



WELLINGTON SHIRE COUNCIL

ANNUAL REPORT

2015 / 16

OUR VISION

**People want to live in
Wellington Shire because of
its liveability, environment
and vibrant economy.**





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1

Report of Operations

1.0 INTRODUCTION

1.1 Council Snapshot

Location: Gippsland region in the State of Victoria, Australia

Area: 10,924 square km (Third largest municipality in Victoria)

Population: 41,440 (2011 Census)

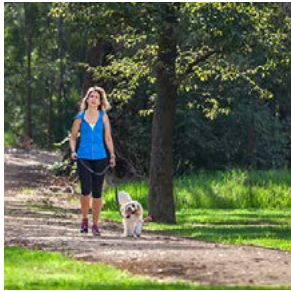


● MELBOURNE



1.0 INTRODUCTION

1.1 Council Snapshot



Population

Wellington's estimated resident population for 2014 was 42,220, forecast to grow to 47,600 residents by 2031. According to the 2011 census, 15.9% of the population were born overseas in Wellington compared to 26.2% in Victoria. Only 3.2% spoke a language other than English at home compared to 23.1% in Victoria. There were 1.4% of Aboriginal and Torres Strait Islander people within the shire.

Source: Australian Bureau of Statistics (ABS), National Regional Profile data.



Age Groups

Wellington has an older age profile compared to Victoria. Residents aged 65 years and over make up 18.4% of Wellington's population compared to 14.8% of the population in Victoria. The estimated median age of population within the shire is 42.6 years while the median age for Victoria is 37.3 years. From 2009 to 2014, the estimated median age of persons within the Shire has moved from 40.5 to 42.6 suggesting an aging population. The proportion of projected population aged 65 years and over by 2031 is 26.1%.

Source: ABS Catalogue 3235.0, Victoria in Future Report.



Housing

There were 15,617 households in Wellington in 2011. This is expected to grow to 20,800 by 2031. When compared to Victoria, Wellington has a larger proportion of households that own their home (39.5% compared to 31.5%); a smaller proportion purchasing their home (owned with a mortgage) (33.8% compared to 35.3%); and a smaller proportion renting (22.9% compared to 26.5%). The average household size (number of persons) was 2.4.

Source: ABS Catalogue 3235.0, Victoria in Future Report.



1.1 Council Snapshot



Education

The educational level attained by Wellington residents (aged 15+ years) is slightly higher than for residents in Gippsland. Persons with post school qualifications as a percentage of total population (aged 15+ years) was 51.6% in 2011 compared to 50.6% in Gippsland. However, it is lower than the Victorian average of 56.2%.

Source: ABS National Regional Profile data.



Employment

In the 2011 Census, the number of Wellington residents that were employed from a total labour force of 18,861 was 17,887 (94.8%). The largest employer in Wellington is the Health Care and Social Assistance sector (making up 12.5% of all employment in 2011) followed by the Agriculture, Forestry and Fishing sector with 11.8% and Retail Trade with 11.3%.

Trends indicate the unemployment rate is growing. In the 2016 March quarter, the unemployment rate in Wellington was 6.1% (up from 5.2% in 2011 census), but lower compared to the unemployment rate in Gippsland which is 7.7%.

Source: Department of Employment, Small Area Labour Market data.



1.2 Purpose

Our Vision

“People want to live in Wellington Shire because of its liveability, environment and vibrant economy.”

Our Values

The organisation’s values guide our behaviour and underpin everything we do. Our values help us achieve the organisation’s vision and improve the quality of the services we offer to our community.

Cooperation

Working together, teamwork, collaboration and being solution-oriented.

Integrity

Acting with respect, honesty, reliability, trust, tolerance and understanding.

Balance

Demonstrating fairness, equity and flexibility. Considering work-life balance, and balancing community needs against resources.

Professionalism

Personal development and meaningful work, being competent, innovative and courageous, focusing on excellence and continuous improvement.

1.3 Fast Facts

- **84,206** square metres of sealed local roads reconstructed.
- **780,248** square metres of local roads resealed.
- **1,516,162** scheduled kerbside garbage and recycling collection bin lifts.
- **10,697** tonnes of garbage and recyclables collected from kerbside bins.
- **3,434** tonnes of recyclables sent for re-processing.
- **2,480km** of gravel road graded.
- **1,205km** of roadside drainage cleaned.
- **8,843km** of roadside slashed.
- **4,103** culverts cleared.
- **1,386** urban drainage pits cleaned.
- **1,954** road related Customer Action Requests received.
- **22,536** Esso BHP Billiton Wellington Entertainment Centre visits.
- **199,337** visits to Wellington Shire Pools (this equates to an average of almost 5 visits per Wellington Shire resident and is a **3.8%** increase from the previous year).
- **14,072** people attended the Gippsland Art Gallery.
- **184,834** library visits.
- **272,336** library collection loans.
- **86** applications successful in receiving Quick Response Grants.
- **54** applications successful in receiving Community Assistance Grants.
- **29,391** people passed through the Visitor Information Centre.
- **10,662** dog and cat registrations.
- **42,721** customer service telephone calls received.
- **23,358** face-to-face customer enquiries received.
- **526** licenced food premises inspected.
- **140** building notices and orders served.
- **504** planning permits issued with an estimated value of development of **\$54,092,951**.
- **14,888** invoices processed for accounts payable.
- **\$70,000** saved on printing and consumables.
- **31,784** rates notices issued.



1.4 Highlights of the Year

1.4.1 Leadership and Engagement

Strategic Objective: *Our community is informed about Council business and is involved in Council decision making. Council advocates on behalf of the community.*

- Department of Health funding has been continued, enabling Council to provide a greatly enhanced vulnerable persons' program that ensures the needs of vulnerable people are considered within emergency management planning.
- Wellington Shire staff supported celebrations of National Aboriginal and Islander Day Observance Committee (NAIDOC) Week. The theme this year – 'We all Stand on Sacred Ground: Learn, Respect and Celebrate' – highlights Aboriginal and Torres Strait Islander peoples' strong spiritual and cultural connection to land and sea.
- In consultation with various stakeholders Council has developed 'A practical guide for caring for vulnerable people in an Emergency Relief Centre'. The protocol is to be included in the Gippsland Emergency Relief Centre Standard Operating Procedure.
- Council's Local Laws team helped implement a management and education program that resulted in significantly improved private land management prior to the fire hazard season.



1.4 Highlights of the Year

1.4.2 Organisational

Strategic Objective: *An organisation that is responsive, flexible, honest, accountable and consistent.*

- Significant cost savings have been realised through the use of new technologies across the organisation such as:
 - Reduction in print costs by 70% which equates to \$70,000 per year.
 - Reduction in telecommunications costs of \$79,000 per year.
 - Reduction in photocopier fleet of 33% which equates to savings of \$32,000 per year.
 - Further direct cost savings in travel expenses to meetings both within Wellington and those held in Melbourne.
- The annual financial audit for the 2014/15 financial year was completed in October 2015 and identified no issues that required reporting to the Audit Committee.
- As part of the introduction of Wellington Excellence just over two years ago, Promapp software was implemented to capture our corporate memory and improve our day to day service delivery. As at July 2016, council staff have documented more than 550 processes in Promapp.
- Wellington Shire Council embarked on a joint project with Maffra Secondary College as part of the Beacon Broadening Horizons program and the Regional Managers Forum with the aim to raise the career aspirations of young students residing in our region. A workplace visit for students provided an insight into the career opportunities available at Wellington Shire Council.
- The introduction of a Learning Development System to automate compliance and governance training resulted in targeted training, follow up of refresher training and a substantial reduction in the cost of delivering training programs.
- The Information Services Business Unit completed the following ICT projects in June 2016:
 - Rollout of Skype for Business at all remote sites.
 - Technology upgrade for all depots (Maffra, Yarram and Sale).
- Customer Service has improved through the use of presence management enabled by Skype for Business. Incoming calls are handled more efficiently, providing faster response times for our community.



1.4 Highlights of the Year

1.4.3 Natural Environment

Strategic Objective: *A community focused on sustainable living and the future protection of Wellington's natural environment.*

- A silage wrap collection was conducted over 2 days at the Gippsland Regional Livestock Exchange. Fourteen tonne of silage wrap was collected for recycling which is equivalent to three semi-trailer loads. This allowed for both the effective reuse of the silage wrap as well as reducing waste to landfill.
- In partnership with Conservation Volunteers Australia (CVA), Council progressed a Green Army project along the Flooding Creek catchment. A group of seven young adults (17 to 24 years of age) and a team leader undertook conservation management training and works, planting 6,500 trees and shrubs at locations including Lake Guyatt and Ross Street Reserve.
- The Environment Protection Authority (EPA) has approved the Longford landfill rehabilitation in line with a Low Risk category. Works associated with this rehabilitation project are planned for the 2017-18 financial year.
- A Sustainable Schools Expo was hosted for regional schools to learn about sustainability and what other schools are doing. Twelve presentations were provided to over 270 children and 40 teachers and parents, including interactive sessions on a range of sustainability topics.



1.4 Highlights of the Year

1.4.4 Infrastructure

Strategic Objective: Assets and infrastructure that meet current and future community needs.

- Works for the renewal of the Merton Vale Road low level crossing were completed to ensure safe access to this area prior to the summer fire season.
- Works were completed on the construction of the new Yarram Recreation Reserve R.W. May Pavilion. In addition to the new pavilion, works to upgrade road access and car parking were also completed.
- Construction of the McLoughlin's Beach footbridge, boat ramp and floating pontoons was completed and feedback from the community was very positive.
- Installation of the Sale Central Business District Toilet was completed in April.
- Works for the redevelopment of the Gippsland Regional Livestock Exchange were completed and an official opening was held on 1 April 2016. The new facility has been extremely well received by users.
- The final draft of the Aquatic Facilities and Services Report (AFSR) 2015-20 was presented to Council. The overall purpose of the AFSR is to ensure Wellington Shire Council continues to provide and operate aquatic facilities that meet the needs of community and industry, are of a high standard and present best value for the Wellington Shire communities.
- Council staff worked closely with the Sale Memorial Hall Committee of Management to complete the Master Plan that will guide decision making in relation to upgrade and renewal of the iconic facility into the future.
- Sport and Recreation Victoria funding applications for Gippsland Regional Sports Complex Stage 2 (\$650,000), Cowwarr Recreation Reserve (\$100,000) and Stratford Recreation Reserve (\$100,000) were successful. All projects will form part of Council's 2016/17 capital works program.



1.4 Highlights of the Year

1.4.5 Land Use Planning

Strategic Objective: *Appropriate and forward looking land use planning that incorporates sustainable growth and development.*

- Council adopted the Longford Development Plan on 17 November 2015, which now provides the foundation for future rural living growth in the township.
- On 15 March 2016, Council adopted a planning scheme amendment to provide for the rezoning of significant areas of land in Port Albert for future rural lifestyle lot growth.
- Rosedale Structure Plan Implementation was approved by the Minister for Planning on 15 October 2015. The Amendment provides the foundation for future growth and development in Rosedale.
- Council continued to provide an efficient planning permit service in 2015/16 with 96% of applications decided within 60 days; this is compared to the rural Council average of 74%. [Source: June 2016 State planning data].



1.0 INTRODUCTION

1.4 Highlights of the Year

1.4.6 Economy

Strategic Objective: Supported business growth and employment, lifestyle opportunities and a vibrant tourism sector.

- The Minister for Defence announced Team 21 as preferred tenderers for Defence Project AIR 5428 to be located at RAAF Base East Sale by 2019, with the project anticipated to have positive impacts on the local economy.
- RAAF Base East Sale officially launched its \$185 million redevelopment works on 8 October 2015.
- Council has undertaken a comprehensive consultation program in the development of a Draft Economic Development Strategy. It is anticipated the Strategy will be adopted in August 2016.
- The Victorian State Government announced \$20 million funding towards Stage 1B of Southern Rural Water Macalister Irrigation District (MID) 2030.
- Wellington Regional Tourism's Annual People's Choice Awards once again recognised leaders in the tourism industry. Council is a long term supporter of this event.
- Council provided ongoing assistance to the organisers of the AUSTimber 2016 event and in particular, supported the Field Expo held at the Hancock Victorian Plantations (HVP) Flynn's Creek site.
- Council worked with RAAF Base East Sale and Victoria Police to support the Freedom of Entry to City of Sale Parade that saw over 260 Base personnel and the Air Force Band march along Raymond Street.



1.0 INTRODUCTION

1.4 Highlights of the Year

1.4.7 Community Wellbeing

Strategic Objective: Enhanced health and wellbeing for the whole community.

- Aqua Energy passed a comprehensive audit process through SCOPE Victoria. The 'Communication Access Assessment' recognises Council's commitment to providing inclusive and accessible facilities.
- The Mobile Library has been replaced by the Outreach Library Service. Council formed partnerships with neighbourhood houses and schools in Gormandale, Briagolong, Golden Beach, Loch Sport and Cowwarr to offer the Outreach Library Service from their community spaces on a weekly basis.
- The Gippsland Art Gallery re-opened in its temporary location at the Port of Sale Business Centre, on 10 July 2015.
- The Municipal Influenza Pandemic Plan was completed and endorsed by the Municipal Emergency Management Planning Committee.
- The Gippsland Art Gallery 50 Year Anniversary book has been published. Written by the Gallery Curator, it documents the 50 year history of the Gallery and includes an image of all 1,300 works in the collection.
- The inaugural Gippsland Print Awards opened at the Gippsland Art Gallery with 256 entries received from all around Australia.
- The Municipal Emergency Management Plan V2.2 passed audit and was adopted by the Municipal Emergency Management Planning Committee.
- The 'Volunteering in Wellington' website was launched. It is a valuable resource both for community groups that are seeking volunteers and for local residents who wish to explore volunteering opportunities www.volunteeringinwellington.com.au.
- The communities of Woodside, Woodside Beach and McLoughlin's Beach have completed their first Community Emergency Plan.
- Recruitment of the new Youth Council was completed. Six members of the 2015 group continued, joined by eight new members. They identified youth mental health as a key area of focus for the coming year.



1.0 INTRODUCTION

1.4 Highlights of the Year

1.4.7 Community Wellbeing

Strategic Objective: Enhanced health and wellbeing for the whole community.

- Walk to School was highly successful with 29 out of 31 schools registered and implementing healthy eating and fitness activity into their curriculum along with promoting active travel. This is the highest level of participation from schools across Wellington Shire.
- The Gippsland Times dedicated four pages to promoting the Social Inclusion Week activities provided through Council and 18 partner organisations.
- Tech Savvy Seniors sessions have been fully booked in our libraries with new digital TV's installed at Maffra and Sale libraries allowing for improved shared education experiences.
- Yarram Early Learning Centre has held its first AGM, celebrating the achievements of the first several months of operation and electing a new committee. They have had an extremely successful first year of operations with better than projected attendance and income.
- The International Women's Day celebration was a great success, with over 100 people attending the breakfast and a panel discussion at the Sale Memorial Hall.
- Council provided Family Violence after Natural Disaster training to 45 people from across the sector including Emergency Services personnel and health and community services staff.
- Feedback was extremely positive and a follow up Train the Trainer session was held to build capacity within Gippsland to run further sessions around the region.
- Council implemented an integrated mosquito management and education program over the 2015/16 summer breeding season.



1.5 Challenges and Future Outlook



Challenges

- The impact of rate capping in the coming financial years.
- Negotiation of Enterprise Agreement Number 9.
- Continuing the development of West Sale Airport – Eastern Recreational Aviation Precinct development and subsequent land sales opportunities.
- Finalising infrastructure levels of service and updating asset management plans.
- Continuing delivery of the Port of Sale Cultural Hub and Precinct projects.
- Progression of the remaining 2016/17 capital works program including over 109 projects.
- Securing external funding to commence a series of high priority infrastructure projects emanating from Council's recreation master planning process including redevelopments at the Sale Tennis Club and the Cameron Sporting Complex in Maffra.
- Progress important recreation infrastructure projects including completion of the Stratford Netball Court redevelopment and making significant progress towards completing the Cowwarr Recreation Reserve Clubroom redevelopment.
- Ensuring there are at least 4,000 community responses providing input to the review of Council's Strategic Vision, Wellington 2030.
- Continuing to work with the Victorian government and Federation Training to improve tertiary and higher education study options, services and facilities in Wellington Shire.
- Development of a Customer Service Strategy improving service to the community.
- Proposed changes to the Domestic Animals Act, 1994.
- Working within an increasingly complex Victorian planning system.
- Managing various strategic planning projects to help facilitate growth and development across the Shire.

1.5 Challenges and Future Outlook



The Future

- Continuing to work with Gippsland councils on service delivery improvements and efficiencies within a rate capped environment.
- Works to commence on the Port of Sale Cultural Hub and Precinct Development.
- Implementation of the first stages of the Sale Botanic Gardens Masterplan.
- Implementation of the first stages of the West Sale Airport Eastern Recreation Aviation Precinct Development.
- Subject to State Government funding, commence detailed design for upgrades at West Sale Airport including runway extension and asphalt overlay, runway lighting and other associated works.
- The completed review of the Wellington 2030 Strategic Vision will provide the new Council with valuable information to influence the development of the Council Plan 2017-21.
- The establishment of the new service review process will guide Council's service delivery decision making during 2016/17 and beyond.
- The review of Council's Level Two Recreation Facility Masterplans will guide decision making in relation to upgrading recreation facilities into the future.
- The review of the Municipal Health and Wellbeing Plan (Healthy Wellington) will guide municipal health and wellbeing planning and service delivery over the next four years.
- The completion of the Wellington Youth Strategy will influence youth service planning and delivery across the Shire.
- Funding (\$650,000) is to be received from the State government for Stage 2 of the Gippsland Regional Sports Complex (GRSC) which includes a new pavilion and synthetic hockey / multipurpose field. One million dollars has also been committed to this project from a local benefactor.
- The total project cost is \$3 million. The project will commence in the 2016/17 financial year.
- Wellington Shire Council Economic Development Strategy 2016-22 will provide Council with strategic direction to grow and develop the economy over the next six years.
- A Statement of Intent between Wellington Shire Council and the Victorian Building Authority (VBA) will set out shared responsibilities between Council, VBA and private surveyors.
- Progression of the newly revised Domestic Wastewater Management Plan 2016 and managing relationships with other levels of government and key partners to enable positive outcomes.
- Planning for further urban growth in North Sale, Wurruk and Longford.
- Advance the future release of industrial land in Wurruk/West Sale and low density residential land ('acre lots') in Heyfield.

