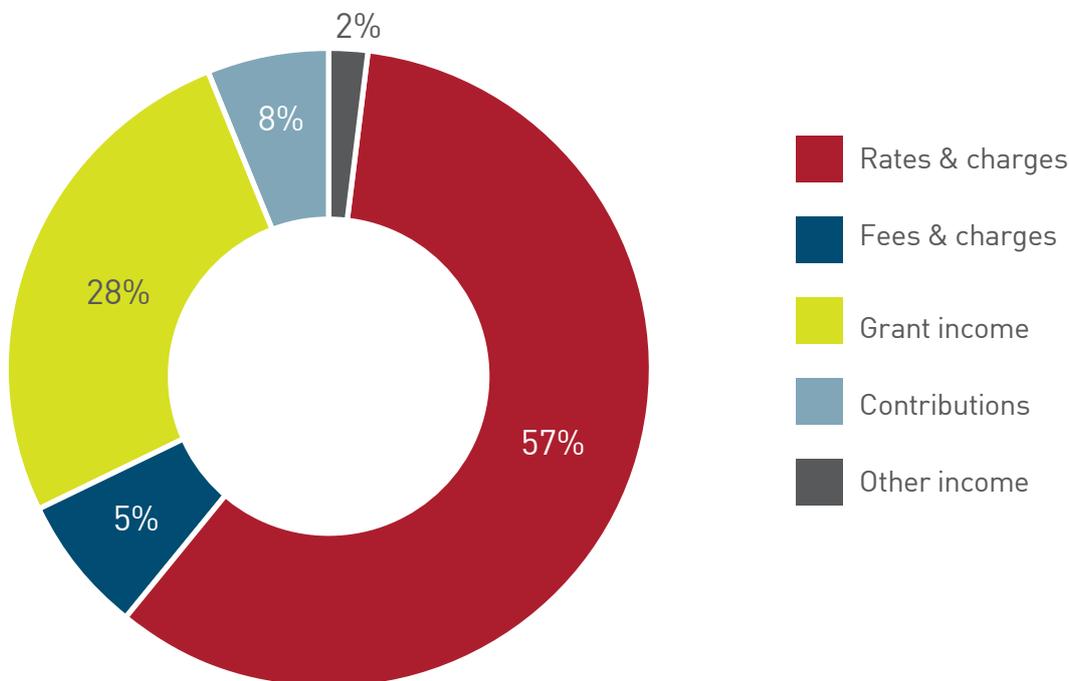
Major factors affecting the result are discussed below.

Income

Council's total income for 2016/17 was \$90.724 million, (\$81.340 million in 2015/16) including rates and charges income (\$51.753 million), capital and operating grant income (\$25.494 million), fees and charges (\$4.557 million), contributions of monetary assets (\$1.581 million), contributions of non-monetary assets (\$5.371 million) and other income (\$1.968 million).

The breakdown of operating income by major category is provided below:

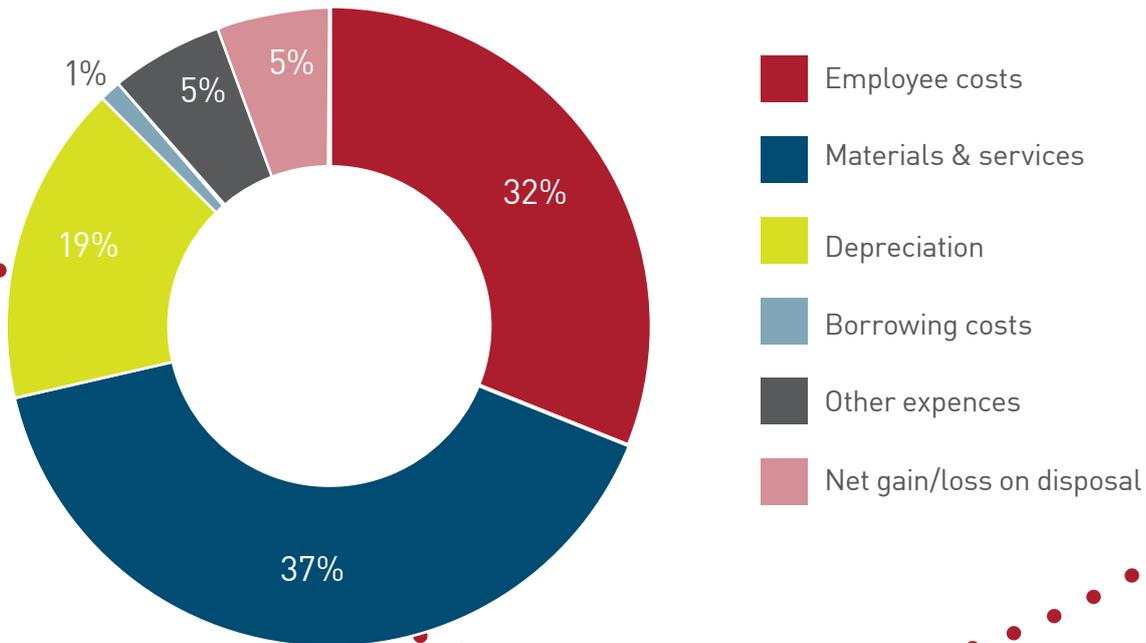
Sources of Income (\$Million)



Expenditure

Council's total expenditure for 2016/17, including depreciation was \$74.567 million (\$72.310 million in 2015/16).

Categories of Expenditure (\$Million)



Comments are provided below on the major categories of expenditure.

Materials and services (\$27.891 million) includes the costs associated with major areas of expenditure including:

- Contract payments (\$16.553 million)
- Building maintenance (\$0.668 million)
- General maintenance (\$1.284 million)
- Office administration (\$0.878 million)
- Information technology (\$0.951 million)

Employee costs (\$23.905 million) include salaries expenditure and oncosts, such as WorkCover premium, annual leave, long service leave and superannuation contributions.

Depreciation (\$14.360 million) represents the reducing value of an asset due to wear and tear and obsolescence. The major contributor to depreciation expense within Council is infrastructure assets, which include roads, bridges, footpaths, drainage and car parking.

Other expenses (\$4.036 million) includes the following expenditures:

- Operating lease rentals (\$0.410 million)
- Contributions (\$1.742 million)
- Council grants (\$0.602 million)
- Natural disaster (\$0.100)

Net loss on disposal of property, infrastructure, plant and equipment (\$3.822 million) represents sale proceeds of \$0.274 million compared with a written down value of \$4.096 million.

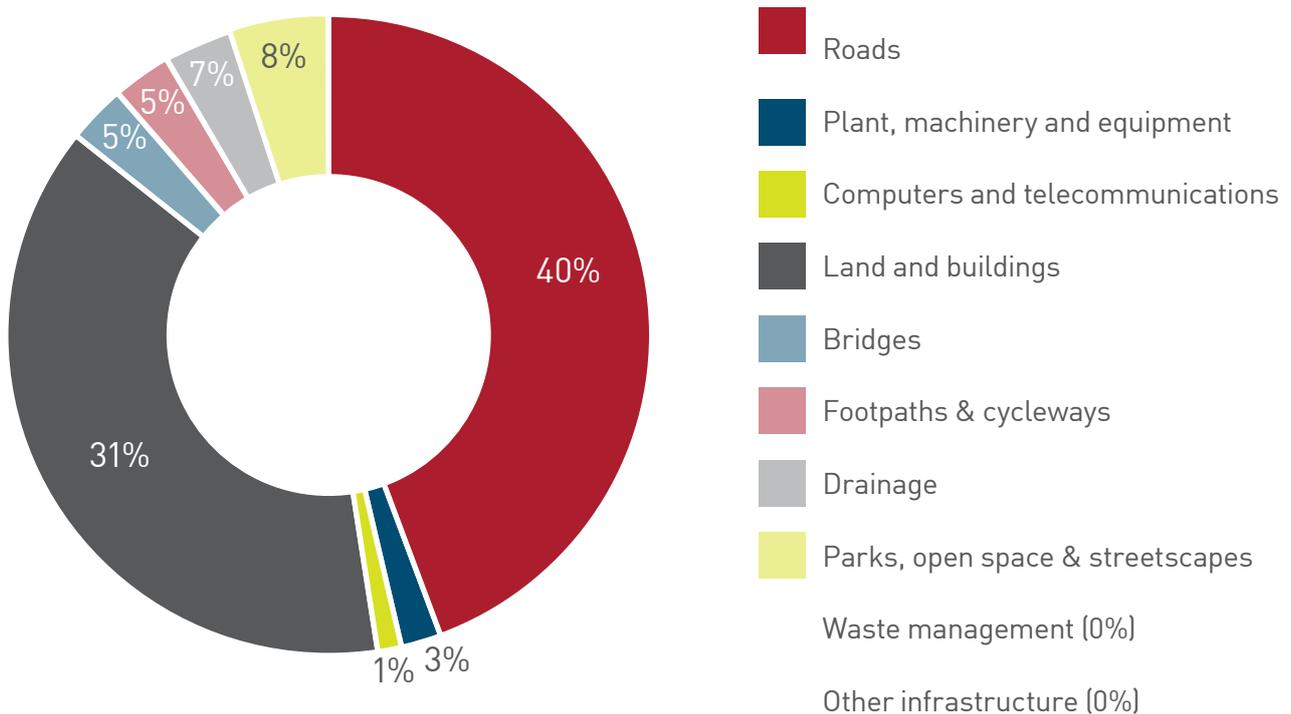
Capital Expenditure

Council spent \$24.443 million on capital works, with the most significant areas of capital expenditure were buildings and roads.

The most significant areas of capital expenditure were buildings and roads.

This graph below highlights all the categories of capital expenditure, and the proportionate expenditure on each.

Capital Expenditure (\$Million)



Council made a significant investment in renewal expenditure, which represented 52.4 per cent of capital expenditure. This reflects the need to maintain existing infrastructure assets, whilst continuing to invest in new and expanded infrastructure.

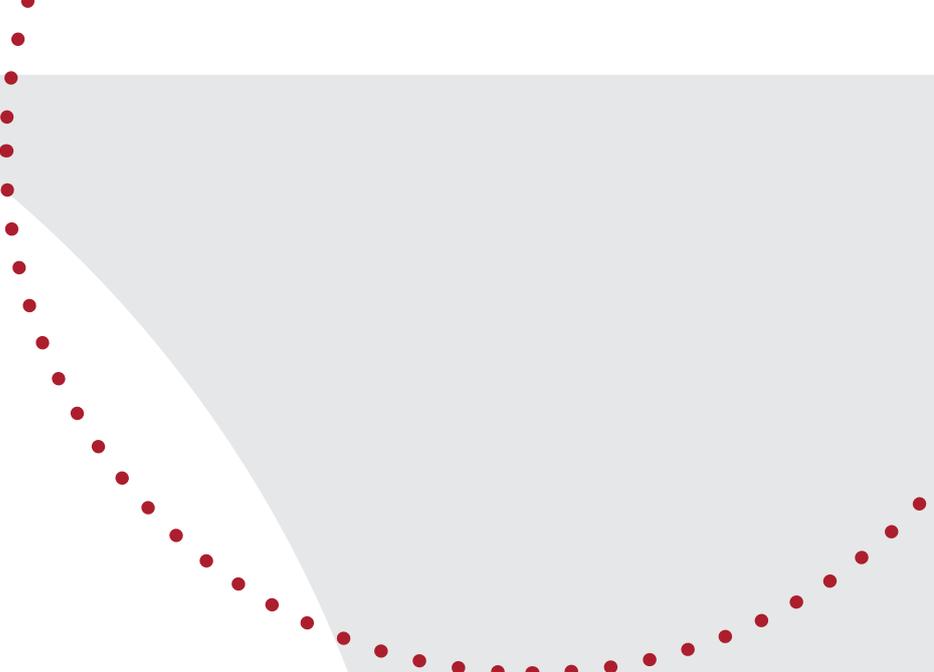
Cash Flow

Council’s cash position at 30 June 2017 was \$20.217 million with a further \$16.610 million for term deposits. This total of \$36.827 million represents an overall increase in cash holdings/investments during the financial year (2015/16 \$18.935 million cash plus \$4.133 million term deposits equals a total of \$23.068 million).

One of the major areas of cash spending for Council during the year was payments for property, infrastructure, plant and equipment of \$24.699 million, which reflects the cash payment for capital projects. This large cash outflow has been offset by the net cash flow from operations for the financial year of \$36.09 million and an increase in investments of \$12.477 million.

Management of cash is a key financial responsibility for Council.

Note: The above financial report does not form part of Council’s statutory reporting and has been written to assist the community in better understanding the financial statements.

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Major Capital Works Projects

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During 2016/17 Baw Baw Shire Council invested in the following major projects.

Warragul Leisure Centre Upgrade (Project value \$14 million) (Completed)

Following a 17 month redevelopment, the Warragul Leisure Centre was opened to the public in September 2016.

Providing a new 50 metre eight-lane outdoor pool along with a range of new aquatic facilities, the \$14 million redevelopment is the biggest capital investment ever undertaken by Baw Baw Shire Council.

West Gippsland Arts Centre Upgrade (Project value \$13.4 million) (Commenced)

The West Gippsland Arts Centre Upgrade works commenced in April 2017 with completion anticipated Quarter Three 2017/18. The upgrade project sees capital investment of \$13.4 million.

Council wishes to acknowledge the funding support from both the State (\$4 million) and Federal Government (\$4 million).

The upgrade will respond to the growth of our local population, to help ensure we remain a vibrant and liveable place.

It will strengthen our capacity to be a strong centre for the creative industries and will provide job opportunities both directly and indirectly as it serves to stimulate the local economy, and attract visitors and tourists.

Warragul CBD Townscape Upgrade (Project value \$4.6 million) (Commenced)

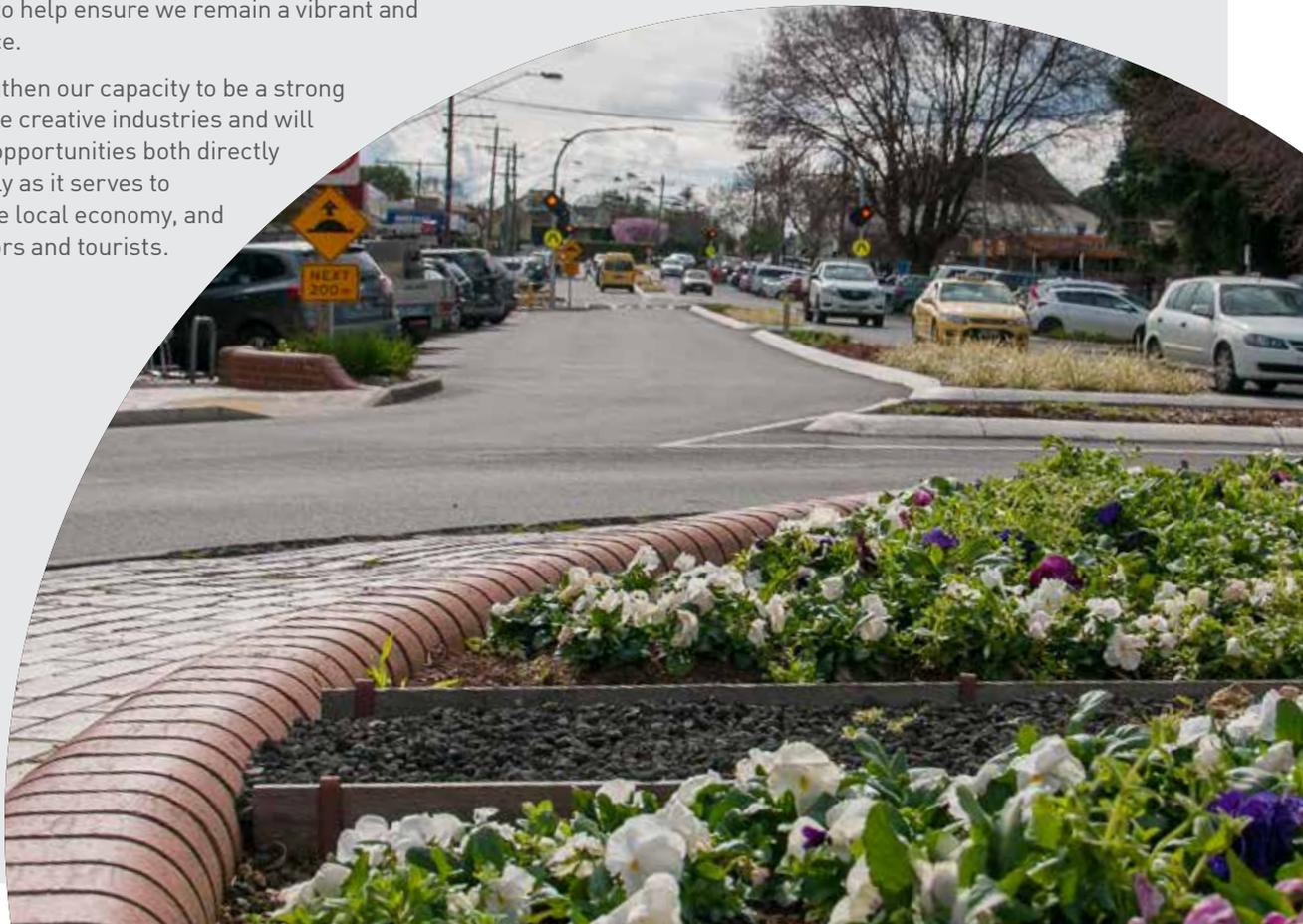
Baw Baw Shire Council has commenced works on the streetscape improvements within the Warragul CBD, which are intended to reinvigorate the 'Retail Heart' of Warragul.

The works commenced in 2015/16 and will continue into 2020/21 covering the area bounded by:

- Smith Street between Albert and Queen Streets
- Palmerston Street between Victoria and Smith Streets
- Queen Street between Smith and Gladstone Streets

In addition, improvements are also planned at the following intersections:

- Mason Street and Albert Street
- Mason Street and Palmerston Street
- Queen Street and Napier Street



Capital Works 2016/17

The 2016/17 financial year saw Council undertake \$24.443 million worth of works on 119 projects and programs across the Shire supported by \$7.4 million in external income.

These projects and programs, under their asset categories, aim to address the diverse needs of the communities within the municipality. The following is a summary of the program expenditure highlighting some of the major projects and programs undertaken this financial year.

Growth and Development

Future forward design works including project economic assessments for funding \$113,000

Waste Management

- Trafalgar Transfer Station access improvement works \$67,000
- Public place recycling bins installation in township CBD's \$10,000

Information Technology

- Information Technology Network Infrastructure renewal works \$220,000
- West Gippsland Arts Centre Booking and Management Software upgrade \$46,000

Drainage

- Tarwin Street Retarding Basin Wall upgrade (completion 2017/18)
- Roadside drains and flanking works (17 locations) \$389,000
- Bona Vista Road-Gibson Road drainage upgrade \$88,000
- 21 Hearn Street, Drouin drainage upgrade \$49,000
- 61 Main Neerim Road drainage upgrade \$27,000
- 2 Pryor Road, Drouin drainage upgrade \$26,000



Footpaths

- New footpath works (5km across 24 locations) \$887,000
- Footpath renewal works \$171,000
- Shire-wide pram crossing/Disability Discrimination Act (DDA) upgrade works (six locations) \$20,000

Buildings

- Warragul Leisure Centre redevelopment (completed)
- West Gippsland Arts Centre upgrade (completion 2017/18)
- Ellinbank Reserve - renew change rooms and associated works \$636,000
- Eastern Park - installation of unisex public toilet \$190,000
- Toilets and amenities renewal and upgrade works (two locations) \$113,000
- Robertson Sports Complex renewal works \$46,000

Recreation Facilities and Open Space

- Western Park Recreation Precinct - oval development (completion 2017/18)
- Shire-wide annual playground equipment renewal and upgrade \$268,000
- Shire-wide sports court/field renewal works \$168,000
- Logan Park- upgrade oval lighting \$152,000
- Eastern Park- training lights for oval \$136,000
- Balmoral Park - upgrade lighting to courts \$93,000
- Ellinbank Reserve- lighting upgrade of netball courts \$51,000

Bridges and Major Culverts

- Daveys Road Bridge upgrade \$638,000
- Bona Vista Rd Bridge upgrade \$379,000
- Minor Bridge renewal works (six locations) \$139,000

Plant Fleet and Machinery

- Plant, Fleet & Machinery replacement program \$680,000

Property and Land

- Shire-wide strategic land acquisition \$50,000

Roads

- Road reconstruction works (eight sites) \$1.9 million
- Localised pavement repair works (33,000sq.m across 15 locations) \$1.24 million
- Road resealing works (34.8km across 22 locations) \$1.2 million
- Gravel Road resheeting works (30km across 15 locations) \$1.1 million
- Landsborough Street, Warragul reconstruction \$1.1 million
- Sutton Street, Warragul reconstruction \$840,000
- Shire-wide Road Safety improvement works \$590,000
- Warragul CBD improvement works (on-going) \$377,000
- Shire-wide road upgrade - sealing the gaps (three locations) \$376,000
- Trafalgar Recreation Reserve - entrance and car park works \$302,000
- Yarragon-Leongatha Road & Yarragon South Road intersection treatment \$216,000
- Pedestrian crossing works between Bank Place - Main South Road, Drouin \$164,000
- Shire-wide Recreation Reserve existing entrance renewal works \$150,000
- Shire-wide subdivisions works \$144,000
- Shire-wide traffic improvement works \$121,000
- Shire-wide guard rail installation works \$106,000

Asset Management

Baw Baw Shire Council is responsible for the management of \$656 million worth of infrastructure assets, which includes roads, off-street carparks, bridges, drains, footpaths, buildings, parks and sports grounds.

The asset portfolio includes over 1,775 kilometres of roads; 641 kilometres of footpaths and cycle ways; 174 bridges and major culverts; 11,626 pits and 338 kilometres of underground pipes; 215 buildings; and 450 hectares of reserves and open spaces.

Baw Baw Shire Council's asset management vision is "a fit for purpose portfolio that supports the provision of best value services at the optimised whole of life costs, while meeting the present and future service needs of the community".

Asset management is an ongoing process and is based on continuous improvement. The establishment of a sound asset base is the first step, which will underpin the future asset management funding allocation and meeting the service delivery requirements of our community needs.

Prudent management of our assets is a core business function and is critical to maximising the quality of life for our community to utilise, now and into the future.

Asset Management Program

During 2016/17, Council has progressed further with the 'Core Maturity' requirements under the National Asset Management Assessment Framework. This is a nationwide framework used to assess an organisation's asset management maturity in terms of processes, governance, skills and strategies. Council has also adopted this framework to monitor and measure its annual asset management and finance management performance.

A consolidated corporate asset register has been established as the source of Council's asset data, and the ongoing condition assessment and revaluation of infrastructure assets is integral to the service asset and finance management programs.

Lifecycle management of all asset groups is being integrated into Council's capital works and maintenance programs. This ensures that the costs associated with providing services and maintaining Council's assets are factored into decision making.



Advocating for Our Community

For the Baw Baw Shire to achieve its full potential, we continue to advocate (on behalf of our community) to secure and deliver outcomes through partnerships with other levels of government, the private sector, the not-for-profit sector and the broader community.

Council is acting on behalf of its' community with the primary objective to access much needed resources, services, or to influence policy. Council's advocacy activity, in all its forms, seeks to ensure that the people of Baw Baw Shire are strongly represented particularly when decisions are being made about their lives.

During 2016/17, Working Together, Councils Advocacy Plan document was used to market and promote Councils key projects. The key projects in the Working Together Advocacy Plan have been:

- West Gippsland Arts Centre (WGAC) Upgrade
- Co-location of Early Years services to Primary School sites
- West Gippsland Hospital
- Sealing of South Face Road
- Improving Routes to Market
- Managing the Challenges and Opportunities of Rapid Growth

Council has had a busy twelve months on the advocacy front. Face to face meetings have been plentiful with state and federal politicians and departmental bureaucrats, and our efforts rewarded by notable successes.

West Gippsland Arts Centre (WGAC) - On February 2017, the Member for McMillan Russell Broadbent MP announced the Federal Government funding contribution of \$4 million towards the upgrade of the WGAC. This was the final piece of funding to go with the State Government's \$4 million contribution and Council's commitment of \$5.4 million required for the WGAC upgrade. With all the funds in place, works on the upgrade began in April 2017 and is expected to be completed Quarter Three 2017/18.

