



# 2014-15 ANNUAL **REPORT**

SURF COAST SHIRE COUNCIL

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## Surf Coast Shire Council

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*Falls Festival, Lorne*

# ABOUT THIS ANNUAL REPORT

Surf Coast Shire Council's Annual Report 2014-15 aims to fulfil Council's statutory reporting obligations under the *Local Government Act 1989* and other relevant legislation. More importantly, it focuses on informing our community about how we've performed over the past 12 months against the *Council Plan 2013-17*.

The report provides an overview of our performance during the year before detailing specific achievements and challenges under each of the five themes comprising the Council Plan. Organisational information follows, including our corporate and democratic governance outcomes for the year.

With this report marking the introduction of the new *Local Government Performance Reporting Framework*, we have included the full report and audited performance statement before the financial performance report, which makes up the back half of the document.

The report seeks to describe the breadth of our services and operations, our governance and management processes, and the responsibilities fulfilled by our councillors, executive management team and employees.

Our aim is to provide our residents, ratepayers, State and Federal Governments, and other key stakeholders with an open, accurate account of our performance during 2014-15.

Additional copies of the report can be downloaded from our website ([www.surfcoast.vic.gov.au](http://www.surfcoast.vic.gov.au)).

# MAYOR'S WELCOME

On behalf of my fellow Councillors, I am very proud to present Surf Coast Shire Council's Annual Report for 2014-15.



**The past year has marked several critical milestones and achievements. In October, Council moved past the halfway point in our four-year term, prompting a mid-term review of the Council Plan 2013-17.**

This provided an opportunity to review our progress to date and to explore what we need to focus on during the remaining two years, resulting in the plan being amended to incorporate three key priorities (see page 43). As clear statements of intent, these will guide our direction into the future.

## Consulting our community

In keeping with our commitment to actively engage with our community, we put significant time and effort into seeking ideas and views in relation to various initiatives.

The Bells Beach Task Force delivered draft coastal management and implementation plans, developed with extensive stakeholder input and subject to further feedback prior to Council adopting the plans during 2015-16.

The Aquatic and Leisure Centre Task Force presented various options for funding the facility's construction and ongoing operation. Council considered these in great detail as the basis for developing a proposed funding model, which has since been released for community feedback.

Similarly, the *Arts Space Feasibility Study* sought to analyse demand for a dedicated arts space, canvassing the views of more than 400 residents, artists, community groups and others.

In all these and the many other community engagement activities undertaken throughout 2014-15, we have been guided by our new *Communications and Community Engagement Strategy*.

## Representing our community

We continued to represent our community and advocate in its interests on a range of local issues, including ongoing concerns about unconventional gas exploration and the impacts of Alcoa closing the Anglesea power station and mine.

Other issues included the financial impacts of the new Victorian Government's proposed rate capping policy and the Federal Government's indexation freeze on Financial Assistance Grants.

We also continued to seek state and federal government funding for key infrastructure projects, including the Torquay North Family and Children's Centre. The return to community ownership of Jan Juc's popular Bob Pettitt Reserve represented a significant win for the local community.

## New faces

During the year, we welcomed new Chief Executive Officer Keith Baillie in January and new Winchelsea Ward Councillor Carol McGregor in April. I would like to acknowledge their predecessors, Cr Rod Nockles and Stephen Wall, for their respective contributions to Surf Coast Shire over the past two years.

Cr Margot Smith  
Mayor

# CEO'S INTRODUCTION

It is my privilege to join Surf Coast Shire Council and serve its community. From the outset, it was clear our organisation is committed to engaging the community and supporting our councillors. We also provide quality services that are underpinned by our skills and professionalism. This provides a strong basis from which to tackle the challenges ahead.

The annual report outlines many achievements for the year. As Mayor, Cr Margot Smith has outlined key highlights from Council's perspective. I would like to touch on some organisational outcomes.

## Serving our community

The 2015 *Community Satisfaction in Local Government Survey* confirmed my first impressions, with Surf Coast's results above statewide and rural shire averages across 17 out of 22 service areas.

Of particular note was the seven-point improvement in customer service. This is a particular focus for Council and was key to the overall satisfaction increase of two points, continuing the upward trend of recent years.

Council has clear strategies in place to further enhance community engagement. This includes continuing to use innovative and inclusive consultation approaches, such as community task forces and panels.

## Managing our finances

Council's financial result for the year was favourable to budget, with just over \$1m now held as unallocated cash. This resulted from good operational management and funds returned from projects completed under budget. It provides Council with some flexibility and will support the anticipated higher capital works program in 2016-17.

The Victorian Government's rate capping policy, to be implemented on 1 July 2016, is estimated to reduce Council's revenue by more than \$100m over 15 years. This is on top of the estimated \$5m foregone over 15 years due to the freezing of indexation for three years on Commonwealth Financial Assistance Grants.

These challenges, in addition to Council's ongoing and increasing asset renewal requirements, will test our ability to provide the services, roads and facilities required by the community.



We have been preparing for this challenge by building our capabilities in financial and project management, and establishing a business improvement program aimed at seeking efficiencies. Council is revising the long-term financial plan to reflect these factors.

## Our Top 5IVE

The next 12 months will see the organisation focusing on five priorities, those items that we must get right to meet Council's priorities and community expectations:

- Enhancing community connection
- Pursuing advocacy priorities
- Establishing environmental leadership
- Driving financial management
- Working as one team.

The achievements outlined in this annual report provide a strong platform on which to build. I commend all concerned – councillors, employees and community members – for their hard work and passion during 2014-15.

Keith Baillie  
Chief Executive Officer

## OVERVIEW

This section seeks to provide a detailed summary of key aspects of our performance during 2014-15 along with an overview of Surf Coast Shire Council and the community we serve.



# SNAPSHOT 2014-15

WORKING TOWARDS AN ENGAGED, INNOVATIVE AND SUSTAINABLE COMMUNITY.

Vision, Council Plan 2013-17

Highlights	Pg	Challenges	Pg
<b>Environment</b>	<b>37-38</b>		<b>39</b>
New Environment and Rural Advisory Panel established Bells Beach Task Force delivered Local food initiatives expanded New open space strategy underway Bob Pettitt Reserve reclaimed		Community concern over unconventional gas Pending closure of Anglesea mine and power station	
<b>Governance</b>	<b>43-44</b>		<b>45</b>
Excellent community satisfaction survey results Council Plan updated Good governance supported changes Community engagement ramped up Advocacy program reaped rewards		External influences on long-term financial viability	
<b>Communities</b>	<b>49-50</b>		<b>51</b>
New early years, youth and positive ageing strategies released Arts initiatives took centre stage Casuarina enabled young people with disabilities First steps for new family and children's centre		Future of surf lifesaving in Surf Coast Shire Funding options for an aquatic and health centre Locating the Lorne Men's Shed	
<b>Infrastructure</b>	<b>55-56</b>		<b>57</b>
Infrastructure plans based on completed studies Capital and major works totalling \$10.6m completed Funding secured and work underway on vital infrastructure projects		Advocating for safer roads and better public transport Funding large-scale community infrastructure projects	
<b>Development and growth</b>	<b>61-62</b>		<b>63</b>
Completed plans support sustainable development Study confirmed local surf industry's economic value Major international events proved their worth New initiatives strengthened our retail sector Development of new hinterland strategy underway		Contentious planning applications	
<b>Major priorities 2015-16</b>			
Enhancing our community connection			51
Advocating on our community's behalf			45
Taking a lead on environmental issues			39
Driving our long-term financial viability			45
Working as one team to improve our business practices			45

# MEASURING OUR PERFORMANCE

This year's annual report marks a significant change in performance reporting requirements for all Victorian councils, due to the new *Local Government Amendment (Performance Reporting and Accountability) Act 2014* and *Local Government (Planning and Reporting) Regulations 2014*, both of which came into operation in April 2014.

These led to the introduction of the new *Local Government Performance Reporting Framework*, which provides the foundation for standardising and strengthening performance measuring and reporting across the local government sector. As a tool, the framework enables local communities to compare how their council has performed during the year against others.

## Against the Local Government Performance Reporting Framework

Surf Coast Shire Council's *Report of Operations* and audited Performance Statement appear in full in the *Report of Operations* section (pages 104 to 127). As the first reporting year, they provide benchmark data on our service and financial performance, and sustainable capacity for the year ended 30 June 2015.

This data provides a base against which we can measure and report on our performance next year and beyond. From November 2015, ratepayers, residents and other stakeholders will be able to compare our performance results against other Victorian councils via the *My Council* website ([www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)).

## Community satisfaction and local government indicators

The annual *Community Satisfaction in Local Government Survey* (see page 185) and *Victorian Local Government Indicators* (page 103) provide additional means for comparison with our peers as well as tracking our results over recent years.

The former in particular shows consistent improvements across all core measures since 2012, with Surf Coast Shire Council again performing well above large rural shires and the statewide average in 2014-15.

This is also reflected in the latter under the Governance category and, to a lesser extent, in the *Infrastructure, Service and Sustainability* categories. Despite ending another year in a sound financial position (see page 15), the *Affordability/ Cost of Governance* category continued to challenge us due to our reliance on rate revenue and limited access to other non-rate revenue sources.

## Reporting against the Council Plan 2013-17

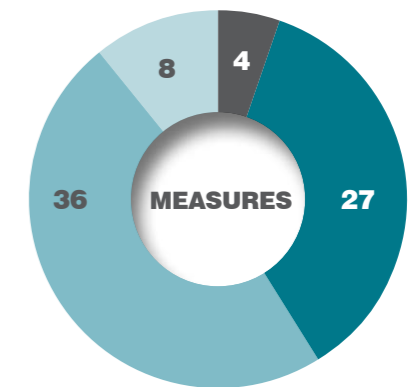
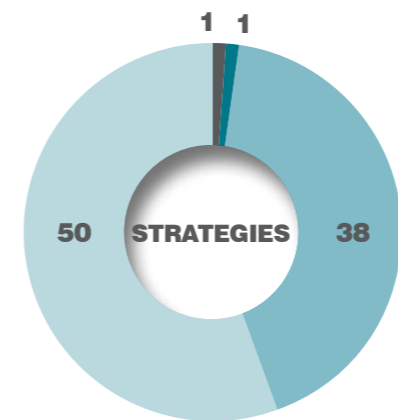
Under the *Local Government Act 1989*, we are also required to report against the *Council Plan 2013-17* in terms of the actions undertaken during the year towards realising the various strategies and achieving the performance measures and targets related to each.

As indicated by the diagrams below, from an overall performance perspective the past year saw significant progress made, with 88 out of 90 strategies either complete or well underway, and 63 out of 75 measures on track or exceeding their targets.

The next section, *Our performance* (see pages 33 to 64), details the key achievements and challenges under each of the five themes that make up the Council Plan, including the strategies and measures achieved.

## Reporting on our performance

Together with the new framework, these measurement and reporting tools provide a wealth of performance information, which is included in the annual report for the primary purpose of informing the Surf Coast community, State and Federal Governments, and other stakeholders about how we have performed over the past 12 months.



■ Work in progress ■ Met or exceeded ■ Not met, no further action ■ No action planned in 2014-15



## OUR SHIRE AND ITS PEOPLE

Breathe, dream, prosper in Surf Coast Shire – a natural beauty from coast to hinterland.

Emu Farm, Winchelsea

### Location and features

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne and 21km south of Geelong. Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

Residents enjoy a high quality lifestyle combining coastal, bushland and rural elements across nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each displays its own unique identity with a keen sense of community and strong desire to nurture the environment common to all.

This natural environment most defines the shire. The physical landscape features spectacular coastlines, dense native forests and rolling rural plains. Areas of special natural significance include heathlands, wetlands, grasslands, bush, coastal and marine environments.

These feature among the shire's many natural and built tourism assets, which include Bells Beach and other world-class surf breaks. The Great Otway National Park extends through the shire – and beyond. The world-renowned, heritage-listed Great Ocean Road starts its journey here.

### Historical overview

Although the shire's early European settlement dates from the 1830s, it took until the 1850s before the first township was established at Winchelsea. Various new settlements followed during the 1880s and 1890s, primarily driven by the local timber and fishing industries.

Access to coastal settlements was a major issue until the 1920s when the first section of the Great Ocean Road opened. Together with the advent of the motor car, the new road provided the impetus for Lorne, Aireys Inlet, Fairhaven and other coastal townships to develop as popular tourist centres throughout the 1930s and 1940s.

Spurred by tourism, Surf Coast Shire has continued to steadily develop over the ensuing decades with the pace of growth increasing substantially from the 1980s onwards. The appeal of coastal living and increased ease of commuting to Geelong and Melbourne contributed to Torquay-Jan Juc achieving an annual average growth rate of eight per cent between 2006 and 2011.

Winchelsea serves as the shire's principal agricultural centre and secondary growth centre.

### A growing community

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 28,810 in 2015. Over the same period, some 5,300 additional dwellings have contributed to strong growth in the housing sector.

Annual population growth has averaged 2.9 per cent since 2006, well above average, with the population forecast to grow to 43,763 by 2036, placing Surf Coast Shire as the fifth fastest growing municipality in Regional Victoria.

Over the life of the *Council Plan 2013-17*, around 2,100 more residents are expected, taking the population to 30,048 by 2017. Although 85 per cent of this growth is expected to occur in Torquay-Jan Juc, Winchelsea will also absorb reasonable growth of around six per cent.

The demands on Council to deliver essential infrastructure and community services will continue to increase in line with the needs of Surf Coast Shire's rapidly growing, changing community.

### Economic development and tourism

Worth almost \$1 billion annually, Surf Coast Shire's economy continues to experience strong growth.

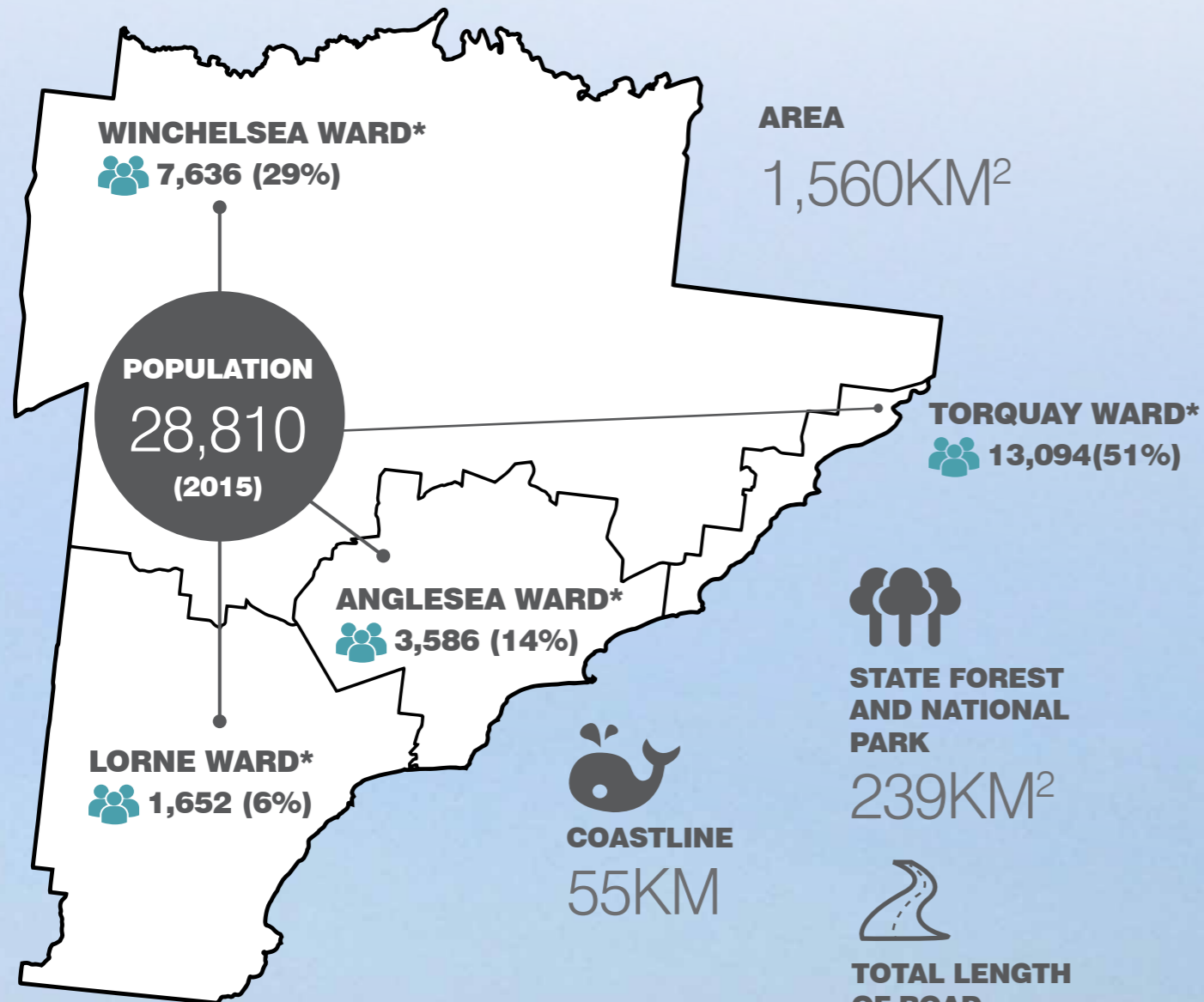
As a distinctly different economy, the surfing industry represents almost 27 per cent of all jobs (more than 2,000) and 26.5 per cent of all value add activity (\$217m). Tourism also plays a vital role, with more than 1.8 million visitors directly expending over \$4,500m during 2014. The construction sector comprises some 700 businesses who have collectively contributed to local development worth \$2.5b over the past 10 years.

With its rich agricultural and aesthetic attributes, the hinterland is increasingly contributing to the shire's economic development, particularly via local food and niche tourism opportunities.

Strong population growth will see a need to create approximately 3,000 additional jobs by 2036 in a shire where some 87 per cent of all businesses employ four or less people.

# STATS AT A GLANCE

SURF COAST SHIRE 2014-15



## RATES AND CHARGES REVENUE

\$43M

## OPERATING REVENUE

\$69M

## OPERATING EXPENDITURE

\$56.5M

## ANNUAL AVERAGE POPULATION GROWTH RATE

2.4%

## PEAK OVERNIGHT POPULATION (DEC TO JAN)

85,409\*\*

## AVERAGE UNEMPLOYMENT RATE

3.9%

## TOP EMPLOYMENT SECTORS (2011)

### ACCOMMODATION AND FOOD SERVICES

1,104

### CONSTRUCTION

969

### RETAIL TRADE

918

#### Sources

Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011 compiled by .id Consulting (Profile .id).

Australian Bureau of Statistics, 2015, Regional Population Growth Australia, 2013-14 Cat. No. 3218.

\*\* City of Greater Geelong Economic Indicators Bulletin. Department of Environment, Land, Water and Planning, Victoria in Future 2015.

.id Consulting (Forecast.id), 2015 Surf Coast Shire population and household forecast. REMPlan, June 2013.

Surf Coast Shire Council, Economic Snapshot 2014.

Surf Coast Shire Council, Economic Value of the Surf Industry to Surf Coast Shire, December 2014.

Tourism Victoria, Great Ocean Road Market Profile Year Ending December 2012.

**RATEABLE PROPERTIES**

20,618

**AVERAGE HOUSEHOLD**

2.6

\* 2011 census



# OUR COUNCILLORS

Surf Coast Shire Council's four ward structure ensures our diverse community's interests are well represented in all Council matters.

## ANGLESEA WARD



### Cr Margot Smith - Mayor

**Elected:** 2012

**Mayor:** 2014-15

**P.** 5261 0852 **M.** 0400 271 574

**E.** msmith@surfcoast.vic.gov.au

Margot retired in 2011 after nearly 30 years working in the retail industry. She moved to Torquay in 1999 and has lived in Anglesea since 2007.

As a first-term councillor and current mayor, Margot's strong strategic leadership and financial management skills and qualifications are backed by extensive experience in various business disciplines. She is an advocate for resilient communities, the environment, arts, sport and culture.

Margot is a Director of RSPCA Victoria and Community Chef.



### Cr Libby Coker

**Elected:** 2008, 2012

**Mayor:** 2009-10, 2012-13

**P.** 5261 0855 **M.** 0427 337 558

**E.** lcoker@surfcoast.vic.gov.au

Libby is a second-term councillor and former mayor, journalist and teacher with more than 20 years' experience in media and strategic communications. She has lived in Aireys Inlet for 28 years.

Libby has a strong desire to enhance decision-making and community engagement, strengthen relationships, sustain the environment and build a place where people can achieve.

She is a member of the Regional Development Australia Barwon South West Committee and represents Victoria on the National Sea Change Taskforce.

## TORQUAY WARD



### Cr David Bell

**Elected:** 2012

**P.** 5261 0859

**M.** 0409 626 614

**E.** dbell@surfcoast.vic.gov.au

David's family originally holidayed in Aireys Inlet and Fairhaven every year from 1962. As an adult, David lived interstate before deciding in 2002 to make Bellbrae his permanent home.

David is an active community member. As a councillor, he is committed to ensuring strong community involvement and input to Council decisions.

Together with his partner Traci, David runs a small organic farm and manages the Torquay Farmers Market.



### Cr Eve Fisher

**Elected:** 2012

**P.** 5261 0856

**M.** 0409 806 073

**E.** efisher@surfcoast.vic.gov.au

Eve has lived in Surf Coast Shire for more than 10 years. She is a journalist, teacher and passionate environmentalist. Sustainability, animal welfare and equality are close to Eve's heart.

As a councillor, Eve is driven to promote renewable energy, garner support for art, sport and cultural initiatives, and increase youth services. Her wish list includes establishing a solar power cooperative and developing an action plan for a carbon-neutral shire.

Clive has spent more than 35 years working in the banking and financial sectors, including 23 years working throughout Asia. He is a graduate of the Australian Institute of Company Directors.

As a councillor, Clive is a strong advocate of effective community engagement and collaboration, between citizens, councillors and Council staff, to ensure transparency in all Council decisions.

Clive lives in Lorne and is an active member of several local clubs and associations.



### Cr Rose Hodge

**Elected:** 2004, 2008, 2012

**Mayor:** 2006-07, 2013-14

**P.** 5261 0857 **M.** 0407 552 025

**E.** rhodge@surfcoast.vic.gov.au

Rose is serving her third successive term as a councillor and has served two mayoral terms. Her association with the Torquay-Jan Juc area spans more than 40 years and includes active membership of many local community and sporting groups.

Rose is committed to ensuring Council listens to and engages with the local community. She is passionate about providing opportunities for people with a disability to be involved in community life and is a strong advocate for active and passive recreation facilities.



### Cr Brian McKiterick

**Elected:** 2008, 2012

**Mayor:** 2011-12

**P.** 5261 0851 **M.** 0428 570 094

**E.** bmckiterick@surfcoast.vic.gov.au

Brian has lived in Torquay for more than 20 years and has a strong community connection through his work as a local Victoria Police officer.

As a former mayor and second-term councillor, Brian is committed to working with all government levels to voice the Surf Coast community's needs. Key concerns include protecting the shire's sense of place and developing community infrastructure.

Brian currently represents Surf Coast Shire on the Municipal Association of Victoria Board.

## WINCHELSEA WARD



### Cr Carol McGregor

**Elected:** 24 April 2015

**P.** 5261 0858

**M.** 0400 169 741

**E.** cmcgregor@surfcoast.vic.gov.au

Carol is a Wensleydale resident. She has spent more than 20 years working as a psychologist with children, young people and families living in isolated communities and small townships.

With interests spanning rural, environmental, economic and planning issues, Carol brings extensive knowledge of the shire's rural hinterland, including from agricultural and lifestyle perspectives. This includes a strong focus on improving childcare, youth and aged care services across the whole shire.



### Cr Heather Wellington

**Elected:** 2012

**P.** 5261 0853

**M.** 0417 542 967

**E.** hwellington@surfcoast.vic.gov.au

Heather lives with her husband in Barrabool on a small farm and actively supports a number of community organisations.

A medical doctor, lawyer and company director, she is a former Director of Medical Services at Geelong Hospital, Chairman of Peter MacCallum Cancer Centre and councillor of the City of Greater Geelong.

Heather now conducts a national legal and consulting practice in health care. She is committed to good governance, efficient service delivery and effective community engagement.

## LORNE WARD



### Cr Clive Goldsworthy

**Elected:** 2012

**P.** 5261 0854

**M.** 0400 756 854

**E.** cgoldsworthy@surfcoast.vic.gov.au

We gratefully acknowledge the extensive contribution of Cr Rod Nockles during his term as Winchelsea Ward Councillor. Elected in 2012, Cr Nockles served as Deputy Mayor in 2012-13. He resigned on 23 April 2015.

# FINANCIAL OVERVIEW

## SUMMARY

Council ended 2014-15 in a sound financial position as evidenced by:

<b>\$25.9M</b> in cash and investments (\$18.2m in 2013-14)	<b>\$69.3M</b> in revenue (up from \$64.7m in 2013-14)	<b>\$16.1M</b> in borrowings (down from \$16.7m)
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## HOW IT WORKS

Local government finances can be seen as a miniature version of the Commonwealth budget. Rates and charges are collected (as opposed to taxes at the national level), which are used to fund services and infrastructure delivered to the community.

In Surf Coast Shire Council's case, we collect rates and charges to fund programs such as:

- road construction and maintenance
- building/facility construction and maintenance
- sporting facilities, community reserves and parks, and health programs
- kindergartens, maternal health care, libraries and school crossings
- Home and Community Care (HACC), meals on wheels and disability services
- tourism and business development, planning, local laws and governance
- waste services and environmental activities
- community events, education and social planning, and
- community emergency management.

## KEY RESULTS FOR 2014-15

(\$'000)	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE
Revenue	64,400	69,255	4,855	+ 8%
Expenditure	60,941	56,538	-4,403	- 7%
Net surplus	3,459	12,717	9,258	+ 268%
Adjusted underlying result	(1,345)	2,086	3,431	+ 255%
Cash and investments	17,982	25,852	7,870	+ 44%
Borrowings	16,101	16,149	48	>1%
Net assets	378,876	378,570	-306	>1%
Rates and charges revenue	42,535	42,984	449	+ 1%
Capital expenditure	11,447	10,644	-803	- 7%
Accumulated unallocated cash	230	1,050	820	+ 357%

## FINANCIAL SUSTAINABILITY AND CHALLENGES

Financial sustainability is a fundamental strategic principle for Surf Coast Shire Council and underpins our ability to deliver infrastructure and services to the local community.

The current challenges to our overall financial sustainability include:

- Council's heavy reliance on rate revenue and limited access to other revenue sources
- reductions to funding in Commonwealth and State Government grant programs
- increasing costs related to maintaining Council's portfolio of property, infrastructure, plant and equipment assets
- costs of providing new assets in growth areas
- increased costs related to delivering services to the community
- competing community priorities, and
- new legislation to cap council rate increases from 2016-17.

## OPERATING PERFORMANCE

Council delivered a net surplus for the year of \$12.7m, which was \$9.2m higher than budget. This favourable variance is mainly due to:

- early receipt of the 2015-16 Victorian Grants Commission allocation (\$1.8m) – these funds are being held in reserve and are allocated in the 2015-16 financial budget
- higher granted assets (non-cash) received due to completed subdivision works (\$2.2m)
- grants budgeted in the previous financial year but received in 2014-15 (\$1.1m)
- new grants received that were not budgeted (\$1.2m)
- lower than budgeted expensed capital works (\$1.4m), and
- operating projects to be completed in 2015-16 (\$1.2m).

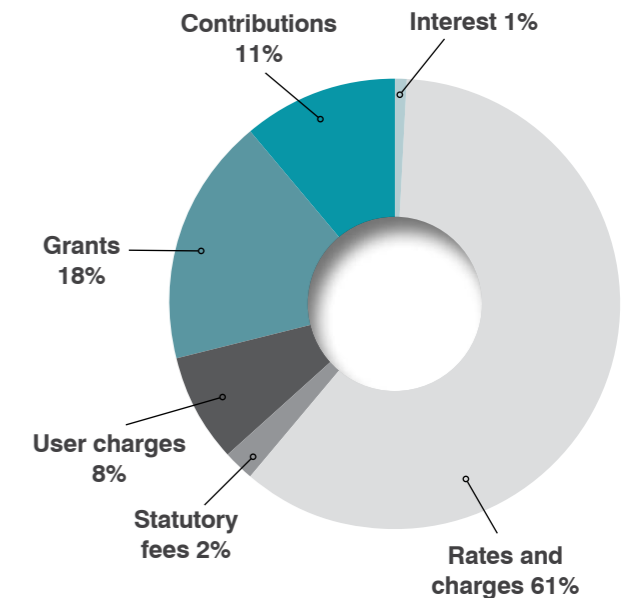
The net surplus is generated to fund non-operating activities, including the provision of new infrastructure and the renewal of existing community assets. It also includes funds tied to specific purposes, such as Council's waste and recycling programs.

Council remains dependant on rates and charges as our major revenue source with 61 per cent of income generated from this source (see Figure 1).

If we eliminate the non-cash revenue items and grants received for specific capital works from the income statement, rates and charges account for over 70 per cent of adjusted revenue. This is significantly higher than the state average for large rural councils (60 per cent) and reflects the challenge Council faces in finding alternative revenue sources.

As an example, Council is unable to raise revenue via traditional methods, such as car parking, caravan parks and foreshore activities, because it is not the land manager responsible for managing these areas.

Figure 1: Income sources 2014-15

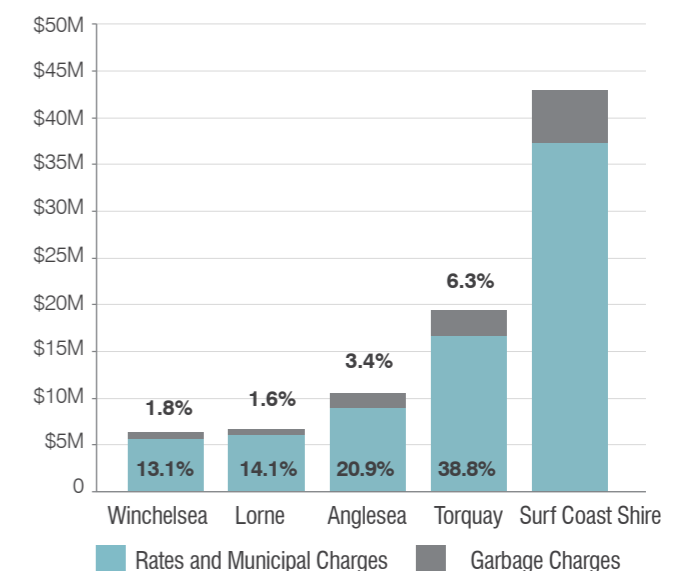


Note: Variation to 100% due to rounding

In 2014-15, 32 per cent of our total income came from external sources (29 per cent in 2013-14). Total grant income received included 29 per cent for capital works, 44 per cent from the Victorian Grants Commission (including \$1.8m paid in advance for the 2015-16 financial year) and 27 per cent from other sources for operational programs throughout the year.

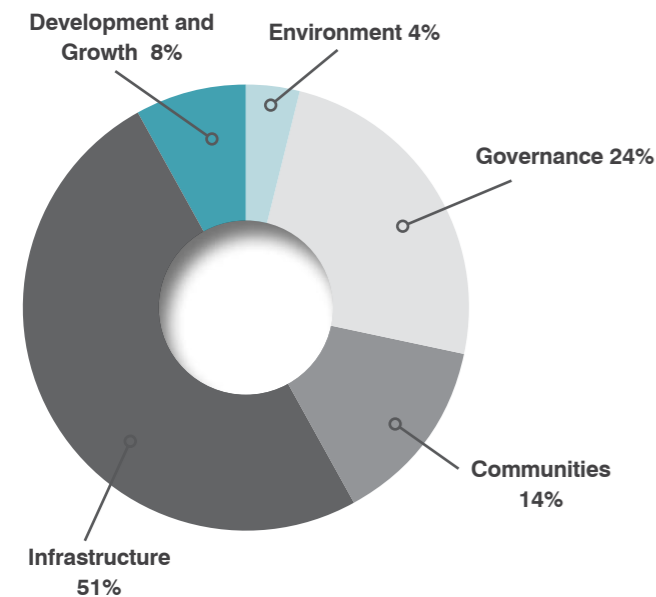
Rates and charges account for 61 per cent of total income (see Figure 2 for a breakdown by ward).

Figure 2: Rates and municipal charges, and garbage charges by ward 2014-15



Expenditure is allocated to either operating or capital projects. Figure 3 represents the allocation of operating expenditure by Council Plan theme in terms of delivery of Council services.

Figure 3: Expenditure by Council Plan theme 2014-15



Note: Variation to 100% due to rounding

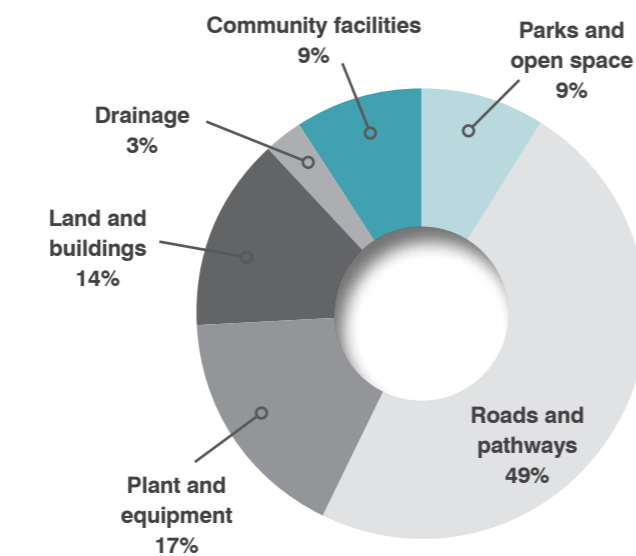
### CAPITAL EXPENDITURE SUMMARY

Council delivered a number of significant projects during the year, including the Pollocksford Road upgrade in Winchelsea ward (\$1.02m), the Horseshoe Bend Road widening (stage 3) in Torquay ward (\$0.17m), the Aireys Inlet Skate Park upgrade in Anglesea ward (\$0.14m) and the Moggs Creek Reserve Boardwalk upgrade in Lorne ward (\$0.03m).

Table 1: Capital spend by expenditure type 2014-15

CAPITAL SPEND TYPE	BUDGET (\$'000)	ACTUAL (\$'000)
New assets	3,166	2,151
Renewal of existing assets	6,094	6,213
Expansion of existing assets	140	455
Upgrade of existing assets	2,047	1,825
<b>Total</b>	<b>11,447</b>	<b>10,644</b>

Figure 4: Capital works expenditure by asset type 2014-15



Note: Variation to 100% due to rounding

### PROJECTS TO BE COMPLETED

There were a number of incomplete capital projects as at 30 June 2015. Council ensures the unspent component of the budget for these projects is maintained by carrying the funding forward to the next financial year. Significant unspent project funds carried forward to the next financial year (by ward) include:

Anglesea Ward	Aireys Inlet Painkalac Creek pathway (\$0.06m) Anglesea Transfer Station upgrade (\$0.04m)
Lorne Ward	Lorne Swing Bridge pathway (\$0.06m)
Torquay Ward	Torquay North Family and Children's Centre (\$1.74m) Surf Coast Highway-South Beach Road intersection upgrade (\$0.38m)
Winchelsea Ward	Land purchases (\$1m) Dickins Road flood mitigation works (\$0.12m) Mt Moriac depot land rehabilitation (\$0.08m)

### WORKING CAPITAL

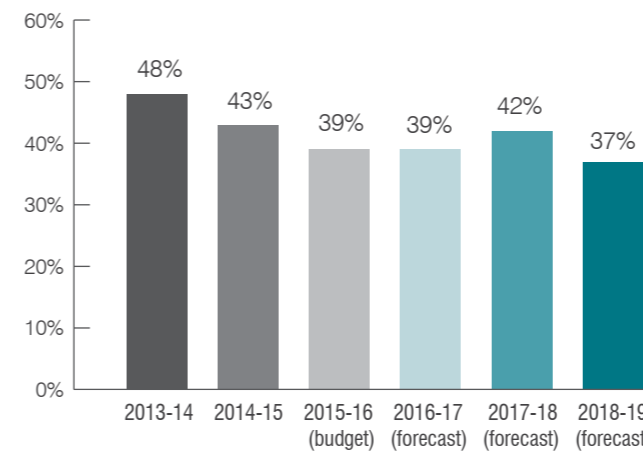
Working capital (current assets/current liabilities) at the end of the financial year was \$18.4m or 262 per cent, which is well above Council's budgeted position of 191 per cent. Working capital is an indicator of Council's ability to meet its financial commitments over the coming 12-month period.

### BORROWINGS

Council decreased its total debt portfolio during 2014-15 to \$16.1m. This is a decrease of \$0.5m on the previous financial year. Council continues to pay down debt and maintain a responsible debt level relative to its rate revenue base.

Council's debt strategy is outlined in the 2015-16 annual budget. It focuses on the responsible use of debt and maintaining debt levels well within the limits set by the Department of Transport, Planning and Local Infrastructure.