2.1 Mayor's Message



Wellington Shire Council continues to focus on listening to, and understanding, the needs of our community. The feedback we receive determines how we provide, within our means, the most appropriate services and infrastructure across our wonderful region.

Once again the annual community satisfaction survey results tell the story that Council is on the right path when it comes to delivering Wellington Shire's community vision for the future. That vision is our guiding Strategic Vision, Wellington 2030.

Council has this year commenced the process of revisiting and renewing that community vision. In the eight years since its initial development, many things have changed in our region. A significant engagement project began in the latter part of the financial year, seeking to clarify if and how our community's priorities have changed.

The renewal of the strategic vision is important for all of us. Our vision determines how we review our priorities, services and programs to best align with the wants and needs of the community through to 2030.

In 2015/16 the rate rise had been Wellington's lowest, at 3.5%. A history of sound financial management has stood Wellington in good stead to achieve the cap, though we recognise that further actions must be taken to preserve and

continue in our ability to deliver services required and sought by our community given such external pressures.

With all our services and programs, Council promotes innovation to help deliver efficiencies for the community which in turn enable greater financial savings. A great example of this has been the delivery of award winning information and communications technologies in our Sale administration office, which have delivered ongoing savings of over \$180,000 a year in telecommunications, printing and copying. Demonstrable improvements to Council services such as food business and fire prevention inspections, also made possible through the introduction of vastly improved technologies, generate further sustainable savings for the organisation.

Partnerships have also been a significant focus of the 2015/16

With all our services and programs, Council promotes innovation to help deliver efficiencies for the community which in turn enable greater financial savings.

financial year. Community partnerships were at the forefront of the planning and design process for the Port of Sale Precinct Redevelopment. Thanks to the positive contributions from a

2.0 THE YEAR IN REVIEW

2.1 Mayor's Message

broad range of community stakeholders, construction for this project has commenced and is due for completion within the next twelve months.

Among many other projects, this year Council has completed the Gippsland Regional Livestock Exchange (GRLE), Loch Sport Skate Park, Sale CBD Toilets, Yarram Recreation Reserve May Pavilion and McLoughlins Beach Footbridge. Council and the multitude of people involved in the development of these significant infrastructure projects stood side by side at their openings, celebrating the partnerships which make these bodies of work such successes.

Walk to School Month, Social Inclusion Week and Parks Week have been wonderful examples of Council and community working together. Each event has been an outstanding success and clear demonstration of the great things we can achieve. Walk to School saw participation from 29 of Wellington's 31 primary schools; we worked with 11 community groups to deliver 26 events through Parks Week and 18 community groups to deliver 24 events for Social Inclusion Week.

Perhaps the most significant news of the year for the Wellington Shire economy was the announcement of Team 21 as the preferred tenderers for Defence Project

AIR 5428 to be located at RAAF Base East Sale by 2019. The anticipated positive impact is great, with a projected injection of \$28 million into our local economy from direct wages and salaries from a boost of on-base personnel numbers from 620 to well over 900 including military, Defence staff, contractors and students.

Once flow-on industrial and consumption effects are taken into consideration, securing AIR 5428 will boost our local economic output by up to \$168 million per annum and is expected to deliver over 500 direct or indirect jobs. It is estimated that the value add of these operations will bring approximately \$2 billion to the Victorian economy over 25 years.

The multitude of services and programs delivered by Council over the past year are clearly detailed within this annual report. This document stands testament to our actions for the betterment of our region and I am proud to present it to you on behalf of Council.

Cr Darren McCubbin

Mayor | Wellington Shire Council



2.0 THE YEAR IN REVIEW

2.2 Financial Summary

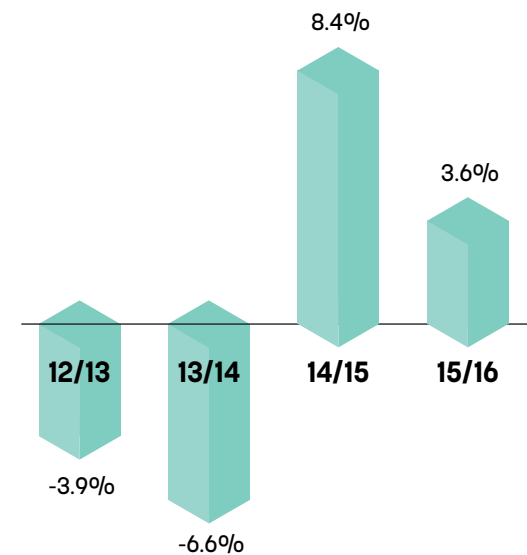
This summary should be read in conjunction with the Financial Statement and Performance Statement which are available as an Appendix to this Annual Report.

2.2.1 Operating Position

Council finished the year in a strong position, as evidenced by the surplus of \$11.2 million (excludes asset revaluation increments), against a budgeted surplus of \$1.9 million, a variance gain of \$9.3 million. The following major factors influenced this result:

- Non-monetary contributions of \$5.93 million consisting mainly of infrastructure assets contributed by developers for new subdivisions.
- Offset by \$6.0 million Commonwealth Financial Assistance Grant, budgeted but received during June of the previous financial year.
- Deferral of the rehabilitation of the Kilmany and Longford landfills to 2016/17 and 2017/18 resulting in a \$2.33 million underspend, Kilmany is currently awaiting EPA design approval and discussions are continuing with the EPA on rehabilitation to meet the very low risk profile for the Longford landfill.
- The majority of the contribution to the Princes Highway/Cobains Road Intersection Upgrade of \$1.48 million has been delayed to 2016/17.
- Increased allocation of funding from the Roads to Recovery Program of \$1.05 million was received.
- Savings in employee costs of \$579k resulting from vacancies throughout the year.
- Savings in annual depreciation of \$1.05 million resulting from the full year impact of the buildings and drainage revaluations completed in 2014/15.
- Savings in utility costs and insurance premiums of \$502,000. The majority of the utility costs savings were mainly due to the replacement of street lighting with LED luminaries which are more energy efficient to substitute.
- Additional rate revenue of \$318,000 as a result of supplementary rates assessments.
- Additional interest from investments resulting in higher than expected cash balances, coupled with higher rates debtor balances incurring interest over expected levels, yielded an additional \$256,000.
- Fees raised from commercial tipping were higher than anticipated \$231,000 due to the larger volume of waste processed during 2015/16.

Adjusted Underlying Result %



The adjusted underlying result above, excludes non-recurrent capital grants, other revenue received towards capital projects, non-monetary asset contributions (gifted assets and developer subdivision contributions) and the effects of asset revaluations. The adjusted underlying result is 3.6% which is within the required range of -20% to 20%. Achieving an underlying surplus is a critical financial strategy that provides capacity to renew Council's assets, and this is an ongoing challenge for councils with an extensive road network and lower populations than metropolitan councils to pay for it.

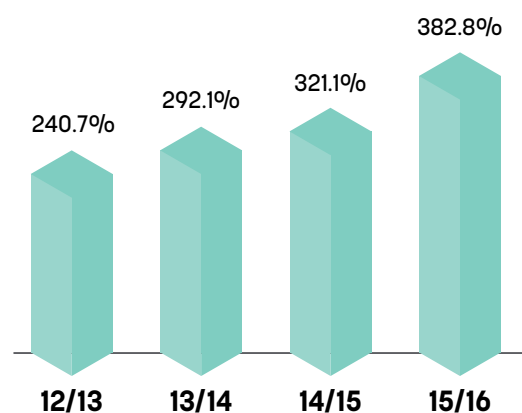
2.0 THE YEAR IN REVIEW

2.2 Financial Summary

2.2.2 Liquidity

Working capital at the end of the year was \$38.4 million or 382.8%, which is well above Council's budgeted position of 256.2%. The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 382.8% reflects our strong financial position, and is well above the expected target band of between 120% and 200%. This does not consider cash which is restricted to specific uses which would reduce the ratio down to 239.4%.

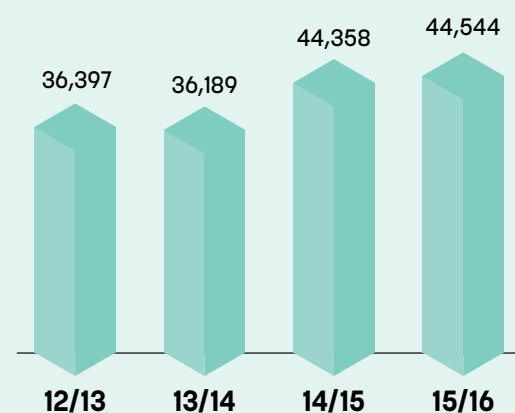
Working Capital Ratio %



2.2.3 Cash

Council's cash including term deposits greater than 90 days maturity (classified as other financial assets) finished at \$44.5 million against a budget of \$31.4 million, with \$19.5 million reserved for specific uses in future years including completion of carried forward capital works, the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme and future waste infrastructure projects.

Cash \$000's

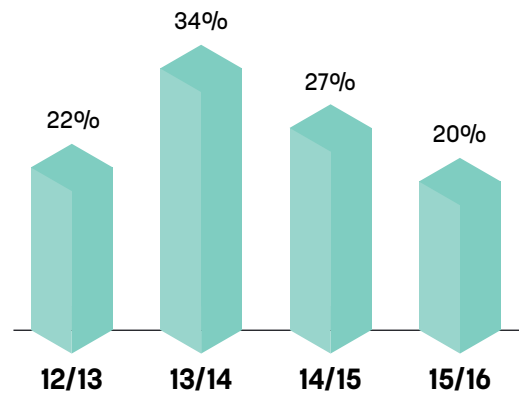


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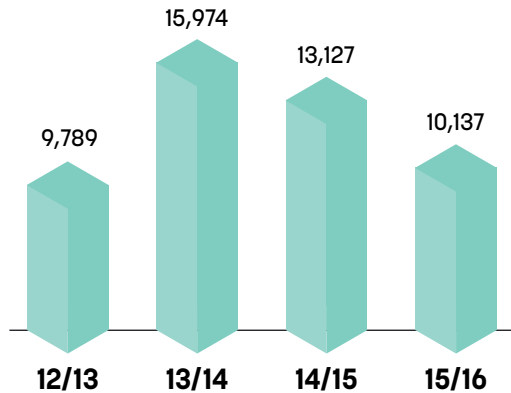
2.2.4 Obligations

During the 2015/16 year \$2.99 million of existing debt was repaid. At the end of the year, Council's debt ratio was 19.6% well within the expected target band of 0% - 70%, and is also in line with Council's Borrowing Strategy of no more than 40% of annual rate revenue. Planned borrowings of \$1.80 million to fund the Princes Highway – Cobains Road intersection upgrade were lowered to \$1.30 million and deferred to 2016/17. The \$0.2 million to fund a residential street construction scheme (and to be repaid by participating ratepayers over 5 to 10 years) was also deferred to 2016/17. Planned borrowings of \$1.17 million for the Sale Livestock Exchange Upgrade were not required.

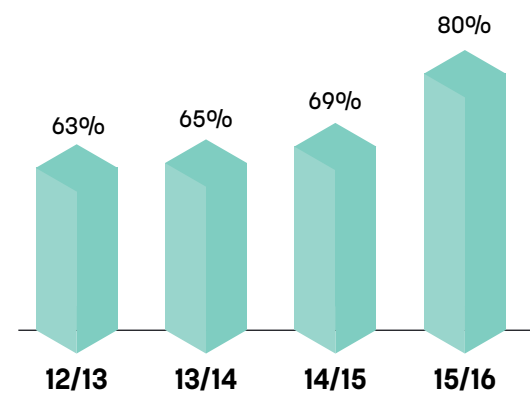
Loans and Borrowings Ratio %



Borrowings \$000's



Asset Renewal Ratio %

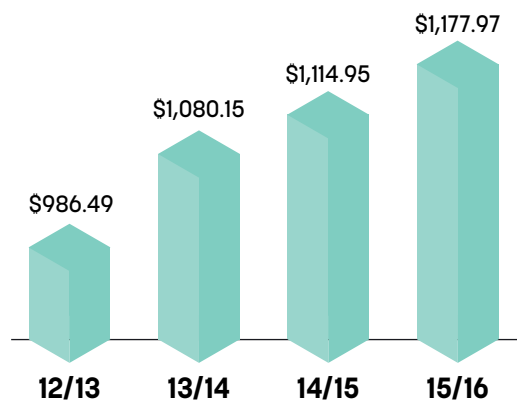


2.2 Financial Summary

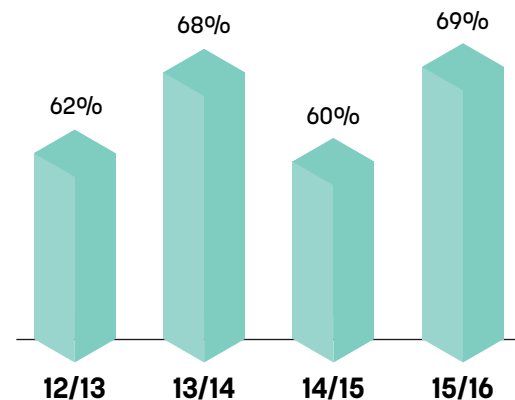
2.2.5 Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Council's rates concentration which compares rate revenue to adjusted underlying revenue was 69% for the 2015/16 year. Council has focussed on controlling costs and for the 2015/16 year was able to keep its general rate increase to 3.5%. This resulted in an average residential rate per residential assessment of \$1,178, an increase of only \$1.21 per week on the prior year.

Revenue Level



Rates Concentration Ratio %

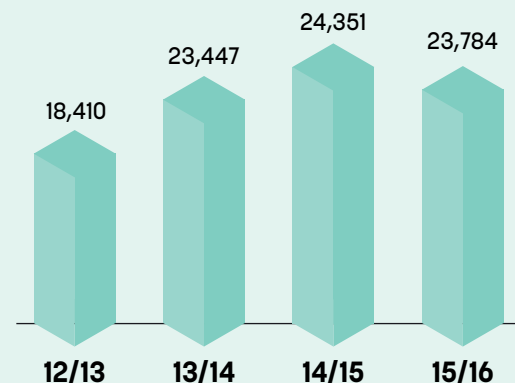


2.2.6 Capital Expenditure

During the year, Council spent \$23.78 million on capital works. Council invested \$11.70 million on improving our roads, bridges, and footpaths, including \$2.94 million to reseal rural and urban roads. Projects completed during the year include the Sale Livestock Exchange Upgrade for \$1.25 million and the McLoughlins Beach Footbridge for \$670k. In addition, \$1.10 million was spent on progressing the Port of Sale Cultural Hub Redevelopment, for which the architects have finalised the design.

A further \$1.78 million was spent on our parks, gardens, and streetscapes around the Shire.

Capital Expenditure \$000's





2.3 Description of Operations

Wellington Shire Council is responsible for delivering more than 100 services, from the maintenance of public open spaces, environmental health, statutory building services, land use planning, compliance, animal management, infrastructure planning, road management and maintenance, building and maintenance, community wellbeing, recreation facilities, arts and culture, access and inclusion, youth engagement, waste management; to matters concerning business development, tourism, planning for appropriate development and ensuring accountability for Council's budget.

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our 2013-17 Council Plan and the associated Budget 2015/16 and are reported upon in this document. Refer to the section on Our Performance for more information about Council services.

The delivery of services, facilities, support and advocacy to achieve the strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislation.

2.3.1 Major Capital Works

Sale Livestock Exchange

Works on the redeveloped Gippsland Regional Livestock Exchange (formerly the Sale Livestock Exchange) concluded during 2015/16. A strong business case for refurbishment of the existing yards demonstrated justification for Council to progress the refurbishment. The business case acknowledged the saleyard's positive economic benefits for Wellington Shire and as a result Council committed \$3.3 million to redevelop the facility on the existing site. Extensive stakeholder engagement with representatives including farming groups, livestock agents, transporters and the site lessee was undertaken throughout the planning, design and development stages to ensure each group's needs were considered.

The primary elements of the refurbishment included restoration of a significant area of roofing, new pens and separate buyers' walkways. In covering the yards, soft-flooring could be used over concrete, providing water and waste water savings and significantly improved animal welfare. The refurbishment incorporated a range of Environmental Sustainable Design principles including water capture and reuse with one mega litre of storage for the truck wash and stock drinking water and energy efficient LED lighting.

Dedicated walkways provide improved presentation of stock, and reduce risks for buyers and the general public. Adjustable loading ramps provide a significant improvement to OHS and safety for livestock and operators. All elements of the refurbishment were aimed at improving safety, the environment and the attractiveness of the facility as a place to market livestock.

The \$3.3 million project was officially opened in April 2016.



2.3 Description of Operations

Yarram Recreation Reserve

A brand new R.W. May Pavilion was constructed at the Yarram Recreation Reserve and officially opened in April 2016. The project emanated from the Yarram Recreation Reserve master plan developed in 2012. The new multipurpose pavilion is a valuable piece of community infrastructure and is utilised by 15 different user groups.

The new 980 square metre facility is fully accessible, catering for people of diverse abilities and includes a great multi-purpose community meeting space, kitchen and servery, change rooms, first aid room, accessible toilets and car parking. At a total project cost of \$2.1 million, Council contributed \$1.4 million, the Victorian Government contributed \$650,000 and the Yarram community demonstrated overwhelming support raising \$50,000 towards the project.