Gippsland Rail - Council also played a significant role in leading the advocacy for the Gippsland rail improvements. Council partnered with the Gippsland VLine User Group and neighbouring Councils to engage an independent consultant, to assist develop the Gippsland Rail services and infrastructure needs advocacy plan. Significant State and Federal Government funding has been promised as a result of this work.

Mobile Blackspots - Further good news on the back of Council's advocacy arrived when the Federal Government announced that a mobile phone tower would be constructed in Walhalla, providing much needed and long overdue mobile reception for the town.

Sand Road Interchange - 2017 saw the completion of one of Councils long term advocacy projects with the opening of the Sand Road Interchange in Longwarry.

Advocacy works hand-in-hand with grant seeking, and to that end Council was very successful in 2016/17. In addition to the funding for the West Gippsland Arts Centre, Council attracted funding for major community projects, including:

- Shire-wide Road Reconstruction and Repair works - Federal Government Roads to Recovery funding of \$4.03 million (completed).
- Shire-wide Road Safety Improvement works - Federal Government Blackspot Program funding of \$595,000 (completed).
- Labertouche North Road Construction - Agriculture Victoria funding of \$581,935 towards the \$1.16 million project to widen and seal a seven kilometre section of the road to improve efficiency and productivity for agriculture and commercial vehicles. Works are due to commence in the latter half of 2017 and be completed in early 2018.
- Drouin Library Upgrade - Department Environment Land Water and Planning funding of \$205,527 towards the \$275,000 project. Works are due to commence in the latter half of 2017 and be completed in early 2018.
- Drouin Soccer Club Change Room Upgrade - Sport and Recreation Victoria funding of \$100,000 towards the \$150,000 project for female friendly and accessible amenities. Works are due to commence in late 2017 and be completed in mid-2018.
- Ellinbank Recreation Reserve Lighting - Sport Recreation Victoria funding of \$80,000 towards the \$180,000 project to install new light towers. Works are due to commence in late 2017 and be completed in early 2018.
- Cricket for Drouin - Sport Recreation Victoria \$78,550 funding towards the \$117,825 project to expand cricket facilities at Bellbird Park. Works are due to commence in early 2018 and be completed in mid-2018.

Community Development Grants

The annual Community Development Grants program was undertaken during 2016/17 and finalised with a presentation evening on 7 September 2016. This year Council received 70 applications requesting in excess of \$345,000 for community programs and projects. Over \$223,000 was awarded to 43 successful community groups.

The 43 successful projects were allocated funding from three categories, including:

- Environment – seven projects - \$12,137
- Youth, Community Events and Programs – 12 projects - \$52,807.50
- Minor Capital Works – 24 projects - \$181,508

The successful projects include:

Environment

- Longwarry Community Garden and Orchard, received \$2,000 towards their project Sustainable Gardening in Longwarry.
- Committee for Drouin, received \$2,000 towards their Drouin tree walks booklet printing project.
- Jindivick Landcare Group Equipment, received \$2,000 towards their project Community Conservation Activities.
- Drouin Stationeers, received \$300 towards their project Enhancing the Gardens at Drouin Station.
- Darnum Recreation Reserve Committee of Management, received \$2,000 towards their New Water Tank project.
- Warragul Girl Guides, received \$1,837 towards their Warragul Guides Energy Saver Solar Hot Water project.
- Warragul and District Landcare Group, received \$2,000 towards their Urban Rabbit Control Program.



Youth, Community Events and Programs

- Community Church Warragul, received \$3,000 for their Free Fun Day 2016.
- Eastern Park Community Garden, received \$2,000 towards their project Enhancing Participation.
- Regional Centre of Expertise in Education for Sustainable Development (RCE Gippsland), received \$3,000 towards the Gippsland Sustainable Schools Expo.
- Trafalgar Community Development Association, received \$3,000 towards their Trafalgar Photobook - Women who Volunteer project.
- Blind Sports and Recreation Victoria (BSRV), received \$2,985 towards their project Seeing a Track to Improved Health and Well-being in Baw Baw.
- Gardivalia Inc., received \$3,000 towards their project.
- Baw Baw Volunteer Leadership Network, received \$3,000 towards the Baw Baw Volunteer Expo.
- Warragul & West Gippsland Agricultural Society Inc., received \$3,000 towards the Warragul Show.
- Warragul Camera Club, received \$3,000 towards the 44th Warragul National Photographic Competition.
- West Gippsland Music and Drama Eisteddfod, received \$3,000 towards the Gippsland Parasteddfod.
- Women in Gippsland, received \$3,000 towards the Baw Baw International Women's Day Celebrations 2017.
- Drouin and District Business Group, received \$3,000 towards the Drouin Lights Up Christmas Festival.
- Thorpdale & District Bowling Club Inc., received \$10,000 towards their project Replacement of Green Sprinkler System.
- Willow Grove Recreation Reserve, received \$10,000 towards their project Recreation Reserve Kitchen Upgrade.
- Neerim District Cricket Club Inc., received \$4,900 towards their project Upgrade Neerim Cricket Pitch – Compliance.
- Jindivick Progress Association Inc., received \$4,011 towards their project Renovate Jindivick Hall Pool Room.
- Warragul United Soccer Club, received \$8,139 towards their project Soccer Goal infrastructure.
- Erica Community Facilities Committee of Management, received \$4,430 towards their project Erica Mill Park Shelter.
- Warragul Scout Group, received \$8,017 towards their project Warragul Scout Hall Improvements.
- Hallora Recreation Reserve Inc., received \$3,625 towards their project Upgrade to Waterless Urinals.
- Neerim District Secondary College, received \$10,000 towards their project Tennis Court Renovation.
- Baw Baw Combined Churches Food Relief Inc., received \$5,000 towards their project Purchase and Installation of Solar Power System.
- Tetoora Road Community Centre, received \$4,980 towards their project Refurbishment Tetoora Road Community Centre.
- Tanjil South Recreation Reserve, received \$10,000 towards their project Total Kitchen Upgrade.

Minor Capital Works

- Hallora Public Hall Committee, received \$1,100 towards their project Hall Painting Due to White Ant Removal.
- Oak Street Kindergarten Inc., received \$10,000 towards their Oak Street Kindergarten Tree House Playground project.
- Thorpdale Mechanics Institute, received \$10,000 towards their project A Safer Kitchen For All.
- Walhalla Board of Management Inc., received \$4,000 towards their project Cook Up a Storm, Buy a New Oven.
- Warragul Theatre Company, received \$10,000 towards their project The Green Shed New Roof.
- Thorpdale Recreation Reserve, received \$10,000 towards their project Safe Boundary.
- Neerim District Health Service, received \$10,000 towards their project Exterior Signage and Interior Refurbishment.

About Baw Baw Shire

Our Shire

Baw Baw Shire is approximately 100 kilometres east of Melbourne in the heart of West Gippsland.

It has an area of 4,027 square kilometres and was formed in 1994 from the amalgamation of the former Buln Buln and Narracan Shires, the Rural City of Warragul (previously the Shire of Warragul), and some parts of the Shire of Upper Yarra.

The northern half of the Shire is heavily forested and lies in the Great Dividing Range and its foothills, including the Mt Baw Baw National Park, while the Shire is bounded by the Strzelecki Range and its

foothills to the south. The 'middle' part of the Shire is more densely populated, particularly in areas close to the Princes Highway and the Gippsland railway line, but still retains its rural environment.

Baw Baw is bordered by South Gippsland, Cardinia, Yarra Ranges, Mansfield and Wellington Shires, with the City of Latrobe completing the cohort of neighbours.





**Town populations
(2016 Census)**

Warragul: 15,757

Drouin: 12,349

Trafalgar: 3,912

Longwarry: 2,004

Yarragon: 1,650

Population

The fastest growing Local Government Area's (LGA's) in regional Victoria were generally located in peri-urban areas close to Melbourne or Geelong. The highest rates recorded were in Greater Geelong and Mitchell (2.0 per cent) followed by Moorabool (1.9 per cent), Baw Baw (1.6 per cent) and Macedon Ranges (1.4 per cent).

Projected population in 2021 of 54,318 is anticipated to grow to 67,743 by 2031 an annual percentage increase of 2.0 per cent.

The number of households across the Shire will continue to grow from a recorded 17,366 in 2011 to 22,498 by 2021 and a further 28,499 in 2031.

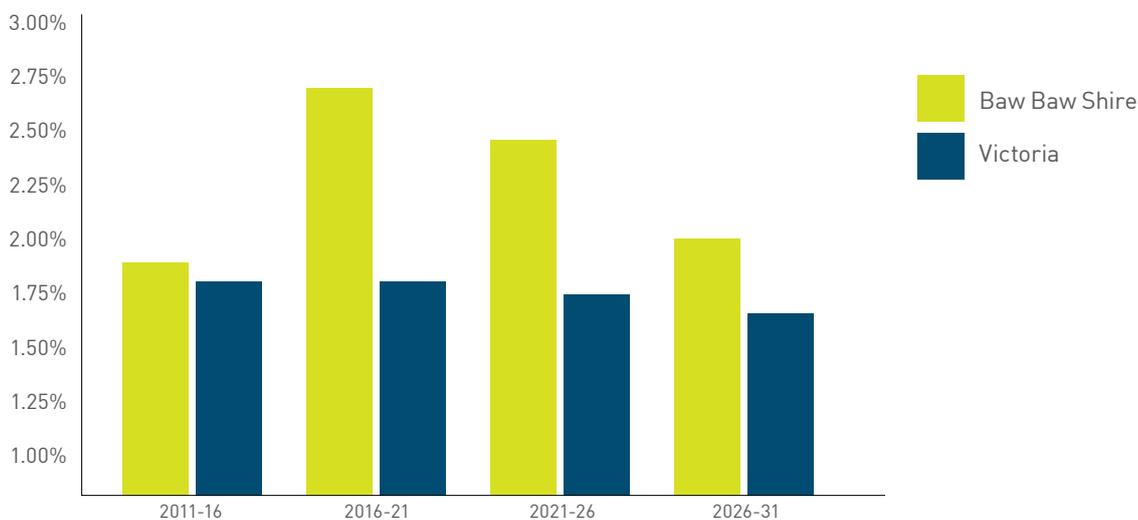
Our population will continue to age and those in the 65 years plus bracket will represent 23.1 per cent by 2031 (an increase of 6.7 per cent since 2011). People under the age of 20 years are projected to decline from 27.1 per cent in 2011 to 24.5 per cent in 2031.

Baw Baw Shire Population and Age Comparison to State

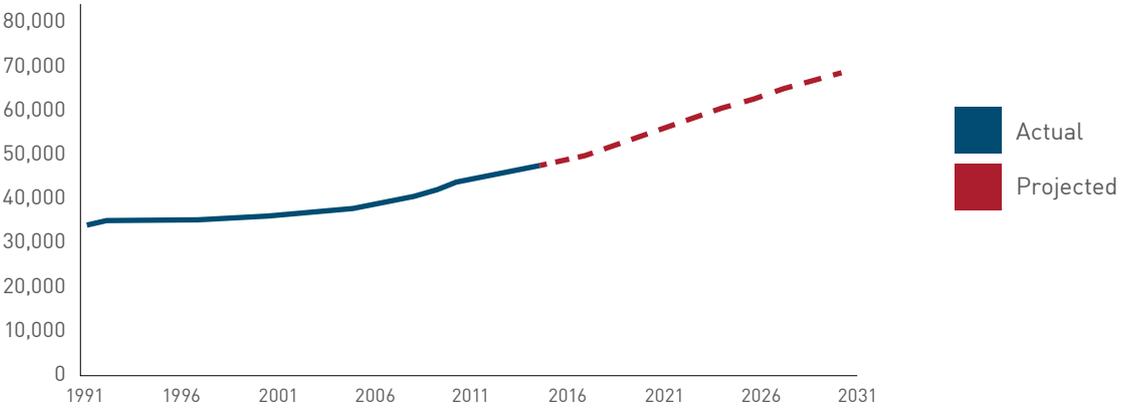
| | 2011 | 2016 | 2021 | 2026 | 2031 |
|---------------------------|--------|--------|--------|--------|--------|
| Total Population | 43,387 | 47,578 | 54,318 | 61,296 | 67,743 |
| Pop. in private dwellings | 42,986 | 47,121 | 53,760 | 60,604 | 66,898 |
| Households | 17,366 | 19,467 | 22,498 | 25,558 | 28,449 |
| Average household size | 2.48 | 2.42 | 2.39 | 2.37 | 2.35 |

| | 2011-31 | 2011-16 | 2016-21 | 2021-26 | 2026-31 |
|-----------------------------|---------|---------|---------|---------|---------|
| CHANGE IN POPULATION | | | | | |
| Net change | 24,356 | 4,192 | 6,740 | 6,977 | 6,447 |
| Average annual change | 2.3% | 1.9% | 2.7% | 2.4% | 2.0% |
| CHANGE IN HOUSEHOLDS | | | | | |
| Net change | 11,083 | 2,102 | 3,030 | 3,061 | 2,890 |
| Average annual change | 2.5% | 2.3% | 2.9% | 2.6% | 2.2% |

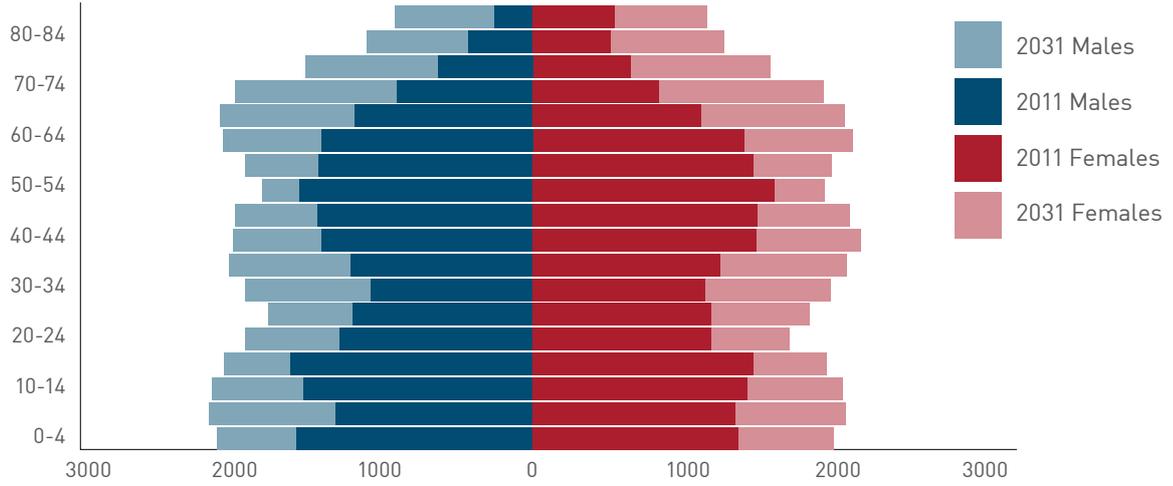
Annual Change in Estimated Resident Population



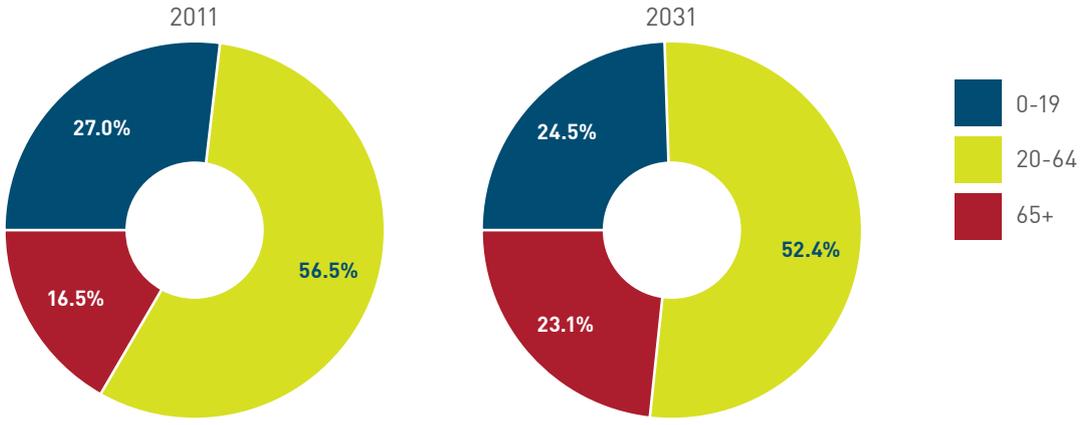
Estimated Resident Population, 1991-2031



Baw Baw Shire Population and Age Comparison to State



Baw Baw Shire Population by Broad Age Groups, 2011-2031



Source: Victoria in Future 2016 <https://www.planning.vic.gov.au/data/assets/pdf/0015/11445/BawBawVIF2016OnePageProfileOutput.pdf>

Economic Profile

Baw Baw Shire is known for its innovation in manufacturing, design and agribusiness. Baw Baw is home to a major dairy sector, some of Australia's leading hydroponics and agribusiness companies, and innovative food processing companies. Our equipment and food manufacturing companies export across the globe and are at the forefront of technology development in their fields.

The estimated gross output for businesses in the Baw Baw Shire for the 12 months to December 2016 was \$3.950 billion.

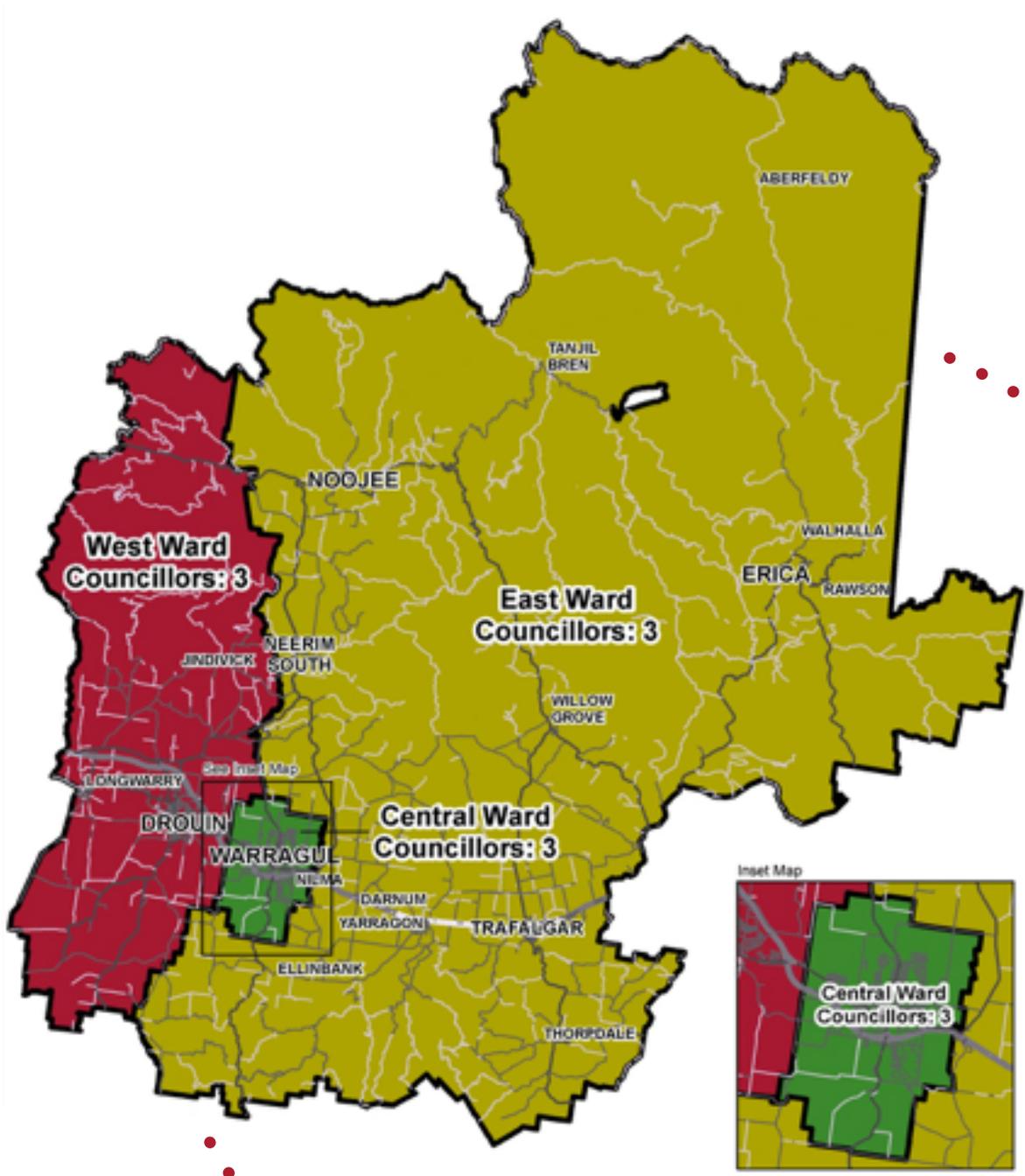
Manufacturing was the largest output sector at \$724.797 million, with construction being the second highest at \$556.520 million, and real estate services the third highest with an output of \$450.628 million.

Health care and social assistance was the largest employer in the Shire employing 1,714 people; agriculture was the second largest employer employing 1,683 people followed by retail with 1,648. In combination these three industries employ 35.7 per cent of the total workforce in Baw Baw Shire, compared to Victoria employing 11.9 per cent in health care and social assistance; 2.3 per cent in agriculture; and 11.1 per cent in retail.

As of the December 2016 quarter, our unemployment rate sat at 5.4 per cent, compared to Australia's rate of 5.5 per cent and Victoria's rate of 5.7 per cent (*Department of Employment, Small Area Labor Markets*).

| Industry Sector | \$M | % |
|--|--------------------|--------|
| Manufacturing..... | \$724.797 | 18.35% |
| Construction..... | \$556.520 | 14.09% |
| Rental, Hiring & Real Estate Services..... | \$450.628 | 11.41% |
| Agriculture, Forestry & Fishing..... | \$433.615 | 10.98% |
| Wholesale Trade..... | \$205.957 | 5.21% |
| Retail Trade..... | \$196.007 | 4.96% |
| Health Care & Social Assistance..... | \$180.445 | 4.57% |
| Education & Training..... | \$170.067 | 4.30% |
| Professional, Scientific & Technical Services..... | \$155.575 | 3.94% |
| Financial & Insurance Services..... | \$151.609 | 3.84% |
| Accommodation & Food Services..... | \$136.473 | 3.45% |
| Public Administration & Safety..... | \$123.857 | 3.14% |
| Transport, Postal & Warehousing..... | \$108.587 | 2.75% |
| Other Services..... | \$100.679 | 2.55% |
| Information Media & Telecommunications..... | \$86.884 | 2.20% |
| Electricity, Gas, Water & Waste Services..... | \$66.920 | 1.69% |
| Administrative & Support Services..... | \$59.911 | 1.52% |
| Arts & Recreation Services..... | \$28.943 | 0.73% |
| Mining..... | \$13.285 | 0.34% |
| Total | \$3,950.758 | |

Key Statistics
 - 14,127 local jobs
 - 4,814 local businesses
 - 19,379 employed residents



Councillor Profiles

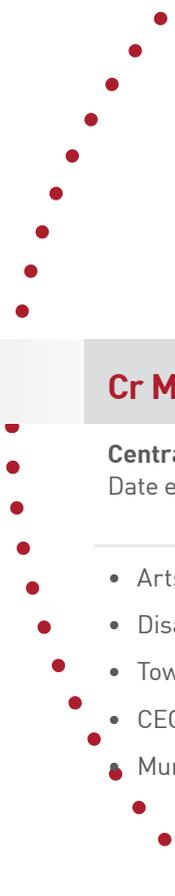
The Council is elected to provide leadership for the good governance of the municipal district and the local community.

Council elections are conducted every four years by the Victorian Electoral Commission (VEC) and are held by postal vote. Council elections were held on 22 October 2016, and a new Council elected for a four year term.

The municipality is divided into three wards, represented by three Councillors in each ward. The nine Councillors are the elected representatives of all residents and ratepayers across the municipality. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below.



Left to right: Cr Peter Kostos, Cr Mikaela Power (Deputy Mayor), Cr Michael Leaney, Cr Joe Gauci (Mayor), Cr Danny Goss, Cr Jessica O'Donnell, Cr Darren Wallace, Cr Tricia Jones, Cr Keith Cook.