Figure 5: Debt management ratio by year 2013-14 to 2018-19



While no new borrowings have been budgeted for 2015-16, Council has forecast an increase in borrowings in 2016-17 and 2017-18 to help fund the completion of the Torquay North Family and Children's Centre.

### CASH POSITION

Council's cash and investments increased to \$25.8m as at 30 June 2015. This is an increase of \$7.6m on the previous financial year and is \$7.9m above budget. This is mainly due to:

- early receipt of the 2015-16 Victorian Grants Commission allocation (\$1.8m)
- revenue received relating to previous year projects (\$1.3m), and
- incomplete projects where budgets carried forward to next year (\$1.9m).

Table 2: Cash position 30 June 2015

	BUDGET (\$'000)	ACTUAL (\$'000)
Cash flows from operating activities	12,388	19,116
Cash flows from investing activities	(11,035)	(19,301)
Cash flows from financing activities	(1,701)	(1,707)
Net increase/(decrease) in cash held	(348)	(1,892)
Cash and investments at the beginning of the year	18,024	18,244
Net movement for the year	(348)	(1,892)
Non-current investments	-	9,500
Cash and investments at the end of the year	17,676	25,852

Council's cash and investment balance of \$25.8m does not represent discretionary cash. In fact, of the total amount only \$1.05m is available to Council as unallocated cash. The remainder of the funds are either restricted for statutory or contractual reasons, or allocated to specific purposes via Council resolution.

Council's allocated reserves cater for items such as:

- Anglesea landfill, including capital works and site rehabilitation and aftercare to Environment Protection Authority (EPA) standards after the facility has reached the end of its useful life
- unspent funding for projects budgeted for 2014-15 but due for completion in 2015-16, and
- replacement of Council's fleet of vehicles and plant equipment.

### WHAT'S IN STORE FOR NEXT YEAR?

The 2015-16 budget provides significant new funding of \$18.3m for capital works, including more than \$8.3m for 53 new or upgrade projects and an allocation of \$6m to 28 renewal programs.

Council has also allocated new funding of \$1.8m to support new initiatives (non-capital) throughout the shire. The operating budget (\$62.8m of operating expenditure) will enable Council to support these projects and continue the delivery of other valuable services to the community.

We are also improving project delivery with the implementation of our project management office, which will set up a new project delivery framework and provide enhanced project reporting. Our investment in business improvement and procurement processes will also ensure that Council operations run as efficiently and effectively as possible.

# AROUND THE **WARDS**



Small Grants recipients

Great Ocean Road Heritage Centre

Australia Day 2015

Connecting Spring Creek

Mt Moriac Reserve opening

Growing Winchelsea consultation

	ANGLESEA	LORNE	TORQUAY	WINCHELSEA
POPULATION 2011 CENSUS	3,586 14%	1,652 6%	13,094 51%	7,636 29%
LAND AREA	190.5km <sup>2</sup>	326km <sup>2</sup>	38.44km <sup>2</sup>	997.4km <sup>2</sup>
OPEN SPACE*	122.3ha	15.5ha	161.5ha	199ha
RATE REVENUE 2014-15	\$10.440m 24%	\$6.771m 16%	\$19.363m 45%	\$6.410m 15%
CAPITAL WORKS SPEND** 2014-15	\$1.345m 26%	\$0.346m 7%	\$2.045 39%	\$1.469 m 28%
MAJOR PROJECTS DELIVERED	<ul style="list-style-type: none"> <li>Aireys Inlet Skate Park upgrade</li> <li>Anglesea Bowling Club synthetic green</li> </ul>	<ul style="list-style-type: none"> <li>Moggs Creek Reserve boardwalk improvements</li> <li>Lorne Transfer Station solar power installation</li> </ul>	<ul style="list-style-type: none"> <li>Spring Creek pathway</li> <li>Horseshoe Bend Road widening</li> </ul>	<ul style="list-style-type: none"> <li>Pollocksford Road widening</li> <li>Winchelsea Walk of Honour</li> </ul>
NEW INITIATIVES** 2014-15	\$79,302 14%	\$25,000 4%	\$283,413 49%	\$193,646 33%
	<ul style="list-style-type: none"> <li>Aireys Inlet Open Mic Festival</li> <li>Aireys to Eastern View Structure Plan review</li> </ul>	<ul style="list-style-type: none"> <li>Lorne Arts Festival</li> </ul>	<ul style="list-style-type: none"> <li>Bells Beach coastal management plan</li> <li>Grasstree Park restoration works</li> </ul>	<ul style="list-style-type: none"> <li>Trick or Treat Kidz Fest</li> <li>Winchelsea Golf Club water storage</li> </ul>
NEW INITIATIVE GRANT FUNDING**	-	-	\$2,909 16%	\$15,120 84%
CAPITAL EXPENDITURE GRANT FUNDING**	\$391,000 12%	\$517,272 16%	\$899,090 27%	\$1,503,570 45%
OPERATIONAL GRANT FUNDING**	-	\$67,500 9%	\$671,076 86%	\$43,649 6%
TOTAL GRANT FUNDING RECEIVED 2014-15**	\$0.391m 10%	\$0.584m 14%	\$1.573m 38%	\$1.562m 38%
SMALL GRANTS PROGRAM**	\$8,500 18%	\$11,950 25%	\$15,374 33%	\$11,250 24%
COMMUNITY HOUSE GRANTS**	\$5,000 17%	\$13,636 46%	\$6,500 22%	\$4,545 15%
COMMUNITY (TOURISM) TRADES GRANTS**	\$4,000 40%	\$2,000 20%	\$2,000 20%	\$2,000 20%
COMMUNITY GRANTS DISBURSED 2014-15**	\$17,500 20%	\$27,586 32%	\$23,874 28%	\$17,795 20%

\*As specified in the Open Space Land Management System, which includes Council-owned and managed land but does not include land where a major structure is present (eg Spring Creek Community House) or where there is no passive or active outdoor space. Open space managed by other agencies (eg GORCC, Parks Victoria) is also not included.

\*\*Excludes shire-wide. Variation to 100% due to rounding

## SUSTAINABILITY OVERVIEW

Our *Council Plan 2013-17* recognises the need to achieve a balance between caring for our natural environment, fostering strong communities, delivering services and planning for growth while preserving Surf Coast Shire's unique character.



This is reflected in the plan's focus on sustainability as a guiding principle, which is articulated in the vision of an 'engaged, innovative and sustainable community' and in our three priorities:

- Position Surf Coast for the benefit of the environment, economy and community
- Secure buy-in and support from critical partners, and
- Sustainable service and staff.

It also carries through to the plan's strategic objectives, particularly those pertaining to leadership in innovative environmental practices, preserving and enhancing our natural environment, long-term financial viability, enhanced community engagement and advocacy, building our community's leadership skills, and sustainable economic development and growth, including sustainable year-round tourism.

The following provides a consolidated summary of the various sustainability initiatives undertaken during 2014-15 to foster a more sustainable Surf Coast Shire now and in future. It brings together many projects detailed elsewhere in this report to provide a coherent picture of our progress towards achieving environmental, social and economic sustainability, and sustainable governance.

It also marks another step in how we define and report on sustainability. We will continue to build on this during 2015-16.



### ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability encompasses preserving our natural environment, pursuing alternative energies, leading the way in innovative environmental practices and protecting public open space and green belts.

During 2014-15, the establishment of our new Environment and Rural Advisory Panel, and our ongoing partnerships with key environment community groups and local businesses resulted in various environmental sustainability initiatives.

These included our new *Plastic Wise Approach*, focused on protecting our sensitive marine environment by reducing single use plastic bags, and a range of local food initiatives such as *Eat Local Month* and the sustainable seafood initiative, *Good Fish Project*, the latter being a first for an Australian council.

We also continued to explore new avenues for our successful heritage orchards program, expanding it beyond schools and kindergartens into other suitable community spaces.

Through the Federal Government's *Solar Towns Program*, we made progress towards pursuing alternative energies, with a \$39,000 grant funding the installation of solar power at two popular community facilities: the Grant Pavilion in Torquay North and the Modewarre Football and Cricket Club.

The development of our new *Open Space Strategy*, currently in draft form, will provide a vital framework for protecting and optimising public open spaces and green belts across the shire. Our community places significant value on open

space, as illustrated by the response to Jan Juc's Bob Pettitt Reserve being reclaimed as public open space.

Other environmental sustainability initiatives included maintaining direct action against pest plants and animals in key areas across the shire, installing more drinking fountains in popular locations to reduce plastic bottle usage, and completing major upgrade works at the Anglesea Transfer Station to boost recycling options.





Enabling Women program

## SOCIAL SUSTAINABILITY

We define social sustainability as the way we engage with, support and advocate on our community's behalf to build its overall capacity and foster community wellbeing and resilience.

We undertook extensive community engagement throughout 2014-15 to seek input to a wide variety of initiatives, from a new coastal management plan for the world-renowned Bells Beach Surfing Recreation Reserve to an *Arts Space Feasibility Study* and the culmination of the *Growing Winchelsea* planning project.

We also spoke up for our community in relation to issues of concern, such as unconventional gas exploration and Alcoa's decision to close the Anglesea power station and mine, while continuing to advocate for important projects like the Torquay North Family and Children's Centre (see page 27-28 for more details about community engagement and advocacy outcomes).

New strategies such as *Accessible and Inclusive Surf Coast: Strategic Plan 2014-24* and our draft *Early Years and Youth Strategy 2015-18*, *Positive Ageing Strategy 2015-18* and *Customer Service Strategy* engender social sustainability by providing important frameworks for delivering services and supporting the Surf Coast community.

Their value was illustrated by the *Enabling Women* and *Casuarina* community leadership programs, which both targeted people with a disability to realise key access and inclusion outcomes articulated in each strategy.

Once again, our annual *Small Grants Program* supported many local community groups and projects, disbursing more than \$67,400 during the year.

Our *Fire Up!* emergency planning workshops continued to focus on building our community's capacity to plan for and recover from disasters, with its contribution to community preparedness and resilience recognised in the 2014 *Fire Awareness Awards*.



Go Go Gilbert

## ECONOMIC SUSTAINABILITY

Economic sustainability includes ensuring our long-term financial viability and strengthening our community's economic capacity by supporting local tourism and rural businesses.

Following a comprehensive review of our financial resources at the start of 2015, we updated our 10-year *Strategic Resource Plan* (as part of the mid-term review of the *Council Plan 2013-17*). The revised plan aims to ensure our long-term financial viability in light of the ongoing funding pressures generated by population growth and inflation, and the anticipated impacts of recent policy changes at the Victorian and Federal Government level.

In terms of building Surf Coast's economic base, the past year also saw work start on developing a rural hinterland strategy to support the economic growth and sustainability of our hinterland townships and businesses.

In addition, the findings of the first study ever undertaken to ascertain the economic value of our local surf industry resulted in a range of recommendations to boost the industry's profile and economic sustainability. Projects such as rebranding Surf World Museum as the Australian National Surfing Museum and a tourism campaign promoting Torquay as the 'home of Australian surfing' will support these objectives.

While major peak season events such as the inaugural *Cadel Evans Great Ocean Road Race* and the annual *Rip Curl Pro* Easter surf contest attracted national and international attention, the introduction of our new *Event Grants Program* focused on supporting events during the off-peak season to help build sustainable year-round tourism.

We continued to work with local traders groups and chambers of commerce to support each township's business sector. The *Go-Go Gilbert* project, for example, aimed to benefit local traders by promoting Torquay's Gilbert Street retail precinct as a great place to shop, eat and visit.



## SUSTAINABLE GOVERNANCE

Our ability to govern sustainably and in our community's best interests is founded on the policies, procedures and processes, which together comprise our governance framework.

During 2014-15, we completed a comprehensive review of our governance structure, which identified a need to revise and upskill our governance support function to respond to succession planning needs. An organisational restructure also saw Council's procurement, legal services and property functions brought in under the Governance portfolio.

The development and implementation of new tools, such as a checklist and calendar, supported compliance with *Local Government Act 1989* requirements. A number of policy updates clarified our approach to managing fraud control, procurement, use of surveillance devices, gifts and hospitality, privacy and data protection, freedom of information, protected disclosures, workplace health and safety, and investment.

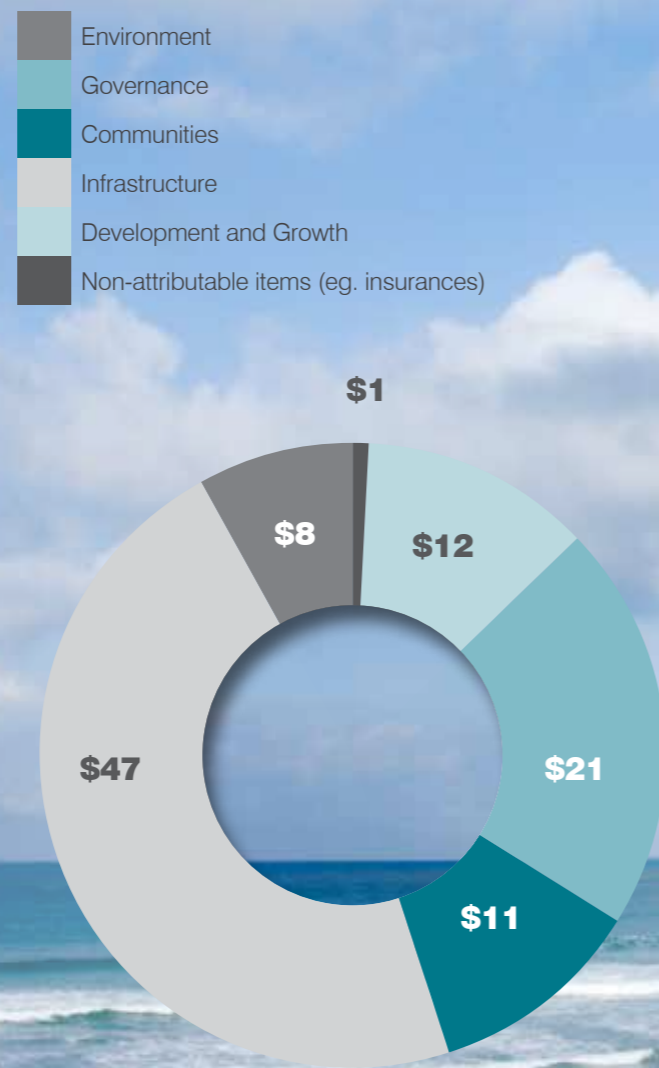
We also initiated a new business improvement approach to support our ongoing development as a high performing, accountable organisation.

# OUR YEAR IN REVIEW

## SERVICES DELIVERED

Figure 6 shows how we spent every \$100 of rates revenue generated in 2014-15 to deliver on our Council Plan themes and capital works.

Figure 6: Rates expenditure (per \$100) in 2014-15 by Council Plan theme



## PROJECTS DELIVERED

Major projects delivered during 2014-15 included:

<b>Environment</b>	<b>35</b>
<ul style="list-style-type: none"> <li>• Draft <i>Bells Beach Surfing Recreation Reserve Coastal Management Plan</i> and related implementation plan</li> <li>• Ongoing and new local food initiatives</li> <li>• <i>Plastic Wise Approach</i> and launch of Boomerang Bags project to reduce plastic bag usage</li> <li>• <i>Open Space Issues and Opportunities Discussion Paper</i></li> <li>• Bob Pettitt Reserve land purchase</li> <li>• Environment and Rural Advisory Panel</li> <li>• Establish Anglesea River Working Group and host expert panel workshop with Corangamite Catchment Management Authority.</li> <li>• Ongoing pest plant and animal management works</li> </ul>	
<b>Governance</b>	<b>41</b>
<ul style="list-style-type: none"> <li>• Mid-term Council Plan review</li> <li>• New <i>Communications and Community Engagement Strategy 2015-18</i></li> <li>• Significant community engagement on key issues and initiatives</li> <li>• Service review pilot involving four key services</li> <li>• Governance structure review and implementation of key recommendations</li> <li>• Draft <i>Customer Service Strategy</i></li> </ul>	
<b>Communities</b>	<b>47</b>
<ul style="list-style-type: none"> <li>• Draft <i>Early Years and Youth Strategy 2015-18</i> and <i>Positive Ageing Strategy 2015-18</i></li> <li>• <i>Arts Space Feasibility Study</i></li> <li>• <i>Casuarina</i> leadership development program for young people with a disability</li> <li>• <i>Enabling Women</i> leadership program for women with a disability</li> <li>• <i>Community Buildings Study</i> audit</li> <li>• <i>Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24</i></li> <li>• <i>Fire Up Surf Coast!</i> bushfire preparation workshops</li> </ul>	
<b>Infrastructure</b>	<b>53</b>
<ul style="list-style-type: none"> <li>• \$1.02m upgrade of Pollocksford Road, Gnarwarre</li> <li>• New playground in Seaview Reserve, Jan Juc</li> <li>• <i>Connecting our Community</i> works program along Spring Creek, Torquay</li> <li>• Bike lanes and associated road safety improvements in Horseshoe Bend Road, Torquay</li> <li>• Aireys Inlet Skate Park upgrade</li> <li>• New public toilet and footpath improvements in Winchelsea</li> </ul>	
<b>Development and growth</b>	<b>59</b>
<ul style="list-style-type: none"> <li>• <i>Growing Winchelsea – Shaping Future Growth Plan 2015</i></li> <li>• New Aireys Inlet to Eastern View structure plan, a combined master plan for Winchelsea's Eastern Reserve and Hesse Street Reserve, and the Bellbrae Community Facilities Master Plan</li> <li>• Economic value of local surf industry study</li> <li>• Support for major international events, including Asian Cup 2015 and inaugural <i>Cadel Evans Great Ocean Road Race</i></li> <li>• Rural hinterland strategy – scoping phase</li> </ul>	

## LISTENING AND SPEAKING FOR OUR COMMUNITY

Creating conversations, listening and responding to our community, and advocating on its behalf are fundamental to our role.

During 2014-15, we provided some 115 community engagement opportunities and continued to work towards building our advocacy capabilities through a more structured, strategic approach.

### New Communications and Community Engagement Strategy

Previous consultation activities and seeking internal and external stakeholder feedback on various ideas informed the development of the draft *Communications and Community Engagement Strategy 2015-18*.

The ensuing document was placed on public exhibition in April with Council adopting the final strategy in June. As a guide for our communications and community engagement activities over the next three years, it focuses on improving community understanding of Council's activities and providing opportunities for the community to contribute to our decision-making.



Bell Beach community workshop

It is underpinned by four principles to ensure Council is trustworthy, responsive, simple and progressive in communicating and engaging with others.

### Bells Beach Coastal Management Plan

Extensive community consultation during 2013-14 helped shape a draft vision for the Bells Beach Surfing Recreation Reserve released for public feedback in July.

After Council adopted the final vision in September, a series of community workshops in October and November provided input to a draft coastal management plan and associated implementation plan. Both documents were subject to detailed consultation with key stakeholders and the community during March, culminating in an open house session in April.

The Bells Beach Task Force – comprising community members, reserve users and councillors – has revised the draft based on the feedback received, with the final draft to be presented for Council's consideration in late 2015.

### Growing Winchelsea

The Winchelsea community got behind the *Growing Winchelsea* planning project, participating in various engagement opportunities throughout the year.

A community picnic in July sought people's ideas and feedback, providing a platform for the development of a draft vision and guiding principles for growth. Adopted by Council in August, these formed the basis for drafting an updated structure plan and urban design framework for the township's growth over the next 20 years.

A series of community workshops in October helped to flesh out ideas as the final step in developing the plans, released for public comment during February and March. Council adopted the final plan in May.

### Arts Space Feasibility Study

Conducted between December and June, the *Arts Space Feasibility Study* involved widespread consultation with residents, practicing artists, community groups and relevant government agencies.

It aimed to assess community demand and determine the most practical, viable option to provide for the arts needs of the Surf Coast community. As such, the study will provide Council with a sound basis for the long-term planning, development and enhancement of facilities catering for the arts.

More than 400 views and ideas were put forward via surveys, talking posts and workshops in Lorne, Aireys Inlet, Anglesea, Torquay and Winchelsea. Council will consider the ensuing report in July.

### Aireys Inlet to Eastern View Structure Plan

More than 500 people participated in a significant community engagement process as part of developing a new structure plan for the townships of Aireys Inlet, Fairhaven, Moggs Creek and Eastern View.

Undertaken during January and February, the process included an online discussion forum, informal conversations via a pop-up caravan in busy locations, community workshops, drop-in sessions, meetings and interviews. The outcomes contributed to the development of a vision and principles statement adopted by Council in April.

The draft plan will be subject to further community consultation during 2015-16.



Unconventional gas exploration protest



Asia Cup training clinic

### Other significant community engagement initiatives included:

- Seeking community input to the development of the new *Early Years and Youth Strategy 2015-18* and *Positive Ageing Strategy 2015-18* with the ensuing drafts released for public comment in May.
- Establishing a stakeholder reference group and working cooperatively with Life Saving Victoria, Department of Environment, Land, Water and Planning, Regional Development Victoria and the Great Ocean Road Coast Committee to develop a plan for the future of surf lifesaving in Surf Coast Shire.
- Determining a community engagement process for the development of the *Spring Creek Structure Plan* and consulting widely on the draft Bellbrae facilities plan.
- Encouraging locals via a social media campaign to get behind the Saudi Arabian national football team during the 2015 Asian Cup.
- Engaging closely with our community on the development of our new open space strategy.
- Undertaking a *Community Buildings Study* to identify opportunities and provide future directions for 80 Council-owned/managed community buildings. This entailed consulting with building managers and users of community centres, senior citizens centres, community houses, men's sheds, halls, buildings for arts and culture, multi-purpose sports pavilions, sporting clubrooms, emergency services, kindergartens and maternal and child health centres.

### Advocacy priorities and outcomes

In November, Council adopted a Strategic Advocacy Framework, the roadmap to how the organisation can work together to translate its advocacy efforts into outcomes. This built on our initial advocacy plan developed in late 2013.

Our advocacy priorities for the past year focused on local projects, major community issues and regional projects. We continued to seek Victorian and Federal Government support for vital community projects including:

- *Torquay North Family and Children's Centre* via our #EveryKidDeservesKinder campaign. The Victorian Government announced \$1.6m in funding during 2013-14 with matching Federal Government funding sought. Council decided in April to proceed using \$1.7m in developer contributions to help fund the project.
- *Community and Civic Precinct Active Open Space* with the Victorian Government announcing in October it would provide \$400,000 for a second AFL oval at Banyul-Warri Fields.

- *Surf Coast Highway-Beach Road Intersection*, a notorious accident blackspot. We raised community awareness over summer via a social media campaign and supported VicRoads in applying for Transport Accident Commission funding, to be announced in late 2015.
- *Bob Pettitt Reserve* to be retained as public open space. Council successfully lobbied the Victorian Government to sell this popular recreation space in Jan Juc to Council for \$500,000 and moved immediately to rezone the land as a public park and recreation zone.

We spoke up on our community's behalf on various issues of concern including:

- *Unconventional gas exploration and mining*, calling on all major parties to state their positions on the issue in the lead-up to the November state election and expressing support for a continued moratorium in Victoria. We also made a submission to the *Victorian Parliamentary Inquiry into Onshore Natural Gas* and asked the Minister for Energy and Resources not to renew an exploration permit for hydrocarbons (PEP 163) affecting land in the shire, due to expire in October 2015.
- *Anglesea power station and mine* with our initial focus on the environmental and community impacts of its ongoing operation changing in light of Alcoa announcing its imminent closure in May. We have since had discussions with the Victorian Government in relation to addressing future environmental and economic impacts, including rehabilitating the site, which adjoins the Great Otway National Park and world-renowned Anglesea Heathlands.

We raised both issues with federal politicians during a visit to Canberra in March as part of a G21 Geelong Region Alliance delegation. Other issues discussed included mobile and broadband coverage across the shire and the need for all levels of government to work together to fund infrastructure in growing communities.

Council also made several written submissions to the Victorian Government advocating for Surf Coast Shire's needs to be carefully considered in determining the proposed new rate capping policy.



## EVENTS AND MILESTONES

### July 2014

- After extensive community consultation, the Bells Beach Task Force released its draft vision for community feedback.
- A town picnic at Barwon Park Mansion enabled locals to learn about recent progress on the *Growing Winchelsea* project and next steps.
- Community events in Anglesea and Torquay marked *National Tree Planting Day* while work started in Winchelsea to replace several diseased poplars for safety reasons.
- Events such as *Love Winter in Aireys* and the *Torquay Beanie Festival* provided an opportunity to shake off the mid-winter blues.

### August

- Mt Moriac Reserve officially opened following a \$1.3m redevelopment, incorporating upgraded pavilion, tennis and netball courts, and new playground.
- Community invited to have a say on the future of Bellbrae's community facilities with a draft plan released for comment.
- After two years at the helm, Chief Executive Officer Stephen Wall resigned, moving to a similar role with the City of Maribyrnong.
- The *Growing Winchelsea* project achieved another milestone with the confirmation of a vision and guiding principles for growth.
- More than 50 local artists, from coast to hinterland, opened their studios to the public during the third *Surf Coast Arts Trail* weekend.

- The *Lorne Festival of Performing Arts*, *Anglesea One Act Play Festival* and *Love Winter in Aireys* program provided a boon for culture vultures.
- A community morning tea at the Council office on Daffodil Day raised cancer awareness and funds for cancer research and support.

### September

- The Bells Beach Task Force presented its final vision (incorporating community feedback), which Council subsequently adopted, while the Aquatic and Leisure Centre Task Force delivered its findings for Council's consideration.
- Surf Coast Shire hosted the third G21 Geelong Region Alliance stakeholder forum, with the Premier, opposition party leaders and other speakers outlining their thoughts on the region's future.

- The official start of the Great Ocean Road in Torquay permanently marked by the unveiling of a bronze plaque.
- The start of spring heralded a feast of events for athletes of various disciplines, including the *Toll/IPEC West Coast Open Titles and Industry Challenge* (surfing), *Surf Coast Century* and *Salomon Trail Running Series*, and *Amy's Gran Fondo* (cycling).
- Anglesea's annual *ANGAIR Wildflower Weekend and Art Show* once again proved popular with many locals and visitors.

### October

- Children's Week focused on sparking kids' imaginations via a series of fun-based events in Lorne, Torquay, Winchelsea, Moriac and Deans Marsh.



Human white ribbon

- At the other end of the spectrum, performances of the play *My Dog Has Stripes* during the Victorian Seniors Festival attracted full houses while shining the spotlight on depression and mental health issues.
- Victorian Government announced it would provide \$400,000 to help fund the second AFL oval at Banyul-Warri Fields in Torquay North.

### November

- The start of the fire season saw Bellbrae, Lorne, Winchelsea, Anglesea, Deans Marsh and Aireys Inlet communities participate in *Fire Up!*, a series of fire scenario workshops.
- The Great Ocean Road Heritage Centre officially opened in Lorne.
- Keith Baillie appointed as our new Chief Executive Officer, starting mid-January.
- Councillors, staff and locals joined together to form a human white ribbon to raise awareness of family violence during *White Ribbon Day*.
- The first round of our annual *Small Grants Program* dispersed \$40,870 to support 36 vital community projects.
- Work started on the *Future of Surf Lifesaving* project with a reference group established and extensive community engagement underway.
- Outdoor events such as *Toast to the Coast* and the return of weekend markets in Torquay, Aireys Inlet, Lorne, Deans Marsh and other townships again proved popular.
- Arts events such as Torquay Theatre Troupe's production of *Cosi*, *Lorne Film* and *Anglesea Arthouse Bazaar* entertained locals and visitors alike.



Opening of the Great Ocean Road Heritage Centre

- More than 2,000 school leavers made the annual pilgrimage to Lorne and Torquay to celebrate finishing school in a relaxed environment, underpinned by significant collaboration between Council, Victoria Police, local venues, accommodation providers and residents.

### December

- Our *Fire Up!* program received a Fire Awareness Award in the Community Preparedness (Industry) Category.
- The five-week *Enabling Women* leadership program, delivered by Women with Disability Victoria with Council's support, culminated in 11 local women graduating to coincide with International Day for People with a Disability.
- Comprising pop-up events over two weekends, the *Go Go Gilbert* initiative offered locals a taste of Europe, transforming Torquay's Gilbert Street retail precinct into a vibrant piazza.
- Surf Coast went soccer mad as Saudi Arabia's national football team arrived for a training camp in the lead-up to the 2015 Asian Cup.
- The arrival of Heritage Victoria's *Love, Desire and Riches* bridal gown exhibition at Winchelsea's Barwon Park Mansion provided a major tourism drawcard throughout summer.
- Lorne's annual *Falls Music and Arts Festival* once again proved a magnet for music lovers as a lead-in to 2015.
- Anglesea's second *Roo Run* and more established *Rock to Ramp* ocean swim made for a busy township the weekend after Christmas.



Falls Music and Arts Festival



Mountain to Surf Run



Surf Coast Dog Walk



Cr McGregor elected



Boomerang bag launch



Gold Annual Report winners



Deans Marsh Festival



Hook and Vine festival



Bob Pettitt Reserve purchase

## January 2015

- Another packed summer events calendar featuring something for everyone. Active pursuits included Torquay's *Bells Bash Cliff Run* and *Danger 1000 Ocean Swim*, Lorne's *Mountain to Surf Run* and *Pier to Pub* swim, and surf lifesaving carnivals at all major beaches. More leisurely activities included markets, art exhibitions and music gigs at local wineries.
- The inclusion of Surf Coast Shire on the *Out and About* app (the first region outside Melbourne) made it easier for people with a disability to locate accessible accommodation, eateries, playgrounds, parks and public toilets.
- Hawaiian surfing legend Duke Kohanamoku (famous for bringing the sport to Australia) featured in Surf World Museum's first exhibition for the year.

- Australia Day 2015 recognised Jan Juc's Shauna Burford (Surf Coast Shire Citizen of the Year), Mt Duneed's Cassie Morris (Young Citizen) and Anglesea Community Garden's night with *Gardening Australia* host Costa Georgiadis (Event).
- Community workshops kicked off a process to help shape land use and environmental protection planning from Aireys Inlet to Eastern View over the next 20 years.
- With its mix of amateur and professional events, the inaugural *Cadel Evans Great Ocean Road Race* weekend put Surf Coast Shire on the national and international cycling map.

## February

- The release of a report detailing the economic value of Surf Coast's surf industry attracted local and national media attention while providing a wealth of useful data.

- After extensive community input, the draft *Growing Winchelsea Plan* was placed on public exhibition
- The first stage of the *Arts Space Feasibility Study* kicked off by inviting the community's views and ideas.
- During the second round of our *Small Grants Program*, \$26,564 helped to fund 14 community projects.
- As the first sustainable seafood festival in Australia, the *Sustainable Hook and Vine Festival* provided the perfect lead-in to Council supporting the *Good Fish Project*, positioning Surf Coast as a sustainable seafood destination.

- Surf Coast celebrated International Women's Day earlier than usual, with a community event at Barwon Park Mansion coinciding with the last weekend of the popular *Love, Desire and Riches* exhibition.

- Community events during the month ranged from Lorne's *Castle and Candle Competition* at the beautiful St George River to the *Torquay Rotary Motor Show*, which packed out Elephant Walk.

## March

- The future of Jan Juc's popular Bob Pettitt Reserve was finally assured with the Victorian Government accepting Council's \$500,000 offer for the land in question.
- Community invited to provide feedback on the draft *Open Space Strategy*, and the draft *Bells Beach Surfing Recreation Reserve Coastal Management Plan* and associated implementation plan.
- The very first round of our new *Event Grants Program* resulted in \$78,800 being allocated for major and community events.

- Winchelsea Ward Councillor Rod Nockles announced he would be stepping down in April to take up a new job in New South Wales.
- *Eat Local Month* kicked off to coincide with this year's Earth Hour and focused on promoting the environmental and economic benefits of choosing local produce.
- Local festivals included the *Aireys Inlet Open Mic Festival*, *Deans Marsh Festival* and *Country Dahlias Festival* in Winchelsea. Lorne hosted a *Beach Barbecue* and *Barefoot Bowls* tournament while the second *Surf Coast Dog Walk* was popular with dogs and humans alike.

## April

- Community invited to have a say on Council's draft 2015-16 budget and plans announced to involve the community in setting our financial priorities for next 15 years.
- Councillors past and present gathered to celebrate the 20th anniversary of the first Surf Coast Shire Council elections.
- Following a countback conducted by the Victorian Electoral Commission, Carol McGregor declared the new Winchelsea Ward Councillor, replacing Cr Rod Nockles.

- The 100th anniversary of the Gallipoli landing saw massive crowds at ANZAC Day commemorations in Torquay, Anglesea, Lorne, Modewarre and Winchelsea.
- Hawaiian Carissa Moore claimed her third consecutive title and Australia's own Mick Fanning his fourth in five years (making five in total) at the 2015 Rip Curl Pro surf contest.
- Booklovers in Anglesea, Aireys Inlet, Lorne, Deans Marsh and Winchelsea welcomed their new mobile library, replacing its 25-year-old predecessor.
- The inaugural *Surf Coast Awesome Youth Awards* recognised local young people's achievements in the categories of music, arts, leadership and community participation.
- More than 3,000 cyclists participated in the annual *Great Ocean Road Otway Classic Bike Ride*. Other events included Anglesea's *World's Biggest Barbecue*, Torquay College and Lorne Kindergarten's annual fairs, and *Gallipoli Before and After* in Winchelsea.

## May

- Alcoa announced the Anglesea mine and power station would close at the end of August with implications for the local environment and economy.

- Draft strategies aplenty released for community feedback, including the *Early Years and Youth Strategy 2015-18*, *Positive Ageing Strategy 2015-18*, *Communications and Community Engagement Strategy 2015-18* and *Customer Service Strategy*.
- A collaborative approach to promoting the Geelong and Surf Coast region at the *Regional Living Expo* won the Minister's Award for Collaboration and Outstanding Contribution.
- The rainbow flag was again hoisted in front of the Council office to mark *International Day Against Homophobia and Transphobia* in Surf Coast Shire.
- *National Volunteer Week 2015* provided an opportunity to thank the more than 5,300 volunteers in our community, including the hundreds involved in providing delivered meals and visitor information services.
- Surfing featured strongly on the May events calendar, which included the *Victorian Scholastic Surfing Titles*, *Victorian Junior Surfing Titles*, *Victorian Longboard Titles* and *Australian Indigenous Surfing Titles*, the latter coinciding with the second *Connecting to Country Festival*.

## June

- Community engagement commenced to test ratepayers' willingness to invest in an aquatic and health centre.
- Jan Juc kids welcomed the completion of a new \$85,000 playground in Seaview Rise. Works along Spring Creek resulted in a footbridge, better pathway and platforms.
- The Boomerang Bags project kicked off, aimed at consigning single use plastic bags to history and representing a collaboration with Plastic Bag-Free Torquay, Surf Coast Energy Group, Torquay Men's Shed and local supermarkets.
- After winning two *MAV Annual Report Awards* in May, our 2013-14 Annual Report achieved Gold standard in the 2014 *Australasian Reporting Awards* presented in June.
- Surf Coast marked *Refugee Week* with screenings of *The Good Lie* and other local events raising funds to support the Bellarine Surf Coast Asylum Seeker Program.
- The Queen's Birthday weekend was a flurry of activity with Anglesea Art House celebrating its 30th anniversary, coinciding with its annual art and craft show, Lorne hosting a *Model Boat Regatta* on the Erskine River and other activities taking place across the shire.

## OUR PERFORMANCE

This section details how we've performed against each of the Council Plan's five themes in terms of our key achievements and challenges during 2014-15.



*Nightjar Market, Torquay*

## ENVIRONMENT

We pursue innovative, sustainable practices to preserve and enhance our natural environment for all by being socially responsible and environmentally aware.



# ACHIEVEMENTS

## NEW ADVISORY PANEL IN ACTION

Appointed in June 2014, our new 15-member Environment and Rural Advisory Panel hit the ground running to deliver and report on a series of workshops held during 2014-15.

Each workshop focused on a specific environmental and/or rural topic directly linked to key Council priorities. Led by an independent facilitator, the aim was to generate broader thinking on each topic by engaging a range of stakeholders, including relevant Victorian Government agencies, subject matter experts, and local community, industry and business groups.

The first workshop in September focused on actions we could take to reduce plastic bag use across the shire to help protect our marine environment and provide environmental leadership. This resulted in Council adopting our new *Plastic Wise Approach* as the basis for future policy and program development.

Subsequent workshops looked at actions to ensure an economically sustainable rural hinterland and enhance local food security. The panel's work will be incorporated into Council recommendations and actions in 2015-16.

## BELLS BEACH TASK FORCE DELIVERS NEW MANAGEMENT PLAN

After more than 20 months' work involving extensive community and stakeholder consultation, in April the Bells Beach Task Force released its draft coastal management plan and associated implementation plan for public comment.

Both documents reflect the views, ideas and aspirations of the majority of the 1,000-plus people who participated in the online forums, written submissions, public hearings and workshops critical to developing the new plans.

Such input helped shape the coastal management plan's vision – *To respect and protect the natural environment, indigenous heritage and surfing culture of Bells Beach* – and its overarching goals, actions and outcomes.

The plans detail how the internationally-renowned Bells Beach Surfing Recreation Reserve will be managed over the next three to 10 years to protect its core values while allowing locals and visitors alike to use and enjoy it.