McLoughlin's Beach Boat Ramp and Boardwalk

The project saw the installation of a new 184m long pedestrian bridge across McLoughlin's Channel, connecting the McLoughlin's Beach township with the Nooramunga National Coastal and Marine Park. The new bridge replaced an old structure which was at the end of its useable life. The project was completed in December 2015 some three months ahead of time. The final cost of the composite structure was \$648,000, over \$100,000 below the allocated budget of \$750,000 for the project.

The project has resulted in sustainable future pedestrian access across McLoughlin's Channel, providing a unique connection from the McLoughlin's Beach township to the Nooramunga Marine and Coastal Park and Ninety Mile Beach. Maintaining this access via successfully renewing the footbridge completes the second highest priority listed within the McLoughlin's Beach Community Plan.

For many, the McLoughlin's Beach Footbridge forms the only feasible means of access to the surf beach and the surrounding native bushland of the primary dunes and walking tracks. These opportunities are critical to the social wellbeing of the township's residents. This area is a widely promoted and established recreational and tourism destination for activities such as bushwalking, sightseeing, whale watching and recreational beach fishing.

2.3 Description of Operations

2.3.2 Major Changes

- An arrangement commenced with East Gippsland Shire Council to better align information technology communications (ICT) operations and achieve new efficiencies by working together to streamline ICT services across both Councils. Major initiatives of the arrangement included a shared Manager Information Services and shared ICT Service Desk.
- A secondment position was created for 18 months to enable Council to project manage 'in house' the design and construction of the Port of Sale Cultural Hub and Precinct. The Manager Healthy Lifestyles has been seconded into this role.
- The aquatic and recreational services within the Healthy Lifestyles Business Unit were separated into a new Business Unit titled Leisure Services. This structural change enables the implementation of a range of recommendations emanating from strategic planning and an operational review.
- A secondment position was created for 12 months to review Council's strategic vision Wellington 2030 and develop and implement a service review process that enables Council to better align Council services with the strategic vision of the community. The Coordinator Social Policy and Planning has been seconded into this role.
- Changes to the Code of Practice for Animal Breeding and Rearing Establishments.
- Increased fees for breeding establishments to fund additional staff member required to monitor compliance.
- The State Government has commenced a review of State wide planning fees and released an updated Floodplain Management Strategy for Victoria.
- A refocus for our environmental sustainability initiatives allowed for one environmental sustainability position to become part time.



2.3 Description of Operations

2.3.3 Major Achievements

- Commenced planning for West Sale Airport - Eastern Recreation Aviation Precinct - freehold land development project.
- Completed Master Planning process for Sale Botanic Gardens.
- Reviewed a number of Parks Services to ensure efficient and effective services are being provided. This included the development of new guidelines for wetland maintenance and for urban tree inspection.
- Delivered 150 sessions of Council's Sustainable Living Education (SLED) program - across the year involving 4,980 participants from kindergartens, schools and community.
- Selected to host the Victorian Country Long Course Swimming Championships at Aqua Energy in January 2017. The event attracts around 2,000 competitors to the region and generates significant economic activity.
- Secured significant funding from the State Government to further enhance recreation facilities, including:
 - \$650,000 for the development of Gippsland Regional Sports Complex Stage 2.
 - \$100,000 for the redevelopment of the Cowwarr Recreation Reserve change rooms.
 - \$100,000 for the development of the new netball court at the Stratford Recreation Reserve.
- Successful funding application in the Age-Friendly Communities' Grants program for \$100,000.



2.3 Description of Operations

2.3.3 Major Achievements

- The publication of 'Hindsight: Gippsland Art Gallery History & Collections 1965-2015', was made possible through the generous support of the Gallery's Patron, John Leslie OBE. The comprehensive 448 page book features a full history of the Gallery, a complete catalogue of the collection, and listing of all exhibitions held, as well as a brief social history for the 50 year period since the Gallery's establishment. This publication documents the development of the Gippsland Art Gallery from humble beginnings into one of regional Victoria's leading public galleries with world class exhibitions.
- It was a very successful year for enrolments at the Yarram Early Learning Centre.
- During 2015/16, Federal Government announced that the Basic Flying Training component of Defence Project AIR 5428 would be relocated from Tamworth NSW to RAAF Base East Sale in Victoria. The project will boost the local economic output by up to \$168 million per year, over a 25 year period.
- A major upgrade was undertaken at Council's municipal pound facility.
- Implementation of a mobility strategy for Municipal Services unit.
- Issued 96% of planning permits within 60 days, well above the rural average of 74%.
- Completed the Longford Development Plan to guide future rural lifestyle lot growth in the township.
- Rezoned the former Sale Police Station site to facilitate redevelopment and rezoned land in Port Albert to facilitate future lifestyle lot development/population growth.

2.3.4 Economic Factors

There were no significant / unexpected financial challenges faced by Council during the 2015/16 year.

3.0 OUR COUNCIL

3.1 Municipality Profile

Wellington Shire is the third largest municipality in Victoria, covering an area of 10,924 square kilometres to the east of the state. Wellington is easily accessible from Melbourne by either road or rail with a convenient travel time of approximately two hours.

Wellington Shire is ideally placed for enjoying all that Gippsland has to offer, whether as a resident, visitor or tourist. Located at the heart of Gippsland, Wellington Shire extends from the Great Dividing Range and Victoria's High Country, through rich irrigated flats and some of the most productive grazing land in Australia to the internationally significant Gippsland Lakes and Wetlands and the Ninety Mile Beach and Bass Strait.

Wellington Shire provides the finest and best aspects of regional Victorian living from its mile upon mile of pristine coastline, dramatic vistas of the Victorian High Country, rich irrigated grazing and cropping land and internationally significant rainforest National Parkland. The variety of communities and residential options are as diverse as the landscape.

Wellington Shire residents can choose from a wide range of affordable housing options in any of our towns or in the heart of the country with views of the ocean, open plains or mountain ranges.



3.0 OUR COUNCIL

3.1 Municipality Profile

The most recent Census data showed that the Wellington population grew from 40,079 in 2006 to 41,440 in 2011 with the estimated resident population for 2015 at 41,965. Council is very active in planning to ensure there is a plentiful supply of new residential and industrial land to encourage this growth.

Attractive features of the Wellington region include the many regional shopping centres; excellent public facilities for sports, health and cultural entertainment including the Gippsland Regional Sports Complex, Aqua Energy heated indoor pool and gym and the Esso BHP Billiton Wellington Entertainment Centre (EBBWEC); and plentiful education options including outstanding public and private schools, TAFE campuses with a wide range of programs, from University degrees to postgraduate courses in business, nursing and food industry management.

Thirteen percent of the Wellington population work within the agricultural sector, with a wide variety of other local opportunities ranging from

manufacturing and construction to retail, mining, public sector and education, arts and recreation.

There is a wide variety of industry and business contributing to the local economy including; mining, offshore oil and gas extraction, primary production and agriculture, tourism and service industries, retail, healthcare, education and community services. RAAF Base East Sale is a major air and ground training base and home to the famous Roulettes, Central Flying School, the Officers' Training School and the schools of Air Warfare and Air Traffic Control. The relocation of the Basic Flying Training component of Defence Project AIR 5428 to RAAF Base East Sale, announced by the Federal Government in 2015, is expected to boost the local economic output by up to \$168 million per year, over a 25 year period.

The Council-owned West Sale Airport provides a base for helicopters servicing the Bass Strait oil rigs and for the servicing of aircraft and training of civilian pilots and aircraft maintenance engineers. With Yarram Aerodrome and aerodromes at



3.1 Municipality Profile

Bairnsdale and other locations in East Gippsland, there are extensive facilities for defence, general and recreational aviation and considerable capacity for expansion.

Esso Australia's Longford Plants, south of Sale, supply gas to Victoria, New South Wales and Tasmania. A number of local companies provide services to the Bass Strait oil and gas industry, operated by Exxon Mobil (Esso). Esso is nearing completion on the construction of a \$1b gas reconditioning plant confirming our place as one of Victoria's major energy regions.

Agricultural land in Wellington Shire offers some of the best conditions in the state, with Gippsland fast developing a name as Victoria's Food Bowl. The Macalister Irrigation District, with its centre at Maffra, supports Wellington's strong dairy, beef and vegetable growing industries comprising award winning businesses providing goods Australia wide.

Timber is another natural resource which contributes to the local economy through direct employment, contract and transportation services. Australian Sustainable Hardwoods (ASH), at Heyfield, mill timber products from sustainably grown forests and manufacture products such as windows, doors, staircases, flooring and architraves.

Ours is a diverse, vibrant and connected community where delivering liveability, economic prosperity and sustainability outcomes underpin all that we do.



3.0 OUR COUNCIL

3.2 Councillors



Cr Darren McCubbin
MAYOR

Elected: 2003, 2005, 2008, 2012

0458 006 486

darren.mccubbin@wellington.vic.gov.au



Cr Bob Wenger

DEPUTY MAYOR

Elected: 2005, 2012

0409 685 522

bob.wenger@wellington.vic.gov.au



Cr Carolyn Crossley

Elected: 2012

0409 495 833

carolyn.crossley@wellington.vic.gov.au



Cr John Duncan

Elected: 2012

0409 606 809

john.duncan@wellington.vic.gov.au



Cr Patrick McIvor

Elected: 2012

0409 592 244

patrick.mcivor@wellington.vic.gov.au



Cr Peter Cleary

Elected: 2005, 2008, 2012

0408 317 308

peter.cleary@wellington.vic.gov.au



Cr Emilie Davine

Elected: 2012

0409 500 366

emilie.davine@wellington.vic.gov.au



Cr Malcolm Hole

Elected: 2000, 2003, 2005, 2008, 2012

0408 541 746

malcolm.hole@wellington.vic.gov.au



Cr Scott Rossetti

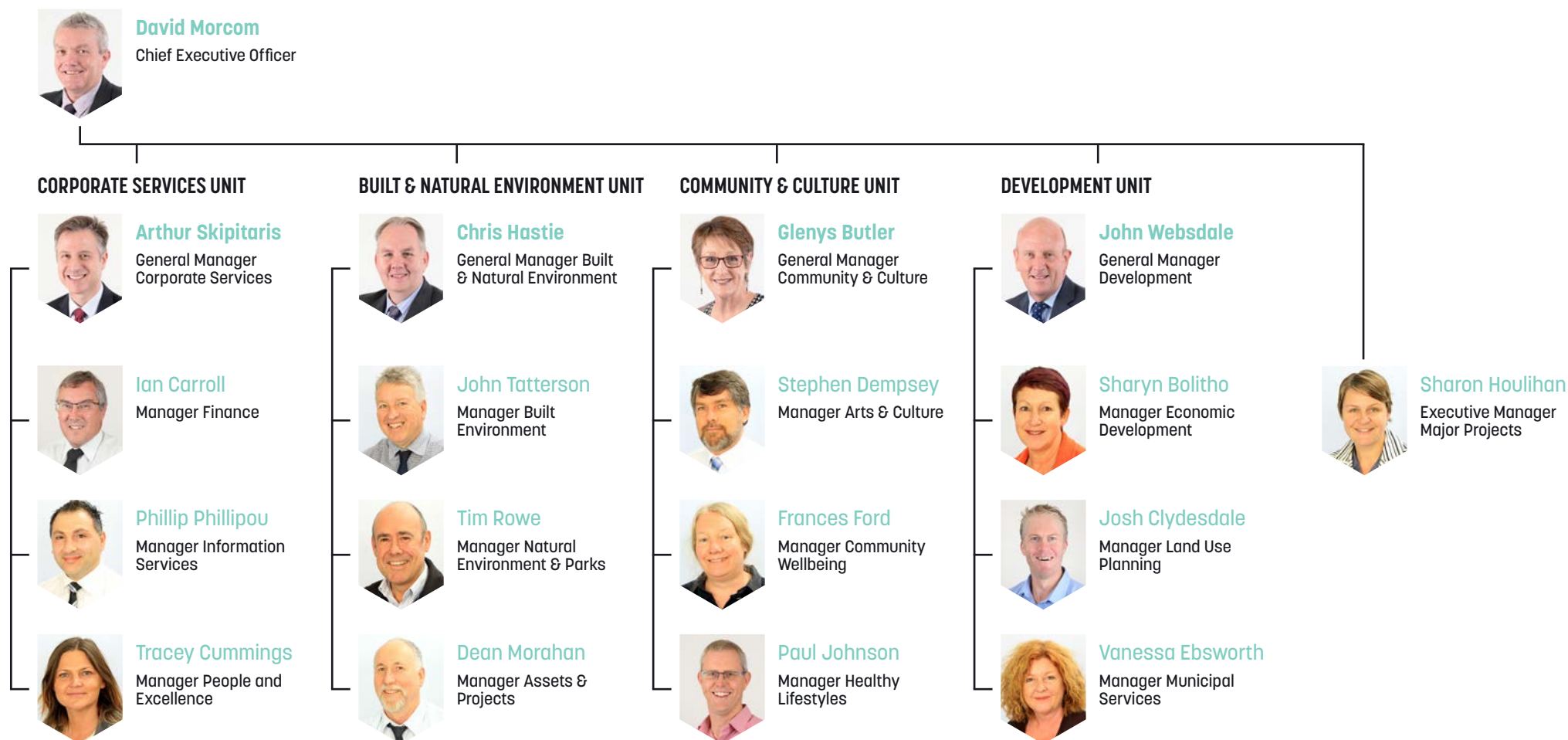
Elected: 2008, 2012

0427 052 394

scott.rossetti@wellington.vic.gov.au

4.0 OUR PEOPLE

4.1 Organisational Structure



Council is the governing body that appoints a Chief Executive Officer. The Chief Executive Officer has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Four General Managers and the Chief Executive Officer form the Corporate Management Team and lead the organisation.

4.2 Senior Officers

As at 30 June 2016 Senior officers as designated by the *Local Government Act, 1989* were:
David Morcom, Arthur Skipitaris, Chris Hastie, Glenys Butler, John Websdale, Phillip Phillipou and Ian Carroll.



David Morcom
Chief Executive Officer



Arthur Skipitaris
General Manager
Corporate Services



Chris Hastie
General Manager Built
& Natural Environment



Glenys Butler
General Manager
Community & Culture



John Websdale
General Manager
Development



Phillip Phillipou
Manager Information
Services



Ian Carroll
Manager Finance

4.0 OUR PEOPLE

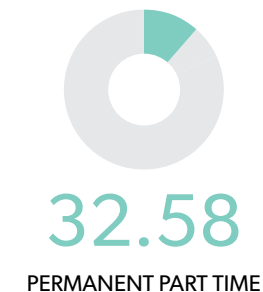
4.3 Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender:

Employee Type/Gender	CEO	Built and Natural Environment	Community and Culture	Corporate Services	Development	Total
Permanent Full Time						
Female	4	16	22.17	23.8	17	82.97
Male	2	98	15	12	22	149
Total Permanent Full Time	6	114	37.17	35.8	39	231.97
Permanent Part Time						
Female	0	0	14.73	2.78	7.1	24.61
Male	0	0.67	5.11	0.6	1.59	7.97
Total Permanent Part Time	0	0.67	19.84	3.38	8.69	32.58
Casual						
Female	0	0	9.65	0	0.66	10.31
Male	0	1.4	6.48	0	0.13	8.01
Total Permanent Part Time	0	1.4	16.13	0	0.79	18.32
Total	6	116.07	73.14	39.18	48.48	282.87

282.87

FULL TIME EQUIVALENT WORKFORCE



4.3 Council Staff

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender:

Gender	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band Not Applicable	Total
Female (FTE)	3.36	3.09	17.25	30.1	26.7	16.2	7.89	2	11.3	117.89
Male (FTE)	1.71	21	41.05	14.62	26.6	24	14	6	16	164.98
Total (FTE)	5.07	24.09	58.3	44.72	53.3	40.2	21.89	8	27.3	282.87



117.89
FEMALE STAFF



164.98
MALE STAFF

4.0 OUR PEOPLE

4.3 Council Staff

A summary of age spread of staff by FTE:

Business Unit	25 and under	26 - 35	35 - 45	45 - 55	55 +	Total
Built & Natural Environment	5	19	29	31	32.07	116.07
CEO	-	2	2	2	-	6
Community & Culture	14.28	16.11	10.68	13.73	18.34	73.14
Corporate Services	4	10.58	10	8	6.6	39.18
Development	1.18	9.2	11.36	12.96	13.78	48.48
Total	24.46	56.89	63.04	67.69	70.79	282.87

AVERAGE AGE OF BOTH MALE AND FEMALE STAFF

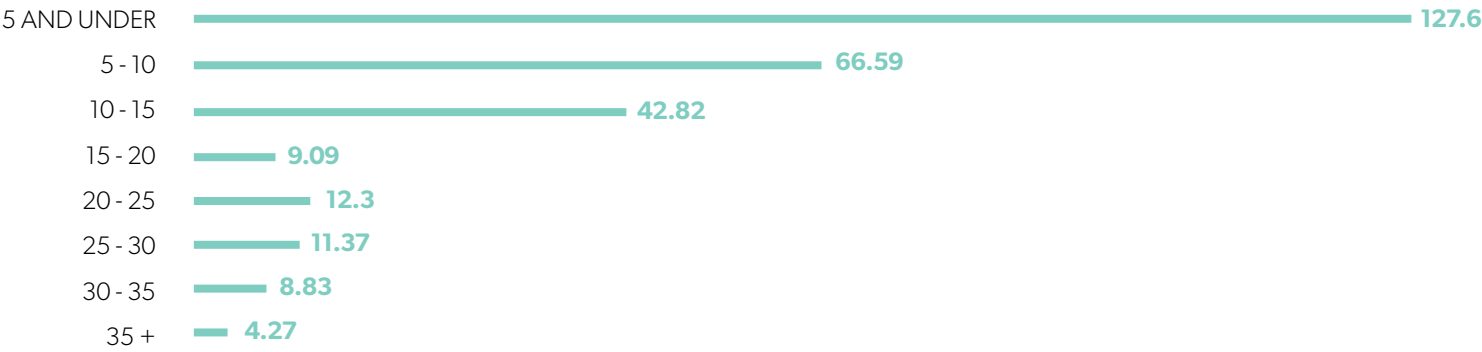
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4.3 Council Staff

Years of service summary by FTE:

	5 and under	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35+	Total
Full Time	104.97	54	34	6	10	11	8	4	231.97
Part Time	8.9	9.57	7.75	2.74	2.3	0.37	0.80	0.15	32.58
Casual	13.73	3.02	1.07	0.35	-	-	0.03	0.12	18.32
Total	127.6	66.59	42.82	9.09	12.3	11.37	8.83	4.27	282.87

YEARS OF SERVICE



4.4 Equal Employment Opportunity

Wellington Shire Council is committed to supporting a workplace culture that treats all people with dignity and respect. Employees, contractors and volunteers of Council have the right to conduct their work in a safe environment unimpeded by bullying, harassment and/or discrimination. Council has an Equal Employment Opportunity program which is designed to eliminate discrimination, promote equal opportunity and provide a means for consultation in regard to employment matters which have the ability to adversely affect staff or the organisation.