Cr Joe Gauci – Mayor

Mayor

Central Ward

Date elected: 2012 - Current

- Audit Committee
- Business Advisory Board
- Towns and Rural Communities Network
- Municipal Health and Wellbeing Committee
- CEO Performance Review Committee

Cr Mikaela Power – Deputy Mayor

Central Ward

Date elected: 2012 - Current

- Arts and Culture Advisory Committee
- Disability Advisory Committee
- Towns and Rural Communities Network
- CEO Performance Review Committee
- Municipal Health and Wellbeing Committee

Cr Danny Goss

Central Ward

Date elected: 2016 - Current

- Audit Committee
- Business Advisory Board
- Towns and Rural Communities Network

Cr Tricia Jones

West Ward

Date elected: 2008 - Current

- Business Advisory Board
- Disability Advisory Committee
- Place Names Advisory Committee
- Towns and Rural Communities Network
- Positive Ageing Advisory Committee
- CEO Performance Review Committee

Cr Jessica O'Donnell

West Ward

Date elected: 2016 - Current

- Arts and Culture Advisory Committee
- Towns and Rural Communities Network
- Positive Ageing Advisory Committee
- Municipal Health and Wellbeing Committee

Cr Keith Cook

West Ward

Date elected: 2016 - Current

- Place Names Advisory Committee
- Roads and Drainage Advisory Committee
- Towns and Rural Communities Network

Cr Peter Kostos

East Ward

Date elected: 29 July 2013 - Current

Prior terms: October 2011-2012, 2005-2008

- Environmental Voice Advisory Committee
- Place Names Advisory Committee
- Towns and Rural Communities Network
- Roads and Drainage Advisory Committee

Cr Darren Wallace

East Ward

Date elected: 2016 - Current

- Roads and Drainage Advisory Committee
- Towns and Rural Communities Network

Cr Michael Leaney

East Ward

Date elected: 2016 - Current

- Towns and Rural Communities Network
- CEO Performance Review Committee

Outgoing Councillors

Cr Terry Williamson

Former Drouin Ward

Term: 2012- 2016

Cr David Balfour

Former North Ward

Date elected: 2003 - 2016

Cr Debbie Brown

Former North Ward

Date elected: 2012 - 2016

Cr Murray Cook

Former Mount Worth Ward

Date elected: 2012 - 2016

Cr Gerard Murphy

Former Warragul Ward

Date elected: 2012 - 2016

Our Organisation

The Executive Leadership Team (ELT) provides high-level strategic direction and is responsible for the operational delivery of decisions made by the Council as outlined in the four year plan. The team operates under three directorates, Community Assets; Corporate and Community Services; and Planning and Economic Development. In addition, the Executive Manager Community Information and Advocacy reports into the Chief Executive Officer.

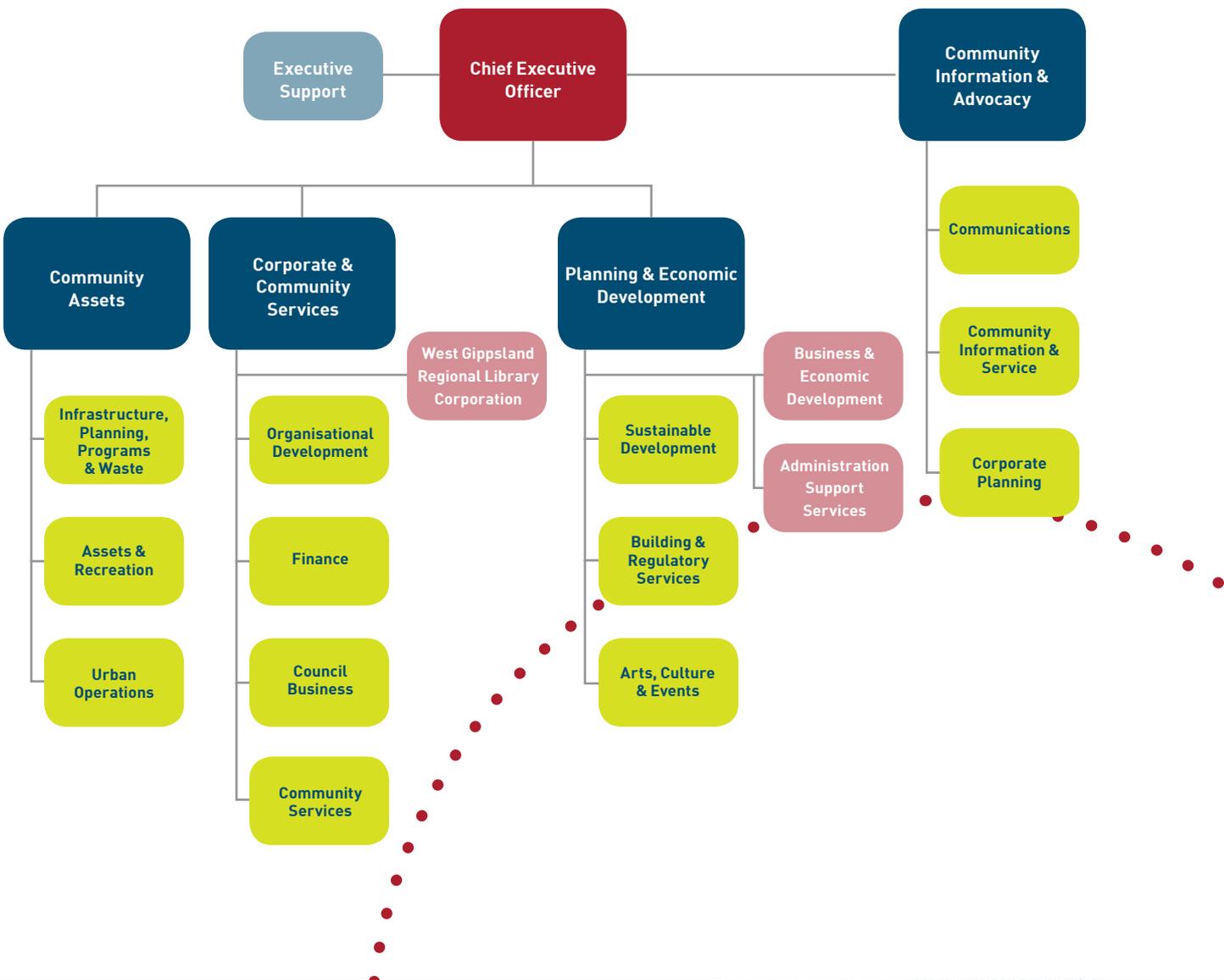
The three Directors and the Executive Manager report to the Chief Executive Officer, who in turn is answerable to the Council. Members of ELT work closely with Council, attend all Council meetings, and present reports and recommendations to the Council.

Council’s aim is to attract, retain and develop talented and committed employee’s through the continuous improvement of its human resources, organisational development and occupational health and safety programs and initiatives.

Baw Baw Shire Council is committed to providing a safe, harmonious work environment free from discrimination, bullying and harassment and has a gender equity action plan.

To improve workplace practices and develop skills, the Council provides employees with professional development opportunities. Training and development programs are identified during annual performance reviews which support the Council’s ongoing commitment to providing a safe place to work, high customer service standards and legislative framework compliance.

Baw Baw Shire Council Organisational Structure



Executive Leadership Team

Phil Cantillon

Interim Chief Executive Officer (February 2017 - Current)

Phil has 30 years leadership, management and technical experience in planning and delivering infrastructure in both Local and State Government environments. He has exceptional relationship management and advocacy skills working alongside the three tiers of government and the private sector. Phil joined Baw Baw Shire Council in 2012, building on a successful career at senior management level in the Tasmanian Department of Infrastructure, Energy and Resources, New South Wales Road Traffic Authority, Victorian Road Traffic Authority and Broadmeadows City Council. He is a professional, qualified civil engineer, and fellow of the Institute of Engineers.

Matthew Cripps

Director Planning and Economic Development

Matthew has an extensive background in statutory and strategic planning, with over 18 years in Local Government. He has previously worked at Frankston City Council, and Banyule City Council. Matthew holds a Masters of Social Science (Environment and Planning), a Bachelor of Arts (Urban Studies), a Graduate Certificate in Business and Administration, and is a Certified Practising Planner. Matthew joined Baw Baw Shire Council in November 2013. Matthew's directorate covers Planning, Economic Development, Building, Public Health, and the Local Laws areas.

Jane Oakley

Executive Manager Community Information and Advocacy

Jane has held senior leadership roles in Telecommunications; State Government - (Regional Development Victoria) and Production. Having held senior leadership positions in both the public and private sector, she brings a wealth of knowledge and experience, particularly in areas such as business improvement, stakeholder engagement and strategic planning. Jane has a Graduate Certificate in Rural Leadership; a Diploma in Practice Management; a Diploma in Competitive Systems and Practices; is an accredited MBTi Facilitator; and, recently completed a Certificate in Local Government Enhanced Service Delivery.

Jane is responsible for overseeing the Communications Team, Community Information and Service, Corporate Planning and Business Improvement, and Grants and Advocacy.

Malcolm Lewis

Acting Director Corporate and Community Services (September 2016-Current)

Malcolm has over 25 years' experience in Local Government mainly as a senior executive officer in the areas of financial management and corporate services. He joined Baw Baw in 2013 to provide financial advice and oversight before his appointment to the role of Manager Finance followed by the position of Chief Financial Officer. Prior to these appointments Malcolm managed his own consultancy business that operated in both the Local Government and not for profit sectors. This work was preceded by a further eight years working in accounting and information technology in the retail industry.

Malcolm's qualifications include a Master of Business Administration (MBA) as well as a Bachelor of Commerce and a Bachelor of Science. In addition Malcolm is a fellow of CPA Australia and has completed the Company Directors graduate program. Malcolm's directorate covers Finance, Governance, Contracts and Procurement, Revenue and Valuations, Risk Management, Human Resources, Occupational Health and Safety, Information Systems, Developer Contribution Plans, Library Operations, Aged and Disability Assessment/Delivery as well as Family and Children's Services.

David Dunstan

Acting Director Community Assets (February 2017-Current)

David has more than 40 years experience in the private sector and Local Government, managing a variety of departments and business units including a number of Parks, Open Space, Recreation, Infrastructure, Capital Works, Major Projects and Project Management roles.

Prior to joining Baw Baw Shire Council in June 2013 as the Manager Urban Operations, David had his own business for three years, mainly consulting to Local Government Councils undertaking a range of projects including reviewing, planning and setting up structures to deal with open space growth, policy development, long term financial planning and developing maintenance standards.

In his acting role, David is responsible for the following departments; Capital Planning and Delivery, Infrastructure Services and Growth, Urban Operations, Waste and Special Projects, Assets and Roads.

Liana Thompson

**Director Corporate and Community Services
(Departed the organisation August 2016)**

Liana's Local Government history spans more than 20 years, with experience as both a Councillor and in senior management. Liana was the last Mayor at the City of Port Melbourne, the first Mayor of the City of Port Phillip (following amalgamation), and a founding member and the inaugural President of the Victorian Local Governance Association (VLGA). Liana holds qualifications in Social Science (Community Development), Business Management, has a Master's of Business Administration (MBA) and is a graduate of the Australian Institute of Company Directors. Liana joined Baw Baw Shire Council as Manager Governance and Compliance in October 2011, then was appointed to the role of Director Community Services in August 2012, and most recently has been appointed Director of Corporate and Community Services commencing in 2016/17. Liana's directorate covered Aged and Disability Services, Family and Children's Services, Financial Services, Organisational Development and Council Business.

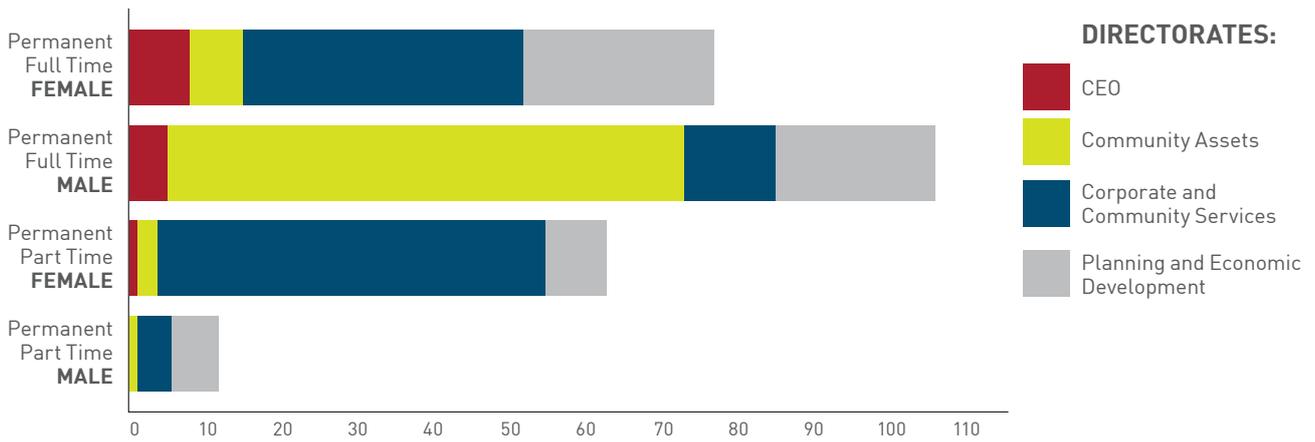
Helen Anstis

**Chief Executive Officer
(Departed the organisation February 2017)**

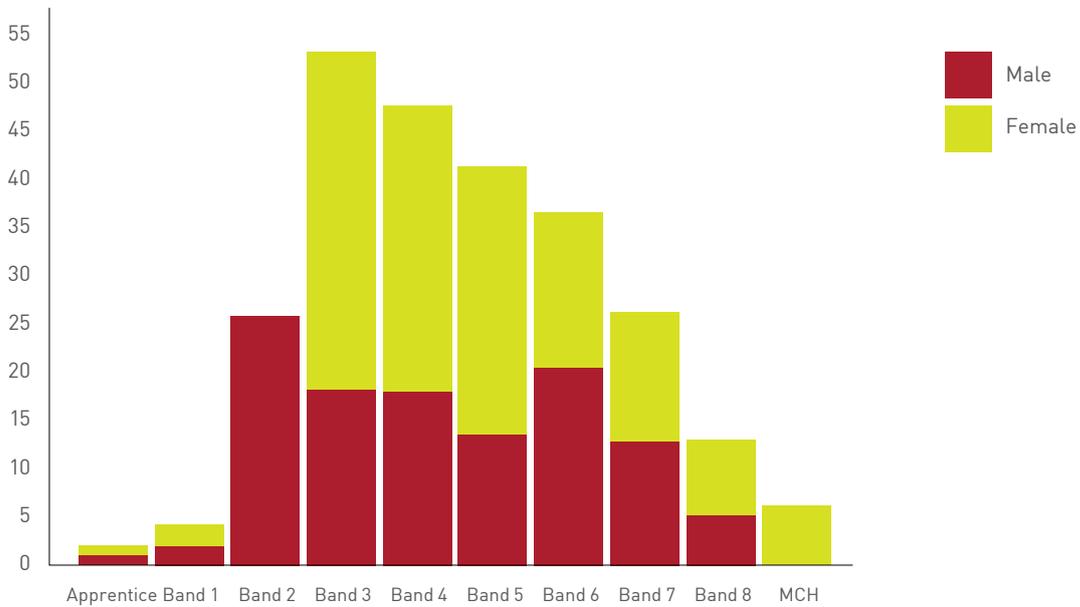
Helen Anstis joined Baw Baw Shire Council as its first female CEO in 2010. Helen's diverse career, covering a wide-range of experience, spanning over 30 years, includes time in the private sector and across all three tiers of government. Helen's qualifications include a Master of Business Administration, Bachelor of Business Management and she is a Graduate of the Australian Institute of Company Directors. Helen holds executive or representative roles on the West Gippsland Trade Training Alliance, the Gippsland Local Government Network, the Gippsland Regional Development Australia Board, the Peri Urban Group of Local Councils, and the Rural Councils Victoria Executive.

Baw Baw Staff

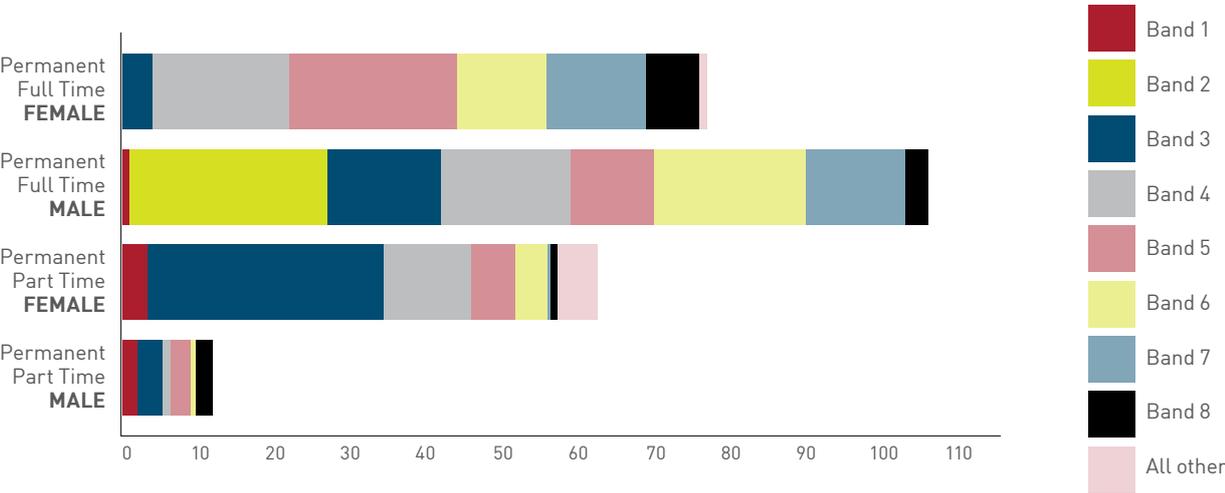
Employee Positions (By Gender and Directorate)



Banding by Gender



Workforce Data



Equal Opportunity Program

Council is committed to ensuring our workplace is free of discrimination and harassment. Council is dedicated to providing a pleasant working environment and encouraging good working relationships between all employees.

Council endeavours to ensure that in the application of all Council policies, practices and procedures, no discrimination takes place, diversity is encouraged, and that all employees enjoy equal access to opportunities within the Council.

All recruitment, selection and employment decisions will be based on the individual merit of applicants and employees. Each new employee prior to commencing

receives Council's equal opportunity policy which must be read and signed off. Upon commencement in their new role the employee receives an equal opportunity eLearning course invitation which must be completed within their first week. All staff receives equal opportunity training every two years and regular information and updates in-between.

In addition to equal opportunity training and information Council adopted a Gender Equity Action Plan in 2016, outlining the work to be done in leading gender equity within the organisation. The Gender Equity Action Plan places Council's commitment to gender equity firmly on the corporate agenda, providing positive, measurable and enduring steps towards equality.



Enterprise Bargaining Agreement

In July 2016, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for Council employees. As a result, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 1 January 2017 for a period until 31 December 2019.

Student Work Placements Program

During 2016/17, Council accommodated 15 secondary school placements. Council provided two work placement opportunities for 'Job Shadow Day' which was held in September 2016. Job Shadow Day supports people with disabilities returning to work.

Last year we had an administration trainee, who in October gained permanent employment with Council and we currently have three apprentices employed at our Warragul Depot.

Work placement promotion is an ongoing activity and we advertise on the Baw Baw Latrobe Learning and Employment Network (LLEN) student portal promoting a number of different opportunities that Council can support for work placement e.g. administration, depot, compliance etc.

Whilst Council continually improves the work placement program, we are still actively participating in supporting our community by providing a variety of work placement/experience opportunities e.g. graduate program, internship, apprenticeship experience etc.

Preventing Violence Against Women

Council continues to promote The Prevention of Violence against Women, primarily through leading gender equity and building respectful and safe relationships and breaking down stereotypes of women. This is a prevention approach consistent with Council's health and wellbeing planning approach. This year the partnership achieved significant liaison with Council staff to promote gender equity within the workplace.

Baw Baw Shire Council's Statement of Commitment to Child Safety

Baw Baw Shire Council is committed to providing and actively promoting a safe environment for children. Council has zero tolerance towards child abuse, and is committed to protecting the physical, emotional, cultural and social wellbeing of all children. Council has policies and systems to protect children, and all allegations and safety concerns will be treated seriously. Baw Baw Shire Council acknowledges that children's safety is a whole of community responsibility and is everyone's business.

Occupational Health and Safety

The safety and wellbeing of our team and the community is highly important. Council continues to pursue ways to make all workplaces and processes safer for everyone working or visiting Council. We do this through the development of our Organisational Integrated Management System framework and employee wellbeing programs.

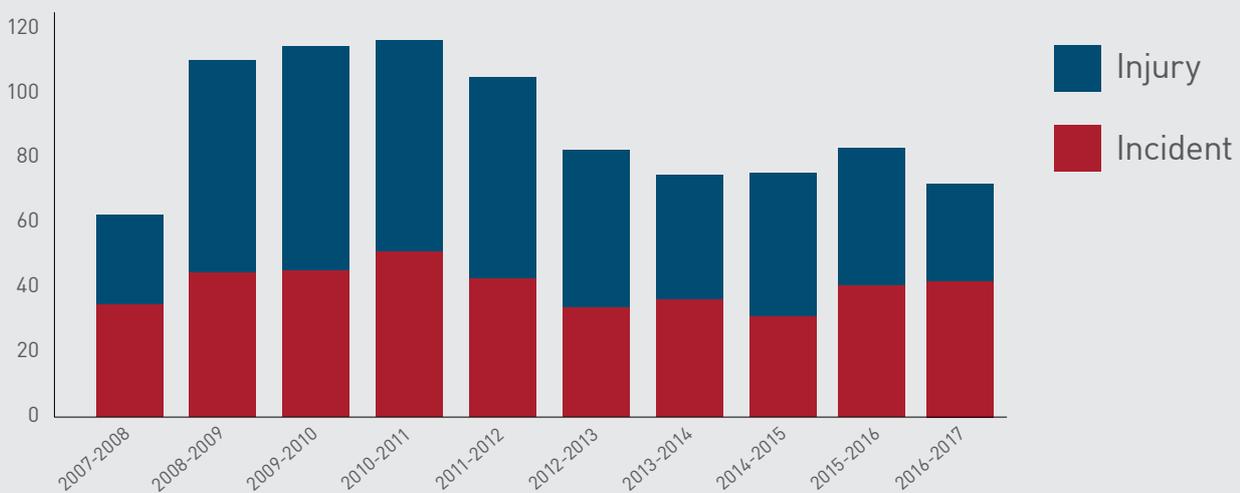
Key improvements in Occupational Health and Safety have occurred during 2016/17, including the appointment of a new part time Return To Work Officer to provide key support to our team in returning back to work after injury.

Some key projects include:

- The continued development of a refreshed Safety Document Framework - Organisation Integrated Management System. This will improve our processes and provide our team with functional tools to assess the way we operate, report potential hazards and implement robust corrective actions.

- Improved consultation and communication between the OHS Committee and teams. We introduced new shared communication boards, improvements to processes and increased knowledge within the team.
- Conduct reviews of Council's Risk Registers, Continuity Plans, Risk Assessments and work instructions to ensure hazards are captured and we are able to respond to any issues that may arise.
- Promotion of workplace ergonomics and encouraging teams to move more. We recognise the negative impacts associated with sedentary work.
- Increased training programs for emergency management, conflict training and health and safety representatives.

Injury and Incidents Reported Within the Workplace



A workplace incident includes an unwanted event outcome, injury or near miss. This graph represents the total incidents reported throughout the reporting period, divided between the reported injuries (blue) and other incidents (red).

WorkCover Insurance Premium and Benchmark

Baw Baw Shire Council's premium costs for 2016/17 were recorded at \$315,579.55.