The public comment period concluded at the end of May. Council is due to adopt the final plans in October 2015 to coincide with the appointment of the new Bells Beach Committee, which will advise and assist with implementation.



Local chef John Boreham supports the Good Fish Project

## COLLABORATION SUPPORTS LOCAL FOOD

We continued to work with local community groups and businesses on various initiatives aimed at enhancing our local and regional food systems.

Our successful heritage orchards program expanded into more kindergartens while work started on designing heritage orchards for three new residential areas and Banyul-Warri Fields in Torquay North. A proposed heritage cider orchard at Winchelsea's Barwon Park will benefit from the compost generated by an on-farm composting pilot.

Food security featured in the *Sustainable Hook and Vine Festival* in February and *Eat Local Month* in April, with the former promoting sustainable seafood, seasonal and regional food choices. As the first Australian council to support the *Good Fish Project* – an Australian Marine Conservation Society initiative – we also led the way in promoting sustainable seafood.

To date some 10 local restaurants have signed the Chef's Charter, committing them to sourcing and serving sustainable seafood. The pilot program kicks off in July 2015 with *Good Fish Fridays* offering customers at participating restaurants high quality, fresh, sustainable seafood every Friday in July.



Bellbrae Reserve

## COMMUNITY'S FEEDBACK GUIDES OPEN SPACE PLANNING

Work started on developing our new 10-year open space strategy with an *Issues and Opportunities Discussion Paper* completed and placed on public exhibition in March 2015 for community feedback.

The discussion paper looked at current and future trends, issues and opportunities associated with the 667ha of open space we directly manage. This included parks, sporting reserves, conservation and nature reserves, and reserves around waterways.

The community's feedback has contributed to the new strategy's development. The draft will be subject to further community consultation (expected to occur during October 2015) before the document is finalised and adopted in December 2015.

The new strategy will provide a framework for effectively planning for future open space provision as well as managing and maintaining our existing open spaces over the next 10 years.

### Other achievements included:

- Completing the stage two rollout of our drinking fountains initiative focused on reducing plastic bottle usage. Fountains with water bottle fill stations were installed at Jan Juc Creek, Connewarre Hall, Bellbrae Reserve, Anglesea shops and Anglesea Skate Park.
- Maintaining direct action against pest plants and animals, including extensive rabbit control works in key areas and woody weed removal and control works on roadsides and nature reserves.
- Securing \$39,000 in funding under the Federal Government's *Solar Towns Program* to install solar power for the Grant Pavilion in Torquay North's Community and Civic Precinct, and the Modewarre Football and Cricket Pavilion.

## BOB PETTITT RESERVE REMAINS PUBLIC OPEN SPACE

After lengthy negotiations with the Victorian Government, we succeeded in buying back a 2ha section of Jan Juc's popular Bob Pettitt Reserve, ensuring its future as public open space.

The Department of Education bought the land in 1977 for a potential primary school with the rest of the reserve remaining under our ownership.

In buying back the land, our \$500,000 purchase recognises the site's 30-year history as a public park and the numerous upgrades funded by Council, and State and Federal Governments over the years.

The land is to be rezoned as a Public Park and Recreation Zone, in keeping with the rest of the reserve, and the consolidation of ownership will pave the way for additional future upgrades, as noted in the updated master plan.

# ENVIRONMENT ISSUES AND CHALLENGES

## TAKING A STAND ON UNCONVENTIONAL GAS

We continued to advocate on our community's behalf against unconventional gas exploration and mining in Surf Coast Shire on the basis of the potentially damaging impacts on our natural environment, agricultural and tourism industries.

During the 2014 state election campaign, we called on all major parties to expand the current moratorium on fracking in Victoria to all forms of unconventional gas exploration and development.

In June 2015, Council resolved to oppose the exploration and mining of unconventional gas within the shire, and to seek support from the Victorian and Federal Government for the development of local renewable energy projects, including community renewable energy.

We also made a submission to the *Victorian Parliamentary Inquiry into Onshore Natural Gas* and asked the Minister for Energy and Resources not to renew an exploration permit for hydrocarbons (PEP 163) applying to land in the shire.

Our commitment to this issue is articulated in the updated mid-term *Council Plan 2013-17*. We will continue to work with the community, local politicians and the Victorian Government to convey community concerns, and to promote renewables as Surf Coast Shire's more suitable energy future.

## IDENTIFYING ANGLESEA'S OPPORTUNITIES POST-ALCOA

Alcoa's announcement in May it was closing the Anglesea mine and power station after failing to find a buyer presented Surf Coast with several significant challenges and opportunities.

The loss of 85 long-term local jobs is difficult for those directly affected and will also have a direct economic impact on the Anglesea community, particularly given Alcoa's contribution over more than 50 years.

In 2015-16, Council will work with the Victorian Government and local community to plan for the site's environmental rehabilitation. Most of the leased land will become part of the Great Otway National Park and the world-renowned Anglesea Heathlands.

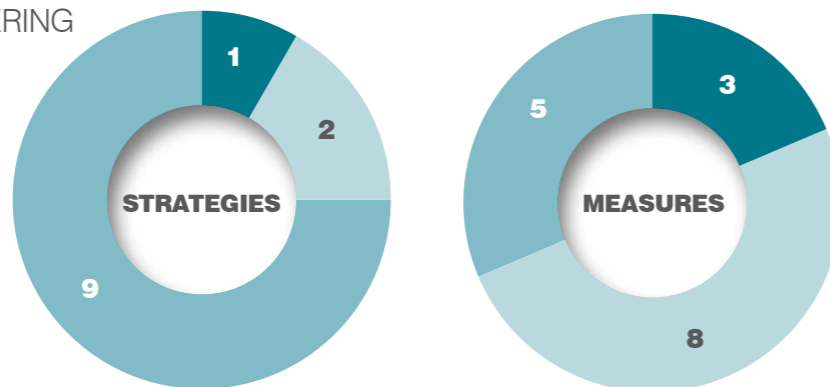
Discussions will also occur on the long-term future of the freehold land, which may provide environmental, social and economic opportunities. A series of community conversations on Anglesea's future will commence in August 2015.

## NEXT YEAR'S PRIORITIES

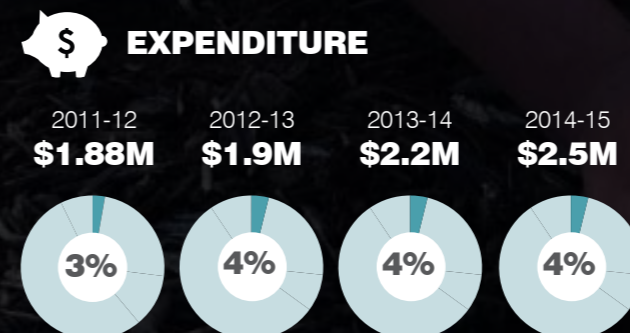
Our priorities for the year ahead focus on positioning Surf Coast Shire as a leader in innovative environmental practices. Key actions include protecting and enhancing the natural environment, ongoing development of current and new local food initiatives and working with the community on renewable energy projects.

We will also continue to advocate on our community's behalf in relation to the environmental issues associated with unconventional gas exploration and mining, and the closure of Alcoa's Anglesea power station.

## OUR PERFORMANCE IN DELIVERING THE COUNCIL PLAN DURING 2014-15: ENVIRONMENT



■ Work in progress ■ Met or exceeded ■ Not met, no further action ■ No action planned in 2014-15



Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

Tree planting, Anglesea

## GOVERNANCE

We are committed to delivering a transparent, high performing and sustainable organisation, which engages with the community and adopts robust risk management practices.



# ACHIEVEMENTS

## COMMUNITY SATISFACTION AND CUSTOMER SERVICE HIT THE MARK

Released in June 2015, the latest *Community Satisfaction in Local Government Survey* results confirmed our services approach is on the right track in most areas.

Customer service emerged as a key strength, achieving a seven-point improvement over the previous year to record an index score of 78. This area has consistently been our top performer over the past four years. The development of a new *Customer Service Strategy* (due to be adopted in July) further strengthened our commitment to continually improving customer service.

We improved our scores in six out of the seven core performance areas with our overall performance score of 66 representing a two-point increase over our 2014 results. Individual service areas also recorded solid improvements.

These results were well above statewide and rural shire averages across all core measures for 17 out of 22 service areas.

The organisation has participated in the annual survey for the past 16 years with the results providing a guide for improving our performance. The 2014-15 results identified several areas where we need to focus our improvement actions in the year ahead.

A summary of our core results appears on page 182. The full report is available on our website.

## COUNCIL PLAN UPDATED AT MID-TERM POINT

Council undertook a mid-term desktop review of the *Council Plan 2013-17* in February, which provided an opportunity to update the document to ensure its ongoing relevance.

The review identified three main priorities:

- Position Surf Coast Shire for the future benefit of its environment, economy and community
- Secure buy-in and support from critical partners, and
- Sustainable service and staff.

These formed the basis for realigning some objectives, strategies, outcomes and measures to better reflect what the current Council hopes to achieve over the final two years of its term.

The draft update went on public exhibition in April with Council adopting the final amended plan in June. We also updated our *Strategic Resource Plan* to reflect the changes.

## GOOD GOVERNANCE SUPPORTS SEAMLESS TRANSITIONS

Effective governance processes supported 'business as usual' during several transitions, including the arrival of new Chief Executive Officer Keith Baillie in January, another organisational restructure and the swearing in of new Winchelsea Ward Councillor Carol McGregor in April to replace Cr Rod Nockles.

The completion of a comprehensive governance structure review identified a need to revise and upskill our governance support function to respond to succession planning needs. The functions of procurement, legal services and property were also added to the Governance portfolio.

We developed a checklist and calendar to support compliance with *Local Government Act 1989* requirements and updated several policies, including those pertaining to fraud control, procurement, use of surveillance devices, gifts and hospitality, privacy and data protection, freedom of information, protected disclosures, workplace health and safety, and investment.

## COMMUNITY ENGAGEMENT RAMPS UP

The development of our new *Communications and Community Engagement Strategy 2015-18*, adopted in June, involved training 30 staff from across the organisation in using a new framework and associated tools and techniques for engaging more effectively with the community.

Work also started on designing an online engagement hub and establishing an internal engagement calendar to coordinate our engagement activities. All departments, including directors and managers, participated in community engagement planning sessions as the basis for identifying priority engagement projects for the next 12 months.

Council connected with thousands of residents through some 115 community engagement activities. These included the *Bells Beach Coastal Management Plan*, *Arts Space Feasibility Study*, proposed Surf Coast Aquatic and Health Centre, new Torquay North Family and Children's Centre, structure plans for Aireys Inlet to Fairhaven and the Spring Creek precinct, *Growing Winchelsea* project, Council's 2015-16 budget and the *Future of Surf Life Saving* project.

We also enjoyed strong growth in website traffic and social media platforms, which will continue to be a focus for 2015-16.



Bob Pettitt Reserve, Jan Juc

## ADVOCACY PROGRAM REAPS REWARDS

Developed in 2013-14, Council's targeted advocacy program continued to prove its worth by securing \$400,000 in funding for a second sports oval at Banyul-Warri Fields in Torquay North.

Others grants included \$500,000 from Regional Development Victoria towards the Spring Creek *Connecting our Community* project, \$161,900 *Black Spot Road* funding to upgrade Cape Otway Road and Taylors Road, \$300,000 *Solar Towns Program* funding and \$40,000 for the Winchelsea Walk of Honour.

We continued to advocate for funding for other priority projects, specifically the Torquay North Family and Children's Centre. While the Victorian Government has already committed \$1.6m towards this project, additional funding will be required to meet its estimated \$8m construction costs. We lodged an application for Federal Government funding, the outcomes of which have yet to be advised.

The successful completion of negotiations with the Victorian Government in relation to Jan Juc's Bob Pettitt Reserve achieved an outstanding result for the local community (see page 38).

Other projects on our 2014-15 program included Lorne's Stribling Reserve, Winchelsea Common, Anglesea River and the Surf Coast Highway-Beach Road intersection in Torquay. Planning also continues to help determine our next advocacy priorities.

## Other achievements included:

- Completing a service review pilot involving four services with results presented to Council in December. The year ahead will see other priority services reviewed using our new business improvement approach.
- Training directors, managers and coordinators in keeping people accountable as part of building the organisation's capability to analyse and manage contentious issues.
- Our 2013-14 Annual Report achieving Gold standard in the annual *Australasian Reporting Awards* and winning two *Municipal Association Victoria Annual Report Awards*.
- Completing an organisation-wide review of our *Code Red and Extreme Fire Danger Policy*. This included developing service delivery guidelines for the community.
- Adopting a *Fraud and Corruption Control Plan* in September 2014. The plan aims to confirm Council's non-tolerance of fraudulent behaviour and provide all councillors and staff with a clear understanding of their responsibilities in regard to fraud control, prevention, detection and response.



# ISSUES AND CHALLENGES

## SECURING OUR LONG-TERM FINANCIAL VIABILITY

While our financial position remained strong, critical Victorian and Federal Government announcements during the year highlighted the need to continue to build our long-term financial viability.

We had already been working on identifying new, sustainable non-rates revenue sources as a key strategy for achieving our objective of long-term financial viability, as articulated in the *Council Plan 2013-17*.

This imperative became even more crucial in 2014-15, with the Victorian Government moving to cap council rate increases from 1 July 2016 and the Federal Government freezing indexation of its Financial Assistance Grants for the next three years.

Actions taken so far to help address the anticipated challenges presented by these changes include implementing a new business improvement program, focused on achieving cost efficiencies to offset external cost pressures, and undertaking detailed long-term financial planning. We will be seeking community input on the latter towards the end of 2015.

We also looked at various non-rates income streams, including municipal and service charges, as part of developing our 2015-16 rating strategy. Adopted in June after community consultation, the strategy resulted in a new vacant provisional rate being applied to all vacant land across the shire. This addresses the shortfalls related to an existing discrepancy between vacant and occupied land.

Further extensive work to secure our long-term financial viability is planned for the next 12 months. The *Financial overview* (see page 15) provides more detail about our current financial position and financial planning outcomes.

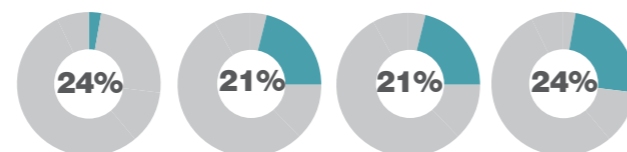
## NEXT YEAR'S PRIORITIES

Prudent financial management and business improvement comprise key priorities for 2015-16. The latter will focus on instilling a 'one team' culture across the organisation, based on the guiding principles of governance, community, value, collaboration and transparency. This approach supports the Council Plan's priority relating to sustainable service and staff.

We will also continue to pursue our advocacy priorities in relation to the critical infrastructure and services needed for our rapidly growing, changing community. Key actions include further developing our advocacy agenda and partnering with peak bodies to progress our community's interests, and implementing our new *Communications and Community Engagement Strategy 2015-18*.

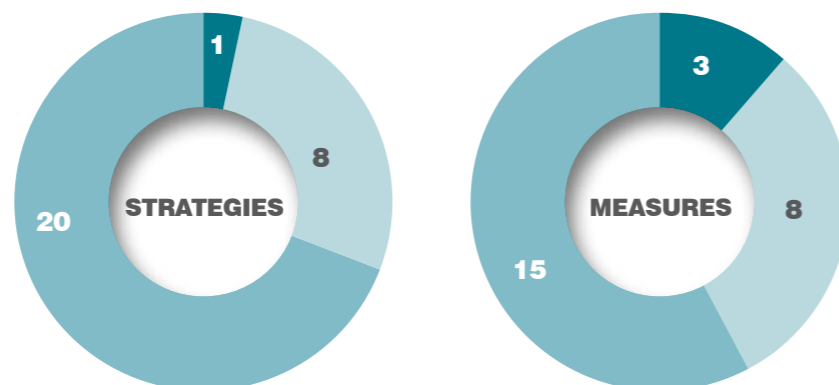
## EXPENDITURE

2011-12	2012-13	2013-14	2014-15
\$14M	\$11.6M	\$12.9M	\$13.3M



Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

## OUR PERFORMANCE IN DELIVERING THE COUNCIL PLAN DURING 2014-15: GOVERNANCE



■ Work in progress ■ Met or exceeded ■ Not met, no further action ■ No action planned in 2014-15



## COMMUNITIES

We actively engage with our diverse and growing communities to establish quality services, healthy and safe environments, and long-term community partnerships.



# ACHIEVEMENTS

## NEW STRATEGIES GUIDE FUTURE SERVICES

The adoption of *Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24* in January showed Council's strong commitment to improving the lives of residents who face barriers. The plan focuses on making our shire more accessible and inclusive for all.

Following extensive research and community consultation, in May we released our draft *Early Years and Youth Strategy 2015-18* and *Positive Ageing Strategy 2015-18* for public comment.

Developed concurrently, both strategies identified common themes based on the concept of an 'all ages friendly' community as an overarching principle. This provided the foundation for an integrated service model focused on addressing people's learning, development, health and wellbeing needs across the different ages and life stages within their local communities.

Together the strategies will guide how we deliver critical services to half our total population over the next three years. Bringing the different generations together through various programs and activities represents a key outcome.

We also released our draft *Customer Service Strategy* at the same time. Significant work and consultation went into developing this document, which will drive a range of customer service improvements across the organisation.

Following the conclusion of the public exhibition period in June, all three strategies were being finalised with Council due to adopt them during 2015-16.



Trialling the new Sandcruiser beach wheelchair



## ARTS AND CULTURE TAKE CENTRE STAGE

As a hub for creativity, our shire boasts a rich, diverse arts and culture scene in live venues, community spaces and outdoors.

The past year saw extensive work undertaken to better understand the arts community and its needs, with the completion of an *Arts Space Feasibility Study* based on detailed research, analysis and community consultation.

More than 400 responses were gathered through surveys, talking posts and workshops aimed at determining levels of arts participation and the need for suitable facilities to meet community needs.

The study also looked at existing local and regional facilities, benchmarked these against similar facilities in other municipalities, and considered related issues and opportunities, including current and future planning.

The ensuing report, to be considered by Council in July, presents a range of costed, evidence-based options for a future arts space.

Other arts-focused initiatives included our third annual *Surf Coast Arts Trail* weekend in August and our popular arts calendar competition and exhibition. We also supported a wide range of cultural events across the shire. Many of these are listed in the *Events and Milestones Calendar* (page 29-32).

## REVITALISED PROGRAM TARGETS YOUTH WITH A DISABILITY

Following a thorough review, we relaunched our successful *Casuarina* community leadership program in April focusing on enabling local young people with a disability.

Thirteen young people aged between 15 and 25 participated in the five-week program, which aimed to develop their leadership skills to assist with their transition to new education levels or into post-education options. Self-advocacy and personal development was a key focus for the youth-friendly, asset-based program.

Targeting a section of our community marked a major change for the 13-year program, which previously sought to build general leadership skills across a broader audience. We based our decision to change focus on evidence confirming programs tailored to the needs of specific audiences build more effective skills and enduring connections.

The program kicked off in May and will culminate in a graduation ceremony in July. Participant feedback will assist in reviewing program outcomes as the basis for planning next year's program.

## NEW FAMILY AND CHILDREN'S CENTRE FINDS ITS FEET

In April, Council endorsed a recommendation to start investigating options for operating the Torquay North Family and Children's Centre, effectively marking the project's beginning.

When built, the new \$8m centre will provide an integrated early childhood and family services facility to cater for the projected increase in families and young children in Torquay and Jan Juc over the next 25 years.

The combination of early childhood education and care programs, and family support services provided from the facility will support our youngest residents and their families in realising their full potential.

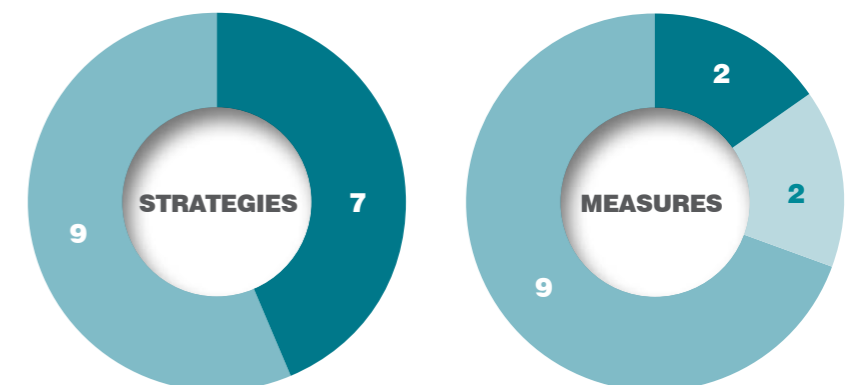
The Victorian Government has committed \$1.6m to the project with Council and developer contributions funding the balance for the completed facility.

A project exploring the range of operating models will commence in the second half of 2015 with a recommendation to Council in early 2016 when it is envisaged detail design work will start.

### Other achievements included:

- Establishing a dedicated, skilled and resourced emergency management team focused on working with neighbouring municipalities, relevant state agencies and local communities on disaster/emergency response and recovery planning.
- Improving our understanding of community needs in less populated areas via various actions, including mapping allied health services in Winchelsea and developing township profiles. A service expo in Winchelsea in May attracted some 200 residents and the participation of 10 local and regional services.
- Appointing a part-time Volunteer Support Officer to build our capacity to better support Surf Coast's volunteers.
- Winning the *Community Preparedness (Industry) Fire Awareness Award* for our successful *Fire Up!* program, run in partnership with Victoria Police, Victorian Council of Churches Emergency Ministries, Department of Health and Human Services, Department of Environment, Land, Water and Planning, and CFA District 7.

## OUR PERFORMANCE IN DELIVERING THE COUNCIL PLAN DURING 2014-15: COMMUNITIES



Work in progress Met or exceeded Not met, no further action No action planned in 2014-15

# ISSUES AND CHALLENGES

## SHAPING THE FUTURE OF SURF LIFE SAVING

With our surf lifesaving clubs facing increasing pressures from population changes, new land management policies, community expectations and the like, in October we launched our *Future of Surf Lifesaving* project.

The project recognises the vital role our surf lifesaving clubs fulfil in our community and focuses on developing a plan for their future use, management and investment.

The first stage involved establishing a reference group comprising land management agency and community representatives. This group has met several times to discuss related issues, ideas and concepts, and to review the outcomes of a comprehensive community consultation process involving surveys, open houses, online forums and written submissions.

Funding support for the project has been provided by Life Saving Victoria, Regional Development Victoria and the Great Ocean Road Coast Committee. The Department of Environment, Land, Water and Planning has also provided some assistance.

The group will present its final report in early 2015-16.

## EXPLORING OPTIONS FOR AN AQUATIC CENTRE

Work continued on exploring options for an aquatic centre with the Aquatic and Leisure Task Force presenting its findings in September and community views being sought on funding options.

The Task Force found it would cost close to \$29m to build the facility and require approximately \$1m in annual operating costs. Given the scale of investment required and the level of community interest, we announced the *Testing the Water* community engagement project in June. This will focus on canvassing our community's willingness and capacity to invest in this large-scale infrastructure project.

A proposed funding option will be tested via a series of community forums, telephone surveys and ratepayer submissions during the latter half of 2015, which will help inform Council's decision-making about the next steps.

## LOCATING A MEN'S SHED IN LORNE

Despite widespread community support to establish a Men's Shed in Lorne, its proposed location at Stribling Reserve attracted a number of objections from residents of adjacent properties.

Following a formal consultation process in February, we gave the go-ahead for the facility to be built at Stribling Reserve in accordance with a series of agreed conditions focused on addressing residents' concerns.

When built, the Lorne Men's Shed will join our other Men's Sheds in Torquay, Anglesea and Winchelsea, which provide opportunities for men to connect with each other in a safe environment and contribute to their personal health and wellbeing.

## NEXT YEAR'S PRIORITIES

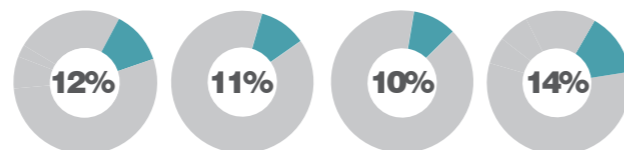
Our priorities for the year ahead focus on enhancing community connections and pursuing our advocacy priorities. Key actions include implementing priority actions identified in our new *Early Years and Youth Strategy 2015-18* and *Positive Ageing Strategy 2015-18*. Both recognise community connectedness as critical to people's health and wellbeing.

Building community capacity and resilience will also represent a key priority for the year. The results of a community building study, undertaken during 2014-15, will assist in determining future needs and operational requirements.

Implementing year one actions in the *Communications and Community Engagement Strategy 2015-18* will help enhance community connections.

## EXPENDITURE

2011-12	2012-13	2013-14	2014-15
\$6.8M	\$5.8M	\$6.6M	\$7.7M



Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.



# INFRASTRUCTURE

We are committed to understanding and meeting our community's needs for accessible, well maintained and safe infrastructure.



# ACHIEVEMENTS

## KNOWLEDGE UNDERPINS INFRASTRUCTURE PROVISION

The past year saw a number of studies undertaken to assess infrastructure needs.

The first stage of the *Community Buildings Study* audited usage of all Council-owned and managed buildings, including current management arrangements and financial requirements. Outcomes will be used to determine future needs with a report due to go to Council in August 2015.

The *Growing Winchelsea* community planning project identified a range of critical infrastructure needs based on community input, with priority projects to be considered as part of preparing our 2015-16 budget.

We also completed several feasibility studies, including for a synthetic hockey pitch in Torquay, a dedicated arts space and the need for a new public toilet at Aireys Inlet Top Shops.



## COMMUNITY BENEFITS FROM COMPLETED PROJECTS

Capital and major works projects delivered during 2014-15 totalled \$10.6m.

Motorists benefited from a \$1.02m upgrade of Pollocksford Road, Gnarwarre, which included widening a 3.7km section, intersection improvements, drainage upgrades, tree trimming and installing guard rails at key locations.

The installation of a new \$85,000 playground in Seaview Reserve, Jan Juc, provided local children with an accessible play area featuring traditional and natural elements. These include a basket swing, sensory elements and park furniture for all abilities.

The Spring Creek *Connecting our Community* project saw extensive works completed along Spring Creek in Torquay. Comprising a footbridge, extended pathway and additional viewing platforms, these works enable visitors and locals alike to meander through a beautiful nature reserve while creating better links to the creek, foreshore, shops and local schools.

The completion of a widening project in Torquay's popular Horseshoe Bend Road contributed to better safety outcomes for cyclists with the creation of dedicated bike lanes, indented parking, bus bays and roundabout.

Local young people welcomed a new \$140,000 skate park in Aireys Inlet, designed with their input by a renowned designer.

The Great Ocean Road Heritage Centre in Lorne officially opened in late November, providing a boon to local and regional tourism. The facility houses historical displays and interpretive exhibits on the history of the Great Ocean Road, built after World War I by 3,000 returned servicemen in memory of their fallen comrades.



Surf Coast Highway - Beach Road intersection, Torquay

## VITAL INFRASTRUCTURE PROJECTS UNDERWAY

Detailed design work started for the second football oval in Banyul-Warri Fields after Council adopted an updated precinct master plan in September and the Victorian Government announced a \$400,000 project grant in October.

In May, the government also announced it would provide \$2.9m to fund a roundabout upgrade in Anglesea to improve road safety. Work has since started on the detailed designs.

Other design work included plans for the Surf Coast Highway-Beach Road intersection to address the high number of accidents, and refurbishing and extending Anglesea Kindergarten. With tenders advertised, construction work for the latter is due to commence in July.

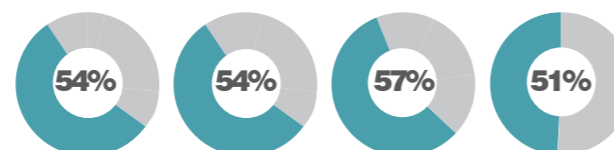
We also awarded the contract for refurbishing the Torquay Visitor Information Centre with work starting in June.

## Other achievements included:

- Building a new public toilet facility in Winchelsea, with the VicRoads highway duplication project requiring the old, red brick toilet block to be replaced. We also undertook works to improve access to the Winchelsea Visitor Information Centre necessitated by the highway duplication project.
- Constructing a new \$20,000 footpath outside the Hesse Street units in Winchelsea, as part of our asset renewal program.
- Improving safety in Winchelsea's Gosney Street education and hospital precinct via upgrade works at the Gosney Street-Murrell Street intersection.
- Completing the \$680,000 Stage 2 Anglesea Transfer Station upgrade to improve this vital public facility.
- Undertaking road construction works in Pearse Road, Aireys Inlet, funded via a special charge scheme.
- Implementing two temporary weekend closures of Gilbert St, Torquay (see page 62).
- Constructing a show jumping arena for the Connewarre Riding Club.

## EXPENDITURE

2011-12	2012-13	2013-14	2014-15
\$31.1M	\$30M	\$36M	\$28.8M



Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

# ISSUES AND CHALLENGES

## IMPROVING TRANSPORT OPTIONS AND CONNECTIONS

We continued to advocate for safer roads and better public transport options to connect our community and contribute to its wellbeing.

Key priorities included promoting the need for traffic signals at Torquay's Surf Coast Highway-Beach Road intersection to improve motorist and pedestrian safety, upgrading Anglesea Road between Waurin Ponds and Bellbrae, and working with the G21 Geelong Region Alliance to lobby for better public transport options.

While we made some progress during 2014-15 (eg securing funding for Anglesea roundabout upgrade), our capacity to meet our growing community's needs in this area is often dependent on government funding and other non-rates sources.

Upgrading pathways in the Torquay precinct, for example, will be funded by a special charge scheme while our developers' contribution program will partially fund the planned South Beach Road intersection upgrade.

## FUNDING LARGE-SCALE COMMUNITY INFRASTRUCTURE PROJECTS

Large-scale community infrastructure projects such as new swimming pools, family and children's centres, sports ovals, performing arts centres and the like require significant investment.

We continued to manage our finances prudently, with a sound focus on delivering the services and critical infrastructure our community needs without overburdening ratepayers. At the same time, we put substantial time and effort into exploring a range of funding options for the proposed aquatic and health centre, taking into account advice received from the project task force.

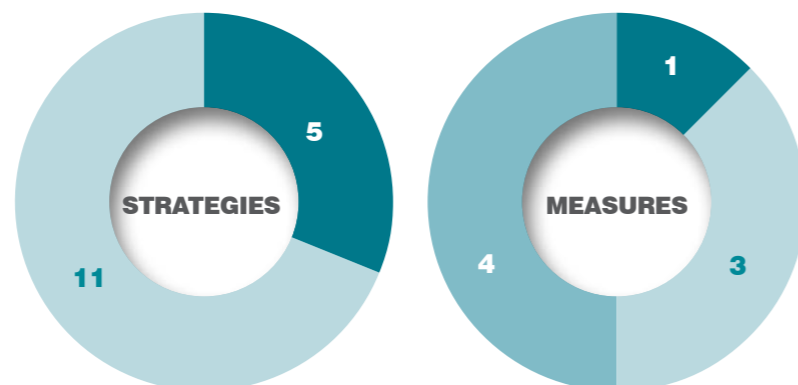
Engaging and educating the community about our financial decisions represented another key focus during the year with this work to continue throughout 2015-16.

## NEXT YEAR'S PRIORITIES

Developing and implementing a better approach to service planning, based on identifying long-term, future infrastructure requirements and actions comprises a key priority for the year ahead.

Key actions include delivering the next stage of the *Community and Civic Precinct Master Plan*, working to progress the infrastructure priorities identified by the *Growing Winchelsea* project, and continuing to lobby for safer roads and better public transport options. The development of a shire-wide road network plan will support our ability to plan and deliver road network upgrades at priority locations.

## OUR PERFORMANCE IN DELIVERING THE COUNCIL PLAN DURING 2014-15: INFRASTRUCTURE



■ Work in progress    ■ Met or exceeded    ■ Not met, no further action    ■ No action planned in 2014-15



Connecting Spring Creek

## DEVELOPMENT AND GROWTH

We foster healthy, sustainable communities by supporting tourism and rural businesses, and by encouraging clean industries and development that respect the Surf Coast's environment and lifestyle.





## DEVELOPMENT AND GROWTH ACHIEVEMENTS

### PLANNING UNDERPINS SUSTAINABLE DEVELOPMENT

The past year saw work start on several major planning projects and progress on others.

Work started on the *Spring Creek Precinct Structure Plan* after we secured the agreement of the five major land holders to fund the costs involved, which include technical studies, specialist advice and potential planning panel costs. A comprehensive community engagement program has been developed and will be rolled out during 2015-16.

We also involved the community in the process of developing the new urban design framework for the Aireys Inlet shops and a vision and principles for a new structure plan for the townships of Aireys Inlet, Fairhaven, Moggs Creek and Eastern View. The ensuing land use plan will guide how this area develops over the next 20 years.

Following extensive community input, we released the draft *Growing Winchelsea* plan for community feedback in January, marking another milestone in this vital community planning project. Council subsequently adopted the ensuing *Shaping Future Growth 2015* plan in May.

Plans completed include the *Bellbrae Community Facilities Master Plan* and a combined master plan for Hesse Street Reserve and Eastern Reserve in Winchelsea.

### STUDY CONFIRMS SURF INDUSTRY'S VALUE TO OUR LOCAL ECONOMY

The commissioning of the first ever study into the economic value of our local surf industry confirmed this sector as vital to our economy.

The study found the surf industry:

- represents 27 per cent of our shire's total employment, making it the largest employer (ahead of construction)
- generates 26.5 per cent of industry value add activity, directly contributing \$217m (putting it well ahead of ownership of dwellings as the next largest contributor), and
- accounts for more than 28 per cent of all incomes generated in Surf Coast Shire.

Other outcomes included identifying the key issues facing the industry and opportunities for growth. Its recommendations will help to shape our economic development and tourism approach, including in relation to attracting business investment and identifying key projects to boost the industry's profile and economic sustainability.

Current projects supporting these objectives include rebranding Surf World Museum as the *Australian National Surfing Museum*, a tourism campaign promoting Torquay as the *Home of Australian surfing* and a proposal for a Surf Centre of Excellence.



2015 Rip Curl Pro

### MAJOR INTERNATIONAL EVENTS PROVE THEIR WORTH

Several major international events succeeded in putting our shire on the world stage.

As one of seven regions across Australia to host a training camp in the lead-up to the 2015 Asian Cup, in late December we welcomed Saudi Arabia's national football team. During their week-long stay, the team participated in a junior training clinic and an open training session, attracting football lovers of all ages.

We also encouraged fans to support the team via our #WelcomeSaudiArabia social media campaign. The visit exposed our region to a potential worldwide audience of around 800 million and confirmed its status as an elite training base offering quality facilities and unique natural assets.

The latter was consolidated during the inaugural *Cadel Evans Great Ocean Road Race* over the last weekend in January. The women's race on Saturday and the men's race on Sunday attracted elite cyclists from across the globe, including its namesake riding in his last professional race. Live free-to-air television coverage showcased our coast and hinterland's natural beauty.

Marking its 54th year, the 2015 *Rip Curl Pro* surf contest at Bells Beach over Easter continued to prove its worth, again attracting record crowds.



Go Go Gilbert

### PROJECTS FOCUS ON REVITALISING RETAIL CENTRES

We continued to work with local traders on various initiatives to ensure a strong local retail sector.

The *Go-Go Gilbert* project, for example, saw Torquay's main retail precinct temporarily closed to traffic and transformed into a vibrant, people-friendly piazza for two weekends in November and December. The project aimed to entice more people to Gilbert Street and to benefit local traders by lifting its profile as a great place to shop, eat and visit.

While community feedback gave the pop-up events the big thumbs up, the traders reported mixed results in terms of generating additional trade. This provided a platform for ongoing dialogue about what the local traders could do in future.

A proposed amendment to the *Surf Coast Planning Scheme* sought to provide more commercial-zoned land at the eastern end of Bell Street in Torquay for future retail growth. Council is due to make a decision on the proposed amendment in late 2015 following community feedback.

### Other achievements included:

- Initiating a project focused on strengthening our rural hinterland economy with the completion of a land audit and the appointment of a project manager. In November, our new Environment and Rural Advisory Panel ran a workshop on developing an economically sustainable rural hinterland with another one planned for August 2015.
- Contributing to new destination action plans for Lorne, Anglesea and Torquay. Developed by Great Ocean Road Regional Tourism, the plans promote each township's unique tourism attractions.
- Introducing a new *Event Grants Program* focused on supporting off-peak events between May and mid-December as a means of fostering sustainable year-round tourism.
- Completion of the Great Ocean Road Heritage Centre in Lorne

# ISSUES AND CHALLENGES

## MANAGING CONTENTIOUS PLANNING APPLICATIONS

Several contentious planning applications attracted significant community feedback and presented us with a number of challenges.

Our intention to grant a planning permit for a chocolate and ice cream retail outlet on the Great Ocean Road in Bellbrae was appealed at VCAT. A mediated outcome resulted in changes to the permit conditions, enabling the enterprise to proceed.

Another application for an adventure park in the same area was refused by Council in June due to concerns about the scale of the proposal. A proposed caravan and camping park in Freshwater Creek became the subject of extensive community consultation with Council deciding not to issue a permit. This decision was upheld at VCAT.