The objective of Wellington Shire Council's Equal Employment Opportunity program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment. The provision of Equal Opportunity Awareness sessions for all new employees and managers ensures they are aware of their obligations and responsibilities in maintaining a workplace that is free of bullying and harassment and/or discrimination.

4.5 Other Staff Matters

4.5.1 Enterprise Bargaining Agreement

Wellington Shire Council Enterprise Agreement No. 8, which was developed following extensive consultation with management and staff representatives, nominated workplace union delegates and union industrial officers, took effect on 31 December 2013 and remains operative until 8 November 2016.

4.5.2 Professional Development

Wellington Shire Council recognises the benefit of supporting staff to increase their professional development. Council acknowledges the value gained from staff advancing their qualifications and acquiring enhanced skills and knowledge that can be applied within the work place. Wellington Shire Council demonstrates support to all employees through professional development including Tertiary Study Assistance, ongoing corporate training and development programs and memberships and subscriptions to professional bodies and organisations.

4.5 Other Staff Matters

4.5.3 Prevention of Violence Against Women

The Prevention of Violence against Women is supported by Wellington Shire Council through the promotion of gender equity and other educational activities as a part of the Prevention of Violence Against Women (PVAW) strategy and the Paving the Way Project, both Victorian Government initiatives. These two programs are delivered via a partnership agreement with the Gippsland Women's Health Service in order to create organisational and community awareness around the prevention of men's violence against women.

Family violence can include physical, sexual, financial, verbal or emotional abuse by a family member or partner and Wellington Shire Council has in place a Family Violence Leave Policy to support staff who are experiencing family violence through the provision of an additional twenty days of Family Violence Leave to attend medical appointments, legal proceedings and/or other preventative activities.

In addition, Wellington Shire Council is committed to primary prevention initiatives through its annual participation in White Ribbon Day, gender equity awareness and Mentors in Violence Prevention (MVP) accredited training.

In late 2015, Wellington Shire Council invited our employees to participate in a 'Gender Audit' in the form of an anonymous survey and optional face to face interviews in conjunction with a Project Worker from the Gippsland Women's Health Service. The Gender Audit aims to analyse the gendered experience of both men and women in the workplace, evaluate rates of pay and report on any barriers that men and/or women may face in the daily undertaking of their work. The Gender Audit Report is due to be completed in 2016 with the findings reported to our Corporate Management Team and the Chief Executive Officer.



4.0 OUR PEOPLE

4.5 Other Staff Matters

4.5.4 Health and Safety

Wellington Shire Council aims to maintain a culture of workplace safety for all employees, Councillors, contractors and visitors. It does this in a number of ways including through a comprehensive internal Occupational Health and Safety audit program including contractor audits, roadside depot staff audits and workplace audits of all staff sites.

In addition, Wellington Shire Council's Occupational Health and Safety (OHS) committee meets each quarter to maintain its proactive focus on reviewing safety issues including incidents and prevention strategies and to assist with the development of remedial actions to address any identified gaps or opportunities for improvement. In 2015/16 a number of such initiatives were undertaken to enhance Council's OHS function.

- Online reporting portal to reduce notification times.
- External audit of roads traffic management for our depot staff to ensure best practice and continued compliance.
- Updated safe work procedures to improve compliance and efficiency for staff.
- Working towards integration of an online training program in the OH&S management system for all staff.
- Task analysis utilised for Staff Return to Work (RTW) plans.

The following data is closely monitored to proactively identify potential risks and hazards, appropriate mitigation actions or broader continuous improvement processes.

Measure	2015/16	Variation (Compared to 2015/15)
WorkCover Claims	9	-45%
WorkCover Premium	\$383,478	-29%
No. of lost time claims	4	No previous data
Incidents Reported	53	-30%
Near misses reported	13	333%
Incidents Resulting in Injury	30	-30%
Days Lost to Injury	302	No previous data
Days Lost to WorkCover Injury	276	No previous data
Worksafe Notifiable Incidents	6	No previous data

5.0 OUR PEOPLE

5.1 Planning and Accountability Framework

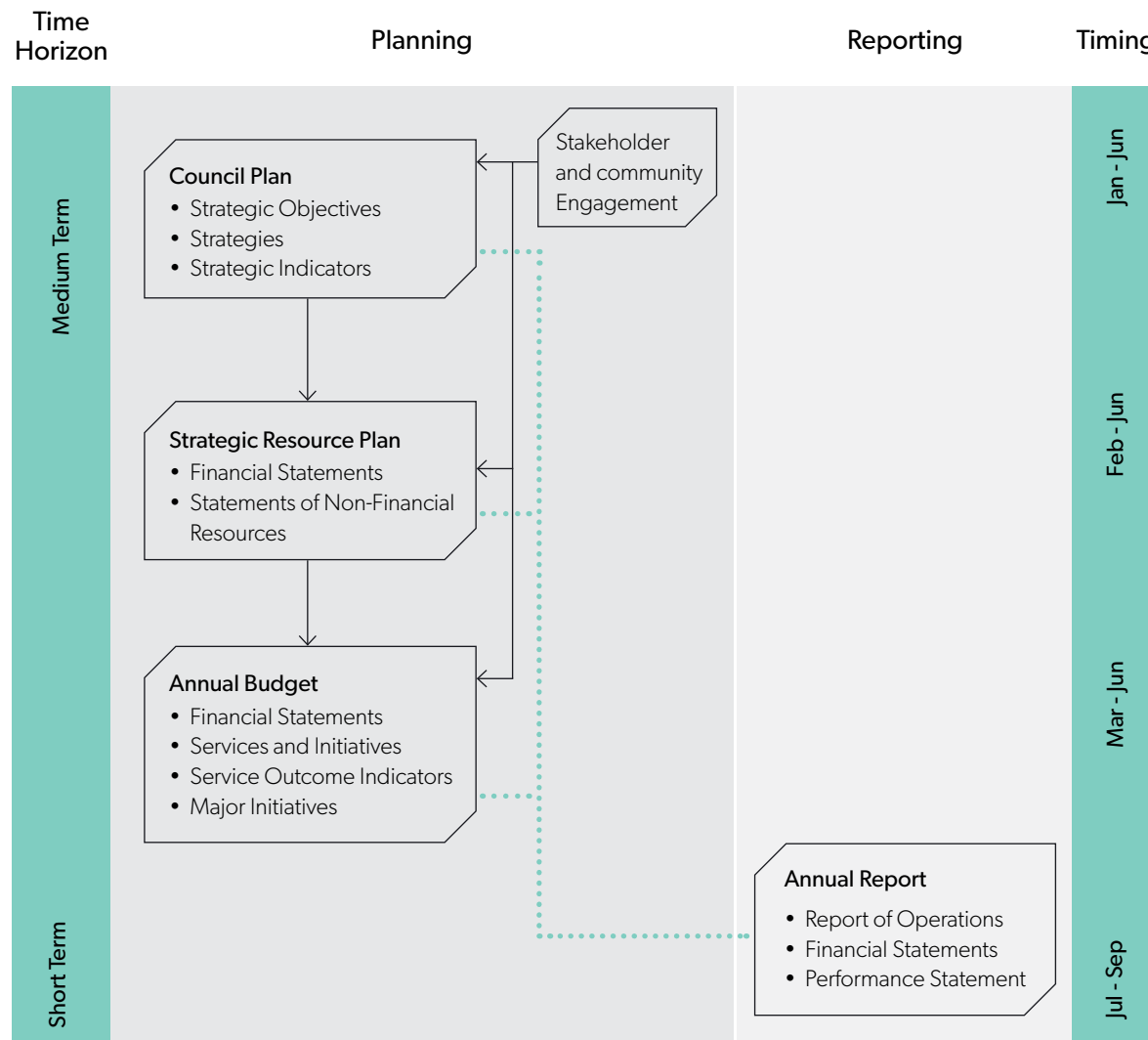
Wellington Shire Council adheres to the Local Government Planning and Reporting Better Practice Guide in the development of its strategic planning process.

The *Local Government Act, 1989* requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later;
- A strategic resource plan for a period of at least four years and include this in the Council Plan;
- A budget for each financial year; and
- An annual report in respect of each financial year.

The diagram right shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

Note: The information right is sourced from the 'Better Practice Guide 2015-2016 Report of Operations' (Local Government Victoria), Department of Environment, Land, Water and Planning.



5.1 Planning and Accountability Framework

In 2008 Wellington Shire Council undertook an extensive community consultation process to identify our community's long term aspirations.

The process resulted in the development of our long term community vision, Wellington 2030.

Wellington 2030 was used to develop and guide our key themes and strategic objectives for the 2013- 17 four year Strategic Plan, our Council Plan. Council is undertaking an extensive community consultation program to review the Wellington 2030 strategic document, prior to preparing the next Council Plan.

We continued to work in 2015/16 towards better integration of the annual business plans and other strategic documents aiming for a strong focus across the organisation on achieving Council's strategic objectives while continuing to meet our operational and service delivery commitments.

We have introduced a new Corporate Planning and Reporting System across the organisation to support us in monitoring, measuring and reporting our progress in delivering the Council Plan.



5.0 OUR PEOPLE

5.2 Council Plan

The context for the Wellington Shire Annual Report 2015/16 is a report to our community in relation to the achievement of Wellington's strategic direction as set out in its Council Plan 2013-17 and Budget 2015/16.

Wellington's Council Plan as required by Section 125 of the Local Government Act 1989, is a partnership between council and community. Council's role is to locally govern for all residents, visitors and ratepayers, and provide a range of programs and services that meet the needs of our community.

Our Council Plan provides a roadmap to follow in this important role. Underpinned by our vision, the Plan's themes give us clear areas of focus for the four-year period and guide us to achieve the best we can for the community.

The Wellington Shire Council Plan 2013-17 includes seven themes, each comprised of strategic objectives and strategies for achieving these, strategic indicators for monitoring achievement as well as Council's four-year strategic resource plan as included in the budget.

The following includes the seven themes and corresponding strategic objectives as detailed in the Wellington Shire Council Plan 2013-17.

Theme	Strategic Objective
Leadership and Engagement	Our community is informed about Council business and is involved in Council decision making. Council advocates on behalf of the community.
Organisational	An organisation that is responsive, flexible, honest, accountable and consistent.
Natural Environment	A community focused on sustainable living and the future protection of Wellington's natural environment.
Infrastructure	Assets and infrastructure that meet current and future community needs.
Land Use Planning	Appropriate and forward looking land use planning that incorporates sustainable growth and development.
Economy	Supported business growth and employment, lifestyle opportunities and a vibrant tourism sector.
Community Wellbeing	Enhanced health and wellbeing for the whole community.

5.3 Performance

Council's performance for the 2015/16 year is reported against each theme and strategic objective to demonstrate how Council is performing in achieving the 2013-17 Council Plan. Performance is measured as follows:

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

Performance Report Navigation

When reading through the tables of the Performance Report on the following pages you may use the icons below for navigation:



Strategic Indicators



Major Initiatives



Description of Services
provided by Business Unit




Prescribed Service Performance
Indicator Results and Material Variations

5.3 Theme 1 - Leadership and Engagement


Strategic Objective: *Our community is informed about Council business and is involved in Council decision making. Council advocates on behalf of the community.*

To achieve our objectives in this area, we will continue to plan for the present and future, and to lead and advocate for outcomes that benefit the community. We aim to deliver an appropriate level of service and facility that enables Council and staff to operate effectively. The services, major initiatives and service performance indicators for each business area are described below.


 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased community satisfaction rating for Council's interaction and responsiveness in dealing with the public.	71	66	There is a 5-point decline in this indicator compared to last year's result. However, Council is currently developing a Customer Service Strategy that defines the standards required to improve customer satisfaction across all Council services.
Increased community satisfaction rating with community engagement.	59	55	Even though there is a 4-point decline in this indicator, Council is still performing 3 points higher than the Large Rural average and 1 point higher than state wide average. Council is currently developing a community engagement strategy to improve the way council staff consult with and inform the community about projects and services in future.
Increased community satisfaction rating with Council's advocacy and community representation on key local issues.	58	55	Even though this rating has declined compared to last year, Council is still performing 5 points higher than the Large Rural average and 2 points higher than state wide average.
Increased community satisfaction rating with overall performance.	63	61	Even though this rating has declined compared to last year, Council is still performing 5 points higher than the Large Rural average and 2 points higher than state wide average.

5.3 Theme 1 - Leadership and Engagement

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


	Major Initiatives	Progress
	The Gippsland Regional Plan will be endorsed and signed off by Council within the 2015 calendar year, and will be supported by business cases and advocacy strategies for those regional projects that particularly impact on Wellington Shire, including the Macalister Irrigation District (MID), Federation training facilities and completion of the Princes Highway duplication between Traralgon and Sale.	Advocacy through Council's involvement with One Gippsland and through the Gippsland Local Government Network has assisted to secure major investments within the region including MID stage 1B, 5428 RAAF contract for East Sale, and the Princes Highway duplication between Sale and Traralgon.

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.


	Business Area	Description of Services Provided	Net Cost (\$000)	Variance (\$000)
Actual	Budget			
Councillors, Chief Executive and Executive Team	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.	2,386	2,403	17
	Our governance activities include provision of statutory services such as Council elections, meetings, agendas, minutes and provision of other public documents; and to help the Council administer and meet various legislative responsibilities - State, Federal and Local.			
Media and Public Relations	This area provides internal and external communication services and support and branding initiatives for Council. The team also seeks to identify trends in public opinion and ensure that Council adapts and responds in a timely manner.	406	408	2
	Initiatives <ul style="list-style-type: none"> Commence review of Council website, including content management system, to identify improvements and opportunities within Council's new IT infrastructure. Develop a Communications Strategy (or Plan) to enhance the flow of information to and from the Wellington Shire community. 			

5.3 Theme 1 - Leadership and Engagement

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

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Governance			
<i>Transparency</i>			
Council resolutions 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] x100.	2.2%	3.6%	Wellington Shire Council has made 303 resolutions during the 2015/16 financial year, an increase of 33% from the previous year. Of those decisions, 292 or 96.4% were made in meetings open to the public. Council demonstrates leadership and maintains transparent processes in order that the community is informed by and engaged with Council business. Additionally, all meetings open to the public are broadcast live via Council’s website, and made available via an online video archive.
<i>Consultation and Engagement</i>			
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement].	59	55	Wellington Shire Council is performing three points higher than the large rural council average and one point higher than the state wide average for community engagement. There is a 4-point decline in this indicator from the previous year which Council seeks to improve through the development of its new community engagement strategy which will better guide the way council staff consult with and inform the community about projects and services in the future.
<i>Attendance</i>			
Council 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)] x100.	85.2%	88.4%	Wellington Shire Councillor commitment to actively serve the community is reflected in its 88.4% attendance rate at the 22 ordinary Council meetings and one special Council meeting held in 2015/16.


5.3 Theme 1 - Leadership and Engagement

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Governance			
<i>Service Cost (Cost of Governance)</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election].	\$39,707	\$40,977	As the governing body of the Wellington Shire, Councillors play a vital leadership role in creating and implementing the community's vision and strategic direction. Although a Councillor's role is largely voluntary, they receive an allowance within the limits set by the Victorian Government. It is also appropriate that allowable expenses incurred are reimbursed whilst undertaking Council duties. This cost reflects both Councillor allowances and reimbursements for the period. Wellington Shire Councillor reimbursement is in the lower end of the scale for Victorian councillors.
<i>Satisfaction</i> 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	56	Council's participation in the 2015 Community Satisfaction Survey showed a 56% community satisfaction rating with the way Council has performed in making decision in the interests of the community. Though there is a slight decline in this rating, Council is still performing six points higher than large rural average and two points higher compared to State wide average.

5.3 Theme 2 - Organisational


Strategic Objective: *An organisation that is responsive, flexible, honest, accountable and consistent.*

To achieve our objective in this area, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives and service performance indicators for each business area are described below.


 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Long term Financial Plan produces improvements in Council's annual underlying financial result.	-1.5% Achieved	3.6% Achieved	The adjusted underlying result is 3.6% which is within the required range of -20% to 20%.
Increased community satisfaction rating with overall performance.	63	61	Even though this rating has declined compared to last year, Council is still performing 7 points higher than the Large Rural average and 2 points higher than the state wide average.
Increased staff satisfaction and engagement.	68.3	68.3	This is the result as per July 2014 Staff Satisfaction Survey. Staff Satisfaction survey is normally conducted every two years and next survey will be done in 2016/17 financial year.
External financial audits of Council reflect compliance with legislation.	Achieved	Achieved	An unqualified audit opinion was signed by VAGO on 25/09/2015 for the 2014/15 financial year.
Increased percentage of current assets compared with current liabilities.	321%	383%	Council's liquidity has improved ahead of a planned increase in capital works for 2016/17.