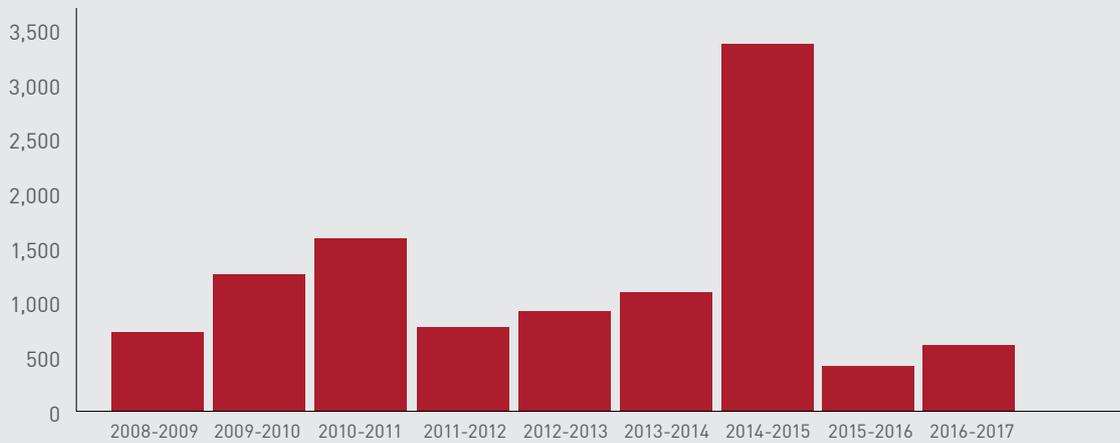
The highest driver of WorkCover premium's is hours lost in the workplace, as represented in the 2014/15 period that is still impacting on our 2016/17 premium costs.

The Employer Performance Rating (EPR) compares premiums across an industry sector. An EPR of 1 is the benchmark. An EPR greater than 1 is below par performance and an EPR less than 1 is above par

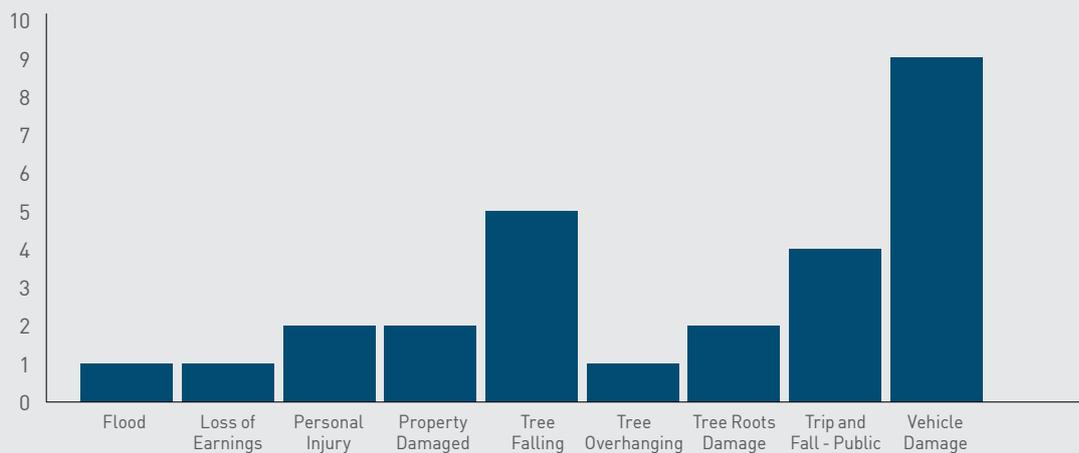
performance. Baw Baw Shire Council's EPR for 2016/17 was at 1.24 indicating a 24 per cent worse than industry average.

We have been working hard to get our injured members back to work as quickly as possible by providing meaningful duties to ensure safe and sustainable Return to Work programs are in place. The work we have done is projecting an improved result for 2017/18 (data available at time of report publication). The projected outcome of a \$35,000 premium reduction from last year and an EPR improvement of .70 (30 per cent above industry average).

WorkCover Hours Lost



Insurance Claims by Title



Public Liability Insurance Claims

For 2016/17 Baw Baw Shire Council received a total of 62 written claims requesting consideration of compensation.

26 Claims have been referred to our Claims Management Agent for further assessment.

Volunteers

Baw Baw Shire Council is extremely fortunate to have an amazing network of volunteers who are dedicated to supporting our community. A key strategic objective within the Council Plan is to create communities that are dynamic, vibrant and inclusive. A notable measure of this objective is the number of volunteers registered Council programs.

The Home and Community Care (HACC) Social Support volunteers are a team of 321 dedicated people. Many of the volunteers assist by transporting 24,890 Meals on Wheels to 377 people, driving or caring for clients on the community shopping bus, or assisting with our Planned Activity Group (PAG) program.

A service that is of notable significance is Baw Baw Shire's Community Transport Program; in which volunteers offer assistance using their own vehicles to transport clients to and from medical appointments. This can mean a trip to a local practitioner, or in some cases volunteers drive as far as Latrobe Regional Hospital or Melbourne and Metropolitan hospitals. It is not uncommon for the volunteers to wait up to six hours for a client to receive a procedure, before returning

home. During 2016/17 this service transported 116 clients to 656 medical appointments, providing 2,221 hours of assistance.

Our volunteers also provide assistance through:

- The Pet Program, where volunteers assist clients who are experiencing mobility issues in walking their dog.
- Community gardeners actively assist community members in maintaining their gardens, to help them remain in their homes longer.
- Visiting isolated clients in their own home through our friendly visiting program.

Celebrating our Volunteers

Council values and recognises volunteers by holding two volunteer recognition events. The first on 8 December saw 150 volunteers attend afternoon tea at the Country Club in Warragul. Then during National Volunteer Week, volunteers were invited to an appreciation movie afternoon at the Warragul cinemas. A total of 145 volunteers attended this event.



2016/17 INTERESTING FACTS

- Total Meals on Wheels delivered 24,890 equating to 6,483 hours of assistance.
- Planned Activity Group assisted 289 clients equating to 48,588 hours.
 - Community bus hours provided 10,482 hours for 116 clients.
 - Community Gardening Assistance to 24 clients; 556 visits equating to 1,229 hours.
- Friendly Visiting for 13 clients; 674 visits equating to 1,054 hours.
 - Pet Program assisted 4 clients; 411 visits equating to 413 hours.

Performance Reporting

The Planning and Accountability Framework is found in part six of the *Local Government Act 1989* (the Act). The Act requires Councils 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 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.

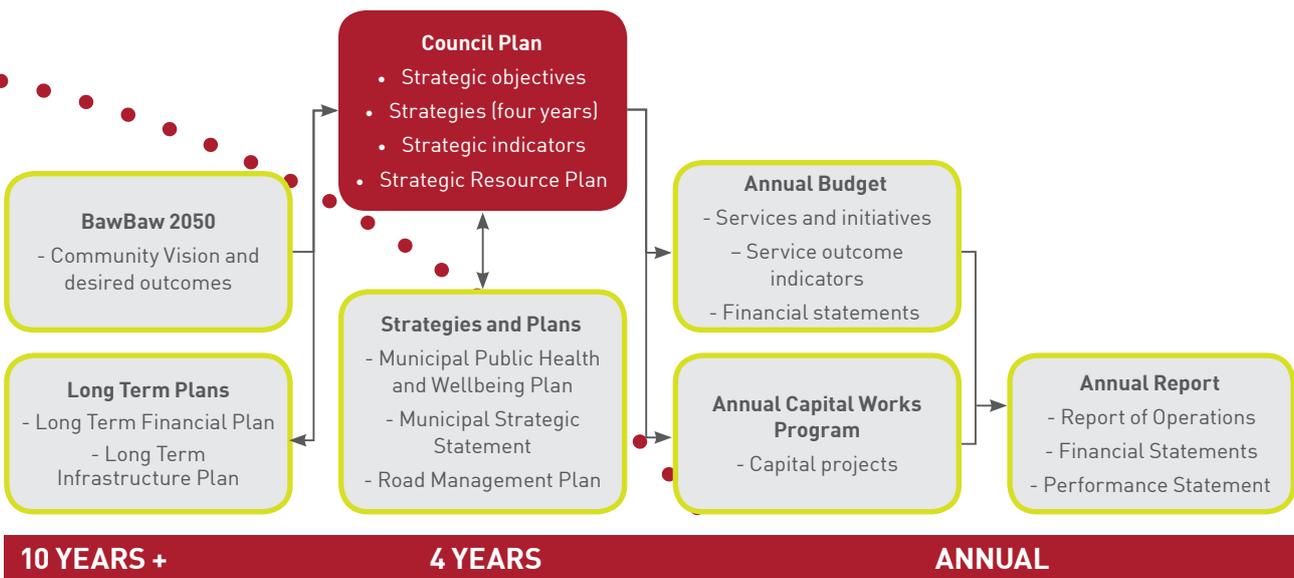
Council's Planning Framework

Council's planning framework seeks to align Council's daily activities and projects with the longer term planning for the Shire.

Drawing on the longer term vision for the community, the Council Plan responds by establishing a number of objectives and outcomes the Council wishes to achieve during its four year term. This is resourced by the Budget and reported in this Annual Report and the audited statements.

The following diagram shows the relationship between the key planning and reporting documents that make up Council's planning framework.

Baw Baw Shire Council Planning Framework



Council Plan 2013 - 2017

The Council Plan is the four year strategy for the organisation and identifies:

- the key priorities of the Council;
- its objectives; and,
- highlights activities that the organisation will carry out.

It is a statutory requirement under the *Local Government Act 1989* for the Council to prepare a new Council Plan following general elections, and then review the plan each year. The current Council Plan was prepared immediately following the Council elections in 2012.

Strategic Objectives

The Council Plan identifies a number of strategic objectives, or goals for the organisation. The objectives are reviewed annually to ensure they remain the priority of Council and will best meet the community's needs.

In developing these, Council has sought to balance the competing needs of funding increased resourcing requirements for roads and drains, improving Council's financial position, and delivering an affordable rates increase for the community.

The strategic objectives highlight Council's focus on serving the community and meeting its needs, and include:

| | |
|--|---|
| Our Community | <ul style="list-style-type: none"> 1.1 Delivering affordable and quality services to the community. 1.2 Dynamic, vibrant and inclusive communities. 1.3 Enhanced quality of life. |
| Council Leadership and Management | <ul style="list-style-type: none"> 2.1 Financial responsibility and responsible management of Council resources and people. 2.2 Council is community focused, engaged and accountable. |
| Infrastructure and Community Assets | <ul style="list-style-type: none"> 3.1 Continuing to reduce the asset renewal gap. 3.2 Investing in quality and affordable community assets which are balanced against the growing needs of the community. |
| Growth and Prosperity | <ul style="list-style-type: none"> 4.1 Planning to meet the needs of the community today and in the future. 4.2 Prosperous local business and industry. |
| The Environment | <ul style="list-style-type: none"> 5.1 Protecting and sustainably managing the natural environment and resources now and into the future. 5.2 Building resilience and preparedness for climate and environmental impacts. |

The objectives are implemented by Council's business activities, services and annual initiatives.

Council has identified a number of principles it will strive to meet in delivering the Council Plan:

- Being financially sustainable and live within the means of the community.
- Equitably address community needs, considering all sections and areas of the community.
- Effectively communicate and engage with the community.
- Advocate to, and form partnerships with, other authorities and the community, to achieve outcomes for the community.
- Being transparent and accountable.

Indicators

Performance is regularly monitored using the indicators contained in the Council Plan and Budget. This includes those developed by the State Government for all Victorian Councils as a consistent measure of service

performance (the Local Government Performance Reporting Framework). These are used by Council to measure progress toward its strategic objectives and effectiveness of its services.

BawBaw 2050

Council's key priorities and objectives have been influenced by BawBaw 2050; the community developed vision for the future of the Shire.

Developed in 2010/11, BawBaw 2050 sets out what the community wanted Baw Baw Shire to be in 2050 and how to get there. The community identified six key future directions to achieve the vision:

1. **Managing growth**
2. **Lifelong learning, education, skills development and knowledge**
3. **Vibrant community living**
4. **Valuing our environment**
5. **Building responsible leadership**
6. **Building prosperity**

Strategic Resource Plan

The Strategic Resource Plan identifies the resources that will be required over the next four years in order to achieve the Council Plan objectives.

Annual Budget

The Annual Budget is an integral part of Council's overall strategic planning framework and endeavours to resource the directions that have been established in the Council Plan. The Budget documents the financial and non-financial resources required by Council to implement the strategic objectives and activities identified in the Council Plan.

Council has also developed a Long Term Financial Plan, which assists Council to make financial decisions within a long-term framework. It takes the Strategic Objectives and Strategies as specified in the Council Plan and expresses them in financial terms.

Performance

Council's performance for the 2016/17 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan.

Performance against each of the Council Plan objectives is reported on the following pages, and includes:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the Budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.



Our Community



To achieve our objective of delivering affordable and quality services to the community, Council seeks to ensure that the community are supported with services, facilities and infrastructure that are affordable and meet community needs.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|--|--------|--|
| Number of Best Value service reviews completed | 1 | A comprehensive service review was completed for Council's Planned Activity Group. All other services conducted normal annual service review activities as part of their annual business planning. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|---|--|
| Renewal and upgrades to Shire public toilets and amenities | Council is steadily working through its public toilet and amenities renewal and upgrade program. In 2016/17 Council undertook toilet renewal works at North Gardens, Walhalla and Palmerston Street, Warragul and toilet upgrades at Memorial Park, Drouin and Bennett Street, Longwarry. While Council has a separate priority listing for toilet replacement works, these responsive works address toilet/amenities issues across the Shire on an ongoing basis. |
| Construction of a new Shire animal pound facility | Council purchased 'Utopia Pet Lodge' in September 2016 with the intent to build a new pound facility on site. On 14 June 2017, Council resolved to no longer proceed with the pet lodge and retrofit the facility to serve as the municipal animal pound. |
| Review of the Domestic Animal Management Plan | Council's compliance team completed a review of the Domestic Animal Management Plan meeting a State Government requirement and identifying Council's activities in relation to animal management. |
| Advocate for additional kindergarten places in Warragul, and work with relevant parties to identify options for alternative kindergarten places | Kindergarten facilities and places remain a key advocacy priority for Council. Working closely with the Drouin Primary School, State Government and the Department of Education and Early Childhood Development, Council officially opened the new Drouin Early Learning Centre in August 2016. |
| Council business and process reviews | Council is committed to service its community in an open and transparent manner. Council now reviews tender outcomes in open Council meetings. Council is also in the process of webcasting its ordinary Council meetings. |
| Work with the newly elected Council to develop a new Council Plan 2017-2021 | The new Council Plan 2017-2021 was developed and adopted by the Council on 28 June 2017. |

Council Services, Highlights and challenges

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$'000 |
|------------------------------|--|---|
| Assessment and Care Planning | <p>Assessment Care and Planning supports frail older people, individuals with moderate to severe disabilities, and their carers to improve quality of life and maintain their safety and independence at home and in the community. Services aim to prevent unnecessary admission into residential care by referring to services to support the needs, safety, security and wellbeing of service users on a regular basis.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Implementation of a new assessment tool for under 65 years, the 'Living at Home Assessment'. This new tool provides a comprehensive template that enables us to capture client needs whilst identifying goal oriented support plans. • Development and progression of the 2017 Diversity Plan and Active Model Plan. • Development of the 2016-2018 Health Literacy Action Plan and Assessment of Chronic Illness Care Plan. • Suite of My Aged Care client information finalised and available in multiple languages. • Service procedures have been revised to include relevant sector reforms. • Client satisfaction survey conducted in March 2017. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • With the Australia Government introduction of My Aged Care, it has been challenging for Council to prepare and manage the changes regarding how clients access service and how Council as an assessment service maintain its responsiveness. • Continue to deliver quality services efficiently with the changing program requirements and multiple assessment tools demanding greater training and development of our people. • Continue to build and maintain open and communicative relationships with key government agencies. | <p>516</p> <p><u>(543)</u></p> <p>(27)</p> |
| Building Services | <p>Building Services is responsible for the provision of statutory services under the <i>Building Act 1993</i>.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • The Municipal Building Control Plan was adopted by Council, which establishes the service standards across the Building Services Unit. • Prepared a Building Appeals Board hearing for the Beyond the Valley music festival. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Building Service Unit is experiencing an increase in the number of enforcement files each month. • Resource challenges have resulted in enforcement work being postponed. | <p>235</p> <p><u>(420)</u></p> <p>(185)</p> |
| Community Compliance | <p>Community Compliance aims to protect the community and Council amenity through education and enforcement of local laws and State Government legislation. Key service areas include: local laws, parking enforcement, animal management and permit administration.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • On the 22 June 2016 Council implemented its new Community Local Law. • Reviewed Council's Domestic Animal Management Plan. • A focused program on parking enforcement. • A roadside trading policy was introduced to ensure fairness and transparency when assessing permit applications. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Professional development of our staff (keeping up to date with legislation and statutory obligations). • Council systems and processes being fit for purpose. | <p>997</p> <p><u>(1,343)</u></p> <p>(346)</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|--------------------------------|--|---|
| Family and Children's Services | <p>Family and Children's Services plans for and provides services to families with children from birth to 12 years of age. This includes:</p> <ul style="list-style-type: none"> • Maternal Child and Family Health • Family Day Care • Central Kindergarten Enrolment Scheme • Kindergarten inclusion support • Supported Playgroup and Parent Group facilitation <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Victoria has introduced compulsory minimum standards for organisations that provide services for children to help protect children from abuse. Council adopted its Child Safety Policy on the 10 May 2017. Training for staff and Councillors on the new Child Safety Standards commenced in April 2017. • Work continues on the implementation of a new central enrolment service. A new electronic satisfaction survey for the preschool field officer service was commissioned. • Opening of the Drouin Early Learning Centre in August 2016. • Awarded the Victorian Family Day Care Service of the Year. • Hosted the Annual Children's week Expo with over 150 parents and children in attendance in October 2016. • The state-wide Maternal and Child Health Service celebrated its' 100th year of service in June 2017. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Balancing the day-to-day services delivery whilst implementing the new Child Safety Standards within existing resource profile. | <p>1,452 <u>(2,380)</u> (928)</p> |
| Home Based Services | <p>Home Based Support Services includes the provision of domestic assistance, personal care, respite, home maintenance, and nutritious, affordable meals to enable the frail aged and people with disabilities to remain living at home.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Completed Home Care standards audit on Commonwealth Home Support Program funded services. • Tender process completed for Meals on Wheels supplier. • Developed a continuous improvement service plan for Home Based Service customer service. • Delivered 54,512 hours of home and community care services to the community, including domestic assistance, personal care, respite care and home maintenance and meals delivery. • Delivered 24,890 nutritious meals to Baw Baw residents. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Working through new processes and issues following introduction of the new My Aged Care portal. • Overall hours of service delivery exceed targets, however some individual program targets have not been met. | <p>2,709 <u>(3,351)</u> (642)</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|---------------|---|---|
| Libraries | <p>The library service in Baw Baw Shire is delivered from three static library sites in Warragul, Drouin and Neerim South, with a further eight communities being serviced by the Northern Mobile Library.</p> <p>The library services are delivered through a service agreement between the West Gippsland Regional Libraries and Baw Baw, Bass Coast and South Gippsland Shire Councils. The West Gippsland Regional Libraries Board reviews its performance quarterly against the Library Plan 2015-2019.</p> <p>During 2016/17 over 175,000 community members walked through the doors to borrow items, access Wi-Fi, attend programs and participate in special events.</p> <p>Technology use within the libraries increased over the year, with the total number of public PC sessions increasing to 18,128 and Wi-Fi sessions increasing by 24 per cent with 7,283 sessions recorded.</p> <p>Radio Frequency Identification (RFID) technology was also introduced at every library in the West Gippsland region during the year, replacing the existing barcode system with a microchipped tag to identify over 130,000 books, magazines, DVDs and CDs in the library collection.</p> <p>Each year the library conducts a range of regular programs for children, including weekly Baby Rhyme Time and Story Time sessions for babies and toddlers and Lego Club sessions.</p> <p>HIGHLIGHTS:</p> <p>West Gippsland Regional Libraries coordinates a diverse range of free programs, activities and special events for adults and children as part of its service. During 2016/17 attendance levels increased by 17 per cent to 12,639 people with highlights including:</p> <ul style="list-style-type: none"> • A heat for the Australian Poetry in conjunction with State Library of Victoria at the Warragul Library in July. • A series of three events held at the Drouin Library as part of the Ficifolia Festival in February based on local history, flora and bird life. A total of 162 people attended during the week of the festival. • The region-wide launch of State Library Victoria's 1,000 Books Before School campaign at the Warragul Library in February. The launch followed a special Story Time Extravaganza and was attended by over 40 children and their parents. • Over 40 children enthusiastically participated in a cartooning workshop with children's author Adam Wallace at Warragul Library in March. | <p>187 (1,896) (1,709)</p> |
| Public Health | <p>Public Health is responsible for the delivery of public health services, including food safety, against detailed legislated requirements including Tobacco, Public Health and Wellbeing, Residential Tenancies, Environmental Protection and Local Government Acts.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Council adopted the Domestic Wastewater Management Plan which included risk assessment of septic systems in towns that are deemed high risk due to lot sizes, proximity to waterways and topography, providing Council with a five year action plan. • Caravan Park audits completed across the municipality. • Completion of the annual registration renewal program of all food, accommodation and health and wellbeing premises, which involved over 950 premises across the municipality. • Completion of the Department of Health food sampling program and management of Street-trader applications and inspected mobile food premises. • Public Health reviewed more than 270 planning applications. • Conducted three days of controlled purchase operations involving 68 premise visits. 136 advisory visits were made to retailers, food premises and outdoor areas. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Resources – keeping up with statutory functions. | <p>493 (476) 17</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|-------------------------|--|---|
| Social Support Services | <p>Social Support Services provides support to aged and disability residents in the Shire, to improve and or maintain their independence through the provision of planned quality, innovative and flexible community based support services. This includes volunteer programs, centre and community based group activities, and community transport.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Commenced farmers market community bus pilot in September. • End of year volunteer recognition event – 145 in attendance. • Christmas breakup for Council’s Planned Activity Group with 71 clients in attendance entertained by the Italian choir. • Delivered 48,588 hours of Planned Activity Groups to clients. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Working through new processes and issues following introduction of the new My Aged Care portal. • Overall hours of service delivery exceed targets, however some individual program targets have not been met. | <p>831 (1,207) (376)</p> |
| Statutory Planning | <p>Statutory Planning undertakes Council’s statutory functions and obligations under the <i>Planning and Environment Act 1987</i>, the <i>Subdivision Act 1988</i>, and associated legislation. The unit processes planning permit applications and provides technical advice on land use and development.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Developers Forum is a continuous improvement initiative which identify and understand required improvements to the Precinct Structure Plan application processes that need to occur. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Implementation of the State Government Fee review. • Management of growth in Warragul and Drouin in general accordance with the Precinct Structure Plans. • Retaining planning expertise. | <p>529 (1,080) (551)</p> |