During the year, we also objected to a planning application lodged with the City of Greater Geelong for a petrol station at the Mount Duneed roundabout. This was based on several factors, including erosion of the non-urban break between Armstrong Creek and Torquay, road safety issues and potential uses not permitted in a Farming Zone (eg restaurant).

Our focus in all planning matters is on ensuring balanced, transparent processes and decisions, aligned with the *Surf Coast Planning Scheme*, understood by the community and respectful of our shire's environmental and lifestyle values.

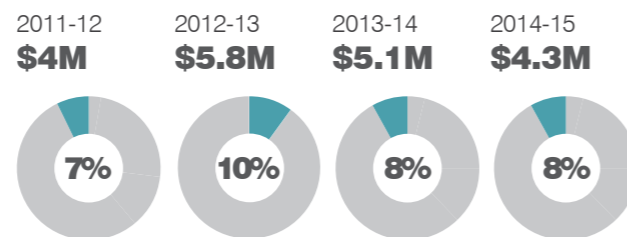
## NEXT YEAR'S PRIORITIES

Our priorities for the year ahead focus on encouraging sustainable development and growth, including by supporting rural businesses and fostering viable year-round tourism.

Key actions include working with the Environment and Rural Advisory Panel and local communities to deliver a rural hinterland strategy, completing our new economic development and tourism strategy, and further developing our customer-focused statutory planning approach.

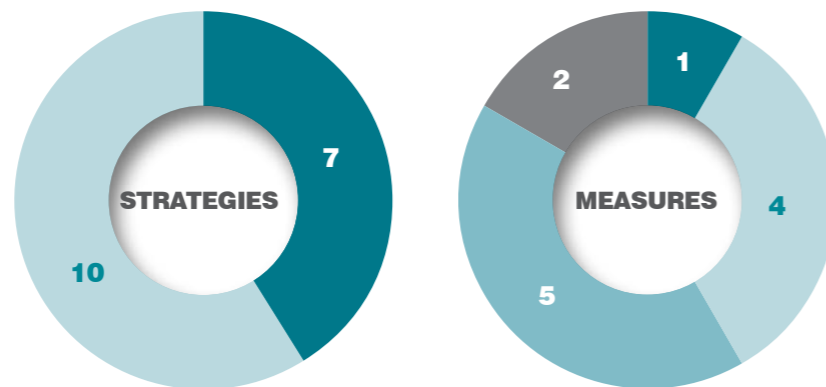


## EXPENDITURE



Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

## OUR PERFORMANCE IN DELIVERING THE COUNCIL PLAN DURING 2014-15: DEVELOPMENT AND GROWTH



■ Work in progress    
 ■ Met or exceeded    
 ■ Not met, no further action    
 ■ No action planned in 2014-15



# OUR ORGANISATION

OUR VALUES: RESPECT – INTEGRITY –  
COLLABORATION – INNOVATION

This section provides key organisational information, including people management, corporate and democratic governance outcomes for 2014-15. It also details compliance with relevant legislation.

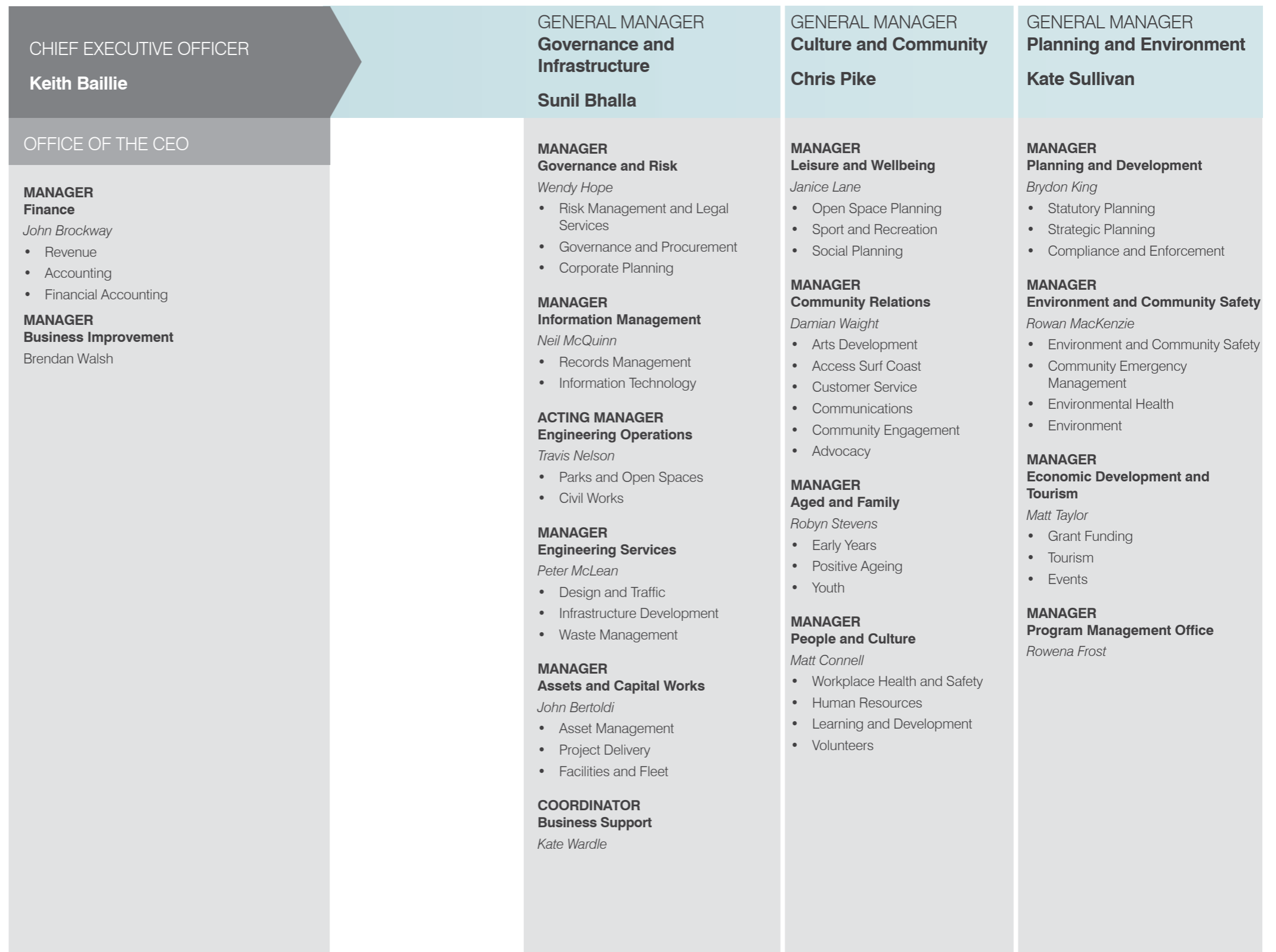


# ORGANISATIONAL STRUCTURE

30 JUNE 2015

New Chief Executive Officer (CEO) Keith Baillie worked with Council and the Executive Management Team to review and modify the organisational structure to achieve closer alignment with our strategic priorities. Rolled out in April, key changes included:

- disbanding the Corporate Services division and devolving most functions to the new Governance and Infrastructure division
- moving People and Culture to the renamed Culture and Community division
- establishing two new positions – Manager Business Improvement and Manager Program Management Office – focused on boosting our capabilities in these areas, and
- introducing the Office of the CEO division incorporating financial management and business improvement as direct reports.



# MAJOR SERVICES BY DIVISION

## OFFICE OF THE CEO

- **Business Improvement**
- **Council Support**
- **Executive Services**
- **Financial Management**
  - Corporate systems development and improvement
  - Financial and management accounting
  - Financial planning
  - Rates and revenue administration
  - Rating and property services

## CULTURE AND COMMUNITY

- **Aged and Family**
  - Early years (including early years services planning, family day care and occasional care, kindergartens, and maternal and child health)
  - Positive ageing (including aged and disability services planning, aged care units, community transport, delivered meals, home and community care, and senior citizens centres)
  - Youth development
- **Community Relations**
  - Access and inclusion
  - Advocacy
  - Arts and culture development (including libraries)
  - Communications and community engagement (including community capacity building)
  - Customer service
- **Leisure and Wellbeing**
  - Major facilities planning
  - Open space administration and planning
  - Sport and recreation planning, development and support
  - Social planning and policy
  - Statistical research and reporting
- **People and Culture**
  - Human resources
  - Learning and development
  - Occupational health and safety
  - Organisation development

## ENVIRONMENT AND DEVELOPMENT

- **Economic Development and Tourism**
  - Business and rural development
  - Grant funding administration
  - Major and community events
  - Surf World Museum management
  - Tourism marketing and promotion
  - Visitor information centres
- **Environment and Community Safety**
  - Climate change reduction and adaptation programs
  - Community sustainable living partnership programs
  - Environmental health (including domestic waste water, food safety, health legislation compliance and immunisations)
  - Municipal and community emergency management (including community fire safety, fire prevention and state bushfire management)
  - Nature reserve management
  - Roadside invasive plant and animal control
- **Planning and Development**
  - Building services
  - Compliance and enforcement (including planning investigations)
  - Regulatory services (including animal control and school crossing management)
  - Statutory planning (planning permits)
  - Strategic land use planning
- **Program Management Office**

## GOVERNANCE AND INFRASTRUCTURE

- **Assets and Capital Works**
  - Asset management
  - Projects/project delivery
  - Facilities and fleet administration and management
- **Business Support**
- **Engineering Operations**
  - Civic works (including local roads and pathways maintenance, private works and road reserves drainage)
  - Parks and open spaces (including active parks and reserves, nature reserves and open space maintenance, roadside vegetation and seasonal fire prevention works)
- **Engineering Services**
  - Asset protection
  - Design and traffic (including bus shelters and stops, road safety and traffic management, and street lighting)
  - Infrastructure development (including drainage projects, infrastructure planning, subdivision design approval and works inspections)
  - Waste management (including community education, kerbside collections, street cleaning and bins, waste disposal and waste services planning)
- **Governance and Risk**
  - Contracts
  - Corporate governance
  - Corporate planning
  - Council elections
  - Internal audit
  - Local government legislative compliance
  - Local laws
  - Procurement
  - Risk management and legal services
- **Information Management**
  - Geospatial Information Services (GIS)
  - Information technology management and support
  - Records and information management



L to R: Keith Baillie, Kate Sullivan, Chris Pike and Sunil Bhalla

## LEADERSHIP

As our governing body, Council appoints the Chief Executive Officer (CEO) who is responsible for the organisation's day-to-day management. The CEO also supports Council in fulfilling its governance obligations.

Our Executive Management Team (EMT) comprises the CEO and general managers who work together to lead the organisation in line with the Council Plan's strategic objectives.

The past year saw several changes at the top. In September, CEO Stephen Wall departed after two years in the role. His successor, Keith Baillie, commenced in January. Director Infrastructure (formerly Director Corporate Services) Chris Cowley also left in December after close to four years with Surf Coast Shire Council.

An organisational restructure in early 2015 resulted in the move from four to three divisions, with Sunil Bhalla, Chris Pike and Kate Sullivan as General Managers.

### Keith Baillie Chief Executive Officer

*Bachelor of Economics, Master of Business Administration (Local Government), Fellow Australian Institute of Company Directors, Fellow CPA Australia, Graduate Australian Institute of Company Directors, Fellow Local Government Professionals*

Keith commenced in January after eight years as CEO with the Shire of Campaspe. Previous roles include Executive Manager Corporate Services at John Sands Australia and various management roles in information technology and project management within the private sector. Keith came to local government via a wide range of community volunteering roles.

### Sunil Bhalla General Manager Governance and Infrastructure

*Bachelor of Engineering - Civil (Hons.), Master of Technology in Construction, Master of Business Administration, Member Institution of Engineers Australia, Graduate Australian Institute of Company Directors*

Sunil joined Surf Coast Shire in 2001 as Manager Infrastructure and was promoted to Director Infrastructure in 2005. He was appointed to his current position in April 2015 following nine months as Director Corporate Services. Sunil's local government career spans some 22 years, including nine years with Hume City Council.

### Chris Pike General Manager Culture and Community

*Bachelor of Town Planning, Postgraduate Diploma in Town Planning, Postgraduate Diploma in Business Administration*

Chris was appointed in October 2013. His diverse career spans community sector roles in the United Kingdom and state and local government roles in Australia. Chris previously worked with the City of Port Phillip in various management roles, across community services, economic development and corporate planning functions.

### Kate Sullivan General Manager Environment and Development

*Bachelor of Applied Science (Planning), Graduate Certificate of Management*

Kate joined Surf Coast Shire in September 2013. She previously worked with the Department of Transport, Planning and Local Infrastructure as Executive Director Planning, Building and Heritage, and Director Metropolitan Planning Strategy. Kate has also worked with the cities of Greater Geelong and Port Phillip, and Moreland City Council.

# OUR PEOPLE

Due to the revised organisational structure (see page 67-68), in 2014-15 the total number of full-time equivalent (FTE) employees increased 8.1 per cent from the previous year. The majority of this increase is attributed to the not-for-profit kindergartens now being managed by Council.

Figure 7 shows how our FTE numbers have increased over the past six years.

Figure 7: Total number of FTE employees 2010-15

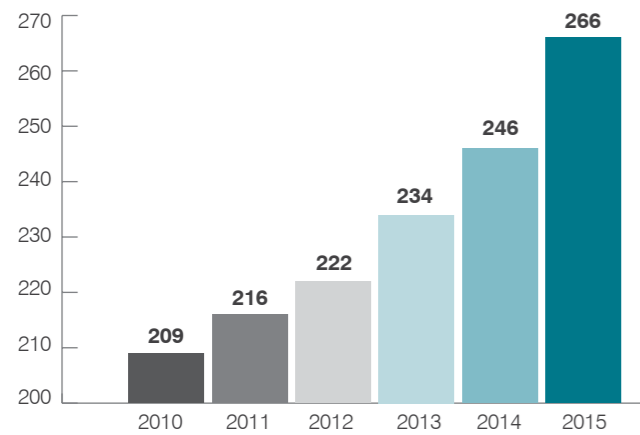


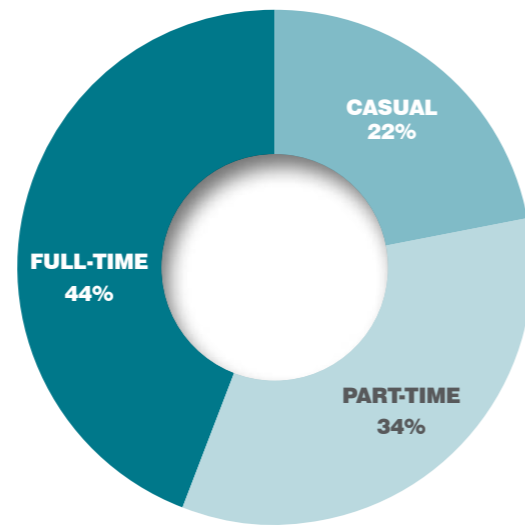
Table 3: FTE numbers by employment type and gender 2014-15

	2014-15
Permanent full-time male	120
Permanent full-time female	61
Permanent part-time male	12.4*
Permanent part-time female	72.6*
Total	266
Casual male	12**
Casual female	77**

\*Part-time hours equated to FTE. \*\*Headcount – not counted towards FTE.

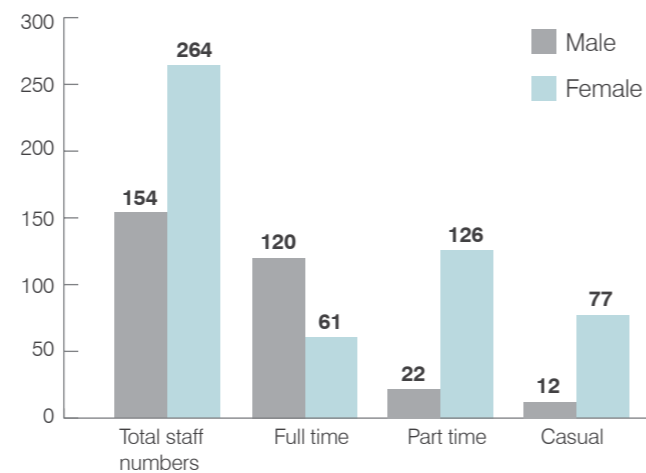
In terms of workforce composition, we employ a high proportion of part-time and casual employees (Figure 8).

Figure 8: Percentage of employees by employment type 2014-15



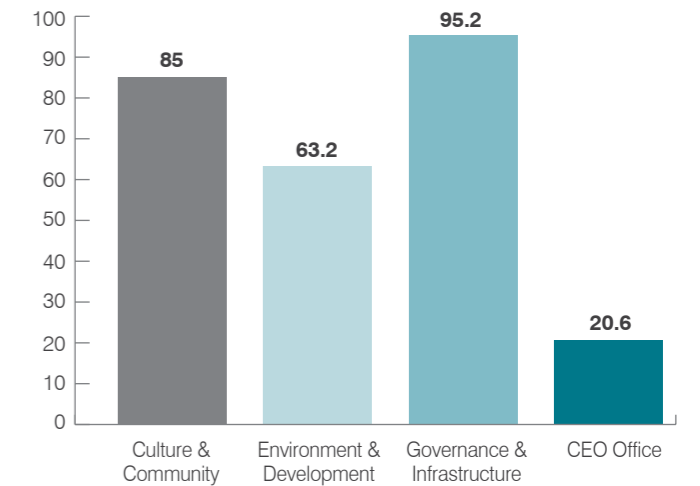
Although women make up 63 per cent of our total workforce, Figure 9 shows 66 per cent of full-time roles filled by men while women fill 85 per cent of part-time and 86 per cent of casual roles.

Figure 9: Number of employees by employment type and gender 2014-15



As shown in Figure 10, the Governance and Infrastructure division is the largest in terms of FTE employees closely followed by the Culture and Community division. While males comprise 82 per cent of FTE positions in the former, females represent 79 per cent in the latter with the majority (67 per cent) being part-time roles (Table 4). These differences reflect the types of services provided by each division.

Figure 10: FTE employees by division 2014-15



\*FTE variation to Figure 7 due to rounding

Table 4: Divisional breakdown of FTE employees by employment type and gender 2014-15

Gender	Office of the CEO	Governance and Infrastructure	Community and Culture	Environment and Development
Permanent full-time male	8	76	11	23
Permanent full-time female	10	9	22	20
Permanent part-time male	0	2.9	6.7	2.87
Permanent part-time female	2.6	7.3	45.4	17.36
<b>Total*</b>	<b>20.6</b>	<b>95.2</b>	<b>85</b>	<b>63.2</b>
Casual male	0	0	11	1
Casual female	0	0	62	15

\* FTE variation to Figure 7 due to rounding

Table 5: Employment bands by employment type and gender 2014-15

	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8
Permanent full-time male	31	9	18	20	20	2
Permanent full-time female	0	10	12	18	8	3
Permanent part-time male	7.90	1.76	0	1.68	1.2	0
Permanent part-time female	3.74	17.12	10.1	8.6	3.7	0
<b>Total</b>	<b>42.64</b>	<b>37.88</b>	<b>40.1</b>	<b>48.28</b>	<b>32.9</b>	<b>5</b>
Casual male	10*	1*	0	0	0	0
Casual female	32*	3*	4*	0	0	0

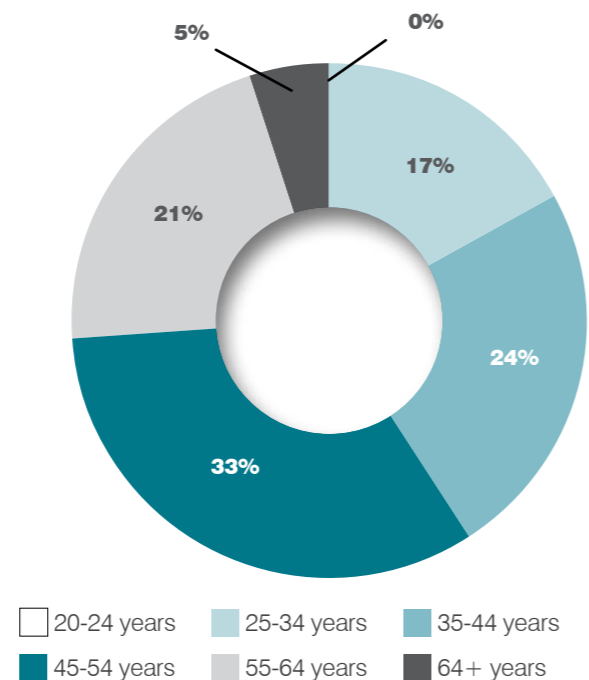
Includes immunisation officers, maternal and child health nurses, and senior officers. Excludes Senior Management

\*Headcount – not counted towards FTE.



Close to 59 per cent of our current workforce falls into the 45 years and over age group (Figure 11), presenting several challenges in terms of workforce planning, career development and succession planning. These are being addressed as part of Council's strategic workforce planning initiatives.

Figure 11: Employees by age group 2014-15



## RECRUITMENT TRENDS

We completed 64 recruitment processes in 2014-15, 23 per cent of which were filled by internal candidates. This indicates success in developing our people and succession planning.

Our 2014-15 staff turnover rate was 8.5 per cent (compared to 13 per cent in 2013-14), which is considered to be within a healthy range for an organisation of our size.

In all, we received 1,201 applications for vacancies, representing a 35 per cent decrease from last year when 12 newly-created positions drove above average application numbers. While this is lower than 2013-14, this represents an average rate of almost 19 applications per role, which is significantly higher than the Australian average of 6.5.

Table 6 provides an overview of recruitment trends for the past five years.

Table 6: Recruitment trends 2010-15

	2010-11	2011-12	2012-13	2013-14	2014-15
Recruitment processes	N/A	55	70	65	64
Applications received	N/A	906	1,360	1,633	1,201
Staff turnover rate	8.69%	9.26%	11.65%	13%	8.5%

## EQUAL EMPLOYMENT OPPORTUNITY

We recognise our proactive duty to ensure compliance with equal opportunity and other workplace-related legislation, and to eliminate all forms of discrimination.

During 2014-15, the People and Culture unit worked with designated Contact Officers to review our *Equal Opportunity and Workplace Behaviours Policy* and *Family Violence Policy and Procedure*. At quarterly Contact Officers' meetings, relevant Australian Human Rights Commission case studies provided invaluable learnings to build members' knowledge, understanding and skill sets.

We increased the number of Mental Health First Aid Officers to 12, encompassing all organisational levels from General Manager to indoor and outdoor staff. The group's efforts in raising mental health awareness have been well received by staff.

Our annual IDAHOT Day (International Day Against Homophobia, Biphobia and Transphobia) event once again highlighted sexual diversity among internal and community audiences.

## CONSULTATIVE COMMITTEE OUTCOMES

Our Staff Consultative Committee provides a forum for discussion between management, staff and union representatives.

During 2014-15, the committee met quarterly to discuss and work towards resolving various issues. Key outcomes included:

- monitoring staffing levels by reviewing and discussing regular reports on recruitment activity, recent departures, new starters, and use of casual labour
- reviewing proposed changes to staff-related policies and providing feedback, and
- receiving updates on the actions and outcomes emerging from recent employee surveys, including the *Occupational Health and Safety Cultural Survey*.

## FURTHER STUDY SUPPORTED

We encourage employees to participate in accredited further education programs, which enhance their respective roles and future career opportunities while offering added value to Surf Coast Shire Council.

During 2014-15, our professional development program supported employees who made applications for higher education studies. This included financial assistance towards study costs and, in some cases, granting study leave to attend lectures and exams.





## EMPLOYEE ACHIEVEMENTS RECOGNISED

Recognising and celebrating our employees' achievements is vital to our workplace culture. In 2014-15, we presented 45 Recognition of Service awards across all divisions as shown in Table 7.

Table 7: Employee Recognition of Service Awards 2014-15

	5 years	10 years	15 years	20 years	25 years	30 years	35 years
Culture and Community	6	3		2			
Environment and Development	4	2	1	2			
Governance and Infrastructure	12	5	1	1		1	1
Office of the CEO	1		1	1	1		

## LEARNING AND DEVELOPMENT HIGHLIGHTS

During 2014-15, our Learning and Development team:

- Coordinated the development and implementation of iLearn, our new online training system comprising a library of off-the-shelf training courses and the capability to build and deliver customised training packages.
- Used iLearn to develop and deliver a suite of online compliance training programs relating to various organisational policies, including workplace health and safety, motor vehicle use, equal opportunity and workplace behaviours.
- Initiated a Leadership Development Program targeting high potential individuals who were not yet in leadership roles, with seven applicants selected to participate. The program includes mentoring elements, project work and people leadership skills.

- Worked in conjunction with the Victorian Equal Opportunity and Human Rights Commission to develop and deliver highly successful cultural awareness training.
- Incorporated an ongoing compulsory mental health first aid training module within our bi-annual Fundamental Supervisory Training (FST) program.
- Ran another round of our successful Changing Gears program, which aims to inform and assist employees in planning for their future retirement. We targeted our outdoor civil works areas due to the large percentage of employees over 55 years old.
- Developed and publicised a series of Vision Super information sessions, which were held in employees' own time and attracted high participation.

The team also coordinated the delivery of 66 training units representing 663 training places for our employees as shown in Table 8.

Table 8: Overview of training activities 2014-15

Course	Description	Units or courses delivered	Places utilised
Fundamental Supervisory Training (performance management, recruitment, workplace culture, health and safety, mental health first aid)	Five-unit program for those who supervise employees	24	237
Leadership Development Program	12-month program for emerging leaders incorporating mentoring by senior leaders	5	7
First Aid (CPR, Level I, Level II, Level II refresher)	Yearly updates for relevant employees	10	115
Mental Health First Aid	Two-day accredited workshop	1	14
Corporate Induction	Six-hour session for new employees – held monthly	9	54
Conflict Resolution: Dealing with Aggressive Behaviours	Frontline employees	1	11
Activetics: Changing Gears	Targeted employees over 55 years	2	14
Coaching the Coaches	Management	1	8
Community Engagement	Targeted employees	2	30
Cultural Awareness and Workplace Behaviours	Custom workshop for targeted employees	2	21
Developing Healthy Relationships (CCW)	Custom workshop for targeted employees	2	30
Keeping People Accountable	Mainly management	1	11
Understanding Local Government (MAV)	Targeted employees	1	8
Equal Opportunity and Workplace Behaviours Program	Face-to-face workshops for those without access to computers	5	103
<b>Total</b>		<b>66</b>	<b>663</b>

Other group training included:

- ATS Traffic Controller
- Anaphylaxis and Epi-pen
- Asthma Management
- Code Red and Extreme Fire Danger
- Dementia Awareness
- Emergency Response and Control
- Working in an Emergency Relief Centre
- Incident/Hazard/Near Miss ID/Reporting
- Pan Software/Risk Management
- Exponare Enquiry (GIS)
- InfoCouncil
- Records Awareness/TRIM
- Seamless CMS

- Plant Safety and Log Books
- School Crossing OHS and Legal
- Gas Awareness Transmission and Distribution
- Manual Handling
- OHS Legislation and Responsibilities
- Project Management Essentials, and
- SunSmart Cancer Council.

In addition, many individuals participated in training and development opportunities relevant to their particular positions.

## WORKPLACE HEALTH AND SAFETY

Following a comprehensive two-stage audit process in November and April, we achieved certification to international standard OHSAS 18001.2007 and Australian/New Zealand standard AS 4801.2001. Significant work went into preparing the organisation for the audit process, culminating in this milestone.

Surf Coast Shire is one of the first non-metropolitan shires to undertake this accreditation process, indicating the commitment to the health and safety of our employees and volunteers.



The Workplace Health and Safety Committee maintained its proactive focus on addressing various workplace issues, including plant risk assessment, traffic management in the Community and Civic Precinct, school crossing visibility in Aireys Inlet and a new evacuation alarm system at the Torquay Children's Hub.

We continued to run our successful health and wellbeing program with activities including:

- **Healthy cooking demonstrations** – The Happy Parent Project delivered three sessions on healthy cooking, attended by 54 people and attracting positive feedback.
- **Skin checks** – A doctor and assistant attended the Council office, Torquay Children's Hub and Torquay and Winchelsea depots over seven separate sessions, providing 133 people with an opportunity to have their skin checked for potential skin cancer risks. The demand was greater than our ability to respond.
- **Makers and Growers Market** – Two separate local craft and produce markets took place in the Council office atrium.
- **Fitness classes** – An external provider conducted boxing classes twice-weekly throughout the year based on demand.

Continuous improvement activities included:

- trialling a rotating head mop with extendable arm to address manual handling issues experienced by our Home and Community Care workers cleaning showers
- installing four adjustable office workbenches to enable staff to alternate between standing and sitting at their computers, and
- installing speed humps in the civic centre car park to help prevent near misses and accidents with vehicles.



The development of our new Safe Coast brand sought to visually encapsulate our total workplace health and safety approach. Launched in March 2015, this provided the basis for producing a suite of promotional materials to inform and educate staff, building on our existing communication activities, which included regular updates on the Shire Wire intranet.



Figure 12: Incidents and hazards reported 2014-15

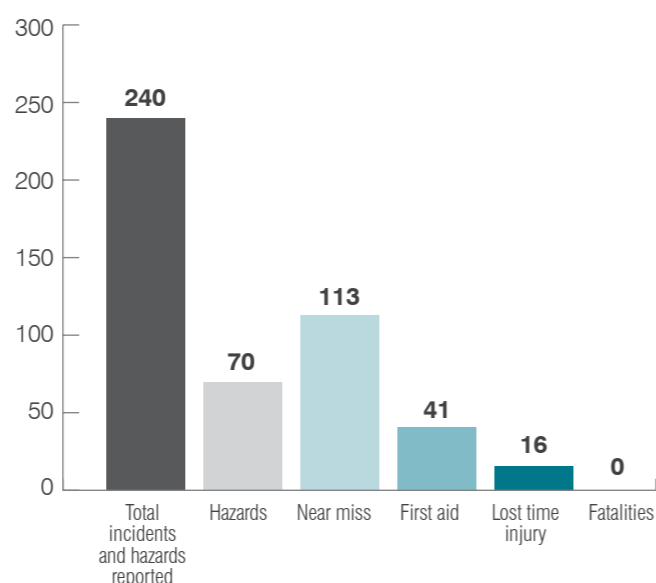


Table 9: Incidents and hazards reported by type 2012-15

Measure	2012-13	2013-14	2014-15
All incidents	142	108	170
Hazards	29	94	70
Near misses	79	65	113
No lost time injury	56	31	41
Lost time injuries	7	12	16

Incident and hazard reporting rates over the past two years have risen steadily due to the concerted effort put into training and communicating with employees. We also introduced a structured program of audits and risk assessments to better identify potential risks and hazards, and appropriate mitigation actions or broader continuous improvement processes.

As evidenced by Table 9, our workplace culture is increasingly focused on identifying risk, particularly where it relates to employee safety.



## OUR VOLUNTEERS

Volunteers are integral to many of our services. Their contributions are invaluable to our organisation and our community.

During 2014-15, we put substantial work into developing a coordinated, consistent approach to managing our volunteers to meet our obligations in relation to their recruitment and engagement, insurance, workplace health and safety, and other requirements.

This culminated in the appointment of our new Volunteer Support Officer in October 2014 to work with and advise all staff responsible for supervising volunteers. Initial tasks included:

- developing and implementing a consistent process for attracting, engaging and retaining volunteers
- developing requisite documentation such as an induction/orientation handbook and related paperwork
- building an online register to enable first time volunteers to register their interest and access information
- liaising with volunteer supervisors to develop and maintain an up-to-date in-house volunteer register
- creating and maintaining electronic volunteer personnel records
- reporting volunteer statistics to the Executive Management Team
- coordinating annual recognition events for volunteers, and
- investigating opportunities for innovative volunteer work practices.

Over the past year, volunteers contributed to the following services and activities:

- Delivered meals: 76 volunteers
- Visitor Information Centres: 95 volunteers
- Youth events: 30 volunteers
- Emergency management: Occasional (uncounted)
- Musical Mornings and shopping trips: Occasional (uncounted)
- Section 86 committees: 62 recreation special committee members

# CORPORATE GOVERNANCE

We are committed to ensuring that our decision-making, administrative and operational processes are accountable, fair and transparent.

This commitment underpins our corporate governance framework, which encompasses legislative and regulatory obligations, local laws, decision-making, delegations, risk management and performance management.

Governance is identified in the *Council Plan 2013-17* as one of five strategic themes with our performance in this area during 2014-15 detailed in Section 2. This section focuses on mandatory reporting requirements under our corporate governance framework.

From 8 April 2015, a revised Governance and Risk unit took effect under our new organisational structure. Created from the realignment of several corporate governance functions, the new department incorporates:

- governance (including freedom of information and information privacy)
- risk management, property and legal services
- corporate planning and improvement
- procurement and contracts, and
- facilities.

This ensures a more integrated corporate governance and risk management approach.

## COUNCIL PLAN 2013-17 STRUCTURE

Adopted in June 2013, the *Council Plan 2013-17* sets out Council's strategic objectives for its four-year term, various strategies to achieve them and measures to monitor our progress. It also includes a *Strategic Resource Plan* as required under Section 126 of the *Local Government Act 1989*.

This annual report represents the second reporting cycle for the current plan, which is structured around the key themes of:

- Environment
- Governance
- Communities
- Infrastructure, and
- Development and Growth.

Since adopting the plan, we have implemented its second year priorities, monitored and regularly reported our progress, including by tabling quarterly reports at Council meetings. The annual report provides a consolidated overview of our achievements and progress over the past year towards achieving the plan's strategic objectives.

We review and update the Council Plan annually in accordance with the requirements of the *Local Government Act 1989* – including standard statements for the Strategic Resource Plan – and our integrated corporate planning framework.

During 2014-15, we undertook a mid-term review of the plan to ensure its ongoing relevance during the remaining two years of this Council's term. This plan was subsequently amended and adopted in June 2015 and will form the framework for performance reporting for the balance of Council's elected term.

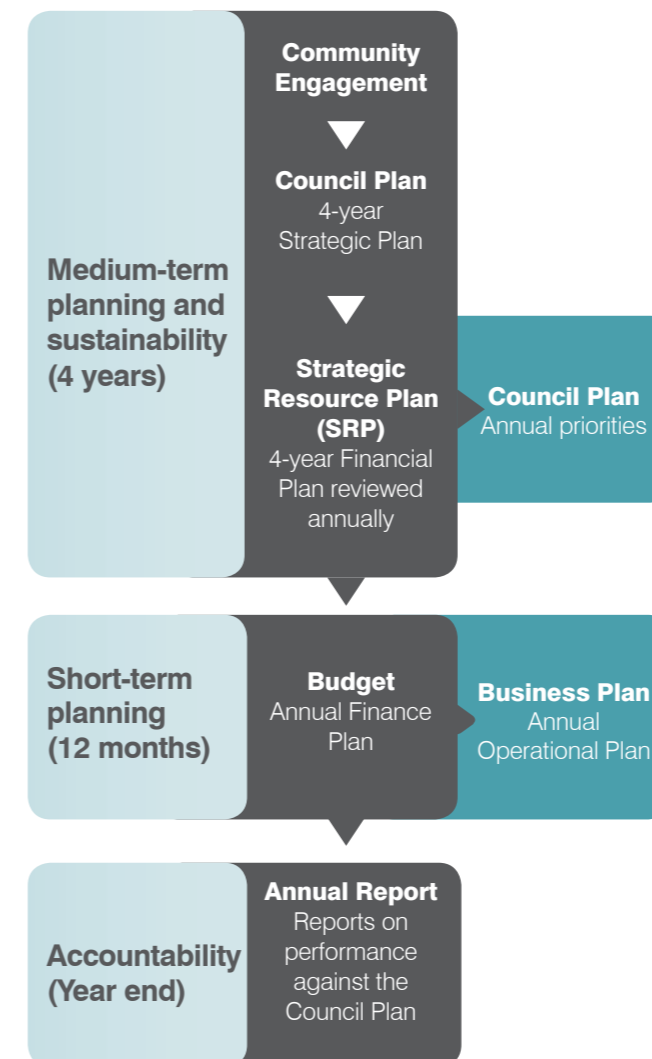
## INTEGRATED CORPORATE PLANNING FRAMEWORK

Our integrated corporate planning framework (Figure 13) starts with community engagement as the foundation for developing the Council Plan and Strategic Resource Plan. Both act as important touchstones for establishing our annual priorities and preparing a budget and business plan for the year ahead.

We continued to work throughout 2014-15 towards better integration of the *Council Plan* and other strategic documents with key operational documents, including annual business plans and individual work/performance plans. Our aim is to engender a strong focus across the organisation on achieving Council's strategic objectives while continuing to meet our operational and service delivery imperatives.

Integrating strategic and operational plans will also support us in monitoring, measuring and reporting our progress in delivering the Council Plan.

Figure 13: Integrated corporate planning framework



## MANAGING RISK

Our risk management approach incorporates a robust framework, risk register and associated processes along with insurance and business continuity functions.

Following its implementation in October 2013, the risk register has supported our capacity to identify, record, monitor, respond and report on a wide range of organisational issues. As at 30 June 2015, 94 issues were recorded as active in the register, with the top 10 strategic risks regularly reported at Executive Management Team meetings. Serious risks were reported quarterly to the Audit and Risk Committee.