5.3 Theme 2 - Organisational

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

	Major Initiatives	Progress
Manage the implementation of new business systems to meet organisational business needs as per Business Applications Roadmap 2015-2017.	Business Systems planning and scoping has commenced for new electronic document and records management system. Implementation scheduled as per Council's business systems applications road map and approved budget.	
Develop and implement the Environmental Health Policies and Procedures Manual.	Council's Municipal Services' procedures and processes were reviewed and extensive process mapping undertaken. The reviews aligned with the implementation of the team's mobility strategy and all of this work has resulted in significant efficiency and productivity improvements.	


The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
Information Services		<p>The Information Services Business Unit provides reliable systems and infrastructure to support business activities of the Council. It consists of the Information Technology and Information Management teams.</p> <p>The Information Technology team provides day to day IT support to all users and runs network operations. The Information Management team provides electronic document management services, freedom of information legislation services, services associated with the privacy legislation and general records services.</p>	2,172	2,386	191
		<p><i>Initiatives</i></p> <ul style="list-style-type: none">• Manage decommission of 70 Foster Street ICT/AV Assets and relocation of Art Gallery and Council Chambers to Port of Sale Business Centre.• Plan and Manage ICT requirements for the new Port of Sale Cultural Hub Project.			

5.3 Theme 2 - Organisational


	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
	People and Excellence	<p>The People and Excellence Unit provides a range of diverse corporate services to staff, Council and the community. These include Human Resources, People Development and Risk Management.</p> <p>The Human Resources service aims to provide a holistic service for the 'whole of staff life'; from recruitment to cessation with the organisation.</p> <p>Risk management services aim to identify and control organisational risks, maximise staff and community safety, and reduce Council's exposure to injury or loss.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Develop and implement a WSC People Strategy to ensure the corporate alignment of roles, responsibilities and accountability; that organisational learning needs are met; and that individual performance is measured and acknowledged effectively. Implement an improved corporate planning and reporting IT system to ensure strategic organisational alignment and that reporting capabilities are optimised. 	1,682	2,012	330
	Finance	<p>The Finance Business Unit provides financial, payroll, rating and property valuation services to the organisation, community and external stakeholders. These services underpin the drive to be a financially sustainable Council, comply with the necessary legislative requirements and meet community needs.</p> <p>The unit also aims to provide a safe, reliable and sustainable fleet of vehicles to support the organisation in achieving its goals.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Implement accounts payable invoice scanning solution. Implement Authority's credit card module. 	1,707	1,863	156

5.3 Theme 2 - Organisational

	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
		<p>The Municipal Services Business Unit is responsible for the provision of a broad range of services including:</p> <ul style="list-style-type: none"> • Statutory building service. • Environmental health service, including food safety support programs. • Local Laws, including animal management services. • Customer Service. <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Implement the new Domestic Waste Water Management Plan. • Develop and implement the Customer Service Strategy. 			
	Municipal Services		1,621	1,766	145


5.3 Theme 2 - Organisational

The following information provides the results of this strategic objectives service performance indicators and measures, including where required, an explanation of material variations.

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Food Safety			
<i>Timeliness</i>			
Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints].	1 Day	1 Day	Council endeavours to action food complaints within 24 hours, including those received outside business hours including at weekends and public holidays. An increase in education for business owners and operators through our standard inspection regime has this year led to a significant decrease in the number of food complaints received.
<i>Service Standard</i>			
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 Food Act, 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100.	87%	94%	All class 1 and class 2 food premises in Wellington Shire are assessed at least once during each financial year. The reporting period for this indicator is calendar year and 94% were assessed during the 2015 calendar year. Council has implemented a range of management and productivity improvements including digital on-site inspections which replace the previous paper inspection reports and check lists.
<i>Service Cost</i>			
Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act,1984].	\$491	\$397	During the 2015/16 financial year Wellington Shire Council implemented an improved on-site inspection process. The new process has led to the significant reduction in the delivery cost of Council's food safety services for the 584 food premises in Wellington Shire.
<i>Health and Safety</i>			
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 food premises] x100.	100%	100%	Council is committed to minimising threats to public health and has developed a proactive health promotions and education program for major-noncompliance food premises.

5.0 OUR PEOPLE


5.3 Theme 2 - Organisational

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Animal Management			
Timeliness Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests].	1.2 Days	1.5 Days	There are six Local Laws Officers responding to a range of issues across Wellington Shire’s 11,000km ² . Animal management requests (those measured include requests relating to cats and dogs, such as stray cats and dogs, barking dogs, dangerous or menacing dogs and wandering cats) form a significant part of their role, making up 1,372 requests last year. Amendments to the Domestic Animal Management Act have increased the responsibilities of Council’s Local Laws staff which has resulted in a slight increase in response times. Staff vacancy during that period has also had an impact on response times.
Service Standard Animals reclaimed [Number of animals reclaimed / Number of animals collected].	43%	66%	If a lost animal is currently registered Council will, where possible, return it to their owner without impoundment. Of the 738 animals collected last financial year, we reunited 485 with their owners. Unclaimed animals are placed into the care of Victorian Animal Aid Trust and if suitable, rehomed through their adoption program either locally in Gippsland or, when a local home cannot be found, through the Animal Aid facility at Coldstream.
Service Cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals].	\$33.75	\$50.09	An increase in the cost per animal from \$33.75 for the 2014/15 year to \$50.09 for the 2015/16 year is directly attributable to the increased responsibilities placed on Council by amendments to the Domestic Animals Act 1994, in particular the monitoring of Domestic Animal Businesses (breeding establishments). Wellington Shire Council has more registered Breeding Establishments than any other municipal district in Victoria. Although the cost of the animal management service has increased, so has cost recovery for the monitoring of breeding establishments by way of an increase in annual business registration fees. This helps protect general ratepayers from the financial impact of this increased resource requirement for Council.
Health and Safety Animal management prosecutions [Number of successful animal management prosecutions].	11	4	During 2015/16, Council undertook four animal management prosecutions, all of which were successful. The relatively low number of animal prosecutions undertaken by Council indicates the effectiveness of its ongoing animal management education program.

5.3 Theme 3 - Natural Environment


Strategic Objective: A community focused on sustainable living and the future protection of Wellington's natural environment.

To achieve our objectives in this area we will continue to focus on balancing current and potential future need, with the sustainable capacity of our resources and the conditions of our natural environment. The activities and initiatives for each service category and key strategic activities are described below.


 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Maintain a high community satisfaction rating for overall performance of waste management.	65	67	An increase of 2 points over last year's result.
Environmentally Sustainable Design principles are incorporated in the construction of new facilities and major upgrades.	Achieved	Achieved	Environmental Sustainability Design principles were incorporated into new facility designs and construction where appropriate. e.g. Port of Sale Cultural Hub.
Decreased percentage of Wellington's residential waste to landfill.	65%	68%	The percentage of waste to landfill has increased during the 2015-2016 period.
Decreased CO ₂ equivalent Council fleet vehicle emissions.	601.77 Tonnes	598.58 Tonnes	Continuous reduction over the last three years is due to the efficiency of new cars and the rigorous fleet requirements applied to the purchase of new vehicles to meet Council's requirements.
Decreased CO ₂ equivalent Council building and facilities emissions.	5,213 Tonnes	-	Data is unable to be provided at this time.
Conditions of the Wellington Shire Council landfill license are met.	Achieved	Achieved	Wellington Shire Council landfill license conditions were met as per the requirements under the Environment Protection Act, 1970 and subsequent legislation.

5.3 Theme 3 - Natural Environment

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


	Major Initiatives	Progress
	Progress rehabilitation of Longford Landfill in accordance with EPA requirements.	In line with EPA requirements, significant planning has been undertaken and as a result the EPA has approved a low risk design for rehabilitation of the Longford Landfill. Site works for this project are proposed to commence in the 2017-2018 financial year to meet EPA requirements.

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Variance (\$000)
	Natural Environment and Parks	<p>The Natural Environment and Parks Unit covers a range of activities related to the operational management of public open space, which includes approximately 320 hectares of parkland and associated infrastructure, such as picnic shelters, BBQs, seating, boardwalks, fences and public toilets. The service also proactively manages 30,000 – 35,000 urban trees and is responsible for the management, design and development of parks and streetscapes in urban areas.</p> <p>The unit is also responsible for moving the Wellington community towards a more sustainable future. Key priority areas include biodiversity, water consumption & quality, waste management and energy use.</p>	3,937	6,696
				2,759

5.3 Theme 3 - Natural Environment


The following information provides the results of this strategic objectives service performance indicators and measures, including where required, an explanation of material variations.

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Waste Collection			
Satisfaction			
Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000.	28	31	Council receives requests for damaged or stolen bins to be replaced, uncollected bins to be collected, and additional bins to be provided. In 2015/16, we received a total of 31 requests per 1000 households.
Service Standard			
Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000.	3	3	Over 1.5 million bin lifts were performed during 2015/16 as part of Wellington Shire’s waste collection service which operates within a defined collection boundary within the 11,000km² municipality. Less than 400 were reported as missed.
Service Cost			
Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins].	\$63.80	\$63.90	Wellington Shire’s kerbside collection includes the weekly garbage waste collection service of 19,189 bins across the municipality. Additional services for residents in Wellington Shire, not incorporated in this cost, include an annual hard waste collection service, a no charge green waste disposal weekend and a fortnightly recycling bin collection service.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins].	\$44.80	\$44.80	Wellington Shire collects 19,189 recycle bins each fortnight. Council proactively encourages residents to reduce waste from landfill through recycling, providing 120l weekly collection garbage bins and 240l fortnightly collection recycling bins. In addition to its kerbside recycling collection service, which operates within a waste collection boundary, recyclables may be disposed of free of charge to residents, if sorted for disposal at Council transfer stations.
Waste Diversion			
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100.	35%	32%	Over 3,400 tonnes of recycling waste was diverted from landfill in 2015/16 which is a slight decrease compared to 2014/15. That’s an average of 179kg of recycling waste per household in Wellington Shire.


5.3 Theme 4 - Infrastructure

Strategic Objective: Assets and infrastructure that meet current and future community needs.


To achieve our objectives in this area we will continue to focus on balancing current and potential future need, with the sustainable capacity of our resources and the conditions of our built environment. The activities and initiatives for each service category and key strategic activities are described below.

 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased community satisfaction rating for overall performance in local roads and footpaths.	56	56	Maintained previous years' satisfaction level.
Asset condition of Wellington Shire Council roads, buildings, footpaths, playgrounds and toilets.	Sealed Roads: 2 Unsealed Roads: 2 Buildings: 2 Structures: 2 Footpaths: 2 Playgrounds: 1 Toilets: 1	Sealed Roads: 2 Unsealed Roads: 2 Buildings: 2 Structures: 2 Footpaths: 2 Playgrounds: 1 Toilets: 1	This is the average asset condition score where: 1: As New 2: Very Good 3: Fair 4: Poor 5: Serious
Increased annual spend on asset renewal as a percentage of total capital expenditure.	63.2%	67%	Renewal expenditure for 2015/16 was an increase from the previous year.
Increased overall performance score - implementation of the Road Management Plan.	Achieved	Achieved	While the evaluation system has changed and is no longer reporting scores, the 2015 Municipal Association Victoria (MAV) insurance audit found Council's Road and Pathway management, reflective of Road Management Plan implementation, to be generally good, with no high risk factors identified.


5.3 Theme 4 - Infrastructure

 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased community satisfaction rating with the appearance and cleanliness of public places.	72	76	An increase of 4 points over last year's result.
Increased percentage of sealed local roads below the renewal intervention level set by Council.	97%	97%	Wellington Shire Council conducts condition inspections of local roads every three years pursuant to the inspection frequencies within its Road Management Plan. Results from the sealed local road inspection completed in July 2014 state that 97% of the sealed roads within Wellington Shire are at or above the required condition standard.

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

 Major Initiatives	Progress
Progress Council's direction in relation to the development of the West Sale Airport – Eastern (Recreation Aviation) Precinct.	Planning permit was issued for the Eastern Recreation Aviation Precinct (ERAP) with permit compliance activities to progress in 2016-17. As resolved by Council, Contracts of Sale for Stage 1 of the ERAP development have been issued. Council also resolved to progress selling all remaining lots in June 2016. All elements of this project required to be delivered in 2015-16 have been completed.
Progress the development of a plan for the future of land surplus to Council's requirements.	The development of a plan for the future of land surplus to Council's requirements has been completed. From this list, opportunities have been taken for higher value surplus properties to be considered for sale. Reports were presented to Council during the year for authorisation to progress sales where appropriate.


5.3 Theme 4 - Infrastructure

	Major Initiatives	Progress
	Progress the Princes Highway/Cobains Road roundabout construction in accordance with the Project plan.	In accordance with the project plan, progress of the Princes Highway/Cobains Road roundabout is continuing with service relocations nearing completion. Works are progressing in Cobains Road with works to commence on the highway in October 2016. The expected timeframe for completion of this project is February 2017 in line with the project plan.
	Ensure completion of works for the Sale Livestock Exchange refurbishment and assist operator to establish a marketing plan in line with agreement.	Completion of the redevelopment of the now called Gippsland Regional Livestock Exchange was reached and handover to the operator was completed in January 2016. A marketing plan has also been developed with the operator and an official opening was held on 1 April 2016.

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.


	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
Assets and Projects		<p>The Assets and Projects Business Unit manages a diverse range of services for Council including:</p> <p>Project Management: Which includes the implementation and management of capital projects from across the organisation in the order of \$23 million - \$35 million per annum.</p> <p>Asset Management and Information Systems: Which incorporates asset and financial reporting and asset plan development, and assists with ensuring that all long term infrastructure renewal requirements are properly accounted for, with a sound information basis.</p> <p>Infrastructure Planning: Which focuses heavily on new infrastructure development opportunities that have a strong external funding emphasis.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Progress Stage 1 of the Brewers Hill Road reconstruction in accordance with the project plan. Progress the Gordon Street Recreation Reserve Pavilion upgrade in accordance with the project plan. Progress implementation of the Port of Sale Cultural Hub project in accordance with the project plan. 	1,961	3,908	1,947

5.3 Theme 4 - Infrastructure

	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
		<p>The Built Environment Business Unit manages Council's building and infrastructure assets including:</p> <p>Facilities: Managing Council's building assets and infrastructure to ensure long term sustainability of effective service delivery for operational and community purposes.</p> <p>Planning: Effectively plan for the renewal and improvement of Council's infrastructure.</p> <p>Commercial Facilities Management: Manage a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers.</p> <p>Road Management and Operations: Manage the maintenance of Council's road infrastructure in a coordinated way to maximise benefit to the community and road users.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Initiate a minimum of two projects identified within the Residential Road and Street Construction Plan to the stage of public meetings and formal survey. Review options for future of Yarram Aerodrome and present to Council. 	7,196	5,651	(1,545)
	Built Environment				

5.3 Theme 4 - Infrastructure


The following information provides the results of this strategic objectives service performance indicators and measures, including where required, an explanation of material variations.

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Roads			
Satisfaction of Use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100.	12%	16%	In 2015/16, Council received a total of 243 customer action requests for sealed roads. This is an increase of approximately 35% over the 2014/15 financial year. A range of factors influence the community contacting us in relation to sealed roads, which may include the adverse impact of weather events and improved accessibility and promotion of customer request systems.
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100.	97%	97%	Wellington Shire Council conducts condition inspections of local roads every three years pursuant to the inspection frequencies within its Road Management Plan. Results from the sealed local road inspection completed in July 2014 state that 97% of the sealed roads within Wellington Shire are at or above the required condition standard.
Service Cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed].	\$49.70	\$33.30	In 2015/16 it cost Wellington Shire Council \$33.32 to reconstruct one square metre of sealed local road. Council reconstructed 46,524 square metres of rural and urban roads and streets, at a cost of \$1,550,135. A higher proportion of rural projects, which are lower complexity and therefore lower cost, has resulted in a lower unit rate in comparison to the 2014/15 financial year.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed].	\$4.70	\$3.70	In 2015/16 it cost Wellington Shire Council \$3.71 to reseal one square metre of sealed local road. We resealed 797,243 m2 at a total cost of \$2,961,050. The significant decrease in cost over the previous financial year aligns with a new resealing contract which commenced in the 2015/16 financial year with a subsequent variation in rate per square metre.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads].	52	53	Results from the 2015 Community Satisfaction Survey show an increase in residents’ satisfaction rating for Wellington Shire’s sealed local roads to 53% which is significantly higher than the average for similar large rural councils. Council is responsible for a road network of 3,104 km, of which 1,506 km are sealed.

5.3 Theme 5 - Land Use Planning


Strategic Objective: *Appropriate and forward looking land use planning that incorporates sustainable growth and development.*

To achieve our objective in this area we aim to develop and improve forward looking land use planning policies and plans that guide and support sustainable growth and appropriate land use and development. The activities and initiatives for each service category and key strategic activities are described below.

 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Planning applications received.	419	420	A strong level of development activity in Wellington Shire continues to be evident with 420 new planning permit applications received.
Total value of municipal development.	\$85.5m	\$54.1m	This value is significantly higher than the Victorian rural average of \$5.68 million for approved development.
Increased percentage of planning applications processed within statutory timeframes.	97%	96%	Wellington Shire continues to provide an efficient planning permit service, well above the Victorian rural average of 74%.
Number and percentage of applications appealed to VCAT.	1 and 0.2%	2 & 0.4%	Two planning permit determinations were made by VCAT, which supported Council's original decision.
Number and percentage of VCAT appeals that support Council's decision.	1 and 100%	2 and 100%	Two planning permit determinations were made by VCAT, both of which supported Council's original decision.
Increased number of planning application decisions made within 60 days.	486	489	Wellington Shire continues to provide an efficient planning permit service.