Service Performance Indicators

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

| SERVICE / INDICATOR / MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|--|
| ANIMAL MANAGEMENT | | | | |
| TIMELINESS <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]. | 1.1 | 1.5 | 1.4 | Council's performance remains consistent, with the majority of animal management requests being responded to on the same day they are received. |
| SERVICE STANDARD <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100. | 59.6% | 69.7% | 55.0% | There was a significant decrease in the percentage of impounded domestic animals returned to their owners. Out of a total of 531 animals collected, 292 were reclaimed. While every effort is made to reunite impounded animals with their owners, it is the owners decision as to whether to reclaim the animal. |
| SERVICE COST <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]. | \$19 | \$17 | \$17 | The cost of animal management service stayed consistent with last year's results. The cost of the service includes pound management, collection of wandering animals, barking dog and dog attack investigations, veterinary fees, fees associated with holding of seized animals, and legal costs of animal related prosecutions. |
| HEALTH AND SAFETY <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]. | 1 | 7 | 9 | Council conducted a total of nine successful animal management prosecutions in 2016/17. These prosecutions were conducted in relation to dog attacks, dog rushes and dogs at large offences, and are conducted on an as needs basis or when required under the provisions of the <i>Domestic Animals Act 1994</i> . However, Council's primary strategy is focused on communication and education of pet owners. |

| SERVICE / INDICATOR / MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|--|
| HOME AND COMMUNITY CARE (HACC) | | | | |
| TIMELINESS <i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service]. | 23.0 | 28.3 | n/a | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP). |
| 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] x100. | 61.1% | 61.1% | n/a | |
| SERVICE COST <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service delivered]. | n/a | \$56 | n/a | |
| <i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service delivered]. | n/a | \$56 | n/a | |
| <i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service delivered]. | n/a | \$58 | n/a | |
| PARTICIPATION <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100. | 44.4% | 44.1% | n/a | |
| 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] x100. | 32.6% | 32.2% | n/a | |

| SERVICE / INDICATOR / MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|---|
| FOOD SAFETY | | | | |
| TIMELINESS <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]. | 1.0 | 1.0 | 1.8 | For one quarter of this financial year there was a higher rate of complaints, and one of those complaints took a longer than average time to respond. This significantly impacted the average time taken to respond to food complaints. |
| SERVICE STANDARD <i>Food safety assessments</i> [Number of registered Class 1 and 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered Class 1 and 2 food premises that require an annual food safety assessment under the <i>Food Act 1984</i>] x100. | 60.6% | 50.0% | 55.6% | During the 2016/17 year, a project was undertaken to review the classifications of food establishments resulting in a reduction in Class 1 and Class 2 establishments. There was an increase in resources available to conduct Food Safety Assessments resulting in a slight increase to last year.. |
| 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 <i>Food Act 1984</i>]. | \$84 | \$95 | \$257 | The cost of the food safety program increased significantly in 2016/17 as a result of increased resources, the re-classification of some Class 1 and 2 establishments and a significant focus on the Food Safety program. There were 853 food businesses operating under the Food Act in Baw Baw Shire, which includes businesses that were registered or businesses which notified Council they were trading temporarily [such as market stalls]. |
| 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] x100. | 46.5% | 40.9% | 58.9% | From 1 July 2016, 'Critical and major non-compliance outcome notifications' is reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. Due to an additional resource in Food Safety, Council were able to follow up on more complaints than the previous year resulting in a significant increase. |
| LIBRARIES | | | | |
| UTILISATION <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]. | 5.7 | 6.6 | 6.2 | There were 44,362 printed items, audio-visual and digital materials, toys and games available in Baw Baw public libraries during the year, and 273,630 loans made. This is a decrease of 6,604 or six per cent compared to last year. |
| RESOURCE STANDARD <i>Standard of library collection</i> [Number of library collection items purchased in the last five years / Number of library collection items] x100. | 60.5% | 68.3% | 75.6% | Of the current Baw Baw Library collections, 75 per cent were purchased within the last five years. The number of items purchased has increased at a consistent rate to the quantity of library items and previous year purchases. |
| SERVICE COST <i>Cost of library service</i> [Direct cost to Council of the library service / Number of visits]. | \$9 | \$8 | \$9 | During the year, 176,191 visits were made to Baw Baw public libraries, resulting in a cost of \$8.94 per visit to deliver the service. This is an additional 1,779 visits or a 9.6 per cent increase compared to last year. |
| PARTICIPATION <i>Active library members</i> [Number of active library members / Municipal population] x100. | 20.8% | 19.0% | 18.7% | During the year 8,994 active library members borrowed a library collection item, which represents 18.7 per cent of the estimated resident Baw Baw population. This is a decrease from last year's due to the decrease in the library's member's count. |

| SERVICE / INDICATOR / MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|--|
| MATERNAL AND CHILD HEALTH (MCH) | | | | |
| SATISFACTION <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received]. | 98.6% | 97.9%* | 100.7% | Council received 607 notices during the year, and made 611 first birth Maternal Child Health visits, which is consistent with last year's results. The performance result for 2016/17 exceeds 100 per cent as some children born at the end of the previous year received their first home visits during the current year. |
| SERVICE STANDARD <i>Infant enrolments in MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100. | 95.2% | 97.1%* | 101.3% | In 2016/17, 607 birth notices were received by Council, and 615 infants were enrolled in Council's Maternal Child Health service. |
| SERVICE COST <i>Cost of MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]. | n/a | \$57* | \$57 | The cost of the Maternal Child Health service remains consistent with the previous year, although an additional 968 hours of maternal child health services were provided during the year. |
| 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] x100. | 77.0% | 76.1%* | 71.2% | During the year, 2,497 children were enrolled in the Maternal Child Health service and 1,777 of those children attended the service at least once during the year. There has been a small decrease in the number of children attending the service and a small increase in children enrolled, which has resulted in an overall decrease in participation in the service compared to the previous 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] x100. | 65.2% | 53.1%* | 68.5% | Forty-five Aboriginal children were enrolled in the Maternal Child Health service and of those, 31 children attended the service at least once during the year. This has been a significant increase on last year. A health screening day was held at the end of 2016 which enabled assessment of some children not seen in a while. |

* To ensure comparability of indicators, these comparative figures for 2015 and 2016 have been amended. The restated results are disclosed in the table below.

| SERVICE / INDICATOR MEASURE | PREVIOUSLY REPORTED IN 2016 | RESTATED 2016 RESULTS | REASON FOR RESTATEMENT |
|---|-----------------------------|-----------------------|---|
| MATERNAL AND CHILD HEALTH (MCH) | | | |
| SERVICE COST <i>Cost of MCH service.</i> | \$67 | \$57 | The corporate overheads, including management and administration, were not removed from the calculations for the service cost, contrary to the established methodology for calculating this measure. |
| SATISFACTION <i>Participation in first MCH home visit.</i> | 0.0% | 97.9% | In 2016 there was a state wide initiative to transition the majority of Councils offering Maternal and Child Health services to a new database. The database was not expected to be able to provide reliable reporting until after the Annual Report deadline, so no result was reported. |
| HEALTH AND SAFETY <i>Critical and major non-compliance outcome notifications.</i> | 0.0% | 97.1% | |
| PARTICIPATION <i>Participation in the MCH service.</i> | 0.0% | 76.1% | |
| PARTICIPATION <i>Participation in the MCH service by Aboriginal children.</i> | 0.0% | 53.1% | |



| SERVICE / INDICATOR / MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|--|
| STATUTORY PLANNING | | | | |
| TIMELINESS <i>Time taken to decide planning applications</i> [Median number of days between receipt of planning applications and a decision on the planning application]. | 78* | 96* | 88 | There has been an improvement in the time taken to decide planning applications, from a median 96 days in 2015/16 to 88 days in 2016/17, due to funding assistance received to process the backlog of old permits. |
| 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]. | 53.3% | 51.7% | 67.1% | There has been a significant improvement in processing of planning applications due to improved internal processes. There has been an increase in VicSmart applications which have shorter processing timeframes, improving the overall result of planning applications. |
| SERVICE COST <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]. | \$1,652 | \$1,832 | \$1,273 | The planning fee regulations were amended in 2016/17 by the Planning Minister which increased planning fees significantly. As a result, the direct cost of the Statutory Planning service decreased due to the higher fees, and there was also a reduction in staff numbers. |
| DECISION MAKING <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100. | 75.0% | 62.5% | 57.1% | During the 2016/17 year, the number of planning applications appealed decreased. Of those that were appealed, four out of seven Council decisions were upheld compared to five out of eight in 2015/16. |

* To ensure comparability of indicators, these comparative figures for 2015 and 2016 have been amended. The restated results are disclosed in the table below.

| SERVICE / INDICATOR / MEASURE | PREVIOUSLY REPORTED IN 2016 | | RESTATED 2016 RESULTS | | REASON FOR RESTATEMENT |
|--|-----------------------------|------|-----------------------|------|--|
| STATUTORY PLANNING | | | | | |
| TIMELINESS <i>Time taken to decide planning applications</i> [Median number of days between receipt of planning applications and a decision on the planning application]. | 2015 | 2016 | 2015 | 2016 | Over the last two years of reporting there was an error in our reports compared to this year. After correcting the error the Council is confident with this year's numbers in restating the 2015 and 2016 results. |
| | 62 | 73 | 78 | 96 | |



1.2

Dynamic, vibrant and inclusive communities

To achieve our objective of dynamic, vibrant and inclusive communities, Council works with communities to increase involvement in community life and volunteering programs, as well as providing opportunities for participation in local decision making.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|--------|--|
| Number of volunteers registered on Council programs | 321 | There has been a significant increase in volunteers inducted onto Council programs, up from 89 last year. The increase in registered volunteers is a reflection of Council's ongoing commitment to supporting community focused volunteer programs and the significant value they provide frail aged and disabled Baw Baw Shire residents. |
| Participation in Council Committees and Committees of Management | 639 | Participation throughout the year has increased compared to 2015/16, exceeding the target set by Council. |
| Attendance at the West Gippsland Arts Centre as a percentage of seat capacity | 62% | Our target for attendances at West Gippsland Arts Centre was exceeded over the first half of the year, but with closure for works in the second half of the year, presentations staged by the Centre in neighbouring shire facilities attracted disappointing audiences and reduced attendances to below the annual target. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|--|---|
| Upgrade of the West Gippsland Arts Centre, Warragul | In February 2017, the Federal Government announced its support of the West Gippsland Arts Centre upgrade contributing \$4 million. This complemented the State Government's \$4 million contribution (announced in March 2016) and Council's commitment of \$5.4 million. With all the funds in place, works on the upgrade began in April 2017 and are expected to be complete in mid-2018. |
| Completion of the Baw Baw Leisure Centre redevelopment | The redevelopment of the Warragul Leisure Centre was completed and opened to community in September 2016. The newly constructed eight lane outdoor pool was opened for the 2016/17 summer period. |
| Develop an Arts and Culture Strategy | Council endorsed the Baw Baw Shire Arts and Culture Policy in March 2016 to consult with the community in order to develop an Arts Culture and Events Strategy. Council flagged the development of this new Arts and Culture Strategy as an objective in the Council Plan 2013-2017. This resulting strategy has been developed over the past nine months, assisted by a number of workshops with key stakeholders and community members. In June 2017, Council accepted and endorsed the strategy 'in principle' and has put it out for a final round of community consultation through the 'Have Your Say' process. |

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|--------------------------------|--|---|
| Arts | <p>WHAT WE DO:</p> <p>The Arts service manages, administers and programs Baw Baw Shire's iconic West Gippsland Arts Centre as a major regional arts facility. It provides a valued cultural 'hub' in which the broad community, artists, customers, patrons and visitors can feel welcome, included, valued and inspired.</p> <p>Ticketed events and performances are enabled by provision of a professional marketing and ticketing team providing in person service, phone booking and on-line service. This service unit also provides spaces in the building for hire for functions, meetings, conferences and celebrations, supported by catering and technical services. In addition, provision of this service enables the venue to operate a (contracted) café service which is open to the public and provides a place for casual community gatherings and engagement.</p> <p>The revenue earned from providing this service assists in reducing the cost to Council of the wider operation of the West Gippsland Arts Centre.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Commencement of the upgrade to the West Gippsland Arts Centre. • Outside the walls program has included nine presentations including performances staged in local halls in Darnum, Trafalgar, Neerim South, Labertouche and Narracan. With presentations also in Wesley of Warragul and in the venues of our neighbouring Shires in Pakenham and Traralgon. • Enabling groups to use the Warragul Exhibition Hall for their own performances and Warragul Youth Theatre and Warragul Theatre Company have both successfully presented shows. • Working with Friends of the Arts Centre and the Project Reference Group to ensure community engagement with progress of the Arts Centre Upgrade works. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Presenting shows in the venues of our neighbouring Shires has enabled us to still include a small number of full scaled productions in our program, however attendance numbers have not been large in comparison with our regular Warragul based audience numbers. • The portable lighting and audio rig developed for external presentations has been very useful and highly flexible, but it demands a high level of technical skills and coordination to make it work in venues that are often not ideally designed. | <p>890</p> <p>(1,921)</p> <p>(1,031)</p> |
| Community Cultural Development | <p>WHAT WE DO:</p> <p>Community Cultural Development supports and encourages community based groups and individuals by providing networks, assisting with skills development initiatives and ensuring a high level of communication about initiatives and opportunities.</p> <p>In addition, the Community Cultural Development unit maintains connections with key arts agencies and organisations (such as Baw Baw Arts Alliance, Regional Arts Victoria and Creative Gippsland) and convenes Council's Arts and Cultural Advisory Committee.</p> | <p>32</p> <p>(99)</p> <p>(67)</p> |
| Events | <p>WHAT WE DO:</p> <p>Events delivers Council's community events program, to promote access to events opportunities for the broad community and promote Baw Baw Shire's reputation as a vibrant centre and create benefits for social and community well-being, and economic development.</p> | <p>0</p> <p>(140)</p> <p>(140)</p> |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.

1.3

Enhanced quality of life

To achieve our objective of enhanced quality of life across the community, Council works with the community around health and wellbeing and access to recreation and leisure services to achieve an improved quality of life for the community.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULTS | COMMENTS |
|--|-----------|---|
| Preparation of an Annual Report on the implementation of the Municipal Health and Wellbeing Plan | Delivered | 2015/16 Health and Wellbeing Annual Report was presented to Council 14/12/2016. The 2016/17 Annual Report is currently being developed and is due for presentation to Council by December 2017. |
| Number of users on designated pathways and trails | 502 | Counters are currently in place on the Nilma-Warragul Trail, Two Towns Trail, Warragul Linear Trail, and Neerim South Wetland. This represents the number of users as a percentage of the municipal population. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|---|---|
| Western Park Recreation Precinct, Warragul sports field development | The community consultation process was completed in December. Scope for works finalised and designs completed. Tender for construction awarded to Depan Group Pty Ltd in February 2017 with stage one construction works (oval construction) expected to be completed in financial year 2017/18 in line with funding agreement. Lighting and other associated works are expected to be completed in financial year 2018/19. |
| Eastern Park Oval, Warragul training lights | Oval lighting project was completed in 2016 and officially opened on 27 July 2017. |
| Ellinbank Recreation Reserve improvements | Player amenities pavilion project was officially opened on 22 April 2017. |
| Develop a new Municipal Public Health and Wellbeing Plan | The development for the new Municipal Public Health and Wellbeing Plan is in progress. A draft project plan and engagement plan was finalised. Discussions have taken place with the Healthy Baw Baw Advisory Committee and the Department of Health and Human Services. Wider engagement will continue in 2017/18. |

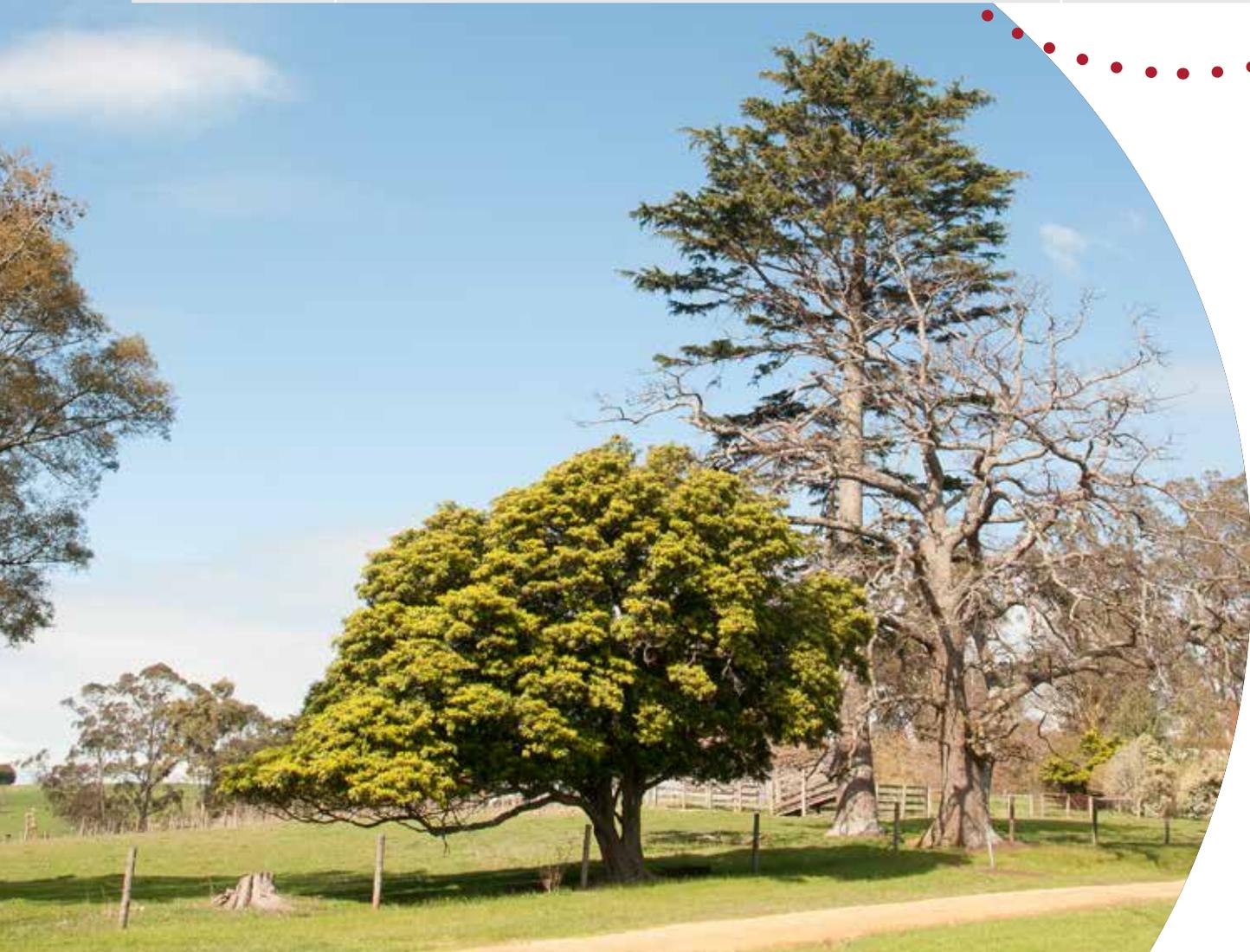


Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|----------------------------------|---|---|
| Parks, Gardens and Sports Fields | <p>WHAT WE DO: Parks, Gardens and Sports Fields are responsible for the management of Council's urban parks and gardens, including planting, oval and sports field maintenance.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Warragul and Drouin Civic Park Master Plans adopted by Council. • Working with the Erica community to redevelop the existing playground incorporating new equipment and enhancing the landscape. • Partnering with the Warragul Lions Club to build a new shelter and barbeque facilities at the Burke Street Park. • Completion of landscaping as part of stage one (Smith Street) Warragul CBD streetscape project. • Warragul Leisure Centre landscaping. • A total of 662 street trees planted in Warragul and Drouin. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Managing and balancing workloads due to growth of open space through development. | <p>147</p> <p><u>(3,715)</u></p> <p>(3,568)</p> |
| Recreation | <p>WHAT WE DO: Recreation is responsible for the management of pool facilities which are delivered via the Baw Baw Aquatic and Leisure Services contracts, support for committees of management of public halls and recreation reserves, and the planning and delivery of recreation services and facilities to the community.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Re-opening of the Warragul Leisure Centre in September 2016. • Adoption of Rural Recreation Reserve Master Plan Stage Two. • Concept design developed for Yarragon Skate Park. • Dowton Park Oval redevelopment completed in November 2016. • New Oval lighting completed at Drouin Recreation reserve. • Completed the light up program including upgrading lights at Leeson Badminton Pavilion Warragul; Yarragon Netball/Tennis and Trafalgar Tennis facilities with official openings in November 2016. • Construction of the Ellinbank Player Amenities Pavilion Project with official opening on the 22 April. • Completion of new public toilet at Eastern Park. • Logan Park Oval lighting project along with works to improve the playing surface and car parking. • Resourcing the many projects required to be delivered in this portfolio this has been relieved with the appointment of an additional team member. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • The re-opening of the Warragul Leisure Centre was challenging to ensure works were completed on time and within budget. • Rural Recreation Reserve Stage Two Master Plan involved a large amount of community consultation and delayed the original adoption of plan timelines. | <p>26</p> <p><u>(1,980)</u></p> <p>(1,954)</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|-------------------|---|---|
| Urban Maintenance | <p>WHAT WE DO: Urban Maintenance is responsible for the maintenance of Council's urban infrastructure and cleansing in town areas, including public toilets, signage, drainage, street sweeping and street tree maintenance.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Council completed 22 tree risk assessment reports including one report of 150 trees assessed along Main South Road, Drouin followed by recommended works. • Replacement bollard and seating at Bellbird Park, Drouin. • Bourke Street, Warragul and Walhalla (including the Walhalla Helipad renewal). • Improvement of drainage at Brooker Park and Bellbird Park including Shillinglaw Road by de-silting and drain re-establishment. • Implemented a management plan for heritage Oak trees in Alford Street. • Installation of a defibrillator at the Palmerston Street Kiosk, Warragul in conjunction with the Warragul Rotary Club. • Tree and deadwood removal along Geoff Watt, Rotary Park and Brooker Park walking tracks. • Stabilisation of embankment at Neerim South Recreation Reserve using soil anchoring techniques. • In response to the parking sign audit, signage was upgraded in Drouin, Longwarry, Neerim South, Trafalgar, Thorpdale, Warragul and Yarragon. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Managing and balancing workloads due to growth of urban infrastructure through development. | <p>65 (1,816) (1,751)</p> |



Service Performance Indicators

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

| SERVICE / INDICATOR MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|--|--------------|--------------|--------------|---|
| AQUATIC FACILITIES | | | | |
| SERVICE STANDARD <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]. | 2.5 | 1.6 | 1.0 | Council carried out fewer inspections of aquatic facilities due to resourcing constraints in the first half of the year, however met the recommended target for inspections. |
| SERVICE STANDARD <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]. | 0 | 0 | 0 | There were no significant incidents received by either employees or visitors to aquatic centres during the year. |
| SERVICE COST <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]. | \$6 | \$10 | \$5 | The cost of indoor aquatic facilities has reduced significantly in 2016/17. This is due to the re-opening of the aquatic facilities within the redeveloped Warragul Leisure Centre. There were 208,000 visits to the new facility contributing to reducing the cost per visitor attending. |
| SERVICE COST <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]. | \$19 | \$15 | \$24 | The increased cost of outdoor aquatic facilities is due to the decrease in visits at outdoor facilities. There has been an increase in service costs at the outdoor facilities compared to last year. The opening of the redeveloped Warragul Leisure Centre which has both indoor and outdoor aquatic facilities has impacted on attendance numbers at outdoor aquatic facilities. |
| UTILISATION <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]. | 1.9 | 1.4 | 4.7 | Due to the re-opening of the Warragul Leisure Centre, there has been a significant increase in utilisation of aquatic facilities. There was a 26 per cent reduction in attendance at outdoor facilities but a 78 per cent increase at indoor facilities. |



**Council Leadership
and Management**

Financial responsibility and responsible management of Council resources and people

To achieve our objective of financial sustainability and responsible management of Council resources and people, Council works to ensure its financial position is sustainable, and staff are safe, skilled and focused on the Council Plan.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|--------------------------|--------|---|
| Hours lost due to injury | 654.1 | Council supports its injured team members to return to work as quickly as possible by providing a safe and sustainable Return to Work program. There has been a significant decrease in hours lost due to injury in 2016/17, decreasing from 1,038 hours last year. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| MAJOR INITIATIVES | PROGRESS |
|---|---|
| Introduce an electronic document management system | Council has completed its scope of works and gone to open market. Incorporated in this program of work is Council's overarching Digital Roadmap strategy. |
| Introduce a pricing policy for the management of all Council land and buildings | The Pricing Policy was adopted by Council on 25 May 2016. Since then all organisations that occupy Council land or facilities have received written notification of the policy. |
| Prepare a revaluation of the Shire's property database | Council's valuation service tender was advertised during the December 2016 - January 2017 period. The contract was awarded in February 2017 and the revaluation of the Shire's property database has commenced. |