Testing our emergency preparedness and business continuity comprises a vital element of our risk management approach. During the past year, we conducted a planned disaster recovery test of the phone system and successfully navigated through several business interruption events affecting our waste collection service. Two power outages also impacted on the civic centre and delivered meals service.

The integration of a lease and licence register within our existing asset management system has facilitated the identification of risks associated with Council-owned facilities.

## CONTINUOUS IMPROVEMENT AND BEST VALUE

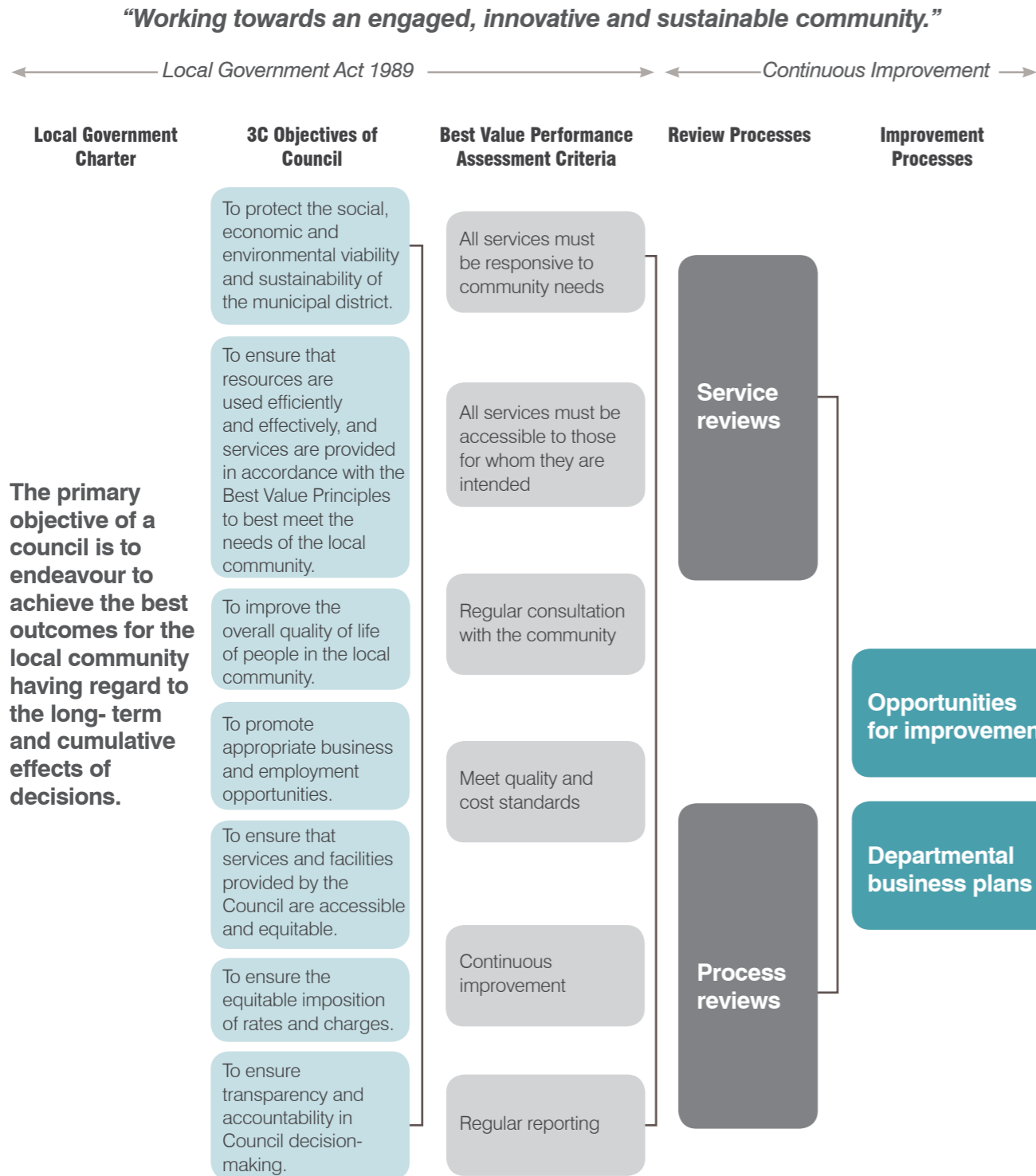
We are committed to pursuing continuous improvement as a core part of how we go about our business on a day-to-day basis and in our operational and strategic planning.

While continuous improvement in local government is mandated in the Best Value Principles contained in the Victorian *Local Government Act 1989*, we also recognise it as fundamental to improving community outcomes.

To this end, we continued to work towards creating a workplace culture where employees are constantly thinking about how things can be done better and are encouraged to suggest opportunities for improvement.

Figure 14 provides an overview of our existing continuous improvement approach, which applies Best Value Principles to assist in assessing services, including identifying their specific strengths and opportunities for improvement.

Figure 14: Continuous improvement and best value framework



The *Council Plan 2013-17* commits the organisation to an ongoing service review program to support continuous improvement in delivering high quality, value-for-money services and infrastructure. The past year saw four service areas subject to a pilot service review process with the results presented to Council in December.

Work has since started on a new business improvement program aimed at delivering organisation-wide service efficiencies by setting and pursuing targeted benefits, which will contribute to Council's long-term financial plan.

We instigated this program in early 2015 to prepare for known future revenue challenges, such as the Victorian Government's proposed rate capping policy and the Federal Government's indexation freeze on Financial Assistance Grants.

With a strong focus on financial gains, including cost saving and increasing non-rate revenue, the principles shown in Table 10 will guide the program's development and operation, throughout 2015-16 and beyond, by:

- helping us to prioritise opportunities for investigation and to narrow the scope of available works to manageable levels
- providing rules around program governance, including a framework to act with Council's authority
- providing guidance around the points at which we will consult with the community
- delivering position statements on key points, and
- providing a framework for measuring our progress.

Council adopted the principles in June with the program to be rolled out during 2015-16 to realise our strategic priority of sustainable service and staff (as articulated in the amended *Council Plan 2013-17*).

We will continue to keep the community informed about our progress and performance – via our website, social media, quarterly newsletter, local newspapers, annual reports and other means – and actively engage members in our planning and decision-making processes via surveys, workshops, focus groups, forums, Council committees, meetings and the like.

Table 10: Business improvement program guiding principles

Principle	Intention
<b>Governance</b>	Clarifies approval and delivery mechanisms, reporting arrangements and key outcomes.
<b>Community</b>	Highlights how we will communicate with our community.
<b>Value</b>	Focuses on creating value through the program's delivery, including how business improvement opportunities are identified and prioritised.
<b>Collaboration</b>	Focuses on working with partners, staff and other providers.
<b>Transparency</b>	Highlights transparent governance processes and open communication in developing and delivering the program, and reporting our progress.

# DEMOCRATIC GOVERNANCE

## COUNCIL'S ROLE

As a statutory body, Surf Coast Shire Council is one of 79 Victorian councils deriving its role, powers and functions primarily from the *Local Government Act 1989*.

Pursuant to the Act:

- (1) A Council is elected to provide leadership for the good governance of the municipal district and the local community.
- (2) The role of a Council includes:
  - (a) acting as a representative government by taking into account the diverse needs of the local community in decision-making
  - (b) providing leadership by establishing strategic objectives and monitoring their achievement
  - (c) maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
  - (d) advocating the interests of the local community to other communities and governments
  - (e) acting as a responsible partner in government by taking into account the needs of other communities, and
  - (f) fostering community cohesion and encouraging active participation in civic life.

Council's role therefore involves setting strategic directions, developing policies and resolving key issues. Key outputs include the Council Plan, annual budget and long-term financial plan, and decisions pertaining to various matters. The latter includes significant planning permit applications.

Together the councillors, as 'Council', form Surf Coast Shire's governing body. This is a public statutory body constituted under the *Local Government Act 1989*. As such, Council is recognised as a single entity and councillors only have authority to make decisions, as Council members, at formally constituted Council meetings.

Council considers various matters during these meetings (eg planning, community services, health, local laws, roads and traffic management, finance and administration). Councillors' deliberations are guided by the detailed reports that Council officers prepare and submit for Council's consideration. These reports contain detailed information about the issues in question and recommendations regarding the actions Council can take.

Monthly councillor briefings prior to each Council meeting provide opportunities for councillors to learn more about key Council functions and the matters due to be decided at upcoming meetings. While this process represents a significant time commitment for councillors and officers alike, it ensures councillors are fully informed about their duties, Council's functions and the matters requiring Council's decision.

## DECISION-MAKING

Council decisions are made in one of two ways:

1. By resolution at Council meetings and special Council meetings, or
2. By Council officers under delegated authority.

Most operational decisions are delegated to Council officers via the Chief Executive Officer (CEO). This arrangement recognises the CEO's responsibility, under the *Local Government Act 1989*, in managing the organisation's day-to-day operations.

## CODE OF CONDUCT

Council abides by a code of conduct, which is administratively reviewed annually and amended as required. The *Local Government Act 1989* provides for the code of conduct to be fully reviewed, as a minimum, every four years within 12 months after each general election.

The current code of conduct was adopted by resolution of the Surf Coast Shire Council on 28 May 2013. It applies to the conduct of the Mayor, councillors and members of Special Committees of Council (appointed under Section 86 of the *Local Government Act 1989*) in discharging their civic, statutory and policy-making functions.

As a document, the code represents a public declaration that Surf Coast Shire's councillors are committed to:

- 1.1. principles of good governance
- 1.2. discharging their responsibilities to the best of their skills and judgment, and
- 1.3. working together in the best interests of Surf Coast Shire's community.

## COUNCIL MEETINGS

Council conducts its business in open and publicly advertised meetings. Ordinary Council meetings are held on the fourth Tuesday of each month, aside from December when the holiday period makes it more practical to meet earlier in the month.

Special Council meetings are also occasionally called to consider specific items.

All Surf Coast Shire citizens are invited to attend Council meetings. Council facilitates this by regularly meeting outside the Council chambers located in Torquay. During 2014-15, Council meetings were convened at other venues in Anglesea and Lorne.

Council meetings are conducted in accordance with *Local Law No. 2 – Meeting Procedures and Common Seal*. Reports prepared independently by Council officers are presented to the Council for information and to assist Council's deliberations and decision-making.

Councillors are required to disclose potential conflicts of interest in any of the items to be discussed at a Council meeting. If a conflict of interest exists, the councillor is subsequently precluded from voting on the item (refer to page 88).

## COUNCILLOR ATTENDANCE AT COUNCIL MEETINGS AND BRIEFINGS

During 2014-15, a total of 12 ordinary meetings, five special meetings and nine hearing of submission meetings were held. The following tables show councillors' attendances during the year.

Table 11: Councillor meeting attendance 1 July 2014 to 30 June 2015

COUNCILLORS	Cr Libby Coker	Cr Rose Hodge	Cr Eve Fisher	Cr Brian McKitterick	Cr Margot Smith	Cr Clive Goldsworthy	Cr David Bell	Cr Rod Nockles (Resigned effective 23 April 2015)	Cr Heather Wellington	Cr Carol McGregor (Took Oath of Office on 24 April 2015)
Ordinary meetings (12)	9	11	9	11	12	12	12	8	10	3
Special meetings (5)	4	5	3	4	5	4	5	3	4	1
Hearing of Submissions meetings (9)	5	9	5	7	9	6	9	3	6	2

A public question time period at the start of each Council meeting enables citizens to ask questions on issues in which Council has a direct interest or responsibility. This process helps to encourage community participation in Council meetings.

Minutes of Council meetings are published on our website.

## COUNCIL BRIEFINGS

Council briefings enable councillors to gain detailed understanding of important issues on the upcoming Council meeting agenda, which helps their decision-making processes during Council meetings.

Monthly briefings are held on the second Tuesday of each month with extra sessions taking place during busy times, such as the budget preparation process.

Senior officers – usually general managers or the Chief Executive Officer – present briefing reports with other officers often on hand to provide detailed technical information, answer questions or explain a particular topic. The Mayor chairs these sessions, which are less formal than Council meetings.

Table 12: Councillor briefing session attendance 1 July 2014 to 30 June 2015

COUNCILLORS	Cr Libby Coker	Cr Rose Hodge	Cr Eve Fisher	Cr Brian McKitterick	Cr Margot Smith	Cr Clive Goldsworthy	Cr David Bell	Cr Rod Nockles (Resigned effective 23 April 2015)	Cr Heather Wellington	Cr Carol McGregor (Took Oath of Office on 24 April 2015)
Council briefings (32)	23	32	23	23	31	26	31	11	25	11

Table 13: Councillor support 1 July 2014 to 30 June 2015

COUNCILLORS	MOBILE PHONE	NOTEPAD COMPUTER INCLUDING NEXT G INTERNET	REIMBURSEMENT FOR OWN LAPTOP AND DATA CONNECTION	PRINTER
Cr Libby Coker	Yes	Yes		Yes
Cr Rose Hodge	Yes	Yes		Yes
Cr Eve Fisher	Yes	Yes		Yes
Cr Brian McKitterick	Yes	Yes		
Cr Margot Smith	Yes	Yes		Yes
Cr Clive Goldsworthy	Yes	No		
Cr David Bell	Yes	Yes		Yes
Cr Rod Nockles (resigned 23 April 2015)	Yes	Yes	Yes	
Cr Heather Wellington	Yes	Yes		
Cr Carol McGregor (from 23 April 2015)	Yes	Yes		

Table 14: Summary of allowances paid, expenses reimbursed and items provided to each councillor 1 June 2014 to 30 June 2015

COUNCILLOR	ALLOWANCES	EXPENSES REIMBURSED			ITEMS PROVIDED			TOTAL
	COUNCILLOR ALLOWANCE	PARKING	PHONE	TRAVEL	MOTOR VEHICLE	MOBILE PHONE	INTERNET	
Cr Rose Hodge*	44,129	0	0	783	2,814	1,333	417	49,476
Cr Libby Coker	25,495	0	0	0	0	1,151	382	27,027
Cr Brian McKitterick	25,495	71	0	619	0	1,862	677	28,724
Cr Clive Goldsworthy	25,495	45	0	10,189	0	1,819	0	37,549
Cr Margot Smith**	61,079	161	0	2,106	6,356	626	373	70,701
Cr Eve Fisher	25,495	0	0	0	0	431	382	26,308
Cr David Bell	25,495	0	0	805	0	386	223	26,909
Cr Rod Nockles***	21,529	0	293	423	0	299	286	22,830
Cr Heather Wellington	25,495	0	0	6,095	0	409	316	32,315
Cr Carol McGregor****	3,966	0	0	556	0	316	0	4,838

\*Cr Rose Hodge Mayor in 2013-14. \*\*Cr Margot Smith Mayor in 2014-15. \*\*\*Cr Rod Nockles resigned effective 23 April 2015. \*\*\*\*Cr Carol McGregor Took Oath of Office on 24 April 2015.

Table 14: Conflicts of interest recorded by councillors 1 July 2014 to 30 June 2015

COUNCIL MEETING DATE (OR DATE CONFLICT OF INTEREST NOMINATED)	COUNCILLOR	CONFLICT OF INTEREST
<b>2014</b>		
26 August	Cr Rod Nockles	Unconventional gas exploration and development (NOM – 126)
23 September	Cr Clive Goldsworthy	Public question with notice regarding the Anglesea coal mine and mine fire (NOM-127)
23 September	Cr Libby Coker	Plastic bag ban (NOM-128)
14 October	Cr David Bell	Review of licence agreement – Farmers Market
28 October	Cr David Bell	Review of licence agreement – Farmers Market
25 November	Cr Clive Goldsworthy	Public question with notice regarding the Anglesea power station
2 December	Cr Margot Smith	Council policy – Banning circuses with caged wild/exotic animals on Council land
9 December	Cr Margot Smith	Council policy – Banning circuses with caged wild/exotic animals on Council land
<b>2015</b>		
7 April	Cr Clive Goldsworthy	National Clean Air Agreement submission
7 April	Cr Margot Smith	Municipal Association of Victoria (MAV) State Council motion (relating to Council Briefing)
7 April	Cr Margot Smith	Municipal Association of Victoria (MAV) State Council motion (relating to Special Council Meeting)
14 April	Cr Libby Coker	New Neighbourhood Safer Place – Place of Last Resort: Aireys Inlet Hotel car park
14 April	Cr Libby Coker	Proposed Lorne Men's Shed
28 April	Cr Libby Coker	New Neighbourhood Safer Place – Place of Last Resort: Aireys Inlet Hotel car park
28 April	Cr Libby Coker	Proposed Lorne Men's Shed
26 May	Cr Heather Wellington	Petition – Removal of B-Double access on section of Barrabool Road, Gnarwarre
26 May	Cr Clive Goldsworthy	Budget discussion – Lorne Country Club tennis court upgrades
26 May	Cr Libby Coker	Proposed Lorne Men's Shed
9 June	Cr Libby Coker	Proposed Lorne Men's Shed
23 June	Cr Heather Wellington	Removal of B-Double access route on Barrabool Road, Gnarwarre

## POLICIES, STRATEGIES AND PLANS

Council adopted the following significant policies, plans and strategies during 2014-15:

- Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24
- Annual Budget 2014-15
- Annual Budget 2015-16
- Bellbrae Community Facilities Strategic Master Plan
- Bells Beach Surfing Recreation Reserve Coastal Management Plan (Draft)
- Communications and Community Engagement Strategy 2015-18
- Customer Service Strategy
- Domestic Animal Management Plan - Annual review
- Eastern Reserve Committee of Management Business Plan
- G21 and AFL Barwon Regional Strategy
- G21 Economic Development Strategy
- Growing Winchelsea – Shaping Future Growth Plan 2015
- Municipal Emergency Management Plan (MEMP) 2014-17
- Rating Strategy 2015-16
- Revised Council Plan 2013-17 (including Strategic Resource Plan 2015-16 to 2024-25)
- SCS-004 Place Naming Policy
- SCS-006 Community House Policy
- SCS-010 Fraud Control Policy
- SCS-014 Workplace Health and Safety Policy
- SCS-016 Investment Policy
- SCS-018 Gifts, Benefits and Hospitality Policy
- SCS-019 Procurement Policy
- SCS-020 Community Bus Policy
- SCS-021 Risk Management Policy
- SCS-022 Events Policy
- SCS-026 Circus Policy
- Surf Coast Shire Council Early Years and Youth Strategy 2015-18 (Draft)
- Surf Coast Shire Council Positive Ageing Strategy 2015-18 (Draft)
- Surf Coast Shire Long Vehicle Strategy
- Sustainable Futures Plan Torquay-Jan Juc 2040

### Committees of Council

The following Special Committees of Council (formed under Section 86 of the *Local Government Act 1989*) and Advisory Committees operated during 2014-15.

### Advisory Committees

- All Abilities Advisory Committee (formerly Advisory Committee on Disability)
- Aquatic and Leisure Centre Task Force
- Audit and Risk Committee
- Bells Beach Task Force
- Chief Executive Officer Performance Review Committee
- Environment and Rural Advisory Panel
- Health and Wellbeing Community Advisory Committee
- Infrastructure Community Advisory Committee
- Municipal Emergency Management Planning Committee

### Section 86 Committees

- Anderson Roadknight Reserve Committee of Management
- Anglesea Bike Park Committee of Management
- Connewarre Reserve and Hall Committee of Management
- Deans Marsh Public Hall and Memorial Park Committee of Management
- Eastern Reserve Committee of Management
- Globe Theatre Committee of Management
- Hearing of Submissions Committee
- Modewarre Hall and Reserve Committee of Management
- Planning Committee
- Stribling Reserve Committee of Management
- Surf Coast Tourism Board

### Council representation on other committees

Councillors are given various individual assignments, enabling them to represent Council on formal committees, community groups, external working parties and the like. They also participate in a range of community activities and regularly engage with the community, which helps to inform Council decisions and actions.

This level of representation and engagement contributes to effective, productive working relationships between Council, the administration and the Surf Coast Shire community. Details of individual councillor assignments appear in Table 16.

Table 16: Councillor assignments 2014-15

ORGANISATION/COMMITTEE	2014 REPRESENTATIVES	2015 REPRESENTATIVES
All Abilities Advisory Committee (formerly Advisory Committee on Disability)	Cr Wellington Cr Hodge (Sub)	Cr Wellington Cr Hodge
Anglesea Community Impact Advisory Committee	Cr Smith Cr Coker (Sub)	Cr Coker Cr Smith (Sub)
Audit and Risk Committee	Cr Nockles Cr Goldsworthy Cr Wellington (Sub)	Cr Nockles (Prior to 23/04/2015) Cr Smith (After 23/04/2015) Cr Goldsworthy
Australian Local Government Association (ALGA)	Mayor (Cr Hodge)	Mayor (Cr Smith)
Barwon Regional Waste Management Group (BRWVG)	Cr Bell Cr Fisher (Sub)	Discontinued
Barwon South West Waste and Resource Recovery Group	Cr Bell	Cr Bell
Bells Beach Task Force	Cr Fisher Cr Goldsworthy Cr Nockles Cr Bell Cr Coker	Cr Fisher Cr Goldsworthy Cr Nockles (Prior to 23/04/2015) Cr McGregor (After 23/04/2015) Cr Bell Cr Coker
Chief Executive Officer Employment Matters Committee	Mayor (Cr Hodge) Cr Coker Cr Nockles Cr Goldsworthy	Mayor (Cr Smith) Cr Hodge Cr Goldsworthy Cr Nockles (Prior to 23/04/2015) Cr Fisher (After 23/04/2015)
Community Chef	Cr Smith	Cr Smith
Earth Resources Ministerial Advisory Committee	Cr Nockles	Committee no longer operational
Environment Community Advisory Committee	Cr Fisher Cr Bell	Discontinued
G21 Board of Directors	Mayor (Cr Hodge)	Mayor (Cr Smith)
Gaming Forum	Cr Hodge	Cr Hodge
Geelong Heritage Centre Advisory Committee	Cr Smith	Cr Coker
Geelong Regional Library Corporation (GRLC)	Cr Smith Cr Nockles (Sub)	Cr Coker Cr Fisher (Sub)
Great Ocean Road Regional Tourism Inc. (GORRT)	Cr Goldsworthy	Cr Goldsworthy
Hearing of Submissions	All councillors	All councillors
Hinterland Community Impact Advisory Committee	Cr Wellington Cr Nockles (Sub)	Cr Wellington Cr Nockles (Prior to 23/04/2015) Cr McGregor (After 23/04/2015)
Lorne Community Impact Advisory Committee	Cr Goldsworthy	Cr Goldsworthy

Table 16: Councillor assignments 2014-15 (cont.)

ORGANISATION/COMMITTEE	2014 REPRESENTATIVES	2015 REPRESENTATIVES
Municipal Association of Victoria (MAV)	Cr McKiterick Cr Coker (Sub)	Cr Nockles (Prior to 23/04/2015) Cr McKiterick (After 23/04/2015) Cr Fisher (Sub)
Municipal Emergency Management Planning Committee	Cr Smith Cr Nockles (Sub)	Cr Smith Cr Coker (Sub)
Plastic Bag Free Torquay	Cr Fisher	Discontinued
Policy Review Sub-Committee	Cr Nockles Cr Wellington Cr Goldsworthy Cr Coker Mayor ex-officio	Cr Nockles (Prior to 23/04/2015) Cr Bell (After 23/04/2015) Cr Wellington Cr Goldsworthy Cr Coker Mayor ex-officio
Regional Development Australia – Barwon South West Region	Cr Coker	Cr Coker
RoadSafe Barwon	Cr McKiterick	Discontinued
Rural Community Advisory Committee	Cr Nockles Cr Wellington Cr Goldsworthy	Discontinued
Surf Coast Aquatic and Leisure Centre Task Force	Cr Smith Cr Fisher Cr Wellington Cr Hodge Cr McKiterick	Cr Smith Cr Fisher Cr Wellington Cr Hodge Cr McKiterick
Surf Coast Tourism Board	Cr Goldsworthy Cr Coker (sub)	Cr Goldsworthy Cr Coker
Torquay Community Impact Advisory Committee	Cr Bell Cr Hodge (Sub)	Cr Bell Cr Fisher
Victorian Local Governance Association (VLGA)	Cr Fisher Cr McKiterick (Sub)	Cr Fisher

Table 17: Councillor delegates to G21 Geelong Region Alliance 2014-15

G21 PILLARS	2014 DELEGATES	2015 DELEGATES
Arts and Culture	Cr Smith	Cr Smith
Economic Development	Cr Goldsworthy Cr Nockles (Sub)	Cr Smith
Education and Training	Cr Coker	Cr Coker
Environment	Cr Fisher	Cr Fisher
Health and Wellbeing	Cr Wellington	Cr Wellington
Planning and Services	Cr Bell	Cr Bell
Sport and Recreation	Cr Nockles	Cr Hodge
Transport	Cr McKiterick	Cr Hodge

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is a formally appointed Advisory Committee of Council. It reports to Council and provides appropriate advice and recommendations relevant to its charter, which enables Council to:

- 1.1 Display well-informed, efficient and effective decision-making.
- 1.2 Promote and monitor an ethical culture throughout the Council and comply with any relevant code of conduct.
- 1.3 Implement a sound system of risk oversight and management.
- 1.4 Implement an effective and efficient internal control system.
- 1.5 Protect Council's assets.
- 1.6 Protect against litigation and claims.
- 1.7 Protect against fraud.
- 1.8 Comply with applicable legislation, regulations, standards and Council policies.
- 1.9 Demonstrate quality internal and external reporting.
- 1.10 Display effective communications between the Council and the internal and external auditors, and provide timely responses to matters arising from audits.

The committee considers and promotes multiple complex and strategically important corporate matters on a quarterly basis. Key outcomes during 2014-15 are summarised below.

In **August 2014**, the committee:

- required future items of internal/external audit reports to have risk ratings assigned by internal auditors
- received and noted the imminent commencement of the Information Technology general controls audit (October)
- made a series of recommendations in relation to adopting and signing the 2013-14 financial, performance and standard statements, in accordance with the *Local Government Act 1989*, and received and noted the statement of compliance
- received an update on the status of the approved 2014-15 internal audit plan
- received and noted the litigation summary and risk management report update, finalised business improvement five-year audit plan (including statement of purpose and all working papers in template version) and final version of the fraud and corruption control plan, and
- considered the outcomes of an internal review of strategic risks.

In **November 2014**, the committee:

- amended the timing of several items in the *Outstanding Actions Report* from December 2015 to June 2015
- amended the Serious Risks Report to include new actions since last Audit and Risk Committee meeting column to report any movement and progress

- received and noted the litigation summary and risk management report update, internal audit and September 2014 quarterly financial report
- noted a delay in the availability of the VAGO 2013-14 financial sustainability indicators (until February 2015)
- noted progress on implementation of the external auditor's recommendations following the audit of the financial report for the year ended 30 June 2014, and
- endorsed the proposed Audit and Risk Committee meeting dates for 2015.

In **February 2015**, in addition to the quarterly litigation summary and risk management update, internal audit and financial report, the committee:

- received a verbal update on a serious risk item (fatality, injury or significant fine to the organisation or an individual in not maintaining a safe workplace so far as practicable) to provide context on Council's mitigation actions
- noted the imminent commencement of business improvement audits (March) with a progress report to be provided at the meeting
- received and noted the draft VAGO *External Audit Update – Audit Strategy Year Ending 30 June 2015*, a report on the VAGO financial sustainability indicators and an update on the Local Authorities Superannuation Fund (Defined Benefit Plan)
- noted the Chief Executive Officer's verbal presentation in relation to long-term financial planning and financial policies
- noted Council's appointment of Brian Kean as Chair until 31 January 2016 and formally acknowledged Claire Higgins's valuable input in the role of Audit and Risk Committee member and outgoing Chair, and
- noted a need to change the August meeting date to allow enough time to receive the external audit report.

In **May 2015**, in addition to regular quarterly reports the committee:

- noted the general update provided by the Chief Executive Officer and a presentation by the Manager Contracts and Capital Works on Council's asset management system
- received the *Outstanding Issues and Actions Report* and noted progress to date
- proposed Council enter its 10 strategic risks in the risk register and include definitions of the consequence ratings
- received and noted the *OHS Management System Audit Report*, a report on gifts and hospitality, councillor entitlements, councillor education and other reimbursement expenses, the investment policy and an update on the *Local Government Performance Reporting Framework*
- provided suggestions in relation to Council's *Risk Management Policy*
- noted the *Internal Audit Annual Performance Survey* and directed Council to ask the auditors to create separate surveys, for the committee and management, with the results of both to be tabled at the next meeting



- reviewed the Committee Charter and advised changes
- noted the proposed 2015-16 work plan, with feedback to be provided via email to the General Manager Governance and Infrastructure, and
- noted the appointment of Cr Margot Smith to the committee following Cr Rod Nockles's resignation.

## LOCAL LAWS

As at 30 June 2014, Council had the following local laws in place.

### No. 1 of 2011 – Community Amenity

This local law:

- commenced on 14 December 2011
- unless revoked sooner, ceases to operate on 14 December 2021, and
- operates throughout the whole municipal district.

The purpose of this local law is to provide for the peace, order and good government of the Surf Coast Shire by:

- (1) Regulating and controlling uses and activities on Council land and roads so that the Council is aware of uses or activities which may:
  - (a) be detrimental to the amenity of the area or the enjoyment of facilities on land or roads
  - (b) cause damage to Council and community assets
  - (c) create a danger or expose others to risk
  - (d) interfere with the safety and convenience of people travelling on or using Council land or roads, or
  - (e) impede free and safe access for people, in particular those with sight and movement impairment or disabilities.
- (2) Managing, regulating and controlling activities and uses on any land which:
  - (a) may be dangerous, cause a nuisance or be detrimental to the amenity of the area or the environment
  - (b) are directed at maintaining a healthy and safe environment for residents and visitors, or
  - (c) promote community expectations and demands about their desired lifestyle and the availability of goods and services provided to them.
- (3) Identifying activities and uses that are not permitted so as to achieve the purposes in sub-paragraphs (1) and (2).
- (4) Providing for the administration of Council's powers and functions.

### No. 2 of 2011 – Meeting Procedures and Common Seal

This local law:

- commenced on 14 December 2011, and
- unless revoked sooner, ceases to operate on 14 December 2021.

The purpose of this local law is to facilitate good governance by:

- 1 Regulating proceedings for the election of the Mayor
- 2 Regulating proceedings of Ordinary and Special meetings of Council
- 3 Regulating proceedings of Special Committees and other meetings conducted by or on behalf of Council, where Council has resolved that the provisions of this local law are to apply
- 4 Promoting and encouraging community participation in the system of local government, by providing mechanisms within the meeting arrangements for the Council to ascertain the community's views and expectations, and
- 5 Regulating and controlling the use of Council's Common Seal.

Council officers will be reviewing Local Law No 2 during 2015-16, identifying a number of recommended changes. The recommendations will be presented for Council's consideration in the latter part of 2015-16.

# LEGISLATIVE COMPLIANCE

This section outlines how Surf Coast Shire Council delivered on its commitment to legislative compliance during 2014-15 by reporting our statutory requirements under relevant Acts.

## BEST VALUE

In accordance with Section 208B(f) of the *Local Government Act 1989*, Council must report, at least once every year, on what has been done to realise best value principles.

Our regular business planning and performance processes encompass best value principles and continuous improvement. As outlined in the *Corporate Governance* section (see page 84), the introduction of our new business improvement program during 2014-15 will consolidate and build on our best value approach.

## CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* was developed to formally recognise, promote and value the role of carers. It provides a legislative framework and principles to support organisations in better understanding and responding to their responsibilities in relation to employees and clients in care relationships.

In recognising our responsibilities under the Act, we have implemented a range of measures to ensure that:

- employees, clients and others in care relationships have an awareness and understanding of care relationship principles, and
- services and care plans are developed and delivered to reflect these principles.

During 2014-15 these measures included:

- allocating HACC funding to support the trialling of a café style support initiative for carers
- promoting the role of carers and the diversity of care relationships via newsletters and brochures
- ensuring carers' rights are recognised and incorporated into the core principles guiding our service provision and coordination
- increasing employees' understanding of care relationship principles and carers' rights via professional development sessions, and
- incorporating tools and strategies into our assessment practices to encourage carers to participate in the development of care plans and service allocation.

## DISABILITY ACT 2006

The *Victorian Disability Act 2006* aims to reaffirm and strengthen the rights and responsibilities of people with a disability, which includes recognising the role that government and community support plays in achieving this.

Under the Act, local councils and other public sector bodies are required to develop their own disability action plans, which set out how they will:

- remove barriers faced by people with a disability in accessing goods, services and facilities
- remove barriers faced by people with a disability in obtaining and maintaining employment
- promote the inclusion and participation in the community of people with a disability, and
- achieve changes in attitudes and practices that discriminate against people with a disability.

We are committed to access and inclusion for all to build healthy, well connected communities where everyone can participate. This goal is reflected in our *Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24*, which Council lodged with the Australian Human Rights Commission, as required under the *Commonwealth Disability Discrimination Act 1992*. Council reviewed and adopted the plan in January.

With implementation underway, the past year marked a number of achievements including:

- promoting the availability of trail and beach wheelchairs, township access maps and other resources to support residents and visitors with access needs in better accessing the natural environment
- ensuring universal and equitable access principles and strategies are integral to Council's strategic planning processes and outcomes, as evidenced by the draft *Early Years and Youth Strategy 2015-18* and *Positive Ageing Strategy 2015-18*
- promoting and supporting the participation of people with a disability in Council's community leadership program, *Casuarina*, and other programs
- moving to improve our website's accessibility and achieve compliance in accordance with Web Content Accessibility Guidelines 2.0
- implementing accessibility audits of Council buildings, facilities and parking through our annual capital works program, and
- partnering with the Department of Health and Human Services, National Disability Insurance Agency and adjoining councils to plan and deliver an annual event to celebrate International day of People with a Disability.

## DOMESTIC ANIMALS ACT 1994

The Surf Coast Shire Domestic Animal Management Plan came into effect from June 2013. Developed in accordance with the requirements and responsibilities of the *Domestic Animals Act 1994* (Section 68A), *Surf Coast Shire Council Community Amenity Local Law No. 1 of 2011* and other relevant policies, it outlines a range of domestic animal management strategies, actions and recommendations.

These aim to balance animal management and community interests while providing scope to accommodate new requirements. The need to address animal safety and wellbeing during a disaster is covered by the plan's *Disaster Planning for Pets within Surf Coast Shire* section.

While the plan is scheduled for full review in 2017, it was reviewed in 2014, resulting in Council adopting several changes from April 2014. Council has since endorsed a further review, to be undertaken in late 2015 with the aim of identifying additional amendments.

## EQUAL OPPORTUNITY ACT 2010

In keeping with our legislative requirements under the *Equal Opportunity Act 2010*, we have an Equal Employment Opportunity Program in place to eliminate discrimination and promote equal opportunity in relation to employment matters.

The program focuses on ensuring fair, equitable and non-discriminatory consideration is given to all job applicants and employees regardless of race, colour, sex, marital status, parenthood, physical and mental impairment, age, religious or political affiliation, gender identity and sexual orientation. This includes providing a workplace free from bullying and harassment.

Information about the program's outcomes during 2014-15 is contained in the *Our people* section (see page 76).

## FOOD ACT 1984

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.

We received no such ministerial directions during 2014-15.

## FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* enables members of the public to apply to access Council documents created or received after 1 January 1989. Requests for access to information under the Act should be made in writing, specifying the particular documents(s) being sought, to the Freedom of Information Officer. The application fee from 1 July 2015 has been set at \$27.20.

Table 18: Freedom of information requests and outcomes 2014-15

REQUESTS RECEIVED	
Personal requests	6
Non-personal requests	4
Total requests	10
Requests transferred from another agency	0
REQUEST OUTCOMES	
Access granted in full	3
Access granted in part	1
Access denied in full	1
OTHER	
Withdrawn	3
Not proceeded with	0
Act does not apply	0
Not processed	0
No documents	0
Outside the Act	0
Not yet finalised	2
Outcomes of requests outstanding from previous reporting period	
All requests outstanding	0

## PRIVACY AND DATA PROTECTION ACT 2014

Under the *Privacy and Data Protection Act 2014*, we are required to comply with privacy principles relating to the collection, management and use of an individual's personal information. We achieve this through the implementation of our privacy policy and related procedures, coordinated by the Privacy Officer. Information about the privacy policy is published on the website and is also available upon request.

During 2014-15, we received 40 requests relating to information privacy matters. These concerned information provided under the collection, use and disclosure of an individual's personal information, as outlined in the Act, for:

- land ownership information requests, or
- rates and property ownership information requests from government agencies.

Table 19\*: Information privacy requests and outcomes 2014-15

REQUESTS RECEIVED	
Personal requests	33
Non-personal requests	7
<b>Total requests</b>	<b>40</b>
Requests for property owner details under the <i>Fences Act 1968</i>	199
Requests for property owner details – building protection work	12

Requests transferred from another agency	0
REQUEST OUTCOMES	
Access granted in full	32
Access granted in part	0
Access denied in full	6
Other	
Withdrawn	0
Not proceeded with	2
Act does not apply	0
Not processed	0
No documents	0
Outside the Act	0
Not yet finalised	0
Outcomes of requests outstanding from previous reporting period	
All requests outstanding	0

## PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

In accordance with Section 69 of the Act, Council must include information in the annual report about how to access procedures established under Part 9 of the Act, and about the number and types of protected disclosures investigated during the financial year.