5.3 Theme 5 - Land Use Planning

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

 Major Initiatives	Progress
<p>Undertake a stage 2 Heritage Study for significant places in the Shire.</p>	<p>Heritage Intelligence Pty Ltd has been appointed to deliver the project. A Council workshop was held on 4 November 2015 to discuss the study process and places listed for investigation.</p> <p>Following extensive background research, detailed draft citations have now been prepared and distributed to relevant landowners for comment.</p> <p>The draft citations and feedback from the consultation process was presented to Councillors at a workshop on 7 June 2016. A final Council workshop will be held on 2 August 2016 prior to the study being presented to Council for final adoption.</p>
<p>Finalise and implement the North Sale Outline Development Plan/Contribution Plan.</p>	<p>The project is currently in the 'Design Response' stage and has previously been delayed due to the need to resolve future land needs with the Department of Education. This issue has now been resolved, but the appointed consultant has requested further information about required drainage infrastructure prior to advancing the Design Response. Further drainage work has been commissioned by Council and is nearing completion. This drainage work will then inform and allow the Design Response stage of the project to be completed in early 2016/17.</p> <p>Councillors were briefed about the drainage study at a workshop on 5 April 2016 and will be presented with the final drainage options at a workshop on 5 July 2016. The Design Response will be presented to Council at a workshop on 16 August 2016.</p>


5.3 Theme 5 - Land Use Planning

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

 Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
		Actual	Budget	
Land Use Planning	<p>The Land Use Planning Business Unit is responsible for the provision of the following services:</p> <ul style="list-style-type: none"> Statutory planning service; Strategic land use planning service. <p>Many of these services are provided through and driven by legislation. We aim to provide services that satisfy community needs by encouraging and supporting development that meets required standards and is of good design.</p>			
	<p>Initiatives</p> <ul style="list-style-type: none"> Assess privately lodged Outline Development Plan request for Wurruk (Western Growth Area). Finalise a planning scheme amendment to implement the Port Albert Rural Lifestyle Lot Review and Review of Planning Controls. Finalise and implement the Longford Outline Development Plan/Contribution Plan. Assess privately lodged development plan for Greyhound Racing Victoria relocation. Finalise a planning scheme amendment to rezone the Sale police station precinct. 	1,123	1,277	154
Wellington Coast Subdivision Strategy	<p>The Wellington Coast Subdivision Strategy Project Manager is responsible for implementing the Ninety Mile Beach Plan Voluntary Assistance Scheme. Expenditure for 2015/16 is funded through unspent State Government grant funding carried forward.</p>	351	815	464

5.3 Theme 5 - Land Use Planning


The following information provides the results of this strategic objectives service performance indicators and measures, including where required, an explanation of material variations.

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Statutory Planning			
Timeliness			
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application].	52	48	Wellington Shire Council takes nine days less to decide the outcome of planning permits than the average time taken in other rural areas. The median number of days taken to decide planning applications, which is the number of days between receipt of a planning application and a decision being made, was 48 in 2015/16, four days quicker than the 2014/15 result of 52 days.
Service Standard			
Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100.	97%	96%	The statutory timeframe in which planning applications must be determined is 60 days. The rural average for processing applications within this timeframe is 74%. Wellington Shire Council is proud of its exemplary results, processing a significantly higher 96% of planning applications within that statutory timeframe.
Service Cost			
Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received].	\$1,944.20	\$1,989.80	Council received 420 new planning permit applications in 2015/16. The cost to deliver the service was \$835,704 which equates to a cost of \$1989.80 per new planning application received.
Decision Making			
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100.	100%	100%	In 2015/16 two planning application decisions were subject to a review by VCAT and, in both instances, Council's decision was upheld.

5.3 Theme 6 - Economy


Strategic Objective: Supported business growth and employment, lifestyle opportunities and a vibrant tourism sector.

To achieve our economic objective, we aim to investigate (on behalf of the community) appropriate long term income generating opportunities. We aim to support business (public and private) and tourism activities, and to maximise investment in the Shire. The activities and initiatives for each service category and key strategic activities are described below.


 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased local employment rates.	Achieved	Not Achieved	Unemployment rate increased by 0.1% to 4.9% for 2015, but still lower than Gippsland average of 6.2% (increased from 5.6%) and Victoria of 6.1% (decreased from 6.5%). <i>Data from Department of Employment.</i>
Increased Wellington Shire visitor rates.	Achieved	Achieved	Domestic overnight visitors – 12.8% increase from March 2015 – March 2016. Domestic visitor nights – 17.5% increase from March 2015 – March 2016. <i>Data is from Destination Gippsland.</i>
Increased Visitor Information Centre visitations.	1.1%	Achieved	Slight (1%) decrease in visitors to Information Centres, but 27% increase to website and 92% increase in Facebook likes.
Increased population growth in municipality.	Achieved	Not Achieved	This is a slight decrease from last year, based on estimated regional population (ERP) figure of 41,965 for FY 14/15. However, 1.27% increase since 2011 Census.
Number of planned Wellington Shire Council business development activities delivered.	30	42	Council continues to facilitate numerous business development forums and activities. Council continues to facilitate numerous business development forums and activities.
Increased local business participation in business development activities.	1,550	1,248	The decrease in attendance does not take into account a council supported "Austimber event and industry day" attended by many from the Timber Industry.

5.3 Theme 6 - Economy

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

 Major Initiatives	Progress
Develop 2016-2020 Economic Development and Tourism Strategy and work with industry partners and broader industry engagement to provide basis for the review.	Following extensive consultation with key stakeholders, a Draft Economic Development Strategy was developed, with Council resolving to release the document for public comment on 17 May 2016. Anticipate final Council adoption on 16 August 2017.

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.


 Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
		Actual	Budget	
Economic Development	<p>Council's Economic Development service aims to enhance and grow the diverse economy of this shire and drive key Council Strategic projects.</p> <p>Business Development: This service is responsible for all business and industry development support within Council. The services provided vary widely, from providing advice and referral to start-up businesses to multi-million dollar developments. A key function of Business Development is to link business with Government, and vice versa, facilitating supporting infrastructure and lobbying.</p> <p>Tourism Development: This service provides support, direction and guidance for the tourism industry in the Shire. Regional marketing and promotion initiatives are developed in conjunction with industry. Administration oversight is provided to the Visitor Information Centres at Sale, Maffra and Yarram. A key function of the tourism section is the facilitation of industry development, including structures, training and education.</p>	872	932	60
	<p>Initiatives</p> <ul style="list-style-type: none"> • Manage Agricultural Industry Representative forum and annual roundtable to provide an opportunity for the agricultural community to have input into the Council decision making processes regarding agriculture and provide input into four yearly review of Agriculture Position Paper. • Develop Wellington Shire Events Attraction Framework, with associated funding streams and processes. • Advocate on the community's behalf on a range of projects including Federation Training's Port of Sale site and stage two of the MID project. 			

5.0 OUR PEOPLE


5.3 Theme 7 - Community Wellbeing

Strategic Objective: *Enhanced health and wellbeing for the whole community.*


To achieve our objective, we will identify and promote opportunities that encourage people in our communities to participate in a wide range of activities. We will focus our service delivery on promoting health and wellbeing opportunities for people in our communities. The activities and initiatives for each service category and key strategic activities are described below.

 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased opportunity for people to access footpaths and bikeways, tracks and trails.	6.2km	6.94km	Increased length of 6.94km of footpaths giving a total length of 259.97km of Council managed footpaths.
Increased community satisfaction rating for overall performance of recreational facilities.	73	73	Council's performance rating for recreational facilities is equal to the Importance rating given by the community during community satisfaction survey which suggests council is performing as per community expectation in this service area.
Enhanced overall Municipal Emergency Management Planning performance.	Achieved	Achieved	Municipal Emergency Management Plan successfully endorsed following review. Two new multi-agency plans developed: <ul style="list-style-type: none"> • Municipal Human Influenza Pandemic Plan • Municipal Flood Emergency Plan
Support provided to volunteers/community groups via grants and development opportunities.	\$261,783	\$218,318	Community Assistance Grants Quick Response Grants.
Local creative endeavours are supported through grant allocations and other initiatives.	\$79,923	\$121,871	
Rates of access and participation in a range of arts and cultural activities.	14,902	14,072	Art Gallery visits.
	19,721	22,536	Entertainment Centre visits.
	362,228	184,834	Library visits.
Increased percentage of community members as active WSC library members.	15.4%	13.4%	Wellington Shire Libraries offer a broad range of popular programs including author talks, baby rhyme times, and toddler story time and school holiday programs. These are well attended by library members and non-members within the municipality. It is anticipated that active library membership will increase in 2016-17 with alignment with SWIFT consortia providing access for our patrons to over 2.5 million items.


5.3 Theme 7 - Community Wellbeing

 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Increased number of visits to WSC aquatic facilities per head of municipal population.	4.55	4.75	Total visits to indoor and outdoor aquatic facilities for 2015-16 was 199,337 from an estimated population of 41,965. This equates to an average of almost five visits per Wellington Shire resident for the year.
Decreased time taken to action food complaints.	1 Day	1 Day	Council endeavours to action food complaints within 24 hours even if they are received after hours, or during holidays. However, there is a significant decrease in the number of food complaints received this year which could be due to the increased education given to business owners and operators through our inspection regime.

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

 Major Initiatives	Progress
Progress delivery of Sale Civic Precinct capital projects by achieving program milestones outlined in each project's project plan and representing stakeholder interests.	<p>The tender for construction works for redevelopment of Council's former civic centre in to the new Port of Sale Cultural Hub, incorporating Gippsland Art Gallery, Sale Public Library, Wellington Visitor Information Centre, Council Chamber and café, was advertised in May 2016 with construction works to commence early in the new financial year.</p> <p>The Council Chamber and Gippsland Art Gallery were relocated to temporary premises to make way for demolition works at the former civic centre which were completed in November 2015.</p> <p>Design of the revitalised Port of Sale precinct surrounding the new cultural hub has progressed incorporating significant community and stakeholder engagement and input.</p>

5.3 Theme 7 - Community Wellbeing

	Major Initiatives	Progress
	Develop a cost allocation model for Aqua Energy to enable identification of direct service delivery costs.	Cost Allocation Model completed. The new Manager Leisure Services has been briefed on the tool's application.
	Support the development of Yarram Early Learning Inc. to ensure that the service is not dependent on a Council subsidy beyond May 2017.	The facility operates on a calendar year. Profit and loss (Jan to May 2016) indicates around a \$20,000 loss, however the centre has had some one off expenses in the first half of the year. Enrolments remain constant, with the centre at 80% capacity. The centre has not required any financial support from Council from the 2015-16 budget other than the original \$60,000 allocated for service start up.
	Complete the Sale Memorial Hall Master Plan.	The Sale Memorial Hall Master Plan has been completed with the assistance of the Sale Memorial Hall Committee of Management (SMHCoM). It was approved by the SMHCoM and reviewed by Councillors at a Workshop.
Ensure implementation of Council led responsibilities for 2015-16 in the Healthy Wellington Action Plan.		Within Healthy Wellington there are 4 action plans that link to the 4 priority areas. There has been significant progress on the action plans with the following highlights:
		Volunteering in Wellington Website Volunteering in Wellington Website (www.volunteeringinwellington.com.au) provides information for people looking for volunteer opportunities in Wellington and for community groups and service providers who are looking for volunteers. The website attracted over 5000 hits in its 'soft launch' in March, however this has grown quickly to almost 12,000 hits in May when the site was officially launched.
		Family Violence After Natural Disaster Training 45 people from across the sector participated, including Emergency Services personnel and health and community services staff. Feedback has been extremely positive.
		Walk to School 2015 Wellington's Walk to School campaign involved 29 out of 31 primary schools within Wellington. In previous years there have been 10 – 13 schools participating. In 2015 the Walk to School campaign was more than a physical activity initiative (walking) highlighting active travel and road safety initiatives. This saw an increase in schools registering with Bike Ed. On average we have 3-5 schools do Bike Ed over a two-year period; in 2015, 21 schools registered to run a Bike Ed program in their school over the next 12 months.

5.3 Theme 7 - Community Wellbeing



Major Initiatives Progress


Identify and implement appropriate alternative service model for the Mobile Library.

Library Outreach partnerships were formed based on the consultations that took place in 2015 with community organisations in the towns previously served by the Mobile Library. The Library Outreach service began operating on 1 February 2016 through formal agreements with the Gormandale Community House, Cowwarr Primary School, Briagolong Community House, Loch Sport Community House and Golden Beach Community Centre. No partnership was able to be reached with any Seaspray community organisation. Staff visit these towns weekly to assist patrons select items of interest from the printed and audio-visual collection and to deliver requested library resources. Free public access to the internet is also offered.


The following statement provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

 Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
		Actual	Budget	
Community Wellbeing	Community Wellbeing Business Unit provides opportunities for communities to work in partnerships with local government to achieve identified priorities. The unit works to ensure all members of the community have equal opportunity to participate in community activities. Special focus is given to those who have traditionally remained marginalised such as the young, elderly, disabled and transport disadvantaged.			
	<p>Services include:</p> <ul style="list-style-type: none"> Community Planning Access and Inclusion Youth Liaison Transport Project Arts Development <p>Initiatives</p> <ul style="list-style-type: none"> Facilitate delivery of 2 key outcomes in the 2015-2018 Community Engagement Strategy Implementation Plan. Provide 6 workshops and forums (Community Planning, Skill Building etc.) to develop the capacity of community members to actively participate in Council deliberations and decision making processes. Review the Municipal Early Years Plan 2012-15 and develop a revised document to guide municipal early years planning in Wellington Shire beyond 2015. Involve other Council Business Units in updating the Access and Inclusion Strategy 2012-2015 and developing a list of actions to implement over the next three years. Support the development and implementation of the annual Youth Council action plan and work in partnership with community planning groups on shared priorities. 	1,434	1,722	288

5.3 Theme 7 - Community Wellbeing


	Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
			Actual	Budget	
		<p>The Arts and Culture Business Unit assists in the development of a vibrant, culturally active community that promotes expression and participation through visual, literary and performing arts; informs and educates the community on various aspects of the arts; enhances the lifestyle of Wellington residents; and encourages visitors to explore the heritage and culture of the region.</p> <p>Services include:</p> <ul style="list-style-type: none"> • Gippsland Art Gallery • Libraries • Esso BHP Billiton Wellington Entertainment Centre <p>Initiatives</p> <ul style="list-style-type: none"> • Ensure the integrity of the Gippsland Art Gallery program is maintained while occupying the temporary site during the redevelopment project, particularly the John Leslie Art Prize and the Strategic Partnership Program. • Ensure Art Gallery and Library staff provide input at each stage of the Port of Sale Cultural Hub's development. 	2,073	2,073	0
	Arts and Culture				

5.3 Theme 7 - Community Wellbeing


 Business Area	Description of Services Provided	Net Cost (\$000)		Variance (\$000)
		Actual	Budget	
Healthy Lifestyles	<p>The Healthy Lifestyles Business Unit provides services and functions directed at fostering a healthier and more active community. Healthy Lifestyles achieves this through community infrastructure planning, the support to community committees and the facilitation and provision of a range of recreation, fitness and community activities and programs.</p> <p>Services include:</p> <ul style="list-style-type: none"> Planning for and supporting recreation facilities that encourage the community to participate in physical and general wellbeing activities. Managing Council's pools, gymnasium and fitness facilities. Planning for the development of community infrastructure that addresses community service needs. 	2,979	3,059	80
	<p>Initiatives</p> <ul style="list-style-type: none"> Progress the development of integrated Masterplans at strategic reserves across Wellington Shire to ensure a planned approach to future investment in the development of community facilities. Complete Aquatic Strategy for Wellington Shire. Complete Marketing and Promotions Plan for Healthy Lifestyles Facilities. Identify and implement appropriate alternative uses for Aqua Energy Crèche facility. Develop a Cultural Facilities Strategy to inform capital, maintenance and operating support investment decisions covering facilities owned by Council, the community and State Government which operate under a committee of management arrangement. 			
Emergency Management	<p>The Emergency Management team coordinates Council's emergency management responsibilities ensuring the organisation has the skills and capacity to respond appropriately to emergencies and facilitates a coordinated shire approach through the Municipal Emergency Management Planning Committee.</p> <p>Initiatives</p> <ul style="list-style-type: none"> Oversee the delivery of Council responsibilities identified in the Municipal Fire Management Plan. 	409	540	131

5.3 Theme 7 - Community Wellbeing

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

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Aquatic Facilities			
Service Standard			
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities].	1	1	Wellington Shire Council operates one indoor aquatic, all year facility in Sale and five outdoor seasonal aquatic facilities (Heyfield, Maffra, Rosedale, Stratford and Yarram). All six facilities are inspected at least once per year.
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents].	1	0	The safety and quality of all six aquatic facilities, one indoor all year and five outdoor seasonal, has been maintained throughout the year with no Worksafe reportable safety incidents occurring during this period.
Service Cost			
Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities].	\$4.43	\$5.16	During 2015/16, Wellington Shire Council's one indoor aquatic, all year facility in Sale (Aqua Energy) operated at a cost to council of \$904,656 and recorded 175,229 visitors. This resulted in an average cost per visitation of \$5.16. Despite the increase in indoor pool visitations, the increase in subsidy per visit is due to a lower 'average spend per visit', resulting in a subsequent reduction in income.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received /Number of visits to outdoor aquatic facilities].	\$17.73	\$16.16	Wellington Shire Council operates five outdoor seasonal aquatic facilities, at Heyfield, Maffra, Rosedale, Stratford and Yarram. The combined cost to council of operating these facilities during 2015/16 was \$390,322. The combined total of visitations to the five facilities was 24,184 which is a 24% increase from 2014/15 resulting in a 9% reduction in cost per visit.
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population].	4.55	4.75	The estimated population of Wellington Shire is 41,965. The total visits to Council's indoor and outdoor aquatic facilities for 2015/16 was 199,337, which equates to an average of almost five visits per Wellington Shire resident for the year.