Services

The following table provides information in relation to the services funded in the 2016/17 budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|--------------------------|--|---|
| Business Information | <p>WHAT WE DO: Business Information provides mail, courier, document management, and information management compliance services to support Council and Council customers. Information management compliance includes the requirements of Freedom of Information, privacy, public records and evidence protection legislation.</p> | <p>1 (358) (357)</p> |
| Chief Executive's Office | <p>WHAT WE DO: This activity represents the management of Council, including the core governance functions of the Chief Executive Officer and expenses relating to; maintaining an appropriate organisational structure, ensuring the decisions of the Council are implemented without undue delay, day-to-day management of the operations of the organisation in accordance with the Council Plan, providing timely advice to the Council, and proactively advocating to other levels of government and stakeholders on behalf of the Council and community.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Effective and sound leadership through the caretaker period and the transition of the new Council in November 2016. • Council's advocacy program for the upgrade to the West Gippsland Arts Centre secured \$8 million in funding from the State and Federal Government. • Sound fiscal management and leadership endorsed by Victorian Auditor General Office. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Council experienced a higher than average staff turnover which impacted service delivery in some areas of the business. • Managing and responding to growth – investing in new infrastructure whilst maintaining existing infrastructure. | <p>1 (851) (850)</p> |
| Corporate Planning | <p>WHAT WE DO: Corporate Planning provides support to Council with meeting its statutory obligation to prepare and administer the Council Plan, to facilitate good business planning and reporting across the organisation and to demonstrate that Best Value principles are being incorporated into Council services and processes.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • 2012-16 Council Plan close out. • Developed a performance management framework to improve quarterly performance reporting. • Adoption of the 2017-2021 Council Plan. • Developed an annual business planning program providing a consistent approach across the organisation, integrating with Council's Corporate Planning Framework and Council's Best Value reviews. • Facilitation and review of the 2017 Community Satisfaction Survey. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Poor systems integration across the organisation leading to duplication and inefficiencies. • Organisational adaptability to the LEAN and Six Sigma principles. There is an ongoing requirement to develop these skills more broadly to drive process review and improvement. | <p>0 (207) (207)</p> |
| Accounting Services | <p>WHAT WE DO: The Accounting Services function is to manage Council's financial activities to ensure statutory compliance and financial sustainability. Core services include development of the annual budget, long term financial plan and annual statutory financial statements, accounts payable function and development of financial policies.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Developed and implemented Accounts Payable Fraud Prevention processes within Council. • Completed a GST review on Fees and Charges. • Co-ordinated process review across Council for donated assets. • Process review and improvement across a number of accounts payable functions. • Completed the Essential Services Commission (ESC) baseline report. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • System inflexibility in modifying existing reports. • Council requires an electronic document management system. | <p>670 (1,536) (866)</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|---|--|---|
| Fleet and Depot Support | <p>WHAT WE DO: Fleet and Depot Support deliver the operational and maintenance requirements for Council's fleet of passenger vehicles, light and heavy commercial vehicles and all plant and equipment.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Introduction of vehicle hybrid technology to the Council Fleet. • Introduction of Depot Leadership Team (DLT) including leading hands, supervisors and coordinators to drive cultural change in respect of OHS, housekeeping and processes, as part of Transformers Program. • Lone worker system duress pendants in place for Health Care, Road Network, Project and Urban Maintenance staff. • OHS continued focus with updating Job Safety Analysis (JSA) sheets, procedures and guidelines for vehicles, plant and equipment. Vehicle and Plant induction and pre-start check procedures training introduced. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Future purchase of vehicles, plant and equipment, taking into account change in the world market, fuel types and technology. | <p>2,129 <u>(2,251)</u> (122)</p> |
| Human Resources and Payroll | <p>WHAT WE DO: Human Resources is responsible for providing advice, maintenance and management of human resource data, industrial and employee relations and the coordination of learning and development activities.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Recruitment of some key vacant positions. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Systems that aren't adaptable and integrated with other key systems. • Accessing timely reports to inform management. | <p>6 <u>(861)</u> (855)</p> |
| Information Technology | <p>WHAT WE DO: Information Technology provides technological systems, infrastructure, services and support for the delivery of all Council services. Core services include improving organisational performance and compliance through corporate systems and governance.</p> | <p>0 <u>(2,375)</u> (2,375)</p> |
| Occupational Health and Safety and Risk | <p>WHAT WE DO: The OHS and Risk unit coordinates the development, review and delivery of workplace OHS initiatives, including Council's Return to Work program and activities.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Workers compensation improvements. Claims management and getting people back to work sooner. • Introduced a new way of working deploying a system called Organisational Integrated Management System (OIMS). It offers a safety document framework aligned to industry standards. • Improved consultation program across all business units. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Systems that aren't adaptable and integrated. • Ensuring OHS remains at the forefront for all workers. • Limited budget to keep OHS a key organisational priority. | <p>37 <u>(798)</u> (761)</p> |

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|---------------------|--|---|
| Procurement | <p>WHAT WE DO: The Procurement function provides the framework, oversight and advice to support Council in complying with statutory procurement provisions. It also reviews Council's procurement spend and administers procurement processes.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Procurement leadership with the West Gippsland Arts Centre Upgrade and Warragul Leisure Centre contract management. • Introduced new Request for Tender documentation. • Implemented new Tender Evaluation processes. • Commencement of the Delegation and Authority and Responsibility matrix review. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Developing best practice and procedure for Open Council Tender Award. • Maintaining consistent documentation and processes for Request for Tender Contract Management System. • Systems are inefficient and not fit for purpose. | <p>0</p> <p>(240)</p> <p>(240)</p> |
| Property Management | <p>WHAT WE DO: Property Management looks after the legal and financial aspects of Council's portfolio of property for the most efficient and effective use of properties, including the rationalisation of non-essential property and maximising the use of Council property.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Review of tenancy agreements. • Good shed project. • Lease negotiations in both landlord and tenancy capacity. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Caretaker period. • Management of a large volume of property agreements. • Negotiations with major property stakeholders. | <p>82</p> <p>(151)</p> <p>(69)</p> |
| Revenue Services | <p>WHAT WE DO: Revenue Services is custodian and manager of Council's property and rating system to optimise revenue and maintain data integrity. The unit is responsible for the management of Council's legislative compliance (Voters' Role) and the biennial revaluation.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> • Improved debt recovery processes addressing aged debt. • Revised and renewed key business processes. • Monthly reconciliation of the VM2020 Valuation Database with Property and Rating Database. • Monthly inspections of Rural Road numbering and property verification. • Standardisation of supplementary rating process. • Introduced electronic land information certificates processing and delivery. • Reviewed hardship policy. <p>CHALLENGES:</p> <ul style="list-style-type: none"> • Management of external contractors. • Improved document management systems. | <p>510</p> <p>(1,240)</p> <p>(730)</p> |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.

To achieve our objective of being community focused, engaged and accountable, Council works to ensure that we are transparent, accountable and effectively communicating with the community.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|-----------|--|
| Percentage of community requests resolved within 10 business days (target: 80%). | 79.8 | Further improvement has been seen in this area as an organisation. Baw Baw Shire Council have a target to resolve customer requests within 10 business days, there has been a strong focus in this area and the measure supports the work undertaken. In the 2016/17 year we have achieved a final measure of 79.8 per cent. This is an improvement of more than eight per cent with 2015/16 result being 72.2 per cent. |
| Percentage of customer enquiries resolved at first point of contact with Council's Customer Services (target: 70%). | 85.3 | This measure informs the percentage of enquiries/services satisfied in the first interaction whether by phone or face to face. In the 2015/16 year this measure was 71.7 per cent, for the 2016/17 year we have achieved significant improvement in this area with a final measure of 85.32 per cent satisfaction in the initial contact. |
| Percentage of community requests received which have been resolved. | 91.7 | This figure has increased by ten per cent versus last year. Council has consistently experienced increased use of the Customer Relationship Management (CRM) system throughout the year. |
| Number of opportunities advertised on 'Have Your Say Baw Baw'. | 23 | Council advertised 23 different opportunities for community input during the year. |
| Number of submissions received by Council (including S.223 submissions). | 399 | Council received 399 submissions on publically exhibited items during the year. |
| Number of media releases issued by Council. | 147 | When considering the number of business weeks, Council issues on average three media releases each week. |
| Number of people reached via social media channels. | 1,199,934 | Council continues to build its online presence. We better understand our audience and what is of interest to them. In the new year we will also launch a new program promoting Council services along with an Instagram account. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| MAJOR INITIATIVES | PROGRESS |
|--|--|
| Review Council fees and charges | A review of Council fees and charges has been completed and included a thorough community and user's consultation program. All fees and charges were reviewed against GST legislation. Council fees and charges were adopted as part of the 2017/18 Annual Budget on 28 June 2017. |
| Conduct the 2016 Local Government elections | The internal operations and organisational management of the 2016 General Election was successfully completed. |
| Review Council's Customer Charter and Service Strategy | Council has commenced its review of the Customer Service Excellence Strategy and Customer Charter. |



Services

The following table provides information in relation to the services funded in the 2016/17 budget.

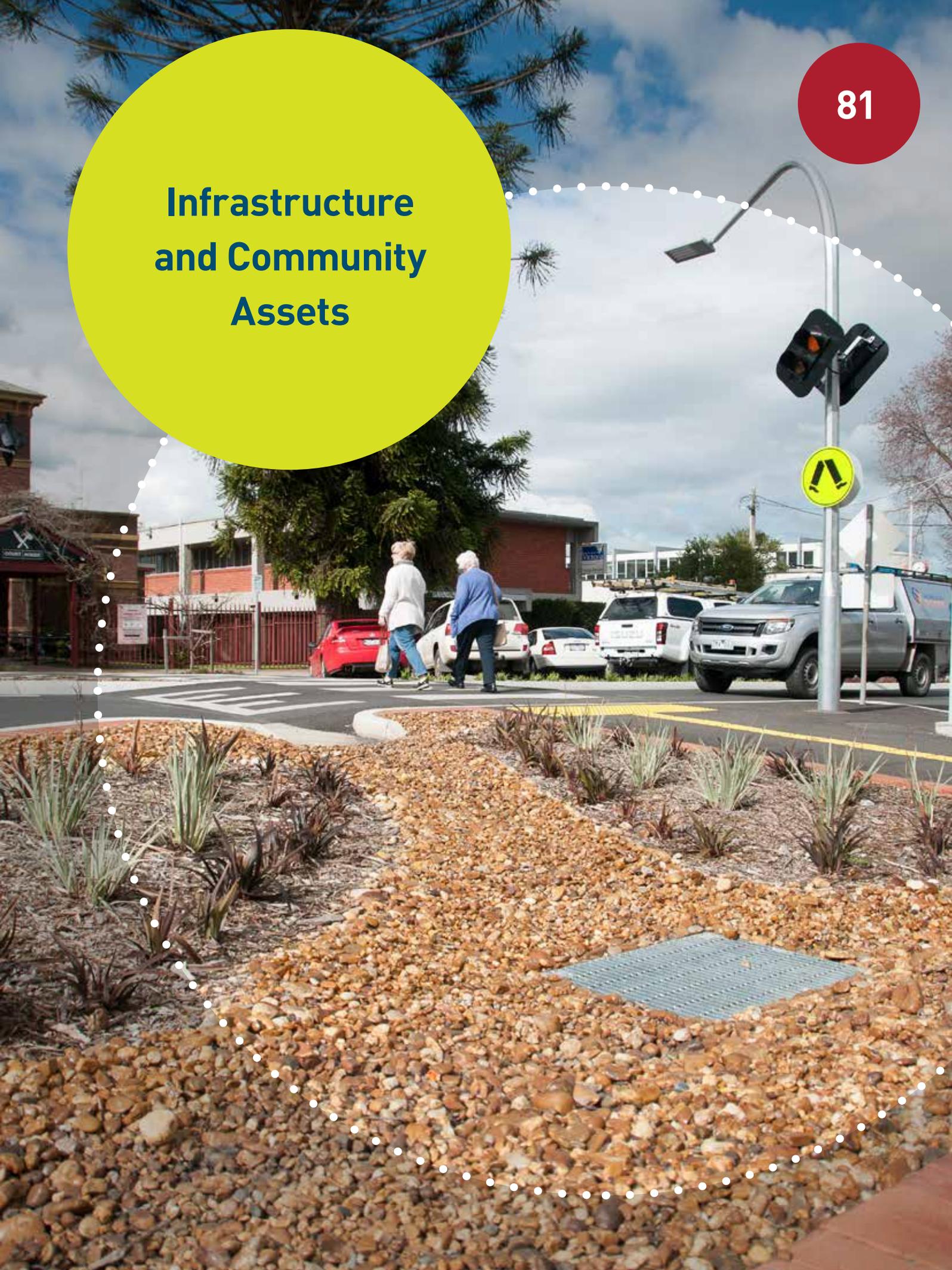
| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|------------------------------------|--|---|
| Communications | <p>WHAT WE DO: Communications provides reputation management for Council and Councillors, and is responsible for keeping community informed via traditional, new and social media. They manage media liaison services, and support Councillors and the Executive Leadership Team with issues management and promotional opportunities. The Grants and Advocacy service, works to identify priority projects, and advocate to and seek funding from other government authorities on behalf of the community.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> Prepared and presented the Council's Annual Report to the Minister by the 30 September 2016. Organised and planned the official opening of the Warragul Leisure Centre event and Community Open day. Continue to strengthen our social media presence. Our Facebook page has 4,550 followers and 1,672 followers on Twitter. <p>CHALLENGES:</p> <ul style="list-style-type: none"> Managing the day-to-day business activity and future events management during Caretaker period leading into Council elections. New team members learning the business, delivering the day-to-day media and communication needs whilst continuously improving how we connect with our community. | <p>1 <u>(480)</u> (479)</p> |
| Community Information and Services | <p>WHAT WE DO: Community Information and Services is responsible for providing a support service for all staff across the organisation through first point of external customer contact, including acting as a referral service to other organisations. The team is also responsible for information and reputation management, providing internal support, educating the organisation about expected customer service standards and receipting of all payments.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> Development of the Customer Service Excellence Program. System initiatives to capture customer interactions for reporting purposes. Digital roadmap program which is focused on delivering a better service to our community ensuring information is accessible anywhere, anytime from any device. <p>CHALLENGES:</p> <ul style="list-style-type: none"> Better systems and reporting to capture customer interactions and ensure transactions are dealt with in a timely manner. A consistent organisational wide approach in the delivery of great customer service. | <p>0 <u>(652)</u> (652)</p> |
| Governance | <p>WHAT WE DO: Governance provides the support to Council to comply with statutory provisions, and specifically includes Local Government Act compliance, Ombudsman and Inspectorate enquiries, delegations, election management, policy management, Audit Committee support, policy development and Human Rights provision. Governance provides support to Councillors, including Council agenda, minutes and meeting management.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> Special meetings included the adoption of the Councillor Code of Conduct and the Appointment of the interim Chief Executive Officer. Delegations review. General election 2016 and Councillor induction program 2016-2022 completed. Audit committee meetings completed as per Terms of Reference. <p>CHALLENGES:</p> <ul style="list-style-type: none"> Training staff and new governance team establishment. Changes to Council meetings process in particular contractual matters going into ordinary Council meetings. | <p>73 <u>(1,046)</u> (973)</p> |

Service Performance Indicators

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

| SERVICE / INDICATOR MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|---|--------------|--------------|--------------|---|
| GOVERNANCE | | | | |
| TRANSPARENCY <i>Council decisions made at meetings closed to the public</i> [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, or at meetings of a special committee consisting only of Councillors] x100. | 14.7% | 15.6% | 17.8% | Council's performance for this indicator remains consistent, with 17.8 per cent of decisions made in meetings closed to the public during the year. Of these, 81 per cent were then released to the public and published in the minutes of that meeting. There were fewer decisions of Council made in meetings closed to the public compared to the previous year. A total of 27 decisions were made in confidential meetings compared to 41 the previous year. |
| CONSULTATION AND ENGAGEMENT <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with the consultation and engagement]. | 52 | 48 | 48 | The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with consultation and engagement was rated as 48 out of 100, the same as that obtained in 2015/16. |
| ATTENDANCE <i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / Number of ordinary and special Council meetings multiplied by the number of Councillors elected at the last Council general election] x100. | 93.1% | 89.7% | 90.8% | Councillors attended 90.8 per cent of ordinary and special Council meetings during 2016/17. This figure remains consistent with previous years. |
| SERVICE COST <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]. | \$38,834 | \$36,623 | \$30,612 | This is a measure of the operating expenses directly related to the activities of the elected Councillors, including expenses such as allowances, training and professional development, conferences and seminars, memberships of professional bodies and other incidental expenses. |
| SATISFACTION <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community]. | 53 | 47 | 46 | The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with Council decisions was rated as 46 out of 100, one less than obtained in 2015/16. |

Infrastructure and Community Assets



3.1

Continuing to reduce the asset renewal gap

To achieve our objective of continuing to reduce the asset renewal gap, Council delivers infrastructure management based on clear priorities, appropriate service levels and contemporary asset management practices.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|--------|--|
| Asset renewal expenses as a percentage of depreciation (target: above 100%) | 98.0 | As part of 2016/17 Capital Works Program Council spent \$13.15 million on renewal works. Council could not achieve its 100 per cent target as a few projects on-going into 2017/18 finished the 2016/17 year with less than expected expenditure and two renewal projects due to be delivered in 2016/17 are now carrying over into 2017/18. |
| Percentage of adopted capital renewal projects completed by end of financial year (target: 90%) | 97.6 | Council completed 80 of 82 projects/programs that had a renewal component and were due to be delivered in 2016/17. Two projects that had a renewal component and were due to be delivered in 2016/17 are carrying over into 2017/18. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|--|--|
| Implement the Road Safety Improvement Program | Safety improvement works were completed at Forest Road, Labertouche and Beards Track, Shady Creek in April 2017. The program involved an education component, which is on going into 2017/18. |
| Annual road renewal programs | Gravel Road re-sheet program works were completed in January 2017. Under this program, 30km of road was re-sheeted across 15 locations. Road resealing works were completed in June 2017. Under this program, 34.8km of road was resealed across 22 locations. |
| Daveys Road Bridge reconstruction, Willowgrove | Bridge upgrade works were completed on 28 March 2017. |
| Allambee Estate Road Bridges Reconstruction, Seaview | Design works completed. The actual delivery of bridge works are subject to successful outcome of Bridge Renewal Program funding application applied for funding on 15 May 2017. |
| Review the Road Management Plan | The draft Road Management Plan was presented to Council in March 2017. Submission period commenced 14 March 2017 and closed 14 April 2017. Public submissions received were presented in June 2017. |

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|------------------|--|---|
| Asset Management | Asset Management provides Council the framework for the development, implementation and review of the service and asset management program. | 4 (15,455) (15,451) |
| Road Network | The Roads unit is responsible for roads including road maintenance, contract management and delivery of the allocated road capital works program, Road Management Plan compliance and customer enquiries for Council's road network. | 0 (9,741) (9,741) |

Service Performance Indicators

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

| SERVICE / INDICATOR MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|---|-----------------|-----------------|-----------------|--|
| ROADS | | | | |
| SATISFACTION OF USE <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100. | 42.1 | 33.5 | 36.6 | Council received a total of 392 requests in relation to sealed local roads, which is equivalent to approximately 36.6 requests per 100 km. |
| CONDITION <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100. | 70.7% | 93.9% | 91.3% | The result for this measure is slightly lower than for the previous year. Although the actual length of road below the intervention level has not changed, the total road network has increased by 30 km which has affected the result. Road condition data is based on periodic assessment (the last being several years ago); however road lengths are revised annually. The next assessment of road condition is currently scheduled for 2017/18. |
| SERVICE COST <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]. | \$40 | \$27 | \$38 | The difference from last year to this year has had a significant increase due to the types of road reconstruction projects undertaken in the year. Reconstruction projects in 2016/17 included a number of larger urban projects which generally cost more to undertake. This is due to higher traffic volumes, wider road pavements, additional pavement costs and asphalt sealed surface treatments. |
| SERVICE COST <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]. | \$5 | \$5 | \$5 | The cost of sealed local road resealing remains consistent at \$5.21 per square metre. More effective packaging is helping to keep costs relatively constant. |
| 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]. | 36 | 38 | 42 | The annual Community Satisfaction Survey assesses the community's satisfaction with Council's performance. Satisfaction with sealed local roads was rated as 42 out of 100, an improvement of four points on 2015/16. |

3.2

Investing in quality and affordable community assets which are balanced against the growing needs of the community

To achieve our objective of investing in quality and affordable community assets which are balanced against the growing needs of the community, Council delivers the Capital Works Program, improve the quality of infrastructure and manage infrastructure based on clear priorities and agreed standards.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|-------------|--|
| Percentage of adopted capital works projects completed by end of financial year (target: 90%) | 96.94 | Council completed 95 of 98 projects in the adopted Capital Works Program. |
| Square metres of sealed local roads resealed | 231,820 | A detailed description of Council's Capital Works Program and major drain projects is provided on page 26. |
| Square metres of sealed local roads re-sheeted | 123,742 | |
| Square metres of sealed local roads reconstructed | 129,007 | |
| Value of drains projects | \$1,697,738 | |
| Length of footpath projects (km) | 5 | |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| MAJOR INITIATIVES | PROGRESS |
|--|---|
| Trafalgar Reserve entry and carpark construction | Trafalgar Reserve entry and carpark construction works were completed in June 2017. |
| Implement the New Footpath Program | Program for construction of new footpaths were undertaken at 24 locations across the Shire, including: Morwell Thorpdale Road, Tarwin Street, Sergeant Street, Burke Street, Settlement Road, Depot Lane, Western Park Drive, Davey Drive, Hearn Street, Bullen Court, Brown Street, Acacia Street, Church Hill Road, Erica Playground Footpath, Thorpdale Road, Gardner Street, Landsborough Street, Kitchener Street, Albert Road, Hazeldean Road, Sutton Street. Works provided 5km of new footpath and were completed by June 2017. |
| Implement the Road Construction Program | Works to close unsealed gaps between sealed sections of roads was undertaken on Tripp McDonald Road, Hunts Road, Willowgrove, East West Road, Warragul, Railway Road-Johnstone Street, Thorpdale and McGregor Park Lane, Trafalgar. Works completed in June 2017. |

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|------------------------------------|---|---|
| Infrastructure Planning and Growth | Infrastructure Planning and Growth coordinates Council's functions in relation to: <ul style="list-style-type: none"> • Planning and prioritisation of drainage, traffic and footpath infrastructure. • Assessment of traffic management plans for works within road reserves. Review of new planning applications, plan checking and supervision of subdivision/development works. | 327 <u>(1,197)</u> (870) |
| Program Planning and Delivery | The Program Planning and Delivery function coordinates Council's annual and long term Capital Works Program and is accountable for its delivery. | 0 <u>(607)</u> (607) |
| Facilities Maintenance | The Facilities Maintenance function is responsible for the overall management of Council's property portfolio, including building and facility management and compliance with regulations and statutory requirements. | 271 <u>(1,080)</u> (809) |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.

Growth and Prosperity



To achieve our objective of planning to meet the needs of the community today and in the future, Council plans and advocates for services, facilities and infrastructure that meets current and future community needs.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|-------------|--|
| Non-recurrent grants received as a result of Council applications for funding | \$5,800,000 | Council received non-recurrent operating grants of \$5.8 million which is consistent with 2015/16. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|---|---|
| Princes Way pedestrian crossing construction, Drouin | The construction of pedestrian crossing, on Princes Way opposite the Post Office, was completed in January 2017. |
| Advocate on behalf of the local community and local needs | <p>Council's Advocacy Plan document identified and detailed key Council projects. The projects in the Working Together Advocacy Plan, included:</p> <ul style="list-style-type: none"> • West Gippsland Arts Centre Upgrade • Co-location of Early Years services to Primary School sites • West Gippsland Hospital • Sealing of South Face Road • Improving Routes to Market • Managing the Challenges and Opportunities of Rapid Growth |

Council have received total grants of \$25.494 million for the 2016/17 financial year.

Grants are both State and Commonwealth funded, and may be of a recurrent or non-recurrent nature.

Council's Advocacy Program secured a total non-recurrent grant funding amount of \$5.8 million along with another \$4.6 million in recurrent (for Roads to Recovery and Blackspot Programme.)

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|----------------------------------|--|---------------------------------------|
| Strategic and Community Planning | The Strategic and Community Planning unit provides strategic direction and planning for future land use for the municipality. It also carries out functions in relation to community and social planning including municipal public health and wellbeing planning. | 9 (1,230) (1,221) |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.