Procedures on how to make a disclosure are publicly available on our website.

During 2014-15:

- no disclosure made to Council officers appointed to receive disclosures
- no disclosure referred by Council to the Independent Broad-based Anti-corruption Commission (IBAC)
- no disclosed matter referred by the Ombudsman to Council
- no disclosed matter referred by Council to the Ombudsman for investigation
- no investigation taken over by the Ombudsman from Council
- no requests to the Ombudsman to investigate disclosed matters or the *Protected Disclosure Act 2012*
- no disclosed matters that Council declined to investigate, and
- no disclosed matters that were substantiated on investigation and no action/s required to be taken on completion of an investigation

## ROAD MANAGEMENT ACT 2004

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.

We received no such ministerial directions during 2014-15.

## DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with Part 5 of the *Local Government (General) Regulations 2004* and Section 222 of the *Local Government Act 1989*, the following prescribed documents are available for inspection at 1 Merrijig Drive, Torquay.

Inspection can be arranged via the Coordinator Governance and Procurement.

- Details of current allowances fixed for the Mayor and councillors.
- Details of senior officers' total salary packages for the current financial year and the previous year.
- 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.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public.
- A list of all special committees established by Council and the purpose for which each committee was established.
- A list of all special committees established by Council which were abolished or ceased to function during the financial year.
- 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 which have been closed to members of the public.
- A register of delegations.
- Submissions received in accordance with Section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.

(n) A register of authorised officers.

(o) A list of donations and grants made by Council during the financial year.

(p) A list of the names of the organisations of which 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 Council.

(q) A list of contracts valued at \$150,000 or more which Council entered into during the financial year without first engaging in a competitive process.

## PUBLICATIONS

Copies of the following Council publications, including reports, strategies, plans, policies and other documents, are published on our website and made available on request.

### General

- Annual Budgets (2006-07 to 2015-16)
- Annual Reports (2006-07 to 2013-14)
- Council Plan 2013-17 (amended June 2015) – includes updated Strategic Resource Plan 2015-16 to 2024-25
- Council policies (SCS 001 to SCS 024) and Complaints Handling Procedure 2011
- Customer Service Strategy 2015-18
- Governance Manual 2010
- *Groundswell* newsletters (2012-15)
- Local Law No 1 – Community Amenity 2011
- Local Law No 2 – Meeting Procedures and Common Seal 2011
- Population profiles and forecasts
- Surf Coast Shire Community Satisfaction Survey Results 2012-15
- Surf Coast Shire Rating Strategy 2015-16

### Planning

- Surf Coast Shire Planning Scheme including the Municipal Strategic Statement
- Strategic projects, studies and plans by township

### Emergency management

- Heatwave Plan 2011
- Municipal Emergency Management Plan 2014-17
- Municipal Fire Management Plan
- Neighbourhood Safer Places Plan (Bushfire Place of Last Resort)

### Environment

- Anglesea River Bank Master Plan 2006
- Bellbrae Hall Strategic Master Plan incorporating Bellbrae Picnic Space and Related Facilities 2015
- Bob Pettitt Reserve Final Report Master Plan 2015
- Eastern Recreation Reserve and Hesse Street Reserve Master Plan 2015

- Jan Juc Creek Linear Reserve Master Management Plan 2012
- Spring Creek Linear Reserve Master Management Plan 2012
- Spring Creek Recreation Reserve Master Plan Report 2012
- Surf Coast Shire Urban Stormwater Management Plan 2004
- Torquay Entrance Landscape Plan 2012
- Torquay North Stormwater Management Plan 2010
- Whites Beach Master Plan 2010

### Pathways, roads and transport

- Pathways Strategy 2012
- Road Management Plan 2010
- Road Safety Strategy 2010

### Community

- Aireys Inlet Recreation Infrastructure Strategy
- Arts and Culture Strategy 2009-14
- Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24
- Connemara Reserve Master Plan Review 2013
- Disaster Planning for Pets and Animals
- Domestic Animal Management Plan
- Early Years and Youth Strategy 2015-18
- Housing Strategy 2006
- Mt Moriac Reserve Master Plan
- Open Space Strategy 2015-25
- Playground Strategy 2011
- Positive Ageing Strategy 2015-18
- Public Health Plan – Health and Wellbeing Plan 2013-17
- Recreation Strategies
  - G21 and AFL Barwon Regional Strategy
  - G21 Regional Soccer Strategy
  - G21 Regional Tennis Strategy
- Split Point Lighthouse Master Plan 2008

Council also regularly invites community input into the development of its plans and strategies. These opportunities are advertised on the website and in local newspapers.

## GRANTS AND DONATIONS

### External funding

During 2014-15, Council was successful in obtaining external funding for a number of important community infrastructure and other projects. These included Growing Winchelsea, Mt Moriac Reserve stage one upgrade, Banyul-Warri Fields new youth recreation and play zone, Torquay Critical Links Project and Aireys Inlet Skate Park.

Funded projects completed during the year included the Mt Moriac Reserve stage one upgrade, Stribling Reserve oval and netball courts upgrade, construction of the new Great Ocean Road Heritage Centre (incorporating improvements to the Lorne Visitor Information Centre), Jan Juc Kindergarten expansion, Merrijig Drive extension, Banyul-Warri Fields second soccer pitch and Anglesea riverbank stage two redevelopment.

Major funding sources included various Australian and Victorian Government grants programs. The Financial Performance section of this report contains more information about grants and other external funding received during the year.

### Community grants

Surf Coast Shire's bi-annual *Small Grants Program* supports local community groups and organisations in achieving their goals by providing up to \$1,000 to fund initiatives that:

- increase community involvement for people of all ages and abilities
- strengthen collaboration between groups and organisations
- encourage new opportunities, and/or
- help to fill a gap in the current provision of services.

In 2014-15, the program disbursed grants totalling \$67,434 through funding rounds in September 2014 and March 2015. Full details are contained in the following tables.

Table 20: Small Grants Program recipients – September 2014

ORGANISATION/GROUP	PROJECT	AMOUNT FUNDED \$
1st Modewarre Cubs & Scouts Group	Canoe trailer for scout group	1,000
Anglesea & District Community House Inc	Community precinct open day	1,000
Anglesea & District Historical Society Inc	Anglesea and district families project	1,000
Anglesea Community House	Men's shed wood thicknesser	1,000
Anglesea Surf Life Saving Club	Surf lifesaving rescue tubes	1,000
Auxiliary Inc	International Women's Day celebration	1,250
Barwon River Care Landcare Group	Trailer project	590
Bell Street Fiesta	Bell Street fiesta	1,000
Scouts Australia - Victoria Branch	Torquay Scout Hall external noticeboard	1,000
Country Fire Authority	After the Ashes exhibition	1,500
Danawa Community Garden Group	Garden plots stage two	2,310
Deans Marsh Community Cottage	Dog trials	1,000
Deans Marsh Community Cottage	Contribution to the Croaker newsletter	1,000
Deans Marsh Primary School	Performing arts festival	1,000
Deans Marsh Red Cross Unit	Deans Marsh centenary book	1,000
Freshwater Creek & District Riding Club	Cross country course	1,000
Geelong Guild Athletics Club	Dual athlete engagement program	1,000
Geelong Legacy Club	Annual Christmas lunch for Torquay Laurel Club	1,000
International Society for Krishna Conscience Inc	Festival of Colours	1,000
Jan Juc Coast Action Group Inc	Plant database for Jan Juc cliff tops	1,000
Jan Juc Surf Life Saving Club	Bronze camp junior lifesaving	1,000
Lions Club of Lorne Inc	Carols on the Lorne	1,250

Table 20: Small Grants Program recipients – September 2014 (cont)

ORGANISATION/GROUP	PROJECT	AMOUNT FUNDED \$
Lorne Bowls Club	Three sets of junior bowls purchase	1,200
Probus Club of Surf Coast Anglesea Inc.	Audio-visual program	1,000
Spring Creek Community House	First aid and CPR training for staff/volunteers	2,000
Surf Coast Arts Inc	Connecting to Country arts festival	1,000
Surf Coast Toy Library Inc.	Sustainable toys for sustainable communities	1,000
Surf Coast Uniting Church	Portable microphone equipment	1,520
Surfing Victoria	Australian Indigenous surfing titles	1,000
The Bonnie Upwelling	Christmas carolvan	1,000
Torquay & District Historical Society	Honour roll at Point Danger	1,000
Torquay Combined Churches	Carols by the Sea	1,000
Torquay Surf Life Saving Club	Nipper launch	1,000
U3A Surf Coast Inc	U3A Surf Coast marketing and publicity	1,000
UCA - Winchelsea	Winchelsea Uniting Church auction 2015	750
Winchelsea Senior Citizens	Contribution to purchase of chairs	2,500
<b>Total grants disbursed</b>		<b>\$40,870</b>

Table 21: Small Grants Program recipients – March 2015

ORGANISATION/GROUP	PROJECT	AMOUNT FUNDED \$
Australian Marine Conservation Society Inc	Good Fish Project	5,000
Bellbrae Primary School	Wrought iron artwork for garden	1,000
Bellbrae Residents Association	Contribution to a set of African drums	1,000
Coastal Pod Photography	Photographic expo and book	1,500
Deans Marsh Community Cottage	Weaving in Deans Marsh	2,500
Deans Marsh Community Cottage	Deans Marsh Festival 2015	3,000
Growing Winchelsea	Four community forums	4,000
Karingal Inc	Volunteering program	1,000
Lorne Aireys Inlet P12 College	Youth art open space	1,500
Surf Coast Arts Inc	Love Winter in Aireys Inlet marketing	2,000
Surf Coast Energy Group	Data projector purchase	1,000
Torquay Men's Shed	Equipment for singing in the shed	1,064
Torquay Sailing Club Inc.	Beach trailer	1,000
Torquay Theatre Troupe Inc.	Set of risers	1,000
<b>Total grants disbursed</b>		<b>26,564</b>

### Event grants

Our *Event Grants Program* recognises the important role events play in shaping Surf Coast Shire's identity, prosperity and vitality.

The program typically opens in September each year and is available to not-for-profit and commercial event organisers holding events in Surf Coast Shire, enabling them to apply under different streams depending on size and focus as follows:

- **Community** events which are held at any time of the year can seek funding for up to \$5,000.
- **Major** events held in the off-peak season (post-Easter to 15 December) can apply for funding up to \$10,000.
- **Signature** events held in the off-peak season (post-Easter to 15 December) can apply for funding over \$10,000 and are eligible for consideration of multiple-year funding.

In 2014-15, Council allocated \$83,000 towards funding events as shown in Table 22.

Table 22: Event Grants Program recipients

ORGANISATION/GROUP	PROJECT	AMOUNT FUNDED \$
Aireys Inlet Tourism and Trading Association	Open Mic Music Festival	13,636
Amy Gillett Foundation	2015 Wiggle Amy's Gran Fondo	10,000
ANGAIR Inc	Wildflower Show	800
Danawa Community Garden Group	Winter Solstice celebration	1,000
Deans Marsh Community Cottage	Deans Marsh Festival	3,000
Lorne Business and Tourism Association	Lorne Festival of Performing Arts	25,000
Lorne Business and Tourism Association	Lorne Festival of Performing Arts	25,000
Rapid Ascent Pty Ltd	Surf Coast Century	5,000
Ravens Creek Farm	Ravens Creek Farm Autumn Fair/Spring Fair	2,000
Surf Coast Arts Inc	Love Winter in Aireys	2,000
The Good Life Farm Ltd	Bolt Blowers Invitational Surf Competition	5,000
Tour De Trails	Surf Coast Trail Marathon	10,000
Winchelsea Primary School	Trick or Treat Kidz Fest	8,500
<b>Total grants disbursed</b>		<b>110,936</b>

Table 23: Other donations 2014-15

ORGANISATION	AMOUNT \$
AFL (Victoria) - G21 football strategy	1,804.00
Aireys Inlet Tourism and Trading – Local tourism and trader support	2,000.00
Anglesea Business and Tourism – Local tourism and trader support	2,000.00
Anglesea Community Garden – Power and lights	4,990.00
Anglesea Kindergarten Inc	4,000.00
Barwon Health	60.00
Barwon Sports Academy – G21 Sport and Recreation Pillar	4,971.00
City of Greater Geelong – Regional Victoria Living Expo contribution	1,500.00
City of Greater Geelong – Victorian Adaptation and Sustainability Partnership Program	9,000.00
Colac Otway Shire – Contribution to Tiger Rail Trail feasibility study	2,500.00
Community houses	42,540.42
Eastern Reserve Committee of Management	13,024.96
Eastern Reserve Committee of Management – Electronic scoreboard contribution	5,000.00
Give where you live – G21 region grow project	1,000.00
Growing Winchelsea – Local tourism and trader support	2,000.00
Growing Winchelsea Inc – Bus to the Hub program	9,000.00
Hook and Vine Festival – Volunteer ticket sponsorship	102.91
Lorne Business and Tourism Association – Local tourism and trader support	2,000.00
Lorne SES	13,268.00
Modewarre Cricket Club – Cricket pitch cover contribution	2,500.00
Moriac Pre-School Centre	4,000.00
Mt Gellibrand fire tower management contribution	1,500.00
Salvation Army	4,290.71
Senior Citizen Centres	8,706.81
Torquay College	12,782.00
Torquay Commerce and Tourism – Christmas decoration project	5,000.00
Torquay Commerce and Tourism – Local tourism and trader support	2,000.00
Torquay SES	25,706.00
Victoria Seniors Festival – Gold coin donations	255.00
Western District Quarter Horse Association – Area project donation	5,000.00
Winchelsea Golf Club – Irrigation project contribution	10,000.00
Winchelsea SES	25,706.00
<b>Total</b>	<b>228,207.81</b>

Table 24: Council memberships and subscriptions 2014-15

ORGANISATION	AMOUNT \$
Arboriculture Australia Ltd – Membership	381.82
Australian Breastfeeding Association – Membership	140.91
Australian Institute of Business – Membership	400.00
Australian Local Government Women's Association	250.00
Bankstown City Council – Local Government Business Excellence Network	3,636.36
Committee for Geelong – Annual Membership	4,720.84
Community Child Care Association Inc – Membership	348.00
Department of Education and Early Childhood Development – Membership	473.00
Early Learning Association Australia – Membership	361.64
Economic Development Australia LtdvMembership	363.64
e-Water Innovation Pty Ltd – Membership	450.00
Family Day Care Victoria Inc – Membership	439.54
G21 Geelong Region Alliance Ltd	52,963.65
Geelong Heritage Centre – Municipal contribution	43,896.00
Geelong Regional Library Corporation	501,298.04
Great Ocean Road Regional Tourism	150,000.01
ICLEI Local Governments for Sustainability – Membership	750.00
ICT Geelong – Membership	2,500.00
LGPRO – Membership	522.27
Local Government Infrastructure Design Association – Membership	3,000.00
Municipal Association of Victoria – Membership	32,248.18
Peri-Urban Group of Councils	15,000.00
Play Australia – Membership	283.64
Playgroup Victoria – Membership	80.00
Surf Coast Energy Group – Membership	27.27
Timber Towns Victoria – Membership	2,500.00
Victorian Building Authority – Registration	234.00
Victorian Employers Chamber of Commerce and Industry – Annual Membership	8,500.00
Victorian Local Government Association	8,600.00
<b>Total</b>	<b>834,368.81</b>

## VICTORIAN LOCAL GOVERNMENT INDICATORS REPORT

The *Victorian Local Government Indicators Program* is designed to provide a range of indicators of Council's performance presented in a manner that allows comparisons between municipalities across Victoria. Every local government authority in Victoria is required to include this information in its annual report for 2014-15.

CATEGORY	MEASURE	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Affordability/cost of governance</b>							
All rates	Average rates and charges per assessment	\$1,589	\$1,698	\$1,804	\$1,885	\$1,993	\$2,077
Residential rates	Average rates and charges per residential assessment	\$1,530	\$1,638	\$1,749	\$1,805	\$1,960	\$2,013
<b>Sustainability</b>							
Debts	Average liabilities per assessment	\$1,148	\$1,512	\$1,933	\$1,867	\$2,067	\$1,974
Operating result	Operating result per assessment	\$306	\$487	\$338	\$259	\$156	\$597
<b>Service</b>							
Operating costs	Average operating expenditure per assessment	\$2,530	\$2,768	\$2,918	\$2,755	\$3,126	\$2,742
<b>Infrastructure</b>							
Capital expenditure	Average capital expenditure per assessment	\$886	\$1,122	\$1,136	\$733	\$756	\$516
Renewal	Renewal percentage	54%	37%	66%	64%	58%	59%
Renewal and maintenance	Renewal and maintenance percentage	115%	105%	136%	142%	136%	142%
<b>Governance</b>							
Advocacy	Community satisfaction – advocacy and community representation	54	54	51 *	53*	57*	59*
Engagement (Community consultation)	Community satisfaction rating for Council's community consultation and engagement	51	54	56 *	58 *	59*	60*
Overall performance	Community satisfaction – overall performance of Council	56	56	59 *	61 *	64*	66*

Note: the results shown against the governance indicators above are derived from the *Community Satisfaction in Local Government Survey*. Due to changes to the survey content and methodology, as recommended through an extensive consultation process within the local government sector, the indexed mean data for 2012-13, 2013-14 and 2014-15 is only directly comparable to 2011-12 results.

# REPORT OF OPERATIONS

This section has been prepared in accordance with the *Local Government (Planning and Reporting) Regulations 2014*.

## 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 ITEM	ASSESSMENT	
1 <b>Community engagement policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 28/04/2010	✓
2 <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 20/10/2010	✓
3 <b>Strategic Resource Plan</b> (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 Act Date of adoption: 02/06/2015	✓
4 <b>Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 10/06/2015	✓
5 <b>Asset management plans</b> (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: Roads - 29/04/2010 Drainage - 10/07/2006 Parks - 23/05/2006 Fleet - 06/07/2006 Building - 02/02/2006 Waste - 22/10/2012	✓
6 <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 02/06/2015	✓
7 <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 24/06/2014	✓
8 <b>Fraud policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 23/09/2014	✓
9 <b>Municipal emergency management plan</b> (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: 13/05/2014	✓
10 <b>Procurement policy</b> (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: 23/09/2014	✓
11 <b>Business continuity plan</b> (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: 01/03/2006	✓
12 <b>Disaster recovery plan</b> (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: 16/04/2015	✓

GOVERNANCE AND MANAGEMENT ITEM	ASSESSMENT	
13 <b>Risk management framework</b> (framework outlining Council's approach to managing risks to Council's operations)	Framework Date of operation of current framework: 24/06/2014	✓
14 <b>Audit Committee</b> (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting processes to manage risks to 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: 03/05/2014	✓
15 <b>Internal audit</b> (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 01/04/2013	✓
16 <b>Performance reporting framework</b> (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: 01/07/2014	✓
17 <b>Council Plan reporting</b> (report reviewing the performance of 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 establishment of quarterly reporting: 01/07/2013	✓
18 <b>Financial reporting</b> (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 Act Statements presented for: September 2014, December 2014, March 2015 and June 2015	✓
19 <b>Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk-minimisation strategies)	Reports Reports presented for: August 2014, February 2015	✓
20 <b>Performance reporting</b> (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 Quarterly reports prepared for Council Plan and financials: September 2014, December 2014, March 2015 and June 2015	✓
21 <b>Annual report</b> (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 Act Date report presented to Council: 28/10/2014	✓
22 <b>Councillor code of conduct</b> (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 Act Date reviewed: 28/05/2013	✓
23 <b>Delegations</b> (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 Act Date of review: 10/07/2014	✓
24 <b>Meeting procedures</b> (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 16/12/2011	✓

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



Chris Pike  
Acting Chief Executive Officer  
Dated: 23 September 2015



Cr Eve Fisher  
Acting Mayor  
Dated: 23 September 2015

## SERVICE PERFORMANCE INDICATORS

The following report includes the prescribed indicators of service performance, the prescribed measures relating to those indicators and the results achieved in relation to the indicators and measures as required by the *Local Government (Planning and Reporting) Regulations 2014*.

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>AQUATIC FACILITIES</b>				
<b>Satisfaction</b>				
AF1	28	User satisfaction with aquatic facilities (optional) [User satisfaction with how Council has performed on provision of aquatic facilities]	0.00	Council has one aquatic centre located in the township of Winchelsea. User satisfaction for this facility is not currently measured.
<b>Service standard</b>				
AF2	29	Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities/ Number of Council aquatic facilities]	1.00	
<b>Health and safety</b>				
AF3	30	Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	No safety incidents were recorded for 2014-15.
<b>Service cost</b>				
AF4	31	Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities]	\$0.00	Council does not operate any indoor aquatic centres in the municipality.
<b>Service cost</b>				
AF5	32	Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received/ Number of visits to outdoor aquatic facilities]	\$15.09	
<b>Utilisation</b>				
AF6	33	Utilisation of aquatic facilities [Number of visits to aquatic facilities/Municipal population]	0.27	
<b>ANIMAL MANAGEMENT</b>				
<b>Timeliness</b>				
AM1	34	Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests/Number of animal management requests]	0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Service standard</b>				
AM2	35	Animals reclaimed [Number of animals reclaimed/Number of animals collected] x 100	87.26%	
<b>Service cost</b>				
AM3	36	Cost of animal management service [Direct cost of the animal management service/Number of registered animals]	\$57.18	
<b>Health and safety</b>				
AM4	37	Animal management prosecutions [Number of successful animal management prosecutions]	3.00	

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>FOOD SAFETY</b>				
<b>Timeliness</b>				
FS1	38	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints/Number of food complaints]	0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Service standard</b>				
FS2	39	Food safety assessments [Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x 100	113.36%	
<b>Service cost</b>				
FS3	40	Cost of food safety service [Direct cost of the food safety service/Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	\$743.14	
<b>Health and safety</b>				
FS4	41	Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/ Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	Three premises closed prior to 30 June 2015 and two premises that provided evidence of Food Safety Supervisor qualifications prior to 30 June 2015 have been included as 'followed up' for the purposes of performance reporting.
<b>GOVERNANCE</b>				
<b>Transparency</b>				
G1	1	Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of councillors, closed to the public/Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of councillors ] x 100	5.60%	
<b>Consultation and engagement</b>				
G2	2	Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	60.00	
<b>Attendance</b>				
G3	3	Councillor attendance at Council meetings [The sum of the number of councillors who attended each ordinary and special Council meeting/(Number of ordinary and special Council meetings) x (Number of councillors elected at the last Council general election)] x 100	14.23%	
<b>Service cost</b>				
G4	4	Cost of governance [Direct cost of the governance service/Number of councillors elected at the last Council general election]	\$42,184.37	

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>Satisfaction</b>				
G5	5	Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58.00	
<b>HOME AND COMMUNITY CARE (HACC)</b>				
<b>Timeliness</b>				
HC1	42	Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service/Number of new clients who have received a HACC service]	0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Service standard</b>				
HC2	43	Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met/Number of expected outcomes under the Community Care Common Standards] x 100	77.78%	
<b>Service cost</b>				
HC3	44	Cost of domestic care service [Cost of the domestic care service/Hours of domestic care service provided]	\$0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Service cost</b>				
HC4	45	Cost of personal care service [Cost of the personal care service/Hours of personal care service provided]	\$0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Service cost</b>				
HC5	46	Cost of respite care service [Cost of the respite care service/Hours of respite care service provided]	\$0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Participation</b>				
HC6	47	Participation in HACC service [Number of people that received a HACC service/ Municipal target population for HACC services] x 100	26.54%	
<b>Participation</b>				
HC7	48	Participation in HACC service by Culturally and Linguistically Diverse (CALD) people [Number of CALD people who receive a HACC service/ Municipal target population in relation to CALD people for HACC services] x 100	12.74%	
<b>LIBRARIES</b>				
<b>Utilisation</b>				
LB1	19	Library collection usage [Number of library collection item loans/Number of library collection items]	8.84	
<b>Resource standard</b>				
LB2	20	Standard of library collection [Number of library collection items purchased in the last 5 years/ Number of library collection items] x 100	85.38%	
<b>Service cost</b>				
LB3	21	Cost of library service [Direct cost of the library service/Number of visits]	\$4.31	



SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>Participation</b>				
LB4	22	Active library members [Number of active library members/Municipal population] x 100	18.76%	
<b>MATERNAL AND CHILD HEALTH (MCH)</b>				
<b>Satisfaction</b>				
MC1	49	Participation in first MCH home visit [Number of first MCH home visits/Number of birth notifications received] x 100	98.18%	
<b>Service standard</b>				
MC2	50	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received] x 100	93.92%	
<b>Service cost</b>				
MC3	51	Cost of the MCH service [Cost of the MCH service/Hours worked by MCH nurses]	\$0.00	Transitional provision: This data element is not required to be reported until the financial year beginning 1 July 2015.
<b>Participation</b>				
MC4	52	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x 100	71.77%	
<b>Participation</b>				
MC5	53	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x 100	76.00%	
<b>ROADS</b>				
<b>Satisfaction of use</b>				
R1	14	Sealed local road requests [Number of sealed local road requests/Kilometres of sealed local roads ] x 100	22.63%	
<b>Condition</b>				
R2	15	Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x 100	0.43%	
<b>Service cost</b>				
R3	16	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]	\$27.06	
<b>Service Cost</b>				
R4	17	Cost of sealed local road resealing [Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]	\$8.23	
<b>Satisfaction</b>				
R5	18	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	65.00	

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>STATUTORY PLANNING</b>				
<b>Timeliness</b>				
SP1	6	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	76.00	
<b>Service standard</b>				
SP2	7	Planning applications decided within 60 days [Number of planning application decisions made within 60 days/Number of planning application decisions made] x 100	64.92%	
<b>Service cost</b>				
SP3	8	Cost of statutory planning service [Direct cost of the statutory planning service/Number of planning applications received]	\$1,747.61	
<b>Decision making</b>				
SP4	9	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/ Number of VCAT decisions in relation to planning applications] x 100	75.00%	
<b>WASTE COLLECTION</b>				
<b>Satisfaction</b>				
WC1	23	Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests/ Number of kerbside bin collection households] x 1,000	73.80	
<b>Service standard</b>				
WC2	24	Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed/ Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	3.35	
<b>Service cost</b>				
WC3	25	Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service/ Number of kerbside garbage collection bins]	\$39.90	
<b>Service cost</b>				
WC4	26	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service/ Number of kerbside recyclables collection bins]	\$29.77	
<b>Waste diversion</b>				
WC5	27	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	54.51%	
<b>ECONOMIC DEVELOPMENT (OPTIONAL)</b>				
<b>Participation</b>				
ED1	10	Participation in business development activities [Number of businesses with an ABN in the municipality that participate in a business development activity/ Number of businesses with an ABN in the municipality] x 100	0.00%	These are optional measures and have not been reported against.

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>Service standard</b>				
ED2	11	Delivery of planned business development activities [Number of business development activities delivered/ Number of planned business development activities] x 100	0.00%	
<b>Service cost</b>				
ED3	12	Cost of economic development service [Direct cost of delivering the economic development service/Number of businesses with an ABN in the municipality]	\$0.00	
<b>Economic activity</b>				
ED4	13	Percent change in number of businesses [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year/Number of businesses with an ABN in the municipality at the start of the financial year] x 100	0.00%	
<b>IMMUNISATION (OPTIONAL)</b>				
<b>Satisfaction</b>				
I1		User satisfaction with immunisation service [User satisfaction with how Council has performed on provision of child immunisation service]	0.00%	These are optional measures and have not been reported against.
<b>Service standard</b>				
I2		Vaccination of children by Council [Percentage of children fully vaccinated by Council]	0.00%	
I3		Return of consent cards by secondary school children [Number of secondary school consent cards returned/ Total number of secondary school children] x 100	0.00%	
<b>Service cost</b>				
I4		Cost of immunisation service [Direct cost of immunisation service/Total number of vaccinations]	\$0.00	
<b>Participation</b>				
I5		Vaccination of children [Percentage of children who are fully vaccinated in each age group]	0.00%	
I6		Vaccination of secondary school children [Number of secondary school children fully vaccinated by Council/Total number of secondary school children] x 100	0.00%	
<b>SPORTS GROUNDS (OPTIONAL)</b>				
<b>Utilisation</b>				
SG1		Structured activities on sports fields [Number of structured activities/Total number of sports fields]	0.00	These are optional measures and have not been reported against.
<b>Condition</b>				
SG2		Condition of sports fields [Number of days sports fields are unavailable for structured activities due to condition excluding maintenance and reconstruction/redevelopment/Total number of sports fields]	0.00	

SERVICE PERFORMANCE INDICATORS			RESULTS	COMMENTS
SERVICE/INDICATOR/MEASURE			2015	
<b>Service cost</b>				
SG3		Cost of sports grounds [Direct cost of sports grounds/Total number of sports fields]	\$0.00	
<b>Availability</b>				
SG4		Population per sports field [Municipal population/Total number of sports fields]	0.00	
<b>STREET SWEEPING (OPTIONAL)</b>				
<b>Satisfaction</b>				
SS1		Street sweeping requests [Number of street sweeping requests/Total number of sealed local road households subject to a street sweeping service]	0.00	These are optional measures and have not been reported against.
<b>Service standard</b>				
SS2		Frequency of sealed local road sweeping [Number of kilometres of sealed local roads swept/Total kilometres of local sealed local roads required to be swept]	0.00	
<b>Service cost</b>				
SS3		Cost of street sweeping service [Direct cost of street sweeping service/Total kilometres of sealed local roads required to be swept]	\$0.00	
<b>Environmental and flooding risk</b>				
SS4		Routine cleaning of sealed local road pits [Number of sealed local road pits requiring cleaning following routine inspection/Total number of sealed local road pits inspected] x 100	0.00%	

# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

## Description of municipality

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and covers 1,560 square kilometres.

Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

Residents enjoy a high-quality lifestyle combining coastal, bushland and rural elements across nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 28,810 in 2015.

Surf Coast Shire's economy continues to experience strong growth with the top employment sectors including tourism, the surfing industry, accommodation and food services, construction and retail trade. With its rich agricultural and aesthetic attributes, the hinterland is increasingly contributing to the shire's economic development, particularly via local food and niche tourism opportunities.

The demands on Council to deliver essential infrastructure and community services will continue to increase in line with the needs of Surf Coast Shire's rapidly growing, changing community.

## SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED 30 JUNE 2015

INDICATOR/MEASURE	RESULTS 2015	COMMENTS
<b>Population</b>		
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,985.11	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$9,905.90	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	26	No material variations
<b>Own-source revenue</b>		
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,721.18	No material variations
<b>Recurrent grants</b>		
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$333.35	No material variations
<b>Disadvantage</b>		
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	10	No material variations

### Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b).

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

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

"population" means the resident population estimated by Council.

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

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

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

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

## SERVICE PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

SERVICE/INDICATOR/MEASURE	RESULTS 2015	COMMENTS
<b>AQUATIC FACILITIES</b>		
<b>Utilisation</b>		
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.27	
<b>ANIMAL MANAGEMENT</b>		
<b>Health and safety</b>		
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	3	
<b>FOOD SAFETY</b>		
<b>Health and safety</b>		
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100%	Three premises closed prior to 30 June 2015 and two premises that provided evidence of Food Safety Supervisor qualifications prior to 30 June 2015 have been included as 'followed up' for the purposes of performance reporting.
<b>GOVERNANCE</b>		
<b>Satisfaction</b>		
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	
<b>HOME AND COMMUNITY CARE (HACC)</b>		
<b>Participation</b>		
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x 100	26.54%	
<b>Participation</b>		
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	12.74%	
<b>LIBRARIES</b>		
<b>Participation</b>		
<i>Active library members</i> [Number of active library members / Municipal population] x 100	18.76%	
<b>MATERNAL AND CHILD HEALTH (MCH)</b>		
<b>Participation</b>		
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	71.77%	

SERVICE/INDICATOR/MEASURE	RESULTS 2015	COMMENTS
<b>Participation</b>		
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	76%	
<b>ROADS</b>		
<b>Satisfaction</b>		
<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]	65	
<b>STATUTORY PLANNING</b>		
<b>Decision making</b>		
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	75%	
<b>WASTE COLLECTION</b>		
<b>Waste diversion</b>		
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	54.51%	
<b>Definitions</b>		
"Aboriginal child" means a child who is an Aboriginal person.		"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the <i>Home and Community Care Act 1985</i> of the Commonwealth.
"Aboriginal person" has the same meaning as in the <i>Aboriginal Heritage Act 2006</i> .		"HACC service" means home help, personal care or community respite provided under the HACC program.
"active library member" means a member of a library who has borrowed a book from the library.		"local road" means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i> .
"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> .		"major non-compliance outcome notification" means a notification received by Council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to Council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
"class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act.		"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.
"class 2 food premises" means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act.		"population" means the resident population estimated by Council.
"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.		"target population" has the same meaning as in the Agreement entered into for the purposes of the <i>Home and Community Care Act 1985</i> of the Commonwealth.
"critical non-compliance outcome notification" means a notification received by Council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to Council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.		"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the <i>Occupational Health and Safety Act 2004</i> .
"food premises" has the same meaning as in the <i>Food Act 1984</i> .		

## FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2015

DIMENSION /INDICATOR / MEASURE	RESULTS 2015	FORECASTS				MATERIAL VARIATIONS
		2016	2017	2018	2019	
<b>EFFICIENCY</b>						
<b>Revenue level</b>						
Average residential rate per residential property assessment  [Residential rate revenue/ Number of residential property assessments]	\$2,012.78	\$2,113.42	\$2,219.09	\$2,330.04	\$2,446.54	Increase to average residential rates assessments is based on Council's 2015-16 SRP, which factors in a 5% increase per year for existing ratepayers in order to fund new infrastructure and cater for the provision of Council services. This does not take into account possible impacts of state government rate capping policy, which is yet to be finalised.
<b>Expenditure level</b>						
Expenses per property assessment  [Total expenses / Number of property assessments]	\$2,742.17	\$2,993.34	\$3,323.59	\$3,185.11	\$3,236.95	The result for this measure is expected to increase by \$218 per property assessment between 2016 and 2019. This results in an increase of 7% over a three-year period, reflecting Council's commitment to containing cost increases through running efficient services and the implementation of our business improvement program.
<b>Workforce turnover</b>						
Resignations and terminations compared to average staff  [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	8.56%	0.00%	0.00%	0.00%	0.00%	Council does not budget for resignations or terminations.
<b>LIQUIDITY</b>						
<b>Working capital</b>						
Current assets compared to current liabilities  [Current assets / Current liabilities] x 100	262.40%	191.48%	136.90%	184.13%	207.61%	Council has allocated surplus cash reserves in the current year to contribute to the construction of the Torquay North Family and Children's Centre in 2017.

DIMENSION /INDICATOR / MEASURE	RESULTS 2015	FORECASTS				MATERIAL VARIATIONS
		2016	2017	2018	2019	
<b>Unrestricted cash</b>						
Unrestricted cash compared to current liabilities  [Unrestricted cash / Current liabilities] x 100	99.63%	107.11%	63.80%	93.29%	116.52%	Major expenditure is planned on Council's waste facilities in 2017. This will be funded from unrestricted waste reserves.
<b>OBLIGATIONS</b>						
<b>Asset renewal</b>						
Asset renewal compared to depreciation  [Asset renewal expense / Asset depreciation] x 100	63.17%	61.94%	54.47%	59.94%	60.23%	Council is generally meeting the demand for asset renewal as is evident from the condition of the assets. As part of the Long-Term Financial Plan, a 20-year Asset Renewal Strategy is currently being developed to ensure assets are renewed in a timely manner.
<b>Loans and borrowings</b>						
Loans and borrowings compared to rates  [Interest-bearing loans and borrowings / Rate revenue] x 100	37.71%	33.93%	33.62%	35.58%	31.41%	
Loans and borrowings repayments compared to rates  [Interest and principal repayments on interest-bearing loans and borrowings / Rate revenue] x 100	3.99%	3.73%	3.48%	3.66%	4.14%	
<b>Indebtedness</b>						
Non-current liabilities compared to own source revenue  [Non-current liabilities / Own source revenue] x 100	59.94%	50.01%	43.53%	44.22%	39.93%	Council will see a decrease in its provision for tip rehabilitation due to scheduled rehabilitation works in 2016-17, offset partially by an increase to loans in 2016-17 of \$1.6m and 2017-18 of \$3.0 m. Council also forecasts an increase in rates of 5% for existing rates and an increase to rates due to growth of 2%.

## FINANCIAL PERFORMANCE INDICATORS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2015

DIMENSION /INDICATOR / MEASURE	RESULTS 2015	FORECASTS				MATERIAL VARIATIONS
		2016	2017	2018	2019	
<b>OPERATING POSITION</b>						
<b>Adjusted underlying result</b>						
Adjusted underlying surplus (or deficit)  [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100	6.17%	1.94%	-8.69%	-0.69%	1.73%	Council is forecasting its rate revenue to increase by 5% for existing ratepayers plus an additional 2% for growth, partially offset by a larger than usual expensed portion of its abnormally large Capital Works program in 2016-17.
<b>STABILITY</b>						
<b>Rates concentration</b>						
Rates compared to adjusted underlying revenue  [Rate revenue / Adjusted underlying revenue] x 100	71.06%	71.42%	74.81%	75.88%	76.47%	This measure reflects a 5% increase in rates for existing ratepayers per the 2015-16 SRP.
<b>Rates effort</b>						
Rates compared to property values  [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.33%	0.34%	0.36%	0.38%	0.40%	.