5.3 Theme 7 - Community Wellbeing

 Service Indicator / Measure	Result		Commentary
	14/15	15/16	
Libraries			
Utilisation			
Library collection usage [Number of library collection item loans / Number of library collection items].	2.5	2.5	Wellington Shire Library’s collection comprises a broad range of books and eresources split between six separate branches in the 11,000km2 municipality. The branches are located in Sale, Yarram, Rosedale, Stratford, Maffra and Heyfield. Until February 2016 the service also provided access to resources via a mobile library servicing six smaller townships. Due to a gradual downturn in usage this service has now been replaced by an outreach service delivering requested items to patrons in five townships which is offered through partnerships with four community houses and one school.
Resource Standard			
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100].	35.8%	35.5%	Standard of library collection (percentage of collection purchased in past 5 years) is below the minimum expected level due to a number of factors including funding redirected from collection development budget to new library management software last year and a large local history collection which is preserved rather than discarded.
Service Cost			
Cost of library service [Direct cost of the library service / Number of visits].	\$6.50	\$6.60	Wellington Shire’s library facilities provide and organise a diverse range of resources and services to meet personal information, recreation and lifelong learning needs in all sectors of the community. In recognition of Wellington’s municipal size, a range of library tools include helpful website links for a variety of uses which provide access outside the branches. The development of a local history collection assists research in our local community. Council also provides resources and materials to specialist or disadvantaged groups in the community such as the elderly, literacy students, print handicapped and for those learning to read.
Participation			
Active library members [Number of active library members / Municipal population] x 100.	15.4%	13.4%	Wellington Shire Libraries offer a broad range of popular programs including author talks, baby rhyme times, and toddler story time and school holiday programs. These are well attended by library members and non-members within the municipality. Council continues to actively promote library membership across all sectors of the community.

6.1 Governance

Wellington Shire Council is constituted under the Local Government Act, 1989 to provide leadership for the good governance of the municipal district and local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making.
- Providing leadership by establishing strategic objectives and monitoring achievements.
- Ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and levels of government.
- Fostering community cohesion and encouraging active participation in civic life.

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

Council's formal decision making processes are conducted through Council Meetings and Special Committees of Council. Council delegates the majority of its decision making to Council staff and these delegations are exercised in accordance with adopted Council policies and relevant legislation.

6.1.1 Meetings of Council

Council conducts open public meetings on the first and third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery.

Council meetings also provide the opportunity for community members to submit a question to Council, make a submission or speak to an item.

Council held the following meetings during 2015/16:



Ordinary Council Meetings



Special Council Meetings

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

6.1 Governance

6.1.3 Special Committees

The Local Government Act, 1989 allows for the establishment of one or more Special Committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following lists all current Special Committees of Wellington Shire Council and their purpose.

Special Committee	Councillors	Officers	Other	Purpose
Briagolong Quarry Reserve Committee	1	-	-	To protect, promote and develop the Briagolong Quarry Reserve.
Briagolong Recreation Reserve Committee	1	-	-	To protect, promote and develop the Briagolong Recreation Reserve.
Cameron Sporting Complex Committee	1	-	-	To protect, promote and develop the Cameron Sporting Complex, Maffra.
Gordon Street Reserve Committee	1	-	-	To protect, promote and develop the Gordon Street Reserve, Heyfield.
Maffra Recreation Reserve Committee	2	-	-	To protect, promote and develop the Maffra Recreation Reserve.
Newry Recreation Reserve Committee	1	-	-	To protect, promote and develop the Newry Recreation Reserve.
Sale Performance Space Fundraising Committee	1	3	-	<p>To maintain a public fund into which the public may contribute towards the construction, maintenance, upgrade and expansion of Council owned cultural spaces, facilities and equipment.</p> <p>To maintain a public fund into which the public may contribute towards cultural activities, programs and events conducted by Wellington Shire Council through Wellington Report of Operations Page 64 of 82 Shire Council owned cultural spaces and facilities.</p> <p>To coordinate fundraising activities on behalf of Wellington Shire Council owned cultural spaces and facilities. To obtain all necessary permits and approvals required for eligible fundraising activities.</p>

6.1 Governance

6.1.4 Code of Conduct

The Local Government Act, 1989 requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election, however in October 2015, The Local Government Amendment (Improved Governance) Act 2015 introduced reforms and a conduct framework.

On 7 June 2016, Council adopted (via Special Council Meeting) a revised Councillor Code of Conduct which includes:

- Processes for resolving internal disputes between Councillors;
- Provisions prescribed for in The Local Government Amendment (Improved Governance) Act 2015;
- Provisions addressing any prescribed matters;
- Any other matters relating to the conduct of Councillors which the Council considers appropriate.

In addition, the Code also outlines:

- Other conduct definitions under the Local Government Act, 1989 such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest.
- Representatives on behalf of Council.
- Roles and relationships.

6.1.5 Conflict of Interest

Councillors are elected by Wellington Shire residents and non-residential ratepayers to act in the best interests of the community. When a Council delegates its powers to a Council officer or a Committee, they must act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest and exists even if no improper act results from it. Council has a standard procedure for all Council and Committee meetings requiring the declaration of a conflict of interest and then stepping aside from the relevant decision-making process or from the exercise of public duty. During 2015/16, 13 conflicts of interest were declared at Council and Special Committee meetings.



6.1 Governance

6.1.6 Councillor Allowances










In accordance with Section 74(1) of the Local Government Act 1989, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The Victorian Government sets the upper and lower limits for all allowances paid to Councillors and Mayors, divided into three categories based on the income and population of each Council and in this instance Wellington Shire Council is recognised as a category two council.

For the period 1 July 2015 to 30 November 2015, the Councillor annual allowance for a category two Council (as defined by the Local Government Act 1989) was fixed at \$22,965 per annum and the allowance for the Mayor was \$71,058 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect from 1 December 2015. The annual allowances were adjusted for the period 1 December 2015 to 30 June 2016 to \$24,127 per annum for the Councillor allowance and \$74,655 per annum for the Mayoral allowance.

This table contains a summary of the allowances paid to each Councillor during the 2015/16 year.

Note: Allowances include an amount equivalent to a superannuation contribution of 9.5%.

Councillor	Allowance
 Cr Darren McCubbin Mayor 4 November 2015 - 30 June 2016	\$64,190
 Cr Carolyn Crossley Mayor 1 July 2015 - 4 November 2015	\$43,168
 Cr Bob Wenger Deputy Mayor 4 November 2015 - 30 June 2016	\$26,222
 Cr John Duncan Deputy Mayor 1 July 2015 - 4 November 2015	\$26,222
 Cr Peter Cleary	\$26,222
 Cr Emilie Davine	\$26,222
 Cr Malcolm Hole	\$26,222
 Cr Patrick McIvor	\$26,222
 Cr Scott Rossetti	\$26,222

6.1 Governance

6.1.7 Councillor Expenses

In accordance with Section 75 of the Local Government Act, 1989 Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the council.

The details of Councillor expenses for the 2015/16 year are shown below.

Councillor	Travel	Car Mileage	Child Care	Information and Communication	Conference and Training	Total
Cr Bob Wenger <i>Deputy Mayor</i>	\$3,760	\$4,083	\$0	\$2,341	\$6,946	\$17,130
Cr Malcolm Hole	\$6,162	\$0	\$0	\$2,567	\$4,701	\$13,430
Cr Carolyn Crossley	\$3,921	\$1,484	\$0	\$776	\$1,670	\$7,851
Cr Darren McCubbin <i>Mayor</i>	\$1,355	\$2,295	\$0	\$2,301	\$1,049	\$7,000
Cr Emilie Davine	\$213	\$0	\$1,803	\$1,582	\$273	\$3,871
Cr John Duncan	\$1,505	\$0	\$0	\$1,641	\$258	\$3,404
Cr Peter Cleary	\$2,181	\$0	\$0	\$679	\$23	\$2,883
Cr Patrick McIvor	\$0	\$0	\$0	\$931	\$948	\$1,879
Cr Scott Rossetti	\$0	\$0	\$0	\$449	\$419	\$868

Note: No expenses were paid by Council, including reimbursements, to members of Council Committees during the year.

6.2 Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The Local Government Act, 1989 requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out in section 6.3.

The following items have been highlighted as important components of the management framework.

6.2.1 Audit Committee

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit Committee consists of three independent members, Mr Peter Craighead (Chair), Mr Alan Hall and Mr Joel Churchill, and two Councillors. Independent members are appointed for a three year term. The Chair is elected from amongst the independent members.

The Audit Committee meets at least four times per year. The Internal Auditor, Chief Executive Officer, General Manager Corporate Services and Manager Corporate Finance attend all Audit Committee meetings. Other management representatives attend as required to present reports. Each year the external auditors provide an external audit plan and independent audit report.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.

The Committee met on four occasions during 2015/16, providing advice to Council on a wide range of issues including:

- Council's Financial Performance Reporting for 2015/16
- The draft Financial, Standard and Performance Statements for 2014/15
- The draft Budget 2016/17
- The internal audit process.

6.2 Management

6.2.2 Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The function is undertaken by an independent external provider. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change to operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated. Recommendations are assigned to the responsible Manager and tracked in Council's performance management system. Managers provide quarterly status updates that are reviewed by the Audit Committee.

The SIAP for 2015/16 was undertaken with the following reviews conducted:

- Review of the Status of Audit Recommendations
- Payroll (including data interrogation)
- Management of Depot Operations
- Disaster Recovery and Business Continuity Planning

6.2.3 External Audit

Council is externally audited by the Victorian Auditor-General. For the 2015/16 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.



6.2 Management

6.2.4 Risk Management

Each year Council reviews its Risk Management Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 standards. The Risk Management Policy addresses items such as:

- Financial and economic risk.
- Ethics and corporate image.
- Product and service delivery.
- Leadership and corporate governance.
- Technology and information management.
- Assets and security.
- Procurement.
- Organisational wide strategic risk.

Council's risk management objectives are to:

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



6.3 Governance and Management Checklist

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

Governance and Management Items	Assessment
<p>1</p> <p>Community Engagement Policy</p> <p>Policy outlining Council's commitment to engaging with the community on matters of public interest.</p>	<p><i>Included in Community Engagement Strategy 2015 – 2018. The Strategy is currently out for public feedback prior to adoption by the Council. Date of adoption: 21 June 2011.</i></p>
<p>2</p> <p>Community Engagement Guidelines</p> <p>Guidelines to assist staff to determine when and how to engage with the community.</p>	<p><i>Identified as Community Engagement Strategy 2015 – 2018. The Strategy is currently out for public feedback prior to adoption by the Council. The Strategy includes a range of community engagement tools to assist council staff to engage, and encourage the appropriate level of public participation for council projects. Date of adoption: 21 June 2011.</i></p>
<p>3</p> <p>Strategic Resource Plan</p> <p>Plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years.</p>	<p><i>Adopted in accordance with Section 126 of the Local Government Act, 1989. Date of adoption: 16 June 2015.</i></p>
<p>4</p> <p>Annual Budget</p> <p>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.</p>	<p><i>Adopted in accordance with Section 130 of the Local Government Act 1989. Date of adoption: 16 June 2015.</i></p>
<p>5</p> <p>Asset Management Plans</p> <p>Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.</p>	<p><i>Wellington Shire Council has documented Asset Management Plans for all major asset classes including Open Space, Properties and Roads, which includes Roads, Bridges and Paths</i></p> <p><i>Date of operation of current plans:</i></p> <p>Open Space: October 2009.</p> <p>Property: October 2005.</p> <p>Road: 6 August 2004 (Road AMP incorporates bridge, footpath and drainage assets).</p>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
6 Rating Strategy Strategy setting out the rating structure of council to levy rates and charges.	<i>Strategy adopted. Date of operation of current strategy: 17 March 2015.</i>
7 Risk Policy Policy outlining council's commitment and approach to minimising the risks to council's operations.	<i>Risk Management Policy included in Council Policy Manual. Date of operation of current policy: 15 December 2015.</i>
8 Fraud Policy Policy outlining council's commitment and approach to minimising the risk of fraud.	<i>Fraud Control Policy included in Council Policy Manual. Date of operation of current policy: 15 December 2016.</i>
9 Municipal Emergency Management Plan Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery.	<i>Prepared and maintained in accordance with Section 20 of the Emergency Management Act, 1986. Date of operation: 26 May 2016.</i>
10 Procurement Policy Policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works.	<i>Prepared and approved in accordance with Section 186A of the Local Government Act, 1989. Procurement policy included in Council Policy Manual. Date of operation of current policy: 15 December 2015.</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
11 Business Continuity Plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.	<i>Existing document is currently being reviewed. Date of operation: 4 December 2014.</i>
12 Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.	<i>Existing document is currently being reviewed. Date of operation: 4 December 2014.</i>
13 Risk Management Framework Framework outlining council's approach to managing risks to the council's operations.	<i>Risk Management Strategy 2012-2015 is currently being reviewed. Date of operation of current strategy: 18 December 2012.</i>
14 Audit Committee Advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements.	<i>Established in accordance with Section 139 of the Local Government Act, 1989. The Audit Committee has been in operation since February 1996 (based on available evidence). Date of establishment: February 1996.</i>
15 Internal Audit Independent accounting professionals engaged by the council to provide analysis and recommendations aimed at improving council's governance, risk and management controls.	<i>Initial date of engagement of current provider: 1 March 2012 with contract extended until 1 March 2017.</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
16 Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act.	<i>Date of operation of current framework: 1 July 2014.</i>
17 Council Plan Reporting Report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.	<i>Quarterly reporting against Council Plan Highlights. Date reports presented: 21 July 2015, 20 October 2015, 2 February 2016, 19 April 2016.</i>
18 Financial Reporting Quarterly statements to council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure.	<i>Statements presented to the Council in accordance with Section 138(1) of the Local Government Act, 1989. Date statements presented: 21 July 2015, 20 October 2015, 2 February 2016, 19 April 2016.</i>
19 Risk Reporting Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	<i>Quarterly Reports. Date of reports: 21 July 2015, 20 October 2015, 2 February 2016, 19 April 2016.</i>
20 Performance Reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act.	<i>Quarterly Reports. Date of reports: 21 July 2015, 20 October 2015, 2 February 2016, 19 April 2016.</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
21 Annual Report Annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements.	<i>Considered at a meeting of Council in accordance with Section 134 of the Local Government Act, 1989.</i> <i>Date statements presented: 22 September 2015.</i>
22 Councillor Code of Conduct Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors.	<i>Reviewed in accordance with Section 76C of the Local Government Act, 1989.</i> <i>Date reviewed: 7 June 2016.</i>
23 Delegations A document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff.	<i>Reviewed in accordance with Section 98(6) of the Local Government Act, 1989.</i> <i>Date reviewed: 15 March 2016.</i>
24 Meeting Procedures A local law governing the conduct of meetings of council and special committees.	<i>Local law No 1, Meeting procedures made in accordance with Section 91(1) of the Local Government Act, 1989.</i> <i>Date local law made: 6 November 2014.</i>

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



David Morcom
Chief Executive Officer
Dated 20 September 2016



Cr Darren McCubbin
Mayor
Dated 20 September 2016

6.4 Statutory Information

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

6.4.1 Documents Available for Public Inspection

In accordance with Part 5 of the Local Government (General) Regulations 2004 the following lists the prescribed documents that are available for inspection or which can be obtained for the purposes of Section 222 of the Local Government Act, 1989 at 18 Desailly Street, Sale:

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

6.4 Statutory Information

6.4.2 Best Value

In accordance with Section 208B(f) of the Local Government Act, 1989 at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Wellington Shire Council incorporates the Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and business excellence. To further support our commitment to the Best Value Principles, in 2015/16 Council commenced an organisational wide activity to identify, and enable reporting against, key performance indicators for all operational areas.

6.4.3 Carers Recognition

The Carers Recognition Act 2012 (the Act) formally recognises and values the role of carers and the importance of care relationships in the Victorian community. The Act defines a carer as someone who provides care to another person, and includes carers under the age of 18. Carers can provide care for a person who:

- Has a disability
- Has a mental illness
- Has an ongoing medical condition
- Is an older person with care needs.

Care relationships also include those situations where a person is being cared for in a foster, kinship or permanent care arrangement.

Within the Carers Recognition Act 2012 Wellington Shire Council is required to report annually on its care measurement obligations under Section 11 of the Act.

Wellington Shire Council has taken all practicable measures to comply with its responsibilities outlined in the Act.

Some of the ways Wellington Shire Council supports carers is through:

- Recognition of Carers through awareness raising activities such as Volunteer Week and Social Inclusion Week.
- Participation on networks such as Sale and District Aged Care Network, Wellington Community Service Network, Wellington Early Years Network and Wellington Access and Inclusion Advisory Group.
- Projects listed in Council's Access and Inclusion Plan, Wellington RuralAccess Program, and Municipal Public Health and Wellbeing Plan, more specifically within the Social Connection and Inclusion Priority area.
- Wellington Shire Council's funding agreement with Central Gippsland Health Service and Yarram and District Health Service, who are the providers of HACC services, outlines compliance with all legislation.