4.2

Prosperous local business and industry

To achieve our objective of prosperous local business and industry, Council supports local business and industry, economic development and growth and local employment opportunities.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|---|---------------|---|
| Total number of building permits issued by building surveyors in Baw Baw Shire | 1,356 | This represents the number of permits issued by private building surveyors for buildings in the Baw Baw Shire (Council does not currently issue building permits). |
| Total value of buildings for which building permits are issued by building surveyors in Baw Baw Shire | \$223,447,742 | This is the value of buildings for which building permits were issued during the year. |
| Number of visitors to the 'Visit Baw Baw' website | 47,861 | A total of 47,861 visits were recorded to the Visit Baw Baw website for the 2016/17 year. Activities that contributed to the number of visits included; the Visit Baw Baw Road Trip video series and a marketing campaign including social media, online digital campaigns as well as E Magazine Australia in conjunction with Destination Gippsland. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| MAJOR INITIATIVES | PROGRESS |
|--|--|
| Continue a program of Baw Baw marketing promotions | A number of initiatives such as: Partnering with Mount Baw Baw to release the second instalment of the Road Trip video series through social media. The snow road trip video has received over 21,000 views on Facebook since its release in August 2016. Radio and digital advertising leading up to the schools holidays in July and September. Print advertising in Australia's premier touring and seniors publications. E-Magazine Australia campaign which is a digital platform including blog posting and social media. Working with Destination Gippsland to promote the Baw Baw region in conjunction with other Gippsland Councils. |

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|-----------------------------------|--|---|
| Business and Economic Development | The Business and Economic Development unit is primarily responsible for facilitating business growth, investment and visitation. The unit also promotes the key attributes of the municipality by positioning Baw Baw Shire as a great place to live, work and play. | 53 (724) (671) |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.





The Environment

Protecting and sustainably managing the natural environment and resources now and into the future

To achieve our objective of protecting and sustainably managing the natural environment and resources now and into the future, Council participates in water and energy conservation measures, protects key environmental and landscape attributes, and encourages waste reduction.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|--|--------|--|
| Total energy consumption in kWh at the designated Council top 10 energy consuming sites for each six month period | 3,095 | There has been a 29.8 per cent increase in energy consumption for the year due to the operation of the new Warragul Leisure Centre. Public lighting consumption increased by a further 11 per cent due to an increase in the number of lights commissioned in the shire. |
| Benefit cost ratio of energy efficiency programs carried out during the financial year at the top designated Council energy consuming sites | \$3 | During the year, Council spent \$117,484 on energy efficiency programs, which is expected to result in a cost saving of \$335,333 over the next ten years. |
| Total equivalent CO ₂ emissions as measured at the designated Council top energy consuming sites, public lighting and Council's fleet for each six month period | 4,900 | Due to the opening of the Warragul Leisure Centre and increased public lighting, CO ₂ emissions have increased by 24.7 per cent compared to last year. Fuel consumption by Council vehicle fleet has decreased by five per cent. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|--|--|
| Implement the Domestic Wastewater Management Plan including the compliance program | The Domestic Wastewater Management Plan (DWMP) was endorsed by Council in August 2016, subject to endorsement by the relevant water authorities. The Water Corporations have approved the DWMP in principle and Council will appoint a Domestic Wastewater Management Plan Officer. The Tarago Catchment Project Officer role has been extended and funded by Melbourne Water for two further years. Council is continuing to update its website related information to provide useful and relevant information for the community. |

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|----------------------------|--|---|
| Waste | Waste Management provides the contract management services for the delivery of the waste collection and disposal contracts and the management of the Trafalgar Landfill and Council's four waste transfer stations. The unit is also responsible for implementing Council's recently adopted Waste Management Plan. | 245 (5,946) (5,701) |
| Environment Sustainability | Environment Sustainability carries out functions in relation to management of the built and natural environment, including Council's Bushbroker program, Council's Environment and Climate Change Strategy and Action Plan, community education programs, weed management programs, and management of the Shire's bushland reserves. | 92 (956) (864) |

Service Performance Indicators

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

| SERVICE / INDICATOR MEASURE | RESULTS 2015 | RESULTS 2016 | RESULTS 2017 | COMMENTS / MATERIAL VARIATIONS |
|---|--------------|--------------|--------------|---|
| WASTE | | | | |
| SATISFACTION <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside collection households] x1000. | 57.2 | 62.5 | 69.8 | This year Council received 69 bin collection requests per 1,000 residential households. The requests relate to missed collections, damaged and stolen bins. For all the requests, Council's contractor addressed those collections within the next business day. |
| SERVICE STANDARD <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000 | 1.6 | 1.9* | 2.3 | The introduction of an improved reporting system has meant that there is a more accurate reflection of bins being missed and being reported on. |
| SERVICE COST <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage collection service / Number of kerbside garbage collection bins]. | \$110 | \$118 | \$117 | The result for this performance measure remains consistent. This reflects the cost of delivering the garbage collection service, not the full waste service. Council does not operate a landfill and must transport waste outside of the Shire to other landfill sites, which increases the cost of collection. |
| SERVICE COST <i>Cost of kerbside recyclables bin collection service</i> [Direct cost of the kerbside recyclables collection service / Number of kerbside recyclables collection bins]. | \$23 | \$22 | \$22 | The result for this performance measure remains consistent. This result is the cost of delivering the recycling collection service, not the full cost of the waste service. |
| WASTE DIVERSION <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100. | 53.1% | 52.0% | 53.0% | The result for this performance measure remains consistent. Over half of the Shire's waste is recycled or placed in the green organics bin, rather than into landfill. |

* To ensure comparability of indicators, these comparative figures for 2015 and 2016 have been amended. The restated results are disclosed in the table below.

| SERVICE / INDICATOR MEASURE | PREVIOUSLY REPORTED IN 2016 | RESTATED 2016 RESULTS | COMMENTS / MATERIAL VARIATIONS |
|--|-----------------------------|-----------------------|--|
| WASTE | | | |
| SERVICE STANDARD <i>Kerbside collection bins missed.</i> | 1.7 | 1.9 | The calculations previously reported were inclusive of green waste. The correct reporting measure should only include garbage and recycling as a result the records have been updated. |

To achieve our objective of building resilience and preparedness for climate and environmental impacts, Council continues to prepare for the impacts of extreme events including flood, fire and extreme heat.

Strategic Indicators

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.

| PERFORMANCE MEASURE | RESULT | COMMENTS |
|--|---------|--|
| Total potable water consumption in mL at Council's top ten potable water consuming sites | 101,155 | Council's total water use for the year was 101,155 mega litres and almost 70 per cent was used at ten sites. This represents a 11.2 per cent increase in total water use this year. |
| Voluntary land owner compliance with Fire Prevention Notices issued to properties identified as potential fire hazards (target: 90%) | 93 | There were 1,013 fire prevention notices issued during the 2016/17 fire hazard inspection program. Of these, 943 property owners complied with the notice voluntarily, resulting in a 93 per cent voluntary compliance rate. |

Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2016/17 Budget.

| INITIATIVE | PROGRESS |
|--|--|
| Tarwin Street retarding basin wall upgrade | Works are currently underway and expected to be completed by August 2017. |
| Develop a Local Emergency Action Plan for the Neerim South community | Following consultation, it has been concluded that there is limited interest from the community to be involved in this project. It is recommended to review the need for a community based emergency planning project. Furthermore, the CFA and Department of Environment, Land, Water and Planning (DELWP) will be leading the Working Together strategy in 2017-20 which may result in community led emergency management outcomes that Council can contribute to. |
| Develop a new Environment Strategy | Following a workshop with Council's Sustainable Development Environmental Voice consultative committee in November 2016, a framework and engagement process has been developed for the Environment Policy and Strategy. A draft Environment Sustainability Policy has been prepared and will be presented for consideration in 2017/18. |



5.2

Services

The following table provides information in relation to the services funded in the 2016/17 Budget.

| SERVICE | DESCRIPTION | NET COST ACTUAL BUDGET VARIANCE \$000 |
|-------------------------------|---|---|
| Fire and Emergency Management | <p>WHAT WE DO: The Fire and Emergency Management function provides the support to Council to comply with statutory provisions under the <i>Country Fire Authority 1958</i> and <i>Emergency Management Act 1986</i>. The objective of the service is to improve Council's preparation, planning, response and recovery within an 'All Hazard' risk management context for emergency management and to educate Councillors, staff, local businesses and our community with increased preparedness and resilience.</p> <p>HIGHLIGHTS:</p> <ul style="list-style-type: none"> Partnering with other emergency agencies to successfully implement cross-agency fuel reduction burns in two locations within the municipality. Baw Baw Shire Council participated in an emergency management exercise that was held in conjunction with Latrobe City Council. The exercise involved evacuating a class from Trafalgar High School and Trafalgar Primary School to an emergency relief centre, with the purpose of testing Council, school and Police procedures in the event of an emergency. Significant staff training was undertaken to ensure that Baw Baw Shire Council is prepared to respond and assist with relief and recovery in the event of an emergency. The Municipal Emergency Management Plan and Municipal Fire Management Plan were reviewed and endorsed by the Municipal Management Planning Committee and Council in June 2017. <p>CHALLENGES:</p> <ul style="list-style-type: none"> Staff turnover has impacted on the business unit's ability to deliver on its business plan targets. | <p>100 (332) (232)</p> |

Service Performance Indicators

There are no prescribed service performance indicators for this objective.





Governance

Governance System Overview

Good political governance in Local Government means good decision making. There are of course, a number of key elements that contribute to the Council making good decisions.

The Good Governance Framework brings these components together so we can understand how they relate to each other, and provide the focus required to improve processes, structures and policies required to strengthen our ability to make consistently good decisions.

It is recognised that good governance, from its broadest perspective, includes corporate governance as well as political governance.

At the Local Government level, representative democracy provides a group of local people, who are elected as Councillors, with the mandate and the responsibility to faithfully represent the best interests of people in their municipality. While representation is established by election, strong democracies ensure that representation is continuous, refreshed and supported by a representative's understanding of and connections with the local community.

Representative democracy, which includes Local Government, works effectively when the elected representatives make decisions in the best interest of the community and are seen to be doing so.

The key principles of Good Governance (taken from the Good Governance Framework) are:

- **Well Informed Council**
 - **Community Participation**
 - **Meeting Structure and Content (Good advice and Transparency)**
- **Effective Relationships**
 - **Effective Communication**
 - **Clear Roles and Responsibilities**

In order to support these principles, and with a strong focus on effective governance at all levels within Local Government, a number of internal audit reviews were conducted as part of the 2016/17 Strategic Internal Audit Plan.

These included:

- An Internal Risk Review, Internal Audit of Section 86 Committees of Management
- Internal Audit Review of Asset Management, and Internal Audit of Customer Service and Complaints Management.



Local Laws

Council adopted its new Community Local Law 2016, which replaced the Community Local Law 2008. The process included extensive community consultation throughout 2015/16 to ensure that any new local laws would meet the needs of our growing community.



Meeting Procedure Local law

Pursuant to Section 119 of the *Local Government Act 1989* Baw Baw Shire Council, at its ordinary meeting held on Wednesday 11 March 2015, resolved to adopt the revised Local Law, Meeting Procedure Local Law. Effective from 11 March 2015, the purpose of the Local Law is to:

- Facilitate the good governance of the Baw Baw Shire Council
- Regulate proceedings of the election of the Mayor
- Regulate proceedings at all Ordinary and Special Meetings of Council and meetings of Special Committees
- Regulate the use of confidential information
- Regulate the use of the Common Seal and prohibit its unauthorised use
- Provide for the administration of the Council's powers and functions
- Revoke Meeting Procedure Local Law 2012.

Citizenship

During 2016/17, 67 people received Australian Citizenship in four group ceremonies organised by Baw Baw Shire Council. Ceremonies were conducted at the West Gippsland Arts Centre and the Warragul Country Club. A special ceremony was held as part of the Australia Day celebrations at Civic Park, Warragul.

The ceremonies were conducted by the Baw Baw Shire Mayor, who formally conferred citizenship on the new citizens. Baw Baw Shire Councillors and local members of Federal and State Government were in attendance at the ceremonies. Family and friends of the citizens were also invited to join the celebration.

Citizenship Ceremonies are coordinated by the Executive Assistant to the Chief Executive Officer and Mayor on behalf of the Department of Immigration and Border Protection. As part of the citizenship ceremony process, electoral enrolment forms are collected on behalf of the Australian Electoral Commission.

Committees

Committees of Management

Committees of Management (CoM) are given powers of Council to enact on behalf of Council. These committees are governed by a delegation that describes how they are able to enact their powers. The same rules under the *Local Government Act 1989* apply to these committees as it does to Councillors and Councils.

At its meeting on Wednesday 9 March 2016, Council resolved to disband the Trafalgar Recreation Reserve CoM. Council resolved to assume management pending the appointment of an independent Chair and fresh election being held for a new CoM over the next 12 months. Council further resolved that in the interim, Council will work in consultation with the existing committee.

Currently, Council has a total of 16 Committees of Management, being:

- Athlone Hall and Recreation Reserve
- Bellbird Park Recreation Reserve
- Bellbird Park Synthetic Sports and Hockey Facility
- Buln Buln Recreation Reserve
- Crossover School Site
- Darnum Memorial Hall
- Downton Park Recreation Reserve
- Ellinbank Public Hall
- Ellinbank Recreation Reserve
- Erica Community Facilities Committee of Management
- Lardner Hall and Recreation Reserve
- Narracan Public Hall
- Neerim South Recreation Reserve
- Nilma North and Lilloco Memorial Hall
- Tetoora Road Community Centre
- Western Park Recreation Reserve

Advisory Committees

Council currently operates Advisory Committees in various areas of Council business. These are formally established with Terms of Reference. Objectives are set in the terms of reference of the committee, and Council engages with the community members to seek their input and advice. These committees provide advice only, and do not make decisions in relation to expenditure or enact any Council powers.



| ADVISORY COMMITTEE | DESCRIPTION |
|--------------------------------------|--|
| Arts and Culture Advisory Committee | The Arts and Cultural Advisory Committee works in collaboration with Council's Cultural Development Officer and Arts and Culture Manager to provide advice and recommendations to Council on matters pertaining to the arts, including actions required to ensure the implementation of the Arts and Cultural Plan. The committee makes recommendations regarding the allocation of the Council's annual acquisition fund. |
| Audit Committee | <p>The Audit Committee is a formally appointed advisory committee of Council for the purposes of the <i>Local Government Act 1989</i>. The committee's role is to provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by Council in relation to the discharge of its responsibilities. The Audit Committee comprises of three independent members, and appointed Councillors. The Audit Committee is empowered for advising Council on:</p> <ul style="list-style-type: none"> • Seeking resolutions on any disagreements between management and the external auditors on financial reporting. • Reviewing all auditing, planning and their outcomes. • Seeking any information it requires from Council members, and Council staff via the Chief Executive Officer and external parties. • Formally meeting with Council staff, internal and external auditors as necessary. • Requesting the CEO to obtain external or other professional advice as considered necessary to enable the committee to meet its responsibilities at Council's expenses. |
| Business Advisory Board | <p>In late 2015, the Business Advisory Board was restructured for its new two year term. This was to better align the Business Advisory Board with the future needs of the business community and to ensure that the board is thinking strategically about the local economy moving forward.</p> <p>The Business Advisory Board is now an Executive Committee for Advocacy with three reporting streams: Visitor Economy, Growing Business in Baw Baw, and Innovation and Digitalised Economy, all of which represent our top six industries by employment.</p> <p>The objectives of the Business Advisory Board are to:</p> <ul style="list-style-type: none"> • Provide considered advice and recommendations to Council on strategic economic development issues and opportunities. • Discuss and inform Council decisions on key business strategies, projects and programs. • Assist Council in understanding the challenges facing business within the Baw Baw Shire. • Provide an opportunity for creative ideas, positive contributions and solutions to business issues affecting Baw Baw Shire. • To assist Council with the development and implementation of Council's Economic Development Strategy. |
| CEO Performance Review Committee | To review the performance of the CEO against measures set by the Council. |
| Disability Advisory Committee | Provide strategic advice to Council on access and inclusion of people with a disability. |
| Environment Voice Advisory Committee | Provide advice and recommendations in relation to strategies, education programs and issues. |
| Hazelwood Closure Working Group | <p>Following on from the announcement of the closure of the Hazelwood Power Station in late 2016, Council established the Hazelwood Closure Working Group.</p> <p>This group comprised of community members affected by the mine's closure and meet regularly to provide appropriate advice and recommendations on social and economic impacts on the Baw Baw community as a result of the closure of the Hazelwood Power Station and Mine.</p> |



| ADVISORY COMMITTEE | DESCRIPTION |
|--|---|
| Healthy Baw Baw Council Advisory Committee | <p>In 2016 Council resolved to develop a Healthy Baw Baw Council Advisory Committee to report to the Council and provide appropriate advice and recommendations to assist with its responsibilities under Section 26 of the <i>Public Health & Wellbeing Act 2008</i>. The Committee was established to prepare the Baw Baw Public Health and Wellbeing Plan 2017-2021, identify strategies and actions for implementation of the Plan, review implementation progress of the Plan and the evaluation.</p> <p>The Committee will serve as ambassadors within their own organisations and community to actively promote the objectives of the Plan, develop and strengthen existing partnerships that collaborate to improve the health and wellbeing in Baw Baw Shire, provide advice as part of policy review or development processes as required, and report to Council about committee activities, issues, and related recommendations.</p> <p>The Committee consists of 15 members being a representative from: The Department of Health & Human Services Gippsland Region, Central West Gippsland Primary Care Partnership, West Gippsland Health Care Group, Gippsland Women's Health, Latrobe Community Health Service, Quantum Support Services, Gippsland Primary Health Network, Ramahyuck District Aboriginal Corporation, Kurnai Nations, Victoria Police and GippSport.</p> |
| Place Names Advisory Committee | <p>Provide appropriate advice and recommendations on place naming matters in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.</p> |
| Positive Ageing Advisory Committee | <p>On Wednesday 9 September 2015 Council adopted a Positive Ageing Strategy and established a Positive Ageing Advisory Committee to oversee the strategy and report on the outcomes. As part of this committee, Council adopted the Terms of Reference on 8 June 2016, which articulate the roles and responsibilities of the committee. The purpose of the advisory committee is to provide advice to Council on workable, practical ways to achieve the Positive Ageing Strategy and support citizens over the age of 60 years with the intention of developing age friendly communities within the municipality.</p> |
| Roads and Drainage Advisory Committee | <p>The purpose of the committee is to:</p> <ul style="list-style-type: none"> • Gain an understanding of the current year's roads and drainage activities that are planned and underway. • Share ideas and knowledge about how the management of roads and drainage network within the Shire can be improved. • Support the Council in engaging with the community on the activities of the Roads and Drainage Advisory Committee and the annual works program. |

Audit Committee

Baw Baw Shire Council's Audit Committee is an independent Advisory Committee to Council that was first established in 1996. The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risks, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

The Audit Committee is established to assist the coordination of relevant activities of management, the internal audit function and support the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

As part of Council's governance obligations to its community, the committee facilitates:

- The enhancement of the credibility and objectivity of internal and external financial reporting.
- The enhancement of the credibility and objectivity of performance reporting.
- Effective management of financial and other risks, including the protection of Council's assets.
- Compliance with laws and regulations, including contribution to the development of accounting policies, practices and disclosures.
- The effectiveness of the internal audit function.
- The provision of an effective means of communication between the external auditor, internal audit, management and Council.

In 2016/17 the Audit Committee was chaired by independent member Mr Mike Said, who commenced his term as Chair from February 2016 onwards. The committee consists of independent members Dr A.J Purcell, Mr Tony Duff and Mr Mike Said, and the Councillor representatives include: Councillor Danny Goss and Councillor Joe Gauci (Mayor).

Councillor Code of Conduct and Conflict of Interest

The Councillor Code of Conduct (The Code) provides guidance on the conduct required of Mayors and Councillors of the Baw Baw Shire Council as required by Section 76C of the *Local Government Act 1989*.

The *Local Government Act 1989* requires Council to develop and maintain a Councillor Code of Conduct and it is required to be periodically reviewed. It must include an internal resolution procedure for dealing with any alleged contraventions of the Code. The *Local Government Act 1989* also stipulates that within one month of any amendment being made to the Code, all Councillors must make a declaration stating that they will abide by the revised Councillor Code of Conduct. This declaration must be signed and witnessed by the Chief Executive Officer.

A Council must, within four months after a general election, call a Special Council Meeting solely for the purpose of reviewing the Councillor Code of Conduct, and at the Special Council Meeting approve any amendments to be made to the Code determined by the Council to be necessary following the review of the Code. A person elected to be a Councillor is not capable of acting as one until the person has read the Councillor Code of Conduct and has made a declaration that they will abide by the Code.

The Baw Baw Shire Councillor Code of Conduct was reviewed and adopted by Council at a Special Council Meeting on Wednesday 22 February 2017 as required under the provisions of the *Local Government Act 1989*.



Councillor Allowances

Councillor Expense and Entitlements Policy

Council adopted at its meeting on Wednesday 13 July 2016 the Entitlements and Expenses Policy in line with the Audit Committee sitting fee charge changes.

Changes to the policy were based on Council's decision at its Confidential Council Meeting on Wednesday 9 March 2016 to review the remuneration of the Audit Committee's Independent Committee and Chairperson per meeting allowance. This was the only change to the policy, and Council's decision to change the per meeting fee for the Chair from \$842.50 to \$1,300 and Independent Committee Member from \$842.50 to \$1,100 which incorporated travel and other entitlements that were previously claimed by members was approved and adopted.

A copy of the Councillor and Audit Committee Expenses and Entitlements Policy can be found on Council's website, and inspected at Customer Service Centres.

Councillor and Audit Committee Member Expenses

Councillor allowances are paid monthly and in accordance with the *Local Government Act 1989*. The Minister for Local Government increased the rates applicable to Councillors and Independent Audit Committee Members from December 2016 by 2.5 per cent. This adjustment was made to Councillors and Independent Committee Members of the Audit Committee payments from 1 December 2016.

Under provisions of Section 74(1) of the *Local Government Act 1989*, Council must review and determine the level of Mayoral and Councillors allowances within the period of six months after a general election or by 30 June 2017, whichever is later.

Council were required to determine to either retain its current allowance or vary them to different amounts within the ranges applicable to its category, which is set by the Minister for Local Government.

Under section 223 of the *Local Government Act 1989* Council invited public submissions. No submissions were received from the community on the matter.

At its Ordinary Council Meeting on Wednesday 28 June 2017, Council resolved to maintain the current set allowance for Councillors (adjusted as per the Ministers 2.5 per cent mandatory increase).

\$ Councillor Allowances 2016/17

| COUNCILLOR | ALLOWANCE | TRAVEL | OTHER | TOTAL |
|----------------------|-------------|------------|------------|--------------------|
| Cr Joe Gauci | \$80,524.87 | \$3,363.23 | \$1,184.00 | \$85,072.10 |
| Cr Keith Cook | \$17,827.87 | \$4,026.14 | \$375.00 | \$22,229.01 |
| Cr Danny Goss | \$17,827.87 | \$1,421.70 | \$660.00 | \$19,909.57 |
| Cr Michael Leaney* | \$17,827.87 | \$8,957.15 | \$1231.10 | \$28,016.12 |
| Cr Jessica O'Donnell | \$17,827.87 | | \$340.00 | \$18,167.87 |
| Cr Darren Wallace | \$17,827.87 | \$2,983.54 | \$968.00 | \$21,779.41 |
| Cr Mikaela Power | \$26,024.47 | | \$30.00 | \$26,054.47 |
| Cr Peter Kostos | \$26,024.47 | \$45.00 | | \$26,069.47 |
| Cr Tricia Jones | \$26,024.47 | \$145.87 | | \$26,170.34 |
| Cr David Balfour | \$8,196.60 | \$2,380.00 | | \$10,576.60 |
| Cr Deborah Brown | \$8,196.60 | \$625.00 | | \$8,821.60 |
| Cr Murray Cook | \$7,535.40 | | | \$7,535.40 |
| Cr Terry Williamson | \$7,535.40 | | | \$7,535.40 |
| Cr Gerard Murphy | \$8,196.90 | | | \$8,169.60 |

Councillors are entitled to claim travel expenses. The claim amount varies and is dependent on distance travelled throughout the municipality.

* Cr Leaney requested it be highlighted that due to him residing in Walhalla, he incurs higher travel expenses to Council meetings, community events and meetings. Council also reimbursed Cr Leaney for telephone and internet expenses due to no mobile phone service in Walhalla.