### Definitions

"adjusted underlying revenue" means total income other than:

a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure.

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.

"current assets" has the same meaning as in the AAS.

"current liabilities" has the same meaning as in the AAS.

"non-current assets" means all assets other than current assets.

"non-current liabilities" means all liabilities other than current liabilities.

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered

by a council's Strategic Resource Plan.

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

"population" means the resident population estimated by council.

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges.

"recurrent grant" means a grant other than a non-recurrent grant.

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.

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

## OTHER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

### 1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its *Strategic Resource Plan* on 28 June 2015, which forms part of the *Council Plan*.

The *Strategic Resource Plan* includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The *Strategic Resource Plan* can be obtained by contacting Council.

## Certification of the performance statement

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



John Brockway CPA  
**Principal Accounting Officer**  
Dated: 15 September 2015

In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Cr Eve Fisher  
**Councillor**  
Dated: 15 September 2015



Cr Clive Goldsworthy  
**Councillor**  
Dated: 15 September 2015



Keith Baillie  
**Chief Executive Officer**  
Dated: 15 September 2015

# VAGO

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Surf Coast Shire Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2015 of Surf Coast Shire Council which comprises the statement, the related notes and the Council certification of the performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of Surf Coast Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)


### Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### Auditor's Opinion

In my opinion, the performance statement of Surf Coast Shire Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
17 September 2015

  
John Doyle M.Acc FCA  
Auditor-General

## FINANCIAL PERFORMANCE OF SERVICES 2014-15

The following statement provides information for the services listed on pages 69-70 of this report, together with financial performance against the 2014-15 budget and the persons or sections of the community who receive the service.

### Services

SERVICE AREA AND DESCRIPTION OF SERVICES PROVIDED	NET COST	
	ACTUAL VARIANCE	BUDGET \$'000
<b>THEME 1: ENVIRONMENT</b>		
<b>Environment</b>		
This service ensures that Council complies with state and federal legislative requirements regarding the environment, including native vegetation, listed species and ecological communities, estuary works and artificial estuary openings, and statutory planning referrals. The unit also delivers a wide range of Council Plan strategies related to pest plant and animal management, sustainability and climate change. The unit is the designated land manager for Council's many nature reserves (including the world famous Bells Beach Surfing Recreation Reserve), 1,500km of rural roadsides and also some waterways. The unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public.	901 1,061 160	
<b>Open Space Planning</b>		
The open space activities of Council include ensuring that the management of public open space is conducted with a focus on environmental planning. The Open Space Planning unit is responsible for maintaining and planning the development of public open space.	190 197 7	
<b>Waste Management</b>		
The Waste Management function involves management of Council's landfill and transfer stations, waste collection including kerbside rubbish collection and street cleaning and maintenance of street litter bins. The Waste Management unit has a strong focus on community education and waste services planning. The surplus generated by Council's waste charge is reserved for future landfill rehabilitation costs	3,785 3,548 (237)	
<b>THEME 2: GOVERNANCE</b>		
<b>Executive Services &amp; Council Support</b>		
This area of Governance includes the Mayor, Councillors, Chief Executive Officer, and Executive Management Team and associated support, which cannot be easily attributed to the direct service provision areas.	2,201 2,517 316	
<b>Information Services</b>		
This service includes two main sections: Information Technology (incl. Geospatial Information Systems) and Records Management. The Information Technology area supports the organisation's requirements for computer services (incl. provision, support, maintenance, licensing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for Council and external users. The Records Management area manages document compliance (incl. creating, capturing, classifying and archival maintenance) and processing of incoming and outgoing correspondence. The Information Management department has the responsibility to support the organisation with a cost-effective and efficient technology service, which seeks to improve the performance of the organisation.	1,785 1,946 161	
<b>Corporate Planning</b>		
This service provides organisational policy, systems and support in the areas of continuous improvement, corporate planning, performance measurement and reporting.	190 165 (25)	



## FINANCIAL PERFORMANCE OF SERVICES 2014-15 (CONT.)

SERVICE AREA AND DESCRIPTION OF SERVICES PROVIDED	NET COST ACTUAL BUDGET VARIANCE \$'000
<b>THEME 2: GOVERNANCE (CONT.)</b>	
<b>Financial Management</b>	
This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations in regard to financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management unit plays an integral part in Council's long-term financial planning processes, the formulation of Council's annual budget, and the regular reporting of Council's financial performance. This function also includes management of the raising and collection of Council's primary revenue source, rates and charges.	1,222 1,473 251
<b>Risk Management</b>	
This service involves overseeing Council's risk management system, including provision of support to the organisation in regard to managing risks, insurance policies and business continuity.	132 147 15
<b>People and Culture</b>	
This service is responsible for supporting the organisation with strategic and operational human resources management, and includes learning and development, and occupational health and safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high-level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's workforce.	854 896 42
<b>Communications and Community Engagement</b>	
This service is responsible for coordinating Council communications, including liaising with media, formulating media releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and Councillors in regard to media matters. Council's community engagement activity is led and supported by the unit.	785 834 49
<b>Customer Service</b>	
This service is responsible for coordinating Council's front-of-house customer services activities, including attending to customer phone and face-to-face enquiries.	551 549 (2)
<b>Governance</b>	
This service provides statutory and corporate support to the organisation, development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests, maintaining the public registers and managing Council delegations and authorisations.	620 651 31
<b>Development Compliance and Local Laws</b>	
This service includes animal management, traffic management, permits for footpath trading, local law enforcement and state government agencies enforcement activities, building development controls function and planning enforcement. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment by providing animal management services, including cat trapping, dog and cat collection, lost and found notification, a pound, registration and administration service, after-hours and emergency services.	357 413 56

SERVICE AREA AND DESCRIPTION OF SERVICES PROVIDED	NET COST ACTUAL BUDGET VARIANCE \$'000
<b>THEME 3: COMMUNITIES</b>	
<b>Sport and Recreation</b>	
This service is primarily responsible for Council's promotion and support of community access and provision of recreation facilities and programs. It is responsible for the management of Council's sporting reserves and pavilions, community houses and leisure and community services. The unit provides advice on local leisure needs and assists community groups with funding applications, licence agreements and liaises with community houses, men's sheds and S86 committees.	1,282 1,314 32
<b>Social Planning</b>	
This service assists Council to meet its responsibilities for the social wellbeing of the community by providing advice and coordinating projects in the areas of social research, social planning, social policy and health promotion.	265 306 41
<b>Arts Development</b>	
This service provides a varied program of arts and cultural activities. Council plans and develops arts and cultural infrastructure and develops policies and strategies to facilitate art practice.	685 677
The function is also responsible for the provision of library services at Torquay and across the municipality with a mobile service.	(8)
<b>Early Years</b>	
This service provides family-oriented support services, including kindergartens, toy libraries, maternal and child health, youth services, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and, through community engagement, provision of access to facilities and services.	736 796 60
<b>Positive Ageing</b>	
This service provides a range of home and community care and social support services for older people and people with a disability, including home delivered and community meals, in-home domestic respite and personal care, home maintenance, senior citizens and service coordination.	666 1,079 413
<b>Community Emergency Management</b>	
This service assists the community and Council in planning to respond to and recover from all potential emergencies and their consequences. This includes coordinating arrangements for the utilisation and implementation of Council resources in response to emergencies, and arrangements for the provision of assistance to the community during recovery from emergencies. The unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs to high-risk communities.	577 605 28
<b>Environmental Health</b>	
This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties.	330 252
Services include: food safety registration and monitoring; compliance of food, accommodation, caravan parks and health (eg. hairdressers, tattooist, beauty) businesses; inspection and issuing permits for wastewater treatment systems and septic tanks; investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; customer services/expert advice on public and environmental health matters; public health emergency response; and childhood and school immunisation services.	(78)

## FINANCIAL PERFORMANCE OF SERVICES 2014-15 (CONT.)

SERVICE AREA AND DESCRIPTION OF SERVICES PROVIDED	NET COST	
	ACTUAL	BUDGET VARIANCE \$'000
<b>THEME 4: INFRASTRUCTURE</b>		
<b>Parks and Open Space</b>		
This service is responsible for the coordination of all Council parks, reserves, gardens and related infrastructure. This involves ensuring appropriate maintenance levels, including planting of vegetation, tree pruning, planning and developing areas of open space, and implementation of street tree strategies.	3,013	3,182
		169
<b>Civil Works</b>		
This service is responsible for the maintenance of Council's 563 km sealed road network, 540 km unsealed road network, 180km of drains and 63km of footpaths. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up-to-date with improved work practices.	3,900	4,019
		119
<b>Contracts and Capital Works</b>		
This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for the expansion of Council's asset portfolio for the needs of a growing population, as well as planning the renewal management of Council's existing infrastructure. In addition, the unit manages and maintains Council's building and fleet portfolio. This service area also is responsible for design, tendering, contract management and supervision of works required to deliver Council's capital works program.	2,027	2,363
		336
<b>Engineering Services</b>		
This service is responsible for the design of traffic and drainage infrastructure projects as well as subdivision design approval and works inspections. It also manages traffic management, street lighting and bus shelters throughout the shire.	3,426	4,573
		1,147
<b>THEME 5: DEVELOPMENT AND GROWTH</b>		
<b>Planning and Development</b>		
This service is responsible for building and strategic and statutory planning. It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal where necessary. It is also responsible for monitoring Council's planning scheme, developing land use policy and preparing and processing amendments to the planning scheme. Review of policies and strategies relating to urban design issues are also processed under this function.	1,513	1,759
		246
<b>Economic Development and Tourism</b>		
The Economic Development and Tourism unit is responsible for business engagement and support, grants administration, tourism marketing, visitor centres, event facilitation and the Australian National Surfing Museum. Its functions include supporting existing business, attracting new business, providing economic data, grants administration, developing business profiles and contributing to local trader groups.	1,626	1,827
		200
Tourism development functions include promoting the conference market, product development and marketing, and funding Great Ocean Road Regional Tourism. The service also facilitates a range of small to internationally recognised events via our event liaison team, and provides an event grants funding program. Four visitor centres and the Australian National Surfing Museum service and distribute information to visitors.		



# FINANCIAL PERFORMANCE **REPORT**



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# COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>INCOME</b>			
Rates and charges	3	42,984	41,554
Statutory fees and fines	4	1,187	1,288
User fees	5	5,472	4,865
Grants – operating	6	8,909	4,860
Grants – capital	6	3,680	4,120
Contributions – monetary	7	2,570	3,133
Contributions – non-monetary	7	5,075	5,303
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,550)	(1,310)
Share of net profits/(losses) of Geelong Regional Library Corporation	16	(9)	9
Other income	9	937	925
<b>Total income</b>		<b>69,255</b>	<b>64,747</b>
<b>EXPENSES</b>			
Employee costs	10	(24,034)	(22,574)
Materials and services	11	(19,661)	(21,518)
Bad and doubtful debts	12	(120)	(129)
Depreciation	13	(9,835)	(9,445)
Borrowing costs	14	(1,161)	(1,199)
Other expenses	15	(1,727)	(6,736)
<b>Total expenses</b>		<b>(56,538)</b>	<b>(61,601)</b>
<b>Surplus/(deficit) for the year</b>		<b>12,717</b>	<b>3,146</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	23(a)	(410)	-
<b>Total comprehensive result</b>		<b>12,307</b>	<b>3,146</b>

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

# BALANCE SHEET

AS AT 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	5,602	7,494
Trade and other receivables	18	3,969	3,015
Other financial assets	19	18,750	9,250
Inventories	20	287	302
Non-current assets classified as held for sale	21	599	430
Other assets	22	494	198
<b>Total current assets</b>		<b>29,701</b>	<b>20,689</b>
<b>Non-current assets</b>			
Trade and other receivables	18	169	644
Investments in Geelong Regional Library Corporation	16	580	589
Other financial assets	19	1,500	1,500
Property, infrastructure, plant and equipment	23	387,324	384,413
<b>Total non-current assets</b>		<b>389,573</b>	<b>387,146</b>
<b>Total assets</b>		<b>419,274</b>	<b>407,835</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	24	3,118	4,308
Trust funds and deposits	25	1,322	1,199
Provisions	26	6,295	4,771
Interest-bearing loans and borrowings	27	584	548
<b>Total current liabilities</b>		<b>11,319</b>	<b>10,826</b>
<b>Non-current liabilities</b>			
Provisions	26	13,820	14,596
Interest-bearing loans and borrowings	27	15,565	16,149
<b>Total non-current liabilities</b>		<b>29,385</b>	<b>30,745</b>
<b>Total liabilities</b>		<b>40,704</b>	<b>41,571</b>
<b>Net assets</b>		<b>378,570</b>	<b>366,264</b>
<b>EQUITY</b>			
Accumulated surplus		176,720	173,676
Revaluation reserves	28	178,077	178,488
Other reserves	28	23,773	14,100
<b>Total equity</b>		<b>378,570</b>	<b>366,264</b>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

2015	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		366,264	173,676	178,488	14,100
Surplus/(deficit) for the year		12,717	12,717	-	-
Net asset revaluation increment/(decrement)	28(a)	(411)	-	(411)	-
Transfers to other reserves	28(b)	-	(14,823)	-	14,823
Transfers from other reserves	28(b)	-	5,150	-	(5,150)
<b>Balance at end of the financial year</b>		<b>378,570</b>	<b>176,720</b>	<b>178,077</b>	<b>23,773</b>
2014	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		363,118	172,780	178,488	11,850
Surplus/(deficit) for the year		3,146	3,146	-	-
Net asset revaluation increment/(decrement)	28(a)	-	-	-	-
Transfers to other reserves	28(b)	-	(5,092)	-	5,092
Transfers from other reserves	28(b)	-	2,842	-	(2,842)
<b>Balance at end of the financial year</b>		<b>366,264</b>	<b>173,676</b>	<b>178,488</b>	<b>14,100</b>

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

STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rates and charges		42,583	39,902
Statutory fees and fines		1,127	504
User fees		5,774	7,323
Grants – operating		9,171	4,910
Grants – capital		3,810	4,120
Contributions – monetary		2,570	3,133
Interest received		922	925
Trust funds and deposits taken		4,589	497
Net GST refund/payment		2,181	2,999
Employee costs		(23,915)	(24,212)
Materials and services		(25,230)	(24,933)
Trust funds and deposits repaid		(4,466)	(328)
<b>Net cash provided by/(used in) operating activities</b>	29	<b>19,116</b>	<b>14,840</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, infrastructure, plant and equipment	23	(10,644)	(15,205)
Proceeds from sale of property, infrastructure, plant and equipment		843	419
Payments for investments		(32,000)	(20,650)
Proceeds from sale of investments		22,500	22,450
<b>Net cash provided by/(used in) investing activities</b>		<b>(19,301)</b>	<b>(12,986)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs		(1,159)	(1,199)
Repayment of borrowings		(548)	(627)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,707)</b>	<b>(1,826)</b>
Net increase/(decrease) in cash and cash equivalents		(1,892)	28
Cash and cash equivalents at the beginning of the financial year		7,494	7,466
<b>Cash and cash equivalents at the end of the financial year</b>	30	<b>5,602</b>	<b>7,494</b>
Refer to Financing arrangements	31		
Refer to Restrictions on cash assets	17		

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

STATEMENT OF **CAPITAL WORKS**

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
<b>PROPERTY</b>			
Land		36	-
<b>Total land</b>		<b>36</b>	<b>-</b>
Buildings		1,401	2,722
<b>Total buildings</b>		<b>1,401</b>	<b>2,722</b>
<b>Total property</b>		<b>1,437</b>	<b>2,722</b>
<b>PLANT AND EQUIPMENT</b>			
Plant, machinery and equipment		1,372	1,954
Fixtures, fittings, furniture and computers		54	68
Computers and telecommunications		355	445
<b>Total plant and equipment</b>		<b>1,781</b>	<b>2,467</b>
<b>INFRASTRUCTURE</b>			
Roads		4,852	5,232
Bridges		130	281
Footpaths and cycleways		86	160
Drainage and sewerage		344	1,377
Recreational, leisure and community facilities		914	1,187
Parks, open space and streetscapes		980	1,716
Off-street car parks		120	63
<b>Total infrastructure</b>		<b>7,426</b>	<b>10,016</b>
<b>Total capital works expenditure</b>		<b>10,644</b>	<b>15,205</b>
Represented by:			
New asset expenditure		2,151	4,162
Asset renewal expenditure		6,213	5,853
Asset expansion expenditure		455	2,418
Asset upgrade expenditure		1,825	2,772
<b>Total capital works expenditure</b>		<b>10,644</b>	<b>15,205</b>

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

# NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

## INTRODUCTION

Surf Coast Shire Council was established by an Order of the Governor in Council on 9 March 1994 and is a body corporate. The Council's main office is located at 1 Merrijig Drive, Torquay.

## STATEMENT OF COMPLIANCE

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(l))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1(m))
- the determination of employee provisions (refer to Note 1(r)).

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

### (b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

### (c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. The following special committees are not included in this financial report as their aggregate income is immaterial and they prepare their own financial reports separately:

Deans Marsh Public Hall and Memorial Park Committee of Management

Stribling Reserve Committee of Management

Anderson Roadknight Reserve Committee of Management

Eastern Reserve Committee of Management

Modewarre Memorial Hall and Reserve Committee of Management

Connewarre Reserve Committee of Management

Globe Theatre Committee of Management

Anglesea Bike Park Committee of Management

### (d) Accounting for investments in associates and joint arrangements

#### Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

### (e) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

#### Rates and Charges

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

#### Statutory fees and fines

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

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

### Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at its fair value at the date of transfer.

Where grants or contributions recognised as revenue during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

### Contributions

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

### Sale of property, infrastructure, plant and equipment

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

### Interest

Interest is recognised as it is earned.

### Dividends

Dividend revenue is recognised when Council's right to receive payment is established.

### Other income

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

### (f) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair Value measurement aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly

observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

### (h) Trade and other receivables

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

### (i) Other financial assets

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

### (j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

**(k) Non-current assets classified as held for sale**

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

**(l) Recognition and measurement of property, plant and equipment, infrastructure, intangibles**

*Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 – Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced Council officers or independent experts.

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

*Land under roads*

Land under roads acquired after 30 June 2008 is brought to account using an at-cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report. Council recognises land under roads it controls at fair value

**(m) Depreciation of property, infrastructure and plant and equipment**

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

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

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

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

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit \$'000
<b>Buildings</b>		
Heritage buildings	100-150 years	1
Buildings	15-100 years	1
Building improvements	25 years	1
<b>Plant and equipment</b>		
Plant, machinery and equipment	2-15 years	1
Fixtures, fittings and furniture	3-10 years	1
Computers and telecommunications	3-10 years	1
<b>Infrastructure</b>		
Road pavements and seals	10-90 years	1
Road kerb, channel and minor culverts	60-70 years	1
Bridges deck	40-125 years	1
Bridges substructure	40-125 years	1
Footpaths and cycleways	5-70 years	1
Drainage and sewerage	80-150 years	1
Recreational, leisure and community facilities	10-20 years	1
Parks, open space and streetscapes	10-20 years	1
Off-street car parks	10-90 years	1

**(n) Repairs and maintenance**

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

**(o) Impairment of assets**

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

the amount in the revaluation surplus for that same class of asset.

**(p) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

**(q) Borrowings**

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

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

*Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts and interest on borrowings.

**(r) Employee costs and benefits**

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

*Wages and salaries and annual leave*

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

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



NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

remuneration rate expected to apply at the time of settlement.

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL is disclosed as a current liability even when Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months

The components of this current liability are measured at :

- Present value: component that is not expected to be wholly settled within 12 months.
- Nominal value: component that is expected to be wholly settled within 12 months.

*Classification of employee costs*

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

**(s) Landfill rehabilitation provision**

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

**(t) Leases**

*Operating leases*

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

**(u) Goods and Services Tax (GST)**

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(v) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 34 – Contingent liabilities and contingent assets.

**(w) Contingent assets and contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the balance sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

**(x) Pending accounting standards**

Certain new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

**(y) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

**NOTE 2 BUDGET COMPARISON**

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 per cent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 24 June 2014. The budget was based on

assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**a) Income and expenditure**

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	REF
<b>INCOME</b>				
Rates and charges	42,535	42,984	449	1
Statutory fees and fines	608	1,187	579	2
User fees	5,683	5,472	(211)	3
Grants – operating	6,582	8,909	2,327	4
Grants – capital	2,148	3,680	1,532	5
Contributions – monetary	2,533	2,570	37	
Contributions – non-monetary		5,075	2,173	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	586	(1,550)	(2,136)	7
Share of net profits/(losses) of associates and joint ventures	-	(9)	(9)	
Other income	823	937	114	8
<b>Total income</b>	<b>64,400</b>	<b>69,255</b>	<b>4,855</b>	
<b>EXPENSES</b>				
Employee costs	24,041	24,034	7	
Materials and services	22,751	19,661	3,090	9
Bad and doubtful debts	62	120	(58)	10
Depreciation and amortisation	10,516	9,835	681	11
Borrowing costs	1,159	1,161	(2)	
Other expenses	2,412	1,727	685	12
<b>Total expenses</b>	<b>60,941</b>	<b>56,538</b>	<b>4,403</b>	
<b>Surplus/(deficit) for the year</b>	<b>3,459</b>	<b>12,717</b>	<b>9,258</b>	

The budget has been realigned as per the model financial report. Future budgets will be cast as per the model financial report.

## NOTE 2 BUDGET COMPARISON (CONT.)

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Additional rates \$286k; special rates and charges budgeted for in User charges \$163k.
2	Statutory fees and fines	Infringement revenue budget classified as user fees \$631k; town planning revenue higher than budget \$81k; food registration revenue classified as user fees (\$105k); subdivision supervision fees lower than budget (\$40k).
3	User fees	Infringement budget (\$551k) classified as statutory fees and fines; special rates and charges (\$148k) income classified as rates; food registrations (\$105k) income classified as statutory fees and fines; partially offset by waste management services higher than budget \$222k; royalties higher than budget \$144k; and registrations and permits higher than budget \$112k.
4	Grants – operating	Early receipt of 2015-16 Victorian Grants Commission \$1,826k; grants budgeted in 2013-14 and received 2014-15 \$115k, new grants \$385k.
5	Grants – capital	Grants budgeted for in 2013-14 and received in 2014-15 \$1,027k; new grants \$859k; partially offset by unsuccessful grant application (\$220k); and grant funding carried forward to 2015-16 (\$205k) and grant funding paid directly to community group (\$60k).
6	Contributions – non-monetary	Granted assets higher than budget \$1,642k; unbudgeted found assets \$531k.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Written-down value of land higher than budget (\$295k); asset write-offs higher than budget (\$1,780k); proceeds from plant/fleet lower than budget (\$169k); partially offset by unbudgeted sale of property in Torquay Boulevard \$103k.
8	Other income	Interest earned on investments higher than budget \$153k mainly due to cash balances higher than budget; partially offset by interest charges on debtors (\$38k).
9	Materials and services	Expensed capital lower than budget \$1,413k; operating carry forwards to 2015-16 \$1,223k; software maintenance lower than budget due to accruals \$159k; debt collection lower than budget \$102k; royalties lower than budget \$107k.
10	Bad and doubtful debts	Parking fines written-off higher than budget (\$31k); rates debtors written-off not budgeted (\$27k).
11	Depreciation and amortisation	Lower depreciation due to parks and recreation adopted budget calculated at a weighted average 2 per cent higher than actuals; revaluation decrement in buildings.
12	Other expenses	Future landfill rehabilitation not budgeted (\$645k); internal audit not budgeted (\$81k).

## NOTE 2 BUDGET COMPARISON (CONT.)

## b) Capital Works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	REF
<b>PROPERTY</b>				
Land	900	36	(864)	1
<b>Total land</b>	<b>900</b>	<b>36</b>	<b>(864)</b>	
Buildings	774	1,401	627	2
<b>Total buildings</b>	<b>774</b>	<b>1,401</b>	<b>627</b>	
<b>Total property</b>	<b>1,674</b>	<b>1,437</b>	<b>(237)</b>	
<b>PLANT AND EQUIPMENT</b>				
Plant, machinery and equipment	1,391	1,372	(19)	
Fixtures, fittings and furniture	-	54	54	
Computers and telecommunications	340	355	15	
<b>Total plant and equipment</b>	<b>1,731</b>	<b>1,781</b>	<b>50</b>	
<b>INFRASTRUCTURE</b>				
Roads	4,661	4,852	191	3
Bridges	80	130	50	4
Footpaths and cycleways	80	86	6	
Drainage and sewerage	450	344	(106)	5
Recreational, leisure and community facilities	1,294	914	(380)	6
Parks, open space and streetscapes	1,362	980	(382)	7
Off-street car parks	115	120	5	
<b>Total infrastructure</b>	<b>8,042</b>	<b>7,426</b>	<b>(616)</b>	
<b>Total capital works expenditure</b>	<b>11,447</b>	<b>10,644</b>	<b>(803)</b>	
<b>Represented by:</b>				
New asset expenditure	3,166	2,151	(1,015)	8
Asset renewal expenditure	6,094	6,213	119	9
Asset expansion expenditure	140	455	315	10
Asset upgrade expenditure	2,047	1,825	(222)	11
<b>Total capital works expenditure</b>	<b>11,447</b>	<b>10,644</b>	<b>(803)</b>	

## NOTE 2 BUDGET COMPARISON (CONT.)

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Delays in land purchases in Winchelsea (\$865k).
2	Buildings	Great Ocean Road Heritage Centre higher than budget \$211k due to roll forward from prior year; standby generator for Civic Precinct \$198k not in adopted budget; Anglesea Transfer Station \$111k not in adopted budget; buildings keying system replacement \$56k budgeted as operating; Anglesea Kindergarten design not in adopted budget \$49k; Whites Beach toilet higher than budget \$44k due to roll forward from prior year; partially offset by the Lorne Men's Shed lower than budget (\$88k) due to project being carried forward.
3	Roads	Black Spot Funding was confirmed after the adopted budget was finalised for \$160k.
4	Bridges	Coombes Road culvert budgeted for in drainage budget \$35k; fire access tracks culverts budgeted for in operating \$21k.
5	Drainage and sewerage	West Coast Business Park's legal agreement is yet to be finalised for (\$93k) and carried forward to 2015-16; (\$71k) of Dickins Road flood mitigation project has been carried forward to 2015-16 partially offset by Jan Juc Creek daylighting \$57k carried forward from the prior financial year.
6	Recreational, leisure and community facilities	The Torquay Civic Centre Precinct playground lower than budget (\$185k) due to project design delays, carried forward to 2015-16; Spring Creek Recreation Reserve playground lower than budget (\$89k) due to awaiting cultural heritage approval, carried forward to 2015-16; and Playground Strategy implementation lower than budget (\$77k) as landscaping expenditure written-off.
7	Parks, open space and streetscapes	Surf Coast Town Parks Upgrade project lower than budget (\$79k) has been carried forward to 2015-16 for works on Bob Pettitt Reserve and Anglesea Lions Park; Lorne Swing Bridge pathway lower than budget (\$63k) has been carried forward to 2015-16; Spring Creek development lower than budget (\$27k) has been carried forward to 2015-16 for design and ancillary works; and Spring Creek pathway project lower than budget (\$48k) due to expensed landscaping and cultural heritage expenses; Painkalac Creek pathway (\$60k) has been carried forward to 2015-16; park furniture renewal lower than budget (\$66k) due to smaller assets not meeting the asset capitalisation threshold.
8	New asset expenditure	Delays in land purchases in Winchelsea (\$865k); Surf Coast Town Parks Upgrade project lower than budget (\$79k) has been carried forward to 2015-16 for works on Bob Pettitt Reserve and Anglesea Lions Park; Torquay Civic Centre Precinct playground lower than budget (\$185k) due to project design delays, carried forward to 2015-16 partially offset by new car parks \$86k budgeted for as upgrade.
9	Asset renewal expenditure	Anglesea Bowling Club green not in adopted budget \$146k; drainage renewal program under budget (\$25k).
10	Asset expansion expenditure	Great Ocean Road Heritage Centre higher than budget \$304k due to \$204k carry forward from prior year and \$100k budgeted as upgrade.
11	Asset upgrade expenditure	Great Ocean Road Heritage Centre (\$100k) expenditure classified as expansion; car parks (\$86k) expenditure classified as new.

2015 \$'000	2014 \$'000
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## NOTE 3 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the land and buildings and other improvements.

The valuation base used to calculate general rates for 2014-15 was \$12,874 million (2013-14 \$12,632 million). The 2014-15 rate in the dollar was 0.0024130 (2013-14, 0.0023036).

General rates	33,203	31,113
Municipal charge	3,725	3,515
Waste management charge	5,647	5,340
Special rates and charges	163	1,468
Supplementary rates and rate adjustments	246	118
<b>Total rates and charges</b>	<b>42,984</b>	<b>41,554</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied in the rating year commencing 1 July 2014.

## NOTE 4 STATUTORY FEES AND FINES

Infringements and costs	639	614
Town planning fees	282	288
Land information certificates	32	29
Supervision and plan checking subdivisions and subdivision certification fees	142	287
Other statutory fees and fines	92	70
<b>Total statutory fees and fines</b>	<b>1,187</b>	<b>1,288</b>

## NOTE 5 USER FEES

Aged and health services	515	495
Leisure centre and recreation	871	838
Child care/children's programs	507	393
Registration and other permits	493	458
Building services	83	77
Waste management services	1,833	1,519
Royalties	452	492
Gravel pits	122	127
Lease rentals	69	70
Precinct Structure Plan	203	-
Other fees and charges	324	396
<b>Total user fees</b>	<b>5,472</b>	<b>4,865</b>

	2015 \$'000	2014 \$'000
<b>NOTE 6 GRANTS</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	6,779	2,863
State funded grants	5,810	6,117
<b>Total</b>	<b>12,589</b>	<b>8,980</b>
<b>Operating grants</b>		
<i>Recurrent – Commonwealth Government</i>		
Victorian Grants Commission	5,492	1,784
Family day care	46	63
Home and community care	419	315
Other	89	53
<i>Recurrent – State Government</i>		
Home and community care	1,195	1,144
School crossing supervisors	36	35
Maternal and child health	228	218
Community safety	277	272
Kindergartens	783	471
Youth services	107	116
Other	128	96
<b>Total recurrent operating grants</b>	<b>8,800</b>	<b>4,567</b>
<i>Non-recurrent – Commonwealth Government</i>		
Other	39	-
<i>Non-recurrent – State Government</i>		
Community health	10	-
Environmental planning	47	216
Other	9	77
Family and children	4	-
<b>Total non-recurrent operating grants</b>	<b>109</b>	<b>293</b>
<b>Total operating grants</b>	<b>8,909</b>	<b>4,860</b>
<b>Capital Grants</b>		
<i>Recurrent – Commonwealth Government</i>		
Roads to recovery	694	648
<b>Total recurrent capital grants</b>	<b>694</b>	<b>648</b>
<i>Non-recurrent – State Government</i>		
Buildings	50	1,614
Community safety	10	15
Roads	182	39
Tourism	507	60
Recreation	842	744
Waste management	290	-
Other	105	-
Country roads and bridges	1,000	1,000
<b>Total non-recurrent capital grants</b>	<b>2,986</b>	<b>3,472</b>
<b>Total capital grants</b>	<b>3,680</b>	<b>4,120</b>
<b>Conditions on grants</b>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	181	1,600
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	-	(10)
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	<b>181</b>	<b>1,590</b>

	2015 \$'000	2014 \$'000
<b>NOTE 7 CONTRIBUTIONS</b>		
Monetary	2,570	3,133
Non-monetary	5,075	5,303
<b>Total contributions</b>	<b>7,645</b>	<b>8,436</b>
<i>Contributions of non-monetary assets were received in relation to the following asset classes:</i>		
Land	2,216	-
Land under roads	174	811
Infrastructure	2,685	4,492
<b>Total</b>	<b>5,075</b>	<b>5,303</b>
<b>NOTE 8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>		
Proceeds of sale	842	419
Written-down value of assets disposed	(2,392)	(1,729)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,550)</b>	<b>(1,310)</b>
<b>NOTE 9 OTHER INCOME</b>		
Interest	937	925
<b>Total other income</b>	<b>937</b>	<b>925</b>
<b>NOTE 10 (A) EMPLOYEE COSTS</b>		
Wages and salaries	20,143	18,762
WorkCover	611	467
Casual staff	613	747
Superannuation	1,919	1,731
Fringe benefits tax	215	176
Other	533	691
<b>Total employee costs</b>	<b>24,034</b>	<b>22,574</b>

**NOTE 10 (B) SUPERANNUATION**

Surf Coast Shire Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the comprehensive income statement when they are made or due.

*Accumulation*

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5 per cent required under Superannuation Guarantee legislation (for 2013-14, this was 9.25 per cent)).

*Defined benefit*

Surf Coast Shire Council does not use defined benefit accounting for its defined benefit obligations under the Fund's defined benefit category. This is because the Fund's defined benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Surf Coast Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Contributions by Surf Coast Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefit	9.50%	103	122
Vision Super	Accumulation	9.50%	1,311	1,198
Other	Accumulation	9.50%	497	411

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

The expected contribution to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$109,000

	2015 \$'000	2014 \$'000
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**NOTE 11 MATERIALS AND SERVICES**

Materials and services	6,652	8,204
Contract payments	6,991	7,259
General maintenance	209	170
Utilities	1,083	1,079
Office administration	430	366
Information technology	560	608
Insurance	585	603
Consultants	2,209	2,416
Royalties	942	813
<b>Total materials and services</b>	<b>19,661</b>	<b>21,518</b>

**NOTE 12 BAD AND DOUBTFUL DEBTS**

Parking fine debtors	92	111
Rates debtors	27	12
Other debtors	1	6
<b>Total bad and doubtful debts</b>	<b>120</b>	<b>129</b>

**NOTE 13 DEPRECIATION AND AMORTISATION**

Property	1,365	1,570
Plant and equipment	1,380	1,242
Infrastructure	7,090	6,633
<b>Total depreciation and amortisation</b>	<b>9,835</b>	<b>9,445</b>

Refer to Note 23 for a more detailed breakdown of depreciation and amortisation charges.