6.4 Statutory Information

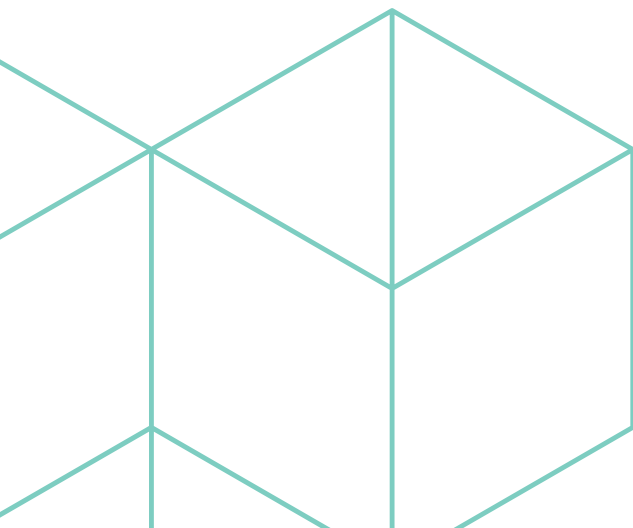
6.4.4 Contracts

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

6.4.5 Disability Action Plan

Wellington Shire Council has an Access and Inclusion Strategy 2012-15 and accompanying action plan which incorporates a Disability Action Plan. The following actions have been implemented in 2015/16:

- Communication boards for people with limited or no speech have been developed for use in emergency relief centres, Aqua Energy, Gippsland Regional Sports Complex, Esso BHP Billiton Wellington Entertainment Centre and Council's Customer Service Centres.
- The Wellington Access and Inclusion Advisory Group (WAIAG) is providing input on access and inclusion issues as part of the Port of Sale Cultural Hub redevelopment project.
- Software has been purchased and made available to Council staff to be able to convert written documents into audio format for those with limited or no vision.
- In February 2015 Wellington Shire Libraries, Gippsland Art Gallery and Esso BHP Billiton Wellington Entertainment Centre all completed an Access and Inclusion Audit of their current facilities using the relevant Institute of Access Training Australia handbooks for cultural venues.
- Wellington Shire Library staff have undertaken online training via REAL (Resource for Equitable Access to Libraries) which is a collaborative state-wide initiative of the State Library of Victoria, Public Libraries Victoria Network and Vision Australia. REAL training improves awareness and develops strategies to improve accessibility and inclusion.





6.4 Statutory Information

6.4.6 Domestic Animal Management Plan

The 2013-16 Domestic Animal Management Plan was initially adopted by Council on 4 June 2013. In June 2014, a major revision of the plan was conducted, adopted by Council and submitted to the Animal Welfare Bureau of the Department of Economic Development, Jobs, Training and Resources (the Department). Originally due for renewal by November 2016, the Department has decided to extend the date until November 2017 due to Council elections.

The primary objective is to provide a strategic plan to guide the community towards the goal of responsible pet ownership and to assist Wellington Shire to achieve a professional, consistent and proactive approach to domestic animal management practices.

The Plan outlines the services, programs and policies that will administer all requirements of the Act while assisting the community and Council in achieving its Vision for Wellington 2030.

In July 2016 a review of animal management services was conducted to measure progress towards the objectives. A number of milestones were achieved including:

- Staff responded to 1,372 animal management complaints, with an average initial response time of 1.5 days;
- An increase in the number of impounded pets reunited with their owners;
- Seven percent increase in the number of registered domestic animals compared with previous year;
- Successful animal management prosecutions in the Magistrates' Court, such as dog attacks and failing to register animals;
- Increased domestic animal business monitoring and compliance activities; and
- Regular media releases and awareness activities relating to responsible pet ownership.

6.4.7 Food Act Ministerial Directions

In accordance with Section 7E of the Food Act, 1984, Council did not receive any Ministerial Directions.

6.4 Statutory Information

6.4.8 Freedom of Information

In accordance with Sections 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, Council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information which is publicly available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act, 1982.

Council is committed to making a wide range of policy, reports, data, research and other documents available to the public without the need to lodge a formal request under the Freedom of Information Act 1982 ("Act"). Many documents are available for public inspection, available online, or available under other legislation.

The Act gives applicants the right to apply for access to documents created by the agency or supplied to the agency by an external organisation or individual. Access to documents under Freedom of Information, may be obtained through written request to the Freedom of Information officer, as detailed in section 17 of the Freedom of Information Act 1982.

Requests for access to documents sought under Freedom of information must:

- Be in writing or lodged electronically via email foi@wellington.vic.gov.au ;
- Provide a clear description of the document(s) to which the applicant seeks access to enable the documents to be identified and retrieved;
- Include the application fee or evidence that the applicant qualifies to have the application fee waived or reduced (hardship); and
- Be made to the agency that holds the documents the applicant is seeking.

Applications for requests for access to documents under Freedom of Information are available for download on council's website www.wellington.vic.gov.au.

The agency may determine that a document is exempt, does not exist, cannot be located, or that further clarification from the applicant is required. The Act requires the agency to complete a request within 45 days from the date of it is receipt. This time limit only applies if the request is sufficiently clear for the officer to process it and the application fee has been paid or waived. If an access charges deposit is payable, the 45-day period for processing the request, as provided for by the FOI Act, starts afresh on the day the applicant pays the deposit (Section 22(5)).

Mrs Marj McInnes, Coordinator Information Management is authorised under Section 26(1) of the Freedom of Information Act 1982 ("FOI Act") to make decisions in respect of Freedom of Information requests made to Wellington Shire Council. The Principal Officer of Council is Mr David Morcom, Chief Executive Officer.

During the 2015/16 reporting period, Wellington Shire Council received six non personal Freedom of Information requests, one of which was transferred to our agency. In addition, our agency made two decisions on Freedom of Information requests however the documents have not been released due to unpaid access charges. Another request was actioned outside of the Freedom of Information Act.

Application fees of \$136.00 and access charges of \$647 were collected during 2015/16.

Further information regarding Freedom of Information can be found on Wellington Shire Council's website www.wellington.vic.gov.au or Freedom of Information Commissioner website www.foicommissioner.vic.gov.au.

6.4 Statutory Information

6.4.9 Protected Disclosure Procedures

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

The Protected Disclosure Act 2012 commenced operation on 19 February 2013, replacing the Whistleblowers Protection Act, 2001 and established the Independent Broad-based Anti-Corruption Commission (IBAC) as part of a new integrity system for Victoria. It aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector, including Wellington Shire Council, its employees and Councillors, and to provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2015/16 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

6.4.10 Road Management Act Ministerial Direction

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



6.5 Other Information

6.5.1 Awards

RuralAccess Project Coordinator, Leanne Wishart, was highly commended at the Victorian Disability Awards for Excellence in Social and Cultural Awareness which was held in Melbourne on 15 June 2016.

This commendation celebrates and acknowledges Leanne's achievements and the significant role she plays in Council's ongoing commitment to creating an inclusive community.

6.5.2 Grants Received

Wellington Shire Council was successful in their funding application to the Age-Friendly Communities' Grants program for \$100,000. The grant program will assist us to develop and deliver on a collaborative plan with measurable outcomes to improve Wellington Shire as an Age Friendly Community. The planning process will include service providers, businesses, community leaders and older people in planning to meet Wellington Shire ageing-related needs.

During the 2015/16, the following grants were also received from Sports and Recreation Victoria (SRV).

- \$650,000 received under the Community Sports Infrastructure Fund (Majors) for the development of GRSC Stage 2. Total anticipated project cost \$3,050,130.
- \$100,000 received under the Community Sports Infrastructure Fund (Female Friendly Facilities) for the redevelopment of the Cowwarr Recreation Reserve change rooms. Total anticipated project cost \$635,762.
- \$100,000 received under the Community Sports Infrastructure Fund (Country Football & Netball Program) for the development of the new netball court at the Stratford Recreation Reserve. Total anticipated project cost \$186,180.



6.5 Other Information

6.5.3 Grants Distributed

Quick Response Grants 2015/16

Eighty six applications were successful in receiving Quick Response Grants, totalling \$121,871.60.

- A Better Life for Foster Kids Inc.
- Anglican Parish of Yarram
- Anglicare Victoria
- Bellbird Corner Riverside Reserve Management Committee
- Blue Light Victoria Inc.
- Boisdale Public Hall Committee
- Boisdale-Briagolong Red Cross Branch
- Briagolong Art Gallery
- Briagolong Tennis Club
- Collegians Cricket Club Inc.
- Country Fire Authority Maffra
- Dargo Bush Nursing Centre
- Devon Welshpool Won Wron Woodside Football Netball Club
- George Gray Centre Inc.
- Gippsland Plains Rail Trail Committee of Management
- Gippsland Vehicle Collection
- Gippsland Veterans Welfare Centre
- Gippsland Woodcraft Group Inc. Nambrok
- GippSport
- Golden Paradise Beach Bowls Club
- Golden Paradise Beach Ratepayers & Residents Association
- Grand Strzelecki Track
- Heyfield Tourism and Traders Association
- Heyfield War Memorial Hall CoM
- Holy Trinity Anglican Church Yarram
- Lake Glenmaggie Community Representative Group Inc.
- Latrobe Community Health Service
- Heyfield Community Resource Centre
- Loch Sport Angling Club Inc.
- Loch Sport Public Hall CoM
- Macalister Demonstration Farm
- Maffra Agricultural Society
- Maffra Business & Tourism Association
- Maffra Lawn Tennis Club
- Maffra Squash and Raquetball Club
- North Gippsland CWA
- Quantum Support Services Inc.
- Robertsons Beach & Tarraville Community Group Inc.
- Rosedale Neighbourhood House Inc.
- Rosedale Speedway Association
- Rotary Club of Maffra
- Rotary Club of Sale
- Rotary Club of Yarram
- Sale Amateur Basketball Association
- Sale Baptist Church Playgroups
- Sale Carols by Candlelight
- Sale Combined Kindergartens
- Sale Elderly Citizens Village
- Sale Floral Art Group
- Sale Men's Shed
- Sale Netball Association
- Sale North Kindergarten
- Sale RSL & Community Club
- Sale Tennis Club
- Sale Vintage Tractor Club
- Seaspray Centenary Committee
- Seaspray Surf Lifesaving Club
- Seaton Recreation Reserve Committee of Management
- St Andrews Uniting Church Stratford
- St Johns Ambulance Australia (Victoria) Inc.
- Stacey's Bridge Public Hall Reserve Committee of Management Inc.
- Stratford and District Historical Society
- Stratford Recreation Reserve
- Stratford Tennis Club
- Wellington BBQ Inc.
- Wellington Disability Transition Network
- Wildlife Rescue & Protection Inc.
- Wines of East Gippsland
- Wonyip Excelsior Hall
- Woodside Beach Surf Life Saving Club
- Yarram Carers Inc.
- Yarram Recreation Reserve Inc.
- Master Quinn Wade
- Master Cohen Wade
- Master Darcy Wade
- Maddison Schleifer
- Cameron Green
- Elizabeth Webb
- Rebecca Ingram
- Ryan Hall
- Keturah Phelps
- Gabriella Heathcote
- Solomon Jones
- Jo O'Doherty

6.5 Other Information

6.5.3 Grants Distributed

Community Assistance Grants 2015/16

Fifty four applications were successful in receiving Community Assistance Grants across the categories: Projects, Events and Facilities, totalling \$218,318.25.

- Airly Clydebank Hall
- Balook & District Residents Association
- Boisdale Briagolong Cricket Club
- Boisdale Briagolong Football Netball Club
- Boisdale Stables Committee
- Briagolong Mechanics' Institute Hall Committee
- Bug Blitz Trust
- Bundalaguah Hall Committee
- City of Sale Eisteddfod Inc.
- Dargo Public Hall & Recreation Reserve Committee Inc.
- DWWWW Football Netball Club Inc.
- Gippsland Woodcraft Group Inc., Nambrok
- Glenmaggie & District Boat Club
- Glenmaggie Mechanics' Institute
- Golden Beach Community and Open Garden
- Golden Paradise Beach Ratepayers and Residents Association
- Gormandale Community House & Learning Centre
- Heyfield & District Playgroup
- Report of Operations Page 79 of 82
- Heyfield & District Vintage Machinery Group Inc.
- Heyfield Community Resource Centre
- Heyfield Traders & Tourism Association
- Heyfield Wetlands Inc.
- Lake Glenmaggie Community Representative Group Inc.
- Loch Sport Community House Inc.
- Loch Sport Public Hall Committee of Management
- Longford Family Fun Day Subcommittee
- Longford Tennis Club
- Maffra Agricultural Society
- Maffra Community House
- Port Albert Progress Association Inc.
- Rotary Club of Sale Central
- Sale Amateur Basketball Association
- Sale Baptist Church
- Sale Croquet Club Inc.
- Sale Historical Society
- Sale Swimming Club
- Seaspray Centenary Committee
- Segue Community Hub & Arts Café
- Stratford on Avon Shakespeare Association
- Tarra Festival Committee Inc.
- The Sale Music Festival - Picnic on the Green
- Upper Maffra Mechanics Institute (Newry Hall)
- Valencia Soldiers Memorial Hall Committee of Management
- Wellington Primary Care Partnership
- Woodside & District Football Netball Club
- Woodside Beach Surf Life Saving Club Inc.
- Yarram Agricultural Society
- Yarram Combined Churches Committee
- Yarram Eisteddfod Inc.

6.5 Other Information

6.5.4 Support for Community Committees

The total amount of operating subsidies paid for 2015/16 financial period was \$554,977.00 GST exclusive.

Recreation Facilities

- Alberton West Recreation Reserve Committee
- Boisdale Recreation Reserve
- Briagolong Recreation Reserve
- Cowwarr Recreation Reserve Committee
- Gormandale Recreation Reserve Committee
- Meerlieu Public Hall & Recreation Reserve
- Nambrok Public Hall & Recreation Reserve Committee
- Newry Recreation Reserve
- Rosedale Racecourse Reserve Committee
- Seaspray Reserves Committee of Management
- Woodside Recreation Reserve
- Wurruk Cricket Club
- Binginwarri Hall & Recreation Reserve Committee
- Devon North Community Reserve
- Denison Recreation Reserve Committee
- Tarraville Recreation Reserve Committee
- Pinelodge - Cricket Oval
- Won Wron Recreation Reserve

Sporting Facilities

- Cameron Sporting Complex
- Gordon Street Recreation Reserve
- Maffra Lawn Tennis Club
- Maffra Recreation Reserve
- Pinelodge - Tennis Courts (Stratford Tennis Club)
- Rosedale Indoor Sports Stadium
- Rosedale Recreation Reserve
- Longford Cricket Club (formerly Sale City Cricket Club)
- Sale Cricket Club
- Sale Tennis Courts
- Stratford (Avon) Indoor Sports Stadium
- Stratford Recreation Reserve
- Walpole Sports Stadium
- Yarram Indoor Sports Stadium
- Yarram Recreation Reserve

Crown Properties

- Alberton Recreation Reserve
- Bellbird Corner Riverside Reserve Committee
- Briagolong Quarry Reserve
- Carrajung South Hall Committee
- Charles Street Recreation Reserve Committee
- Cowwarr Public Hall Reserve Committee
- Dargo Public Hall & Recreation Reserve Committee
- Denison Public Hall
- Giffard West Public Hall Committee
- Glenmaggie Mechanics Institute Inc.
- Gormandale Mechanics Institute Committee
- Kilmany Public Hall & Recreation Reserve Inc.
- Loch Sport Foreshore Reserve Committee
- Macks Creek Hall
- Mann's Beach Hall
- Marley Point Reserve
- Port Albert Racecourse Reserve
- Rosedale Public Hall Committee
- Seaton Recreation Reserve Committee
- Staceys Bridge Hall Committee
- Stradbroke Hall Committee
- Tarraville School Museum
- Tinamba Public Hall
- Upper Maffra Mechanics Institute (Newry Hall)
- Willung Public Hall Reserve Committee
- Wonyip Excelsior Committee Inc.
- Wurruk Community House

6.5 Other Information

6.5.4 Support for Community Committees

Cultural / Non-Sporting Facilities

- Maffra Memorial Hall
- Sale Memorial Hall
- Yarram Regent Theatre
- Briagolong Mechanics Hall
- Heyfield War Memorial Hall
- Longford Hall & Recreation Reserve Committee
- Stratford Mechanics Hall
- Airly-Clydebank Hall
- Boisdale Public Hall
- Bundalaguah Myrtlebank Hall
- Carrajung Community Group - Carrajung Memorial Park
- Cobains Public Hall
- Coongulla Reserves Committee
- Devon North Public Hall
- Gippsland Regional Maritime Museum (Port Albert Maritime Museum)
- Golden/Paradise Beach Community Centre
- Gormandale Community House
- Licola Public Hall - CFA
- Loch Sport Public Hall
- Maffra & District Historical Society (Sugar Beet Museum)
- Maffra Guide Hall
- Maffra Senior Citizens Centre
- Munro Public Hall
- Newry Community Tennis & Parklands
- Port Albert Mechanics Institute
- Port Albert Water Sports & Safety Centre
- Princes Highway Reserve Inc.
- Sale Band Hall
- Sale Guide Hall
- Sale Neighbourhood House
- Sale Scout Hall
- Sale Senior Citizens Centre
- St Johns Ambulance Hall
- Stratford Senior Citizens Centre
- Valencia Soldiers Memorial Hall
- Veronica Maybury Recreation Reserve
- Won Wron Hall
- Woodside Public Hall
- Yarram Community Learning Centre
- Yarram Mechanics Hall (Scout Association of Australia)
- Yarram Senior Citizens Centre
- Stratford on Avon Shakespeare Association - Dixon St
- Sale Historical Society (Museum)
- Sale Historical Society (Powder Magazine)
- Avon Landcare Group - Dixon St



6.5 Other Information

6.5.5 Citizenship

During the last year Wellington Shire Council conducted four Citizenship ceremonies, including a very popular event on Australia Day. We were able to welcome a total of 73 new citizens to our community from 33 different countries.

6.5.6 Civic Receptions

A total of eight Civic Receptions were conducted during the last 12 months, with a number of very significant events being celebrated. It was pleasing to note that our annual reception for New Professionals in April was well attended by over 100 people from across a variety of businesses. Also very popular was the annual announcement of our Wellington Shire Citizen of the Year, Young Citizen of the Year, Group of the Year and Event of the Year at a luncheon which again recognised not only all the nominees, but also the wonderful people that nominated each of candidates.

- Australia Day Awards luncheon
- 150 years of Freemasonry in Sale
- Time Capsule opening
- Eastern District Fire Brigade Championships in Maffra
- RAAF Freedom of Entry to the City
- Allan McLean portrait unveiling
- New Professionals
- Induction of new Youth Councillors.



A large, white, sans-serif number '2' is positioned on the left side of the image. The background is a solid maroon color. To the right of the number, there is a geometric pattern of white lines forming a series of overlapping triangles and hexagons, creating a 3D effect.

Performance Statement