Council Meetings and Assemblies of Councillors

Council held a total of 23 Council and Special Meetings in 2016/17, with a total of 152 officer reports, 14 notices of motions and 14 general business motions considered.

At these meetings, Council also:

- Answered 27 Questions on Notice
- Heard 126 submissions
- Made 27 decisions in Confidential Council with 22 being released to the public
- Presentation of six civic ceremonies in the meeting.

Councillor Attendance at Council Meetings - Council Term 2012-2016

| | | |
|---------------|---|---------------------|
| Cr Brown | > | 8 out of 8 meetings |
| Cr Balfour | > | 8 out of 8 meetings |
| Cr Cook | > | 5 out of 8 meetings |
| Cr Murphy | > | 4 out of 8 meetings |
| Cr Gauci | > | 8 out of 8 meetings |
| Cr Jones | > | 7 out of 8 meetings |
| Cr Kostos | > | 8 out of 8 meetings |
| Cr Williamson | > | 5 out of 8 meetings |
| Cr Power | > | 8 out of 8 meetings |

Councillor Attendance at Council Meetings - Council Term 2016-2020

| | | |
|--------------|---|-----------------------|
| Cr Gauci | > | 14 out of 15 meetings |
| Cr Power | > | 15 out of 15 meetings |
| Cr Jones | > | 11 out of 15 meetings |
| Cr Kostos | > | 15 out of 15 meetings |
| Cr Wallace | > | 15 out of 15 meetings |
| Cr O'Donnell | > | 15 out of 15 meetings |
| Cr Goss | > | 14 out of 15 meetings |
| Cr Cook | > | 15 out of 15 meetings |
| Cr Leaney | > | 14 out of 15 meetings |

Assembly of Councillors

An Assembly of Councillors is a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or the exercise of a delegated authority and which is either one of the following:

- A meeting of an Advisory Committee where at least one Councillor is present.
- A planned or scheduled meeting that includes at least half the Councillors and at least one Council officer.

Meetings that are classified as Assembly of Councillors do not have delegated powers and therefore cannot make decisions. The Assembly of Councillor records were tabled at each Ordinary Council Meeting.

Community Briefings and Special Council Meetings

Council engage directly with members of the community and provide them a voice through facilitating both open and closed community briefings and Special Council Meetings to hear submissions.

The following open community briefings were held in 2016/17:

Community Briefings: Open Mt Baw Baw Alpine Resort Management Board 1/8/16.

Nine Special Council Meetings were held in the financial year, which heard submissions from members of the community on topics such as:

- Rural Land Use Review
- Adoption of the Rural Land Use Review and Planning Scheme Amendment
- Councillor Swear in Ceremony: Declaration of Councillors Office
- Statutory Council Meeting: Election of the Mayor and Deputy Mayor
- Appointment of the Interim Chief Executive Officer
- Councillors Code of Conduct
- Consideration of Submissions – Rural Land Use Review
- Hearing of Submissions: Proposed Council Budget 2017/18 and Council Plan 2017-2021
- Appointment of the Baw Baw Shire Council Chief Executive Officer.

Delegation of Powers

In line with requirements set in the *Local Government Act 1989*, Council finalised its review of delegations on 16 October 2013. The review commenced in June 2013 and various recommendations were endorsed by Council in relation to issues identified throughout the review.

In the context of Local Government, delegation is the giving of decision making power by Council or the Chief Executive Officer to members of staff or to a committee.

Delegation is not:

- The performance of an administrative task such as a function under a position description.
- An action of an Authorised Officer (under Section 224 of the *Local Government Act 1989*) such as prosecuting an offender.
- Decision making under a Statutory Appointment such as making a decision to allow or refuse access to documents as an Appointed Officer under the *Freedom of Information Act 1982*.

It is not practical for Council and the Chief Executive Officer alone to exercise the many statutory powers bestowed on Baw Baw Shire Council.

Delegation facilitates the achievement of good governance for the community by empowering appropriate members of staff to make decisions on behalf of the Council and the Chief Executive Officer. Delegations are only exercised when the decisions align

with adopted policy; when utilised correctly, red tape and processing time can be reduced.

We also use delegation to manage some of our recreation reserves and halls to community volunteers; these are referred to as Section 86 Committees.

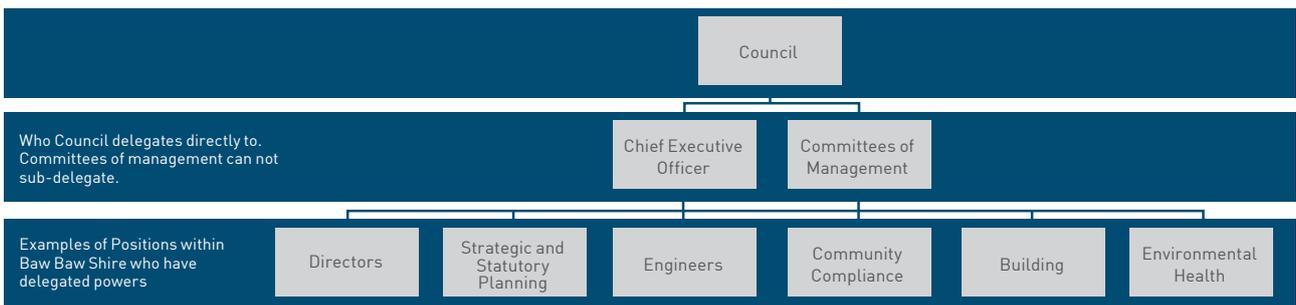
The granting of delegation is discretionary and can be revoked at any time, and both Council and the Chief Executive Officer can continue to exercise the power even if it is the subject of any delegation. The delegate is also not compelled to act under delegation; for example, where they have a Conflict of Interest or where something is considered politically sensitive.

A decision of a delegate is for all legal purposes, a decision of the Council or the Chief Executive Officer.

The current model used at Baw Baw Shire Council is 'sub-delegation' and 'broadly enabling', which is cost effective for Council as it is not labour intensive to manage. Sub-delegation means that Council delegates all powers (within their prescribed limits) to the Chief Executive Officer, who then delegates specific powers to appropriate staff.

'Broadly enabling' describes the way the delegation is written. Instead of specifying every component of the legislation that is to be delegated, the delegation is written broadly and then those explicit powers that are not to be delegated are excluded.

Broadly Enabling and Sub-Delegation Model



Council currently has three tiers of committees in its Governance Framework to support community input into Council decision making and projects, being:

1. Section 86 Committees
2. Advisory Committees
3. Friends Groups

It is important to recognise that within these three tiers the community members who participate are volunteers and need to be supported accordingly.

Statutory Information

Protected Disclosures

Baw Baw Shire Council is committed to the aims and objectives of the *Protected Disclosures Act 2012* (the Act). It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The procedures that relate to Protected Disclosures may be found on Council's website under the Customer Service and Contact Us tabs.

Disclosures of improper conduct or detrimental action by Council, its employees or a person acting on behalf of Council may be made to the Protected Disclosure Coordinator:

- In person at Drouin Civic Centre, Drouin 33 Young Street
- By phone on 5624 2500
- By mail (marked confidential) to PO Box 304 Warragul VIC 3820
- By email (marked confidential) to: protected.disclosure@bawbawShire.vic.gov.au

During 2016/17:

- No disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under Section 21(2) or 22 of the Act.
- No protected disclosure complaints referred to Council by IBAC.
- No protected disclosure complaints investigated by Council.
- No protected disclosure complaints dismissed by Council.
- No applications for an injunction made by the Council under Section 50 of the Act during the financial year.

Human Rights Charter

The Human Rights Charter is embedded into reporting and review mechanisms throughout Council. This is achieved by the inclusion of Human Rights on our Council report templates as well as part of our policy writing guidelines.

Carers Recognition Act

The *Carers Recognition Act 2012* promotes and values the role of people in care relationships and formally recognises the contribution that carers and people in care relationships make to the social and economic fabric of the Victorian community. Baw Baw Shire Council has taken all practicable measures to comply with its obligations under the Act.

Baw Baw Shire Council has promoted the principles of the Act to people in care relationships who receive our services and to the wider community by distributing printed material about the *Carers Recognition Act 2012* at service points.

Some of the ways Baw Baw Shire Council supported carers in 2016/17 was through our Carer Support Groups, the provision of respite services, information sessions and other activities such as our Carers Week event held in partnership with Latrobe Community Health Services, which included afternoon tea and a movie.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

A list of contracts entered into by Council valued at \$100,000 (or such higher amount fixed in accordance with section 186(1) of the Act) or more if the Council did not engage in a competitive process before entering into the contract and it is not of a kind specified in section 186(5) or (5A) of the Act.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, Council reports to the Minister for Planning on infrastructure and development contributions.

For 2016/17 information regarding infrastructure and development contributions is disclosed on page 110.

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:

- Promoted awareness through events like Social Inclusion Week and International Day of People with Disability.
- Completed the Changing Places public toilet facility, which was handed over to Warragul Community House in September 2016. The facility has yet to be formally registered, however is being widely accessed by community members and attendees at the Warragul Community House and Community Garden facilities.
- Hosted a National Disability Insurance Scheme (NDIS) information forum in December 2016 attended by 98 people, including 72 people living with a disability. The forum focused on building the capacity of the attendees to ensure they were aware of all the inclusions necessary to create an NDIS plan, and to participate fully within the community. Each participant received a resource kit containing easy English planning tools that they could start using to map the everyday things that they need assistance and support with.
- Information on NDIS has been active on the Council website and across social media platforms to assist in awareness raising on NDIS for the local community.

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 2015–19 in July 2014. The new plan was developed through consultation with Council's Animal Management Team and input from other Council departments. No actions were completed at the date of this report.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report.

No such Ministerial Directions were received by Council during the financial year.

Road Management Act Ministerial 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.

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 provide enough information to enable the documents to be identified.

Council's Freedom of Information Officer handles all requests for FOI access and also assists the applicant in accordance with the provisions of the FOI Act. There were 12 Freedom of Information applications received during 2016/17. Of these applications, 9 were finalised during 2016/17, with 3 carried over into 2017/18.

Council routinely works with applicants to facilitate access to information outside of the formal FOI process where possible and this is reflected in a lower number of FOI requests processed by Council during the 2016/17 year when compared to 2015/16.

Victorian Government funding (under 65's)

The Home & Community Care (HACC) Programme was supported by the Victorian Government.

Baw Baw Shire Council acknowledges the support of the Victorian Government.

Australian Government funding (over 65's)

The Commonwealth Home Support (CHSP) Programme is Supported by the Australian Government Department of Social Services. Visit the Department of Social Services website (www.dss.gov.au) for more information.

Disclaimer

Although funding for this service has been provided by the Australian Government, the material contained herein does not necessarily represent the views or policies of the Australian Government.



Development Contributions Plans (DCP)

Table 1 - Total DCP levies received in 2016/17

| DCP NAME (YEAR APPROVED) | LEVIES RECEIVED IN 2016/17 FINANCIAL YEAR \$ |
|--------------------------|--|
| DCP 01 (2007) | 759 |
| DCP 02 (2014) | 463 |
| DCP 03 (2014) | |
| TOTAL | 1222 |

Table 2 - DCP land, works, services of facilities accepted in-kind 2016/17

| DCP NAME (YEAR APPROVED) | PROJECT ID | PROJECT DESCRIPTION | ITEM PURPOSE | PROJECT VALUE \$ |
|--------------------------|------------|---------------------|--------------|------------------|
| DCP 01 (2007) | NIL | | | 0 |
| DCP 02 (2014) | NIL | | | 0 |
| DCP 03 (2014) | NIL | | | 0 |
| TOTAL | | | | 0 |

Table 3 - Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

| DCP NAME (YEAR APPROVED) | TOTAL LEVIES RECEIVED \$'000 | TOTAL LEVIES EXPENDED \$'000 | TOTAL WORKS-IN-KIND ACCEPTED | TOTAL DCP CONTRIBUTION RECEIVED (LEVIES AND WORKS-IN-KIND) \$'000 |
|--------------------------|------------------------------|------------------------------|------------------------------|---|
| DCP 01 (2007) | 0 | 0 | 0 | 0 |
| DCP 02 (2014) | 0 | 0 | 0 | 0 |
| DCP 03 (2014) | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 |

Table 4 - Land, works, services or facilities delivered in 2016/17 from DCP levies collected

| | | | TOTAL |
|----------------------------------|--|----------------------------|--------------|
| PROJECT DESCRIPTION | Leisure Centre Development (Municipal) | Townscape Works (Warragul) | |
| PROJECT ID | CICF004 | DIRS025 | |
| DCP NAME (YEAR APPROVED) | DCP 01(2007) | DCP 01(2007) | |
| DCP FUND EXPENDED \$'000 | 1,105 | 21 | 1,126 |
| WORKS-IN-KIND ACCEPTED | - | - | - |
| COUNCIL'S CONTRIBUTION \$'000 | 839 | 4 | 843 |
| OTHER CONTRIBUTIONS \$'000 | 330 | - | 330 |
| TOTAL PROJECT EXPENDITURE \$'000 | 2,274 | 25 | 2,299 |
| PERCENTAGE OF ITEM DELIVERED | 100% | 10% | |

Information Available For Inspection

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The following information and documents are available for inspection at Drouin Civic Centre, 33 Young Street, Drouin, or where indicated are available on our website. For further details, please contact the Council's Governance Coordinator on 5624 2478. The Act referred to on the following pages is the *Local Government Act 1989*.

| DOCUMENT | REFERENCE | AVAILABLE ON WEBSITE |
|--|--|---|
| AGENDAS AND MINUTES | Agendas for and minutes of Ordinary and Special Council Meetings held in the previous 12 months kept under Section 93 of the Act, except if the minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act. | Yes |
| AUTHORISED OFFICERS | A register of authorised officers appointed under Section 224 of the Act. | No |
| CONTRACTS | A list of contracts that Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) or (5A) of the Act that were valued at or in excess of: <ul style="list-style-type: none"> • \$150,000 (including GST) for the purchase of goods or services; or • \$200,000 (including GST) for the carrying out of works. | No |
| COUNCILLOR ALLOWANCES | Details of current allowances fixed for the Mayor, Lord Mayor (if any), and Councillors under Section 74 or 74A of the Act. | Yes |
| DELEGATIONS | A register of delegations kept under Sections 87 and 98 of the Act, including the dates on which the last reviews under Sections 86(6) and 98(6) of the Act took place. | No |
| ELECTION CAMPAIGN DONATION RETURN | A copy of an election campaign donation return is available for inspection at the office of the Council during normal office hours for a period of four years from the date that it is given under Section 62. | A summary is available on the Council website |
| GRANTS | A list of donations and grants made by the Council during the financial year, including the names of persons or bodies that have received a donation or grant and the amount of each donation or grant. | Yes |
| LEASES | Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease. | No |
| LIBRARY AGREEMENT | Agreements to establish regional libraries under Section 196 of the Act. | No |
| MEMBERSHIPS | A list of the names of the organisations of which the Council was a member during the financial year, and details of all membership fees and other amounts and services provided during that year to each organisation by the Council. | No |
| REGISTER OF INTERESTS | Names of Council officers and Councillors who were required to submit a return of interest during the financial year and the dates the returns were submitted. | No |
| SENIOR OFFICERS | The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year set out in a list that states ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and the number of senior officers whose total annual remuneration falls within those ranges. | No |
| SPECIAL COMMITTEE MINUTES | Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, except if the minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act. | No |
| SPECIAL COMMITTEES | A list of all special committees established by Council and the purpose for which each committee was established and a list of all special committees established by the Council, which were abolished or ceased to function during the financial year. | No |
| SUBMISSIONS | Submissions received in accordance with Section 223 of the Act during the previous 12 months. | No |
| TRAVEL | Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months; including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs. | No |

The following documents are also available for viewing.

| FURTHER DOCUMENTS | AVAILABLE ON WEBSITE |
|---|----------------------|
| Adopted budget or revised budget s.130(9) | Yes |
| Annual Report s.131(11) | Yes |
| Auditor's Report (on Annual Report) s.131(12) | Yes |
| Council Plan s.125(11) | Yes |
| Councillor Code of Conduct | Yes |
| Councillor Expenses | Yes |
| Details of reappointed CEO's total remuneration s.94(6) | No |
| Differential rate information s.161(3) | Yes |
| Documents incorporated by local laws s.120(3) | Yes (if applicable) |
| Electoral representation review final report s.219F(11) | Yes (if applicable) |
| Electoral representation review preliminary report s.219F(8) | Yes (if applicable) |
| Exhibition Roll (unless Electoral Commission engaged) s.23A(6) | No |
| Local laws s.120(2) | Yes |
| Procurement Policy s.186A(8) | Yes |
| Proposed budget or revised budget s.129(3) | Yes |
| Proposed local law s.119(2A) | Yes (if applicable) |
| Proposed special rate/charge declaration s.163(1B) | No |
| Public notices s.82A(2) | Yes (if applicable) |
| Quality or cost standards adopted under Best Value s.208F | No |
| Register of Interests returns s.81(11) | Yes |
| Strategic Resource Plan s.126(4) | Yes |
| Voters' Roll (period from certification to 30 days past election) s.24B | No |

External Audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2016/17 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by VAGO's representative. The external auditors attend the April and September 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

Council entered into a Collaborative Services Agreement with South Gippsland Shire Council in November 2015. The agreement provides for the development of a Risk Management (Shared Services) Business Plan to support the establishment of common Risk Management Frameworks, Policies and Risk Registers across both organisations.

Pursuant to the Collaborative Services Agreement, Council has adopted a Risk Management Policy and Risk Management Framework on 12 July 2017. Council's Strategic and Operational Risk Registers have also been reviewed and updated with the assistance of Council's Internal Auditors, Richmond Sinnott and Delahunty.

The Risk Management Policy sets out Council's approach and commitment to establishing and maintaining a risk aware culture across the organisation. The Risk Management Framework sets out Council's processes and procedures in relation to the identification, assessment, treatment and monitoring of key Strategic and Operational Risks. Together, these two documents aim to streamline Council's risk management functions and improve risk management processes, resources, systems and leadership.

A comprehensive training program for all staff will be rolled out across both organisations in the remaining half of 2017.

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

| GOVERNANCE AND MANAGEMENT ITEMS | | ASSESSMENT |
|---------------------------------|--|---|
| 1 | COMMUNITY ENGAGEMENT POLICY (policy outlining Council's commitment to engaging with the community on matters of public interest) | Policy Date of operation of current policy: 28 May 2014 |
| 2 | COMMUNITY ENGAGEMENT GUIDELINES (guidelines to assist staff to determine when and how to engage with the community) | Guidelines Date of operation of current guidelines: 28 May 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 four financial years) | Adopted in accordance with Section 126 of the <i>Local Government Act 1989</i> Date of adoption: 28 June 2017 |
| 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 <i>Local Government Act 1989</i> Date of adoption: 28 June 2017 |
| 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) | Plans Date of operation of current plans: Road Network 27 June 2016 Bridges and Major Culverts 27 June 2016 Buildings 27 June 2016 Stormwater Drainage 27 June 2016 Pathways 27 June 2016 |
| 6 | RATING STRATEGY (strategy setting out the rating structure of Council to levy rates and charges) | Strategy Date of operation of current strategy: 25 May 2016 |
| 7 | RISK POLICY (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Policy Date of operation of current policy: 4 June 2015 |
| 8 | FRAUD POLICY (policy outlining Council's commitment and approach to minimising the risk of fraud) | Policy Date of operation of current policy: 4 June 2015 |
| 9 | MUNICIPAL EMERGENCY MANAGEMENT PLAN (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery) | Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 17 May 2017 |
| 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) | Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 10 August 2016 |
| 11 | BUSINESS CONTINUITY PLAN (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Plan Date of operation of current plan: 11 March 2014 |
| 12 | DISASTER RECOVERY PLAN (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Plan Date of operation of current plan: 1 May 2015 |
| 13 | RISK MANAGEMENT FRAMEWORK (framework outlining Council's approach to managing risks to the Council's operations) | Framework Date of operation of current framework: 25 February 2015 |
| 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) | Established in accordance with section 139 of the Act Date of establishment: 7 November 1996 |
| 15 | INTERNAL AUDIT (independent accounting professionals engaged by the Council to provide analysis and recommendations aimed at improving Council's governance, risk and management controls) | Engaged Date of engagement of current provider: 13 July 2016 |

| GOVERNANCE AND MANAGEMENT ITEMS | | ASSESSMENT |
|---------------------------------|--|---|
| 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) | Framework Date of operation of current framework: 25 May 2016 |
| 17 | COUNCIL PLAN REPORTING (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year) | Report Date of reports: 10 August 2016 23 November 2016 8 February 2017 10 May 2017 |
| 18 | FINANCIAL REPORTING (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure) | Statements presented to Council in accordance with section 138(1) of the <i>Local Government Act 1989</i> . Date statements presented: 10 August 2016 23 November 2016 8 February 2017 10 May 2017 |
| 19 | RISK REPORTING (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports Date of reports: 5 December 2016 6 February 2017 5 June 2017 |
| 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) | Reports Date of reports: 10 August 2016 23 November 2016 8 February 2017 10 May 2017 |
| 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) | Considered at a meeting of Council in accordance with section 134 of the <i>Local Government Act 1989</i> . Date statements presented: 12 October 2016 |
| 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) | Reviewed in accordance with Section 76C of the <i>Local Government Act 1989</i> . Date reviewed: 22 February 2017 |
| 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) | Reviewed in accordance with Section 98(6) of the <i>Local Government Act 1989</i> Date of review: 16 October 2013 |
| 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 <i>Local Government Act 1989</i> Date local law made: 11 March 2015 |

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


Alison Leighton
 Chief Executive Officer
 Dated: 20 September 2017


Cr Joe Gauci
 Mayor
 Dated: Dated: 20 September 2017



Engagement

Council utilises a number of tools to engage with the community.

| TECHNIQUE | DESCRIPTION |
|------------------------|--|
| ADVERTISEMENTS | <p>Council promotes engagement opportunities and information through the following outlets:</p> <ul style="list-style-type: none"> • The Gazette • 3GG, 3BBR-FM and HitFM radio stations • Community newsletters (Darnum, Drouin West, Erica, Grand Ridge Road, Hill End, Jindivick, Longwarry and Labertouche, Narracan, Noojee, Rawson, Shady Creek, Thorpdale, Trafalgar and Yarragon). • Council Website - Email subscribers group • Facebook |
| BROCHURES | <p>Brochure holders are displayed at each of our Customer Service Centres and host a variety of flyers containing a range of information for our residents. Council brochures can be accessed from its' website.</p> |
| E-NEWSLETTERS | <p>Departments across the organisation distribute a range of e-newsletters for residents to subscribe to, including:</p> <ul style="list-style-type: none"> • Recreation • Business and Tourism • Maternal and Child Health • Rural Access |
| HAVE YOUR SAY | <p>'Have Your Say Baw Baw' is part of our Engagement Policy and includes a standard consultation pack that provides the opportunity for the community to be involved in decision making and to help shape Baw Baw Shire. The pack is available to be completed online or in hardcopy for a range of consultation opportunities throughout the year.</p> |
| LETTERS | <p>Letters are regularly distributed to residents from departments across the organisation to provide information on a range of topics.</p> |
| MEDIA RELEASES | <p>Regular media releases are issued to both local and metropolitan media outlets.</p> |
| NEWSLETTERS | <p>The Aged and Disability teams distribute a variety of newsletters to their clients.</p> |
| PRESENTATIONS | <p>Council presents to community and business groups throughout the year.</p> |
| RATES NEWS PAGE | <p>An A4 double-sided news page is included quarterly with every rates notice to provide information and notify residents of engagement opportunities.</p> |
| SOCIAL MEDIA | <p>Council has a Facebook page, Instagram and a Twitter feed that allows Council to update the community about information and engagement opportunities available, as well as allowing residents to comment and engage in conversations with Council.</p> |
| SUBMISSIONS | <p>The community is invited to present submissions on a range of consultation opportunities throughout the year at both Council ordinary and special meetings.</p> |
| TOWN VISITS | <p>Council conducted a number of town visits across the municipality throughout the year. These visits presented an opportunity for Council to share information on major projects and initiatives and gather community sentiment.</p> |
| WEBSITE | <p>All media releases, advertisements and Council News pages, public notices, events and major publications are uploaded to Council's website for residents to access.</p> |



Contact Us

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