**NOTE 14 BORROWING COSTS**

Interest – Borrowings	1,161	1,199
<b>Total borrowing costs</b>	<b>1,161</b>	<b>1,199</b>

**NOTE 15 OTHER EXPENSES**

Auditors' remuneration – VAGO audit of the financial statements, performance statement and grant acquittals	36	32
Auditors' remuneration – Internal audit	81	57
Councillors' allowances	285	276
Operating lease rentals	680	740
Assets transferred to the Country Fire Authority	-	497
Future landfill rehabilitation	645	5,134
<b>Total other expenses</b>	<b>1,727</b>	<b>6,736</b>

	2015 \$'000	2014 \$'000
<b>NOTE 16 INVESTMENT IN ASSOCIATES</b>		
<b>a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
– Geelong Regional Library Corporation	580	589
<b>Background</b>		
The Geelong Regional Library Corporation (GRLC) was formed under the provisions of sections 196 and 197 of the <i>Local Government Act 1989</i> on 4 March 1997 to provide library services within the local government areas of Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire and Surf Coast Shire. Council holds 4.7% (2014: 5.53%) of equity in the corporation. Council has one director on the board of seven. Council has the ability to influence rather than control its operations.		
<b>Fair value of Council's investment in Geelong Regional Library Corporation</b>	<b>580</b>	<b>589</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	589	580
Reported surplus/(deficit) for year	(9)	9
Transfers (to)/from reserves	-	-
Distributions for the year	-	-
<b>Council's share of accumulated surplus/(deficit) at end of year</b>	<b>580</b>	<b>589</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	589	580
Share of surplus/(deficit) for year	(9)	9
<b>Carrying value of investment at end of year</b>	<b>580</b>	<b>589</b>

	2015 \$'000	2014 \$'000
<b>NOTE 17 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	5	5
Cash at bank	5,597	3,489
Term deposits (maturity less than 90 days)	-	4,000
<b>Total cash and cash equivalents</b>	<b>5,602</b>	<b>7,494</b>
Term deposits (maturity greater than 90 days, refer Note 19 – Other financial assets)	20,250	10,750
<b>Total cash and cash equivalents and financial assets</b>	<b>25,852</b>	<b>18,244</b>
Council's cash and cash equivalents and financial assets are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
– Trust funds and deposits (Note 25)	1,322	1,199
– Reserve funds restricted for specific use (Note 28)	5,429	4,689
<b>Total restricted funds</b>	<b>6,751</b>	<b>5,888</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>19,101</b>	<b>12,356</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
– Reserve funds allocated for specific use (Note 28)	8,792	9,411
– Defined benefits superannuation	274	-
– Cash held to fund carried forward capital works	5,035	-
– Cash held to fund carried forward capital new initiatives	1,108	-
– Cash held to fund adopted strategy implementation	2,018	-
– Cash held to fund asset renewal	68	-
– Cash held as accumulated unallocated cash	1,049	-
<b>Total funds subject to intended allocations</b>	<b>18,344</b>	<b>9,411</b>

	2015 \$'000	2014 \$'000
<b>NOTE 18 TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates debtors	2,003	1,602
Special rate assessment	152	26
Parking infringement debtors	609	546
Provision for doubtful debts – parking infringements	(84)	(76)
Net GST receivable	287	149
Other debtors	1,081	846
Provision for doubtful debts – other debtors	(79)	(78)
<b>Total current trade and other receivables</b>	<b>3,969</b>	<b>3,015</b>
<b>Non-current</b>		
Special rate scheme	169	644
<b>Total non-current trade and other receivables</b>	<b>169</b>	<b>644</b>
<b>Total trade and other receivables</b>	<b>4,138</b>	<b>3,659</b>
<b>a) Ageing of receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:		
Current (not yet due)	960	549
Past due by up to 30 days	55	125
Past due between 31 and 180 days	58	38
<b>Total trade and other receivables</b>	<b>1,073</b>	<b>712</b>
<b>b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	154	131
New provisions recognised during the year	9	23
<b>Balance at end of year</b>	<b>163</b>	<b>154</b>

	2015 \$'000	2014 \$'000
<b>NOTE 19 OTHER FINANCIAL ASSETS</b>		
Term deposits – Current	18,750	9,250
Term deposits – Non-current	1,500	1,500
<b>Total other financial assets</b>	<b>20,250</b>	<b>10,750</b>
<b>NOTE 20 INVENTORIES</b>		
Inventories held for distribution	221	242
Inventories held for sale	66	60
<b>Total inventories</b>	<b>287</b>	<b>302</b>
<b>NOTE 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land	-	430
Land and buildings	599	-
<b>Total non-current assets classified as held for resale</b>	<b>599</b>	<b>430</b>
<b>NOTE 22 OTHER ASSETS</b>		
Prepayments	247	29
Accrued income	247	169
<b>Total other assets</b>	<b>494</b>	<b>198</b>

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

LAND AND BUILDINGS	NOTE	LAND – LAND – NON-			BUILDINGS – BUILDINGS –		TOTAL BUILDINGS	WORK IN PROGRESS	TOTAL PROPERTY	
		SPECIALISED	*SPECIALISED*	TOTAL LAND	HERITAGE BUILDINGS	*SPECIALISED*				*SPECIALISED*
At fair value 1 July 2014		72,225	31,756	<b>103,981</b>	200	82,660	3,058	<b>85,918</b>	1,027	<b>190,926</b>
Accumulated depreciation at 1 July 2014		-	-	-	-	(32,916)	-	<b>(32,916)</b>	-	<b>(32,916)</b>
		72,225	31,756	<b>103,981</b>	200	49,744	3,058	<b>53,002</b>	1,027	<b>158,010</b>
<b>Movements in fair value</b>										
Acquisition of assets at fair value		33	-	<b>33</b>	-	1,005	200	<b>1,205</b>	199	<b>1,437</b>
Non-monetary contributions		2,390	-	<b>2,390</b>	-	-	-	-	-	<b>2,390</b>
Revaluation increments/decrements		(1,304)	206	<b>(1,098)</b>	-	(917)	2,680	<b>1,763</b>	-	<b>665</b>
Fair value of assets disposed		(208)	-	<b>(208)</b>	-	(343)	(11)	<b>(354)</b>	(258)	<b>(820)</b>
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-
Transfers		27,331	(27,235)	<b>96</b>	(200)	(7,044)	5,900	<b>(1,344)</b>	(769)	<b>(2,017)</b>
		28,242	(27,029)	<b>1,213</b>	(200)	(7,299)	8,769	<b>1,270</b>	(828)	<b>1,655</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation		-	-	-	-	(133)	(1,232)	<b>(1,365)</b>	-	<b>(1,365)</b>
Revaluation increments/decrements		-	-	-	-	1,181	(3,449)	<b>(2,268)</b>	-	<b>(2,268)</b>
Accumulated depreciation of disposals		-	-	-	-	195	1	<b>196</b>	-	<b>196</b>
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	2,596	-	<b>2,596</b>	-	<b>2,596</b>
		-	-	-	-	3,839	(4,680)	<b>(841)</b>	-	<b>(841)</b>
At fair value 30 June 2015		100,467	4,727	<b>105,194</b>	-	75,361	11,827	<b>87,188</b>	199	<b>192,581</b>
Accumulated depreciation at 30 June 2015		-	-	-	-	(29,077)	(4,680)	<b>(33,757)</b>	-	<b>(33,757)</b>
		100,467	4,727	<b>105,194</b>	-	46,284	7,147	<b>53,431</b>	199	<b>158,824</b>

\* Note that in 2014-15 the methodology for classification of specialised and non-specialised and heritage assets has been reviewed, generating transfers between classifications that do not relate to a change in the underlying nature of the asset.

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

PLANT AND EQUIPMENT	NOTE	PLANT MACHINERY AND EQUIPMENT	FIXTURES, FITTINGS AND FURNITURE	COMPUTERS AND TELECOMMS	WORK IN PROGRESS	TOTAL PLANT AND EQUIPMENT
		At fair value 1 July 2014		6,792	1,146	2,493
Accumulated depreciation at 1 July 2014		(2,476)	(284)	(1,488)	-	<b>(4,248)</b>
		4,316	862	1,005	304	<b>6,487</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value		1,372	54	353	3	<b>1,782</b>
Revaluation increments/decrements		-	-	-	-	-
Fair value of assets disposed		(749)	-	(179)	-	<b>(928)</b>
Impairment losses recognised in operating result		-	-	-	-	-
Transfers		-	-	-	-	-
		623	54	174	3	<b>854</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation		(783)	(115)	(482)	-	<b>(1,380)</b>
Accumulated depreciation of disposals		453	-	159	-	<b>612</b>
Impairment losses recognised in operating result		-	-	-	-	-
Transfers		-	-	-	-	-
		(330)	(115)	(323)	-	<b>(768)</b>
At fair value 30 June 2015		7,415	1,200	2,667	307	<b>11,589</b>
Accumulated depreciation at 30 June 2015		(2,806)	(399)	(1,811)	-	<b>(5,016)</b>
		4,609	801	856	307	<b>6,573</b>



## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

INFRASTRUCTURE	NOTE	ROADS	BRIDGES	FOOTPATHS AND CYCLEWAYS	DRAINAGE AND SEWERAGE	RECREATIONAL, LEISURE AND COMMUNITY	PARKS, OPEN SPACES AND STREETSCAPES	OFF-STREET CAR PARKS	WORK IN PROGRESS	TOTAL INFRA-STRUCTURE
At fair value 1 July 2014		205,632	6,240	21,458	59,563	14,640	13,739	3,400	3,938	<b>328,610</b>
Accumulated depreciation at 1 July 2014		(72,095)	(2,117)	(5,651)	(16,205)	(6,130)	(5,695)	(801)	-	<b>(108,694)</b>
		133,537	4,123	15,807	43,358	8,510	8,044	2,599	3,938	<b>219,916</b>
<b>Movements in fair value</b>										
Acquisition of assets at fair value		3,846	130	63	209	761	869	120	1,427	<b>7,425</b>
Non-monetary contributions		948		275	725	5	587	144		<b>2,684</b>
Revaluation increments/decrements		-	-	-	-	1,755	(489)	-	-	<b>1,266</b>
Fair value of assets disposed		(1,441)	(17)	(59)	(7)	(391)	(139)	(14)	(409)	<b>(2,477)</b>
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	<b>-</b>
Transfers		795	-	202	696	177	198	18	(3,122)	<b>(1,036)</b>
		4,148	113	481	1,623	2,307	1,026	268	(2,104)	<b>7,862</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation		(4,216)	(170)	(500)	(686)	(729)	(710)	(79)	-	<b>(7,090)</b>
Revaluation increments/decrements		-	-	-	-	(410)	337	-	-	<b>(73)</b>
Accumulated depreciation of disposals		908	2	28	4	258	100	12	-	<b>1,312</b>
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	<b>-</b>
Transfers		-	-	-	-	-	-	-	-	<b>-</b>
		(3,308)	(168)	(472)	(682)	(881)	(273)	(67)	-	<b>(5,851)</b>
At fair value 30 June 2015		209,780	6,353	21,939	61,186	16,947	14,765	3,668	1,834	<b>336,472</b>
Accumulated depreciation at 30 June 2015		(75,403)	(2,285)	(6,123)	(16,887)	(7,011)	(5,968)	(868)	-	<b>(114,545)</b>
		134,377	4,068	15,816	44,299	9,936	8,797	2,800	1,834	<b>221,927</b>

## NOTE 23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

*Valuation of land and buildings*

Valuation of land and buildings was performed by Opteon. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions, the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of Council's land and buildings, and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Land	-	4,727	-
Specialised land	-	-	100,457
Land improvements	-	-	-
Heritage buildings	-	-	-
Buildings	-	7,147	46,284
Building improvements	-	-	-
<b>Total</b>	<b>-</b>	<b>11,874</b>	<b>146,751</b>

*Valuation of infrastructure*

Valuation of road and other structure assets has been determined in accordance with a valuation undertaken by independent valuer, Mr Peter Maloney, Director of Maloney Asset systems, and Council's Contracts and Capital Works Engineer, Mr John Bertoldi BE (Civil). Valuation of other infrastructure assets has been determined in accordance with a valuation undertaken by the Contracts and Capital Works Engineer, Mr John Bertoldi BE (Civil).

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

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows

	Level 1	Level 2	Level 3
Roads	-	-	134,377
Bridges	-	-	4,068
Footpaths and cycleways	-	-	15,816
Drainage	-	-	44,299
Recreational leisure and community facilities	-	-	9,936
Parks, open space and streetscapes	-	-	8,797
Other infrastructure	-	-	2,800
<b>Total</b>	<b>-</b>	<b>-</b>	<b>220,093</b>

## NOTE 23 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONT.)

*Description of significant unobservable inputs into level 3 valuations*

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.10 and \$1922 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$25 to \$8,100 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 99 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 years to 90 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

**Reconciliation of specialised land**

	2015 \$'000	2014 \$'000
Land under roads	2,806	2,714
Parks and reserves	86,084	58,822
Public use	6,047	5,219
Waste	241	251
Car parks	5,289	5,219
<b>Total specialised land</b>	<b>100,467</b>	<b>72,225</b>

	2015 \$'000	2014 \$'000
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**NOTE 24 TRADE AND OTHER PAYABLES**

Trade payables	2,041	3,534
Accrued expenses	1,077	774
<b>Total trade and other payables</b>	<b>3,118</b>	<b>4,308</b>

**NOTE 25 TRUST FUNDS AND DEPOSITS**

Refundable deposits	1,191	1,195
Fire services levy	131	-
Other refundable deposits	-	4
<b>Total trust funds and deposits</b>	<b>1,322</b>	<b>1,199</b>

*Purpose and nature of items*

Refundable deposits – Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

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

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

**NOTE 26 PROVISIONS**

	Landfill restoration \$ '000	Employee entitlements \$ '000	Total \$ '000
<b>2015</b>			
Balance at beginning of the financial year	14,024	5,343	19,367
Additional provisions	130	1,787	1,917
Amounts used	-	(1,764)	(1,764)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	515	80	595
<b>Balance at the end of the financial year</b>	<b>14,669</b>	<b>5,446</b>	<b>20,115</b>
<b>2014</b>			
Balance at beginning of the financial year	9,200	5,286	14,486
Additional provisions	4,835	1,897	6,732
Amounts used	(310)	(1,492)	(1,802)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	299	(348)	(49)
<b>Balance at the end of the financial year</b>	<b>14,024</b>	<b>5,343</b>	<b>19,367</b>
		<b>2015 \$'000</b>	<b>2014 \$'000</b>

**(a) Employee provisions**
**Current provisions expected to be wholly settled within 12 months**

Annual leave	1,425	1,491
Long service leave	312	302
	<b>1,737</b>	<b>1,793</b>

**Current provisions expected to be wholly settled after 12 months**

Annual leave	246	293
Long service leave	2,827	2,685
	<b>3,073</b>	<b>2,978</b>

**Total current provisions**

	<b>4,810</b>	<b>4,771</b>
<b>Non-current</b>		
Long service leave	636	572
<b>Total non-current provisions</b>	<b>636</b>	<b>572</b>

## Aggregate carrying amount of employee provisions:

Current	4,810	4,771
Non-current	636	572
<b>Total aggregate carrying amount of employee provisions</b>	<b>5,446</b>	<b>5,343</b>

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	3.40%	3.58%
Weighted average discount rates	1.02%	2.76%
Weighted average settlement period	63 mths	65 mths

## NOTE 26 PROVISIONS (CONT.)

**(b) Landfill restoration**

Under legislation Council is obligated to rehabilitate the Anglesea landfill site to a particular standard. Current engineering projections indicate that the Anglesea landfill site will cease operation in 2024-25 and rehabilitation work is progressively occurring until this date. The forecast life of the Anglesea landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation has been calculated based on the present value of the expected cost of works to be undertaken, with the present values calculated using the long-term treasury bond rates provided by the Reserve Bank of Australia. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and planned costs for that work. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, the nature of works required and related costs.

Council raises an annual service charge for garbage collection and disposal, which includes revenue to fund future landfill rehabilitation works.

	2015 \$'000	2014 \$'000
Current	1,485	-
Non-current	13,184	14,024
<b>Total future landfill rehabilitation works</b>	<b>14,669</b>	<b>14,024</b>

The following assumptions were adopted in measuring the present value of landfill rehabilitation:

Weighted average increase in costs	4.00%	4.00%
Weighted average discount rates	1.28%	1.37%
Weighted average settlement period	7.55 yrs	8.04 yrs

**NOTE 27 INTEREST-BEARING LOANS AND BORROWINGS**

	2015 \$'000	2014 \$'000
<b>Current</b>		
Borrowings – secured (by Council's general rates)	577	542
Borrowings – unsecured	7	6
<b>Total current</b>	<b>584</b>	<b>548</b>
<b>Non-current</b>		
Borrowings – secured (by Council's general rates)	15,523	16,101
Borrowings – unsecured	42	48
<b>Total non-current</b>	<b>15,565</b>	<b>16,149</b>
a) The maturity profile for Council's borrowings is:		
Not later than one year	584	548
Later than one year and not later than five years	2,798	2,612
Later than five years	12,767	13,537
	16,149	16,697
b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	584	548
Non-current	15,565	16,149
	16,149	16,697

**NOTE 28 RESERVES**

	Balance at beginning of reporting period \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2015</b>			
<b>Property</b>			
Land	62,917	(1,098)	61,819
Buildings	12,510	(506)	12,004
	75,427	(1,604)	73,823
<b>Infrastructure</b>			
Roads	72,157	-	72,157
Bridges	2,247	-	2,247
Car parks	1,417	-	1,417
Furniture and equipment	32	-	32
Footpaths and cycleways	8,615	-	8,615
Drainage and sewerage	15,826	-	15,826
Recreational, leisure and community facilities	1,018	1,345	2,363
Parks, open space and streetscapes	1,624	(152)	1,472
Library	125	-	125
	103,061	1,193	104,254
<b>Total asset revaluation reserves</b>	<b>178,488</b>	<b>(411)</b>	<b>178,077</b>
<b>2014</b>			
<b>Property</b>			
Land	62,917	-	62,917
Buildings	12,510	-	12,510
	75,427	-	75,427
<b>Infrastructure</b>			
Roads	72,157	-	72,157
Bridges	2,247	-	2,247
Car parks	1,417	-	1,417
Furniture and equipment	32	-	32
Footpaths and cycleways	8,615	-	8,615
Drainage and sewerage	15,826	-	15,826
Recreational, leisure and community facilities	1,018	-	1,018
Parks, open space and streetscapes	1,624	-	1,624
Library	125	-	125
	103,061	-	103,061
<b>Total asset revaluation reserves</b>	<b>178,488</b>	<b>-</b>	<b>178,488</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

## NOTE 28 RESERVES (CONT.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2015</b>				
<b>Restricted</b>				
Open space	1,115	301	(5)	1,411
Main drainage	205	11	-	216
Airey's Inlet aged care units	338	-	-	338
Developer contributions	3,031	733	(300)	3,464
<i>Sub-total restricted reserves</i>	<i>4,689</i>	<i>1,045</i>	<i>(305)</i>	<i>5,429</i>
<b>Allocated</b>				
Plant replacement	982	1,157	(1,061)	1,078
Asset development	60	-	-	60
Waste	7,129	2,634	(3,675)	6,088
Gravel pits	1,226	435	(95)	1,566
Mayoral charity	14	-	(14)	-
Defined benefits superannuation	-	274	-	274
Carried-forward capital works	-	5,035	-	5,035
Carried-forward new initiatives	-	1,108	-	1,108
Adopted strategy implementation	-	2,018	-	2,018
Asset renewal	-	68	-	68
Accumulated unallocated cash	-	1,049	-	1,049
<i>Sub-total allocated reserves</i>	<i>9,411</i>	<i>13,778</i>	<i>(4,845)</i>	<i>18,344</i>
<b>Total other reserves</b>	<b>14,100</b>	<b>14,823</b>	<b>(5,150)</b>	<b>23,773</b>
<b>2014</b>				
<b>Restricted</b>				
Open space	949	426	(260)	1,115
Main drainage	205	-	-	205
Airey's Inlet aged care units	332	6	-	338
Developer contributions	1,859	1,172	-	3,031
<i>Sub-total restricted reserves</i>	<i>3,345</i>	<i>1,604</i>	<i>(260)</i>	<i>4,689</i>
<b>Allocated</b>				
Plant replacement	1,524	914	(1,456)	982
Asset development	60	-	-	60
Waste	6,018	2,097	(986)	7,129
Gravel pits	888	477	(139)	1,226
Mayoral charity	15	-	(1)	14
Defined benefits superannuation	-	-	-	-
Carried-forward capital works	-	-	-	-
Carried-forward new initiatives	-	-	-	-
Adopted strategy implementation	-	-	-	-
Asset renewal	-	-	-	-
Accumulated unallocated cash	-	-	-	-
<i>Sub-total allocated reserves</i>	<i>8,505</i>	<i>3,488</i>	<i>(2,582)</i>	<i>9,411</i>
<b>Total other reserves</b>	<b>11,850</b>	<b>5,092</b>	<b>(2,842)</b>	<b>14,100</b>

## NOTE 28 RESERVES (CONT.)

**(b) Other reserves**

Council's restricted reserves are restricted by either an Act or contractual agreement that limits the use of funds. Council's allocated reserves contain funds that have been resolved by Council to be used in a particular manner.

The purpose of the open space reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and passive nature. This reserve is for a restricted purpose per the *Subdivision Act 1988*.

The purpose of the main drainage reserve is to hold developer contributions for main drainage works at a later point than the initial development. They are tied to works within the catchment area from which funds were derived. This reserve is for a restricted purpose as per the *Planning and Environment Act 1987*.

The purpose of the Airey's Inlet aged care units reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet. This reserve is for a restricted purpose as per the *Housing Act 1983*.

The purpose of the developer contributions reserve is to hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for infrastructure (eg footpaths, fencing, streetscapes) where it is deemed that these works should occur at a later point than the initial development. Funds are also held in this account for the Torquay-Jan Juc Developer Contribution Plan (DCP). Funds collected are specifically identified for projects via S173 agreement or the DCP.

The purpose of the plant replacement reserve is to establish a fund whereby Council's heavy plant can be replaced at the end of their useful lives. The changeover cost of small vehicles is also funded from this reserve.

The purpose of the asset development reserve is to hold funds derived from the sale of Council land or buildings to ensure that they are applied to the creation of new Council assets or debt reduction and not used to enhance Council's operational outcomes. Funds currently held in this reserve have been earmarked for expenditure in the Anglesea Community Precinct.

The purpose of the waste reserve is to ensure that the full cost of the waste function is met by the waste charges (ie garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget.

The purpose of the gravel pits reserve is to provide funding for road improvements for Council roads.

The purpose of the defined benefits reserve is to reserve funds for future defined benefits superannuation funding calls arising from shortfalls in the Local Government Defined Benefits Superannuation Fund.

The purpose of the carried-forward capital works reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

The purpose of the carried-forward new initiatives reserve is to act as a mechanism to carry over funding for new initiatives that are still in progress at year end.

The purpose of the adopted strategy reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

The purpose of the asset renewal reserve is to provide funding based on the Asset Renewal Funding Strategy.

The purpose of the accumulated unallocated cash reserve is to separately identify Council's unallocated cash.

	2015 \$'000	2014 \$'000
<b>NOTE 29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)</b>		
Surplus/(deficit) for the year	12,717	3,146
Depreciation	9,835	9,445
Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,550	1,808
Contributions – Non-monetary assets	(5,075)	(5,303)
Finance costs	1,161	1,199
Other	-	1
Share of net profits/(losses) of Geelong Regional Library Corporation	9	(9)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(479)	(184)
(Increase)/decrease in prepayments	(218)	(29)
Increase/(decrease) in accrued income	(78)	(35)
Increase/(decrease) in trade and other payables	(1,190)	(246)
(Decrease)/increase in trust funds and deposits	123	169
(Increase)/decrease in inventories	15	4
Increase/(decrease) in provisions	746	4,874
Net cash provided by/(used in) operating activities	19,116	14,840
<b>NOTE 30 RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents (see Note 17)	5,602	7,494
	5,602	7,494
<b>NOTE 31 FINANCING ARRANGEMENTS</b>		
Bank overdraft	2,300	2,300
Unused facilities	2,300	2,300

**NOTE 32 COMMITMENTS**

Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2015</b>					
<b>Operating</b>					
Garbage collection	2,677	2,529	6,671	708	12,585
Consultancies	218	-	-	-	218
Cleaning contracts for Council buildings	435	447	459	-	1,341
Other	229	15	-	-	244
<b>Total</b>	<b>3,559</b>	<b>2,991</b>	<b>7,130</b>	<b>708</b>	<b>14,388</b>
<b>Capital</b>					
Buildings	101	-	-	-	101
Drainage and sewerage	47	-	-	-	47
<b>Total</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148</b>
<b>2014</b>					
<b>Operating</b>					
Garbage collection	2,303	2,053	5,412	1,027	10,795
Consultancies	18	-	-	-	18
Cleaning contracts for Council buildings	619	-	-	-	619
Other	24	9	-	-	33
<b>Total</b>	<b>2,964</b>	<b>2,062</b>	<b>5,412</b>	<b>1,027</b>	<b>11,465</b>
<b>Capital</b>					
Buildings	214	-	-	-	214
Other	1,114	-	-	-	1,114
<b>Total</b>	<b>1,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,328</b>

**NOTE 33 OPERATING LEASES**

**(a) Operating lease commitments**

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2015 \$'000	2014 \$'000
Not later than one year	654	662
Later than one year and not later than five years	475	573
Later than five years	324	609
<b>Total</b>	<b>1,453</b>	<b>1,844</b>

**(b) Operating lease receivables**

At the reporting date, Council had the following lease receivables under non-cancellable operating leases for the lease of Council land and buildings.

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

	2015 \$'000	2014 \$'000
Not later than one year	33	33
Later than one year and not later than five years	127	129
Later than five years	311	342
<b>Total</b>	<b>471</b>	<b>504</b>

**NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**Contingent liabilities**

*Defined benefits*

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

*Funding arrangements*

Surf Coast Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Surf Coast Shire Council is a contributing employer was 103.4%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa

Salary information 4.25% pa

Price inflation (CPI) 2.75% pa.

Vision Super has advised that the estimated VBI at June 2015 was 105.8%.

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

**Employer contributions**

*Regular contributions*

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Surf Coast Shire Council makes employer contributions to the Fund's defined benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

*Funding calls*

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Surf Coast Shire Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**Latest actuarial investigation surplus amounts**

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Surf Coast Shire Council is a contributing employer:

A VBI surplus of \$77.1 million; and

A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONT.)

defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceed the value of expected future benefits and expenses.

Surf Coast Shire Council was notified of the results of the actuarial investigation during January 2015.

*Aged Care Units*

Council has an obligation to re-purchase occupancy rights in respect of four aged care units. The rights must be re-purchased at a cost of 90% of the market value of the unit at the time the resident vacates the unit or deceases. At balance date, the aggregate value of the obligation is estimated at \$615,000 (2013-14: \$647,000).

The timing for re-purchase of these rights is uncertain.

*Winchelsea Common*

As a land manager for a portion of the Winchelsea Common, Council has an obligation, along with the State Government, to undertake remediation works for lead shot contamination. The precise scope of work and associated costs are still being determined as part of a master planning process.

*Landfill site rehabilitation*

Council operates a landfill at Anglesea. Council will have to carry out site rehabilitation works in the future. At balance date, Council provided a Bank Guarantee to State of Victoria – Environment Protection Authority. The guarantee provides financial assurance up to \$545,000 for remedial action as defined in section 3.1 EPA Publication 777 – *Determination of financial assurance for landfills, September 2001*.

*Guarantees for loans to other entities*

Council has provided contract performance guarantees. The details and extent of Council's exposure at the reporting date are as follows:

	2015 \$'000	2014 \$'000
<b>Contract Performance:</b>		
2 Red Phoenix Pty Ltd	-	5
Department of Minerals and Energy	20	20
Department of Energy and Resources	50	50
Barwon Region Water Corporation	5	5
	<b>75</b>	<b>80</b>

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

**NOTE 35 FINANCIAL INSTRUMENTS**

**(a) Objectives and policies**

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**(b) Market risk**

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

*Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long-term loans and borrowings at fixed rates, which expose us to fair value interest rate risk. Council does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment

NOTE 35 FINANCIAL INSTRUMENTS (CONT.)

- benchmarking returns and comparison with budget

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have been sufficiently significant during the year to have an impact on the Council's end of year result.

**(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with
- we may require collateral where appropriate
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 34.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

**(d) Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or not having sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council must:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained

- have readily accessible standby facilities and other funding arrangements in place
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitor budget to actual performance on a regular basis
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk, or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**e) Fair value**

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

**Fair value hierarchy**

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

**(f) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- a parallel shift of +1.00% and -0.50% in market interest rates (AUD) from year-end rates of 2.00%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.



**NOTE 36 RELATED PARTY TRANSACTIONS**

**(i) Responsible persons**

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Margot Smith – Mayor (21/10/2014 to current) Councillor Rose Hodge – Mayor (1/07/2014 to 21/10/2014) (Current Councillor) Councillor Eve Fisher Councillor Libby Coker Councillor Brian McKiterick Councillor Clive Goldsworthy Councillor David Bell Councillor Heather Wellington Councillor Rod Nockles (1/07/2014 to 23/04/2015) Councillor Carol McGregor (24/04/2015 to current)
-------------	--

Chief Executive Officer	Stephen Wall (01/07/14 to 17/10/14) Keith Baillie (19/01/15 to current)
-------------------------	--

During 2014-15, the following persons held an acting position as a Responsible Person:

Sunil Bhalla (18/10/14 to 14/11/14) (Acting)
Kate Sullivan (15/11/14 to 18/01/15) (Acting)

The remuneration for the above persons has been included in the senior officers' remuneration below.

**(ii) Remuneration of Responsible Persons**

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands (including officers acting in the role of Chief Executive Officer for that period):

	2015 NO.	2014 NO.
\$1-\$9,999	1	-
\$20,000-\$29,999	7	7
\$30,000-\$39,999	-	-
\$40,000-\$49,999	1	1
\$50,000-\$59,999	-	1
\$60,000-\$69,999	1	-
\$70,000-\$79,999	1	-
\$110,000-\$119,999	1	-
\$250,000-\$259,999	-	1
	<b>12</b>	<b>10</b>

NOTE 36 RELATED PARTY TRANSACTIONS (CONT.)

Total remuneration for the reporting year for Responsible Persons included above amounted to:

2015 \$'000	2014 \$'000
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480	529
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**(iii) Senior officers' remuneration**

A senior officer other than a Responsible Person is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive Officer, or
- b) whose total annual remuneration exceeds \$136,000.

The number of senior officers other than the Responsible Persons are shown below in their relevant income bands.

**INCOME RANGE:**

Less than \$136,000 (reporting directly to CEO)
\$136,000-\$139,999
\$140,000-\$149,999
\$180,000-\$189,999
\$190,000-\$199,999
\$200,000-\$209,999

2015 NO.	2014 NO.
-------------	-------------

3	-
6	3
1	-
-	4
2	-
1	-
13	7

\$'000	\$'000
--------	--------

Total remuneration for the reporting year for senior officers included above amounted to:

1,963	1,158
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There were a number of officers who sat just below the minimum reporting amount in 2013-14 but increased just above the threshold in 2014-15.

**(iv) Responsible Persons retirement benefits**

No retirement benefits have been made by Council to a Responsible Person (2014: nil).

**(v) Loans to Responsible Persons**

No loans have been made, guaranteed or secured by Council to a Responsible Person during the reporting year (2014: nil).

**(vi) Transactions with Responsible Persons**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or related parties of such Responsible Persons during the reporting year (2014: nil).

**NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE**

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



Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Surf Coast Shire Council

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of Surf Coast Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

#### *The Councillors' Responsibility for the Financial Report*

The Councillors of Surf Coast Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Auditing in the Public Interest*

## Independent Auditor's Report (continued)


### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion the financial report presents fairly, in all material respects, the financial position of Surf Coast Shire Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE  
17 September 2015



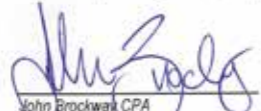
John Doyle M.Acc FCA  
Auditor-General

2

*Auditing in the Public Interest*

**Certification of the Financial Statements**

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.


  
John Brockway CPA  
Principal Accounting Officer

Date : 15 September 2015  
Torquay

In our opinion the accompanying financial statements present fairly the financial transactions of Surf Coast Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.

  
Eve Fisher  
Councillor

Date : 15 September 2015  
Torquay

  
Clive Goldsworthy  
Councillor

Date : 15 September 2015  
Torquay

  
Keith Bailie  
Chief Executive Officer

Date : 15 September 2015  
Torquay

# APPENDICES

## STATS AT A GLANCE

## ENVIRONMENT

CATEGORY	2011-12	2012-13	2013-14	2014-15
Expenditure*	\$1.88m	\$1.9m	\$2.2m	\$2.5m
Percentage of total expenditure*	3%	4%	4%	4%
Kerbside green waste diverted from landfill (tonnes)	2,651	2,731	2,989	2,874
Kerbside recycling diverted from landfill (tonnes)	4,307	4,228	4,270	4,280
Weeds removed/ treated on municipal roadsides (km)	1,039	1,050	2,777	2,840
Rabbit fumigation on municipal roadsides (km)	124	124	336	395
Water Usage - Total (ml)	28	47	63	69.4
Electricity usage (kw) excludes public lighting	789,285	813,016	760,902	834,508
Total energy and gas emissions (tonnes CO2)	1,089	946	967	1,121
Fleet emissions (kg CO2)	1,269	1,294	1,318	1,313
Waste emissions Anglesea landfill (kT CO2-e)		7.56	6.09	4.385

\* Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

## GOVERNANCE

CATEGORY	2011-12	2012-13	2013-14	2014-15
Expenditure*	\$14m	\$11.6m	\$12.9m	\$13.3m
Percentage of total expenditure*	24%	21%	21%	24%
Rates collected by year end	95.70%	96.40%	96%	95%
Rateable property assessments	19,700	20,015	20,113	20,539
External calls to customer service centre	61,329	72,913	67,655	68,750
Emails registered	17,239	26,549	32,853	37,755
Outwards mail items processed	169,667	202,297	167,289	228,712
Pensioner rebates processed	1,811	1,843	1,903	2,028
Debtor invoices issued	13,219	17,742	18,090	16,118
Receipts issued	90,213	109,150	83,234	98,644
Dogs and cats registered	6,010	6,062	6,226	6,038
Dogs and cats returned to their owners	201	230	163	226
Infringements revenue	\$624,257	\$566,493	\$671,985	\$631,000
Social media - Twitter followers	455	1,042	1,851	2,704
Social media - Facebook likes	N/A*	186	489	1507
Social media - Website usage (sessions)	N/A**	152,594	176,161	129,459
Social media - Website usage (users)	N/A**	72,639	87,715	129,459

\* Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

**COMMUNITIES**

CATEGORY	2011-12	2012-13	2013-14	2014-15
Expenditure#	\$6.8m	\$5.8m	\$6.6m	\$7.7m
Percentage of total expenditure#	12%	11%	10%	14%
Major events	55	57	66	73
Total attendance FReeZa events	4,573	2,601	1,138	896 ^
Total attendance Engage! youth events	N/A	830	1,579	381 ^
Food safety inspections	534	714	576	588
Immunisations given	1,664	1,463	1306	1,794
Maternal and child health clients	1,254	1,281	1,289	2,271
Total kindergarten enrolments (4yo)	N/A	218	221	273
Family day care bookings	194	213	223	200
Occasional care bookings	193	240	203	176
School holiday program bookings	2,666	1,974	2117	1,945
Winchelsea Swimming Pool attendance	7,331	8,956	8,615	6,166
Total community care services hours	32,312	31,340	35,370	29,144*
Home and community care services hours	18,752	18,750	21,901	17,720*
Meals on wheels delivered	21,229	16,218	13,313	11560
Library items borrowed**	178,677	171,671	196,915	202,997
Geelong Regional Libraries Corp members resident in Surf Coast	8,423	9,182	9,789	10,193

# Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

The Youth Development Team operated on a reduced staffing capacity for 2014-15 following significant staff changes. To manage this, the team delivered smaller therapeutic group programs that focused on qualitative outcomes as opposed to large scale events. This is reflected in below average participant numbers.

\*Reflective of industry changes (Aged Care Reform/roll-out of National Disability Insurance Scheme) including:

- increase in individual packages that are available and offer clients choice of providers/types of services and opportunities to access more community based services/programs
- increases in episodic care and availability of residential respite and residential care within Surf Coast Shire
- increased clarity around the criteria for accessing services and subsequent allocation (CDC budgets are specific to assessed level of need)
- individually allocated and accountable
- introduction of roll over and contingency budgets (motivation for clients to 'save' their allocated service dollars for the future).

**INFRASTRUCTURE**

CATEGORY	2011-12	2012-13	2013-14	2014-15
Expenditure*	\$31.1m	\$30m	\$36m	\$28.8m
Percentage of total expenditure*	54%	54%	57%	51%
Capital works completed	\$26.1m	\$16.2m	\$15.2m	\$10.6m
New footpaths constructed (km)	1.98	0.5	9.65	5.2
Sealed roads resealed (km)	22.3	25	26.1	23.57
Gravel roads resheeted (km)	28.4	36	37.1	33.61
Customer requests	5,589	7,608	6,769	5,473

\* Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

**DEVELOPMENT AND GROWTH**

CATEGORY	2011-12	2012-13	2013-14	2014-15
Expenditure*	\$4m	\$5.8m	\$5.1m	\$4.3m
Percentage of total expenditure*	7%	10%	8%	8%
Grant funding secured	\$6.064m	\$5.593m	\$4.1m	\$4.2m
Visitor Information Centre enquiries	342,767	318,687	316,024	300,439
Visitor numbers to Surf Coast Shire (million)	1.57	1.39	1.67	1.86
New planning permit applications	546	497	535	546
Building permit applications	1,025	868	852	998
Value of building permits issued (\$m)	319	218	221	204
Subdivision applications	97	78	79	83
Average time to process planning applications (gross days)	114	120	125	120
Planning appeals to VCAT - Council decisions upheld	9	7	16	7
Planning appeals to VCAT - Overturned	6	2	3	3
Planning appeals to VCAT - Pending	14	7	4	7
Planning appeals to VCAT - Withdrawn	5	1	1	1

\* Note: To enable comparability with 2014-15 results, previous years have been realigned where necessary.

## COMMUNITY SATISFACTION SURVEY RESULTS 2015

The annual *Community Satisfaction in Local Government Survey* provides valuable feedback on Council's performance in key performance and service-related areas.

Understanding the community's level of satisfaction is an important indicator of Council's performance in delivering its vision of *Working towards an engaged, innovative and sustainable community* as articulated in the *Council Plan 2013-17*.

The satisfaction survey also provides the opportunity for Council to benchmark its performance against other groups, including large rural shires (refer note below) and statewide results.

PERFORMANCE MEASURE	SURF COAST 2012	SURF COAST 2013	SURF COAST 2014	SURF COAST 2015	LARGE RURAL 2015	STATEWIDE 2015
Overall Performance	59	61	64	66	56	60
Community Consultation	56	58	59	60	54	56
Advocacy (Lobbying on behalf of the community)	51	53	57	59	53	55
Making Community Decisions (Decisions made in the interest of the community)	n/a	n/a	54	58	52	55
Sealed Local Roads	n/a	n/a	60	65	45	55
Customer Service	70	71	71	78	67	70
Overall Council Direction	51	57	57	57	51	53

In 2015, Surf Coast Shire Council performed well above the indices for large rural shires and statewide groups against all core performance measures.

Survey results were presented to the June 2015 ordinary meeting of Council. At this meeting, Council agreed to the development of an action plan in 2015-16 to address improvement opportunities in service performance.

More detailed results, including individual service areas, are available on our website [www.surfcoast.vic.gov.au](http://www.surfcoast.vic.gov.au)

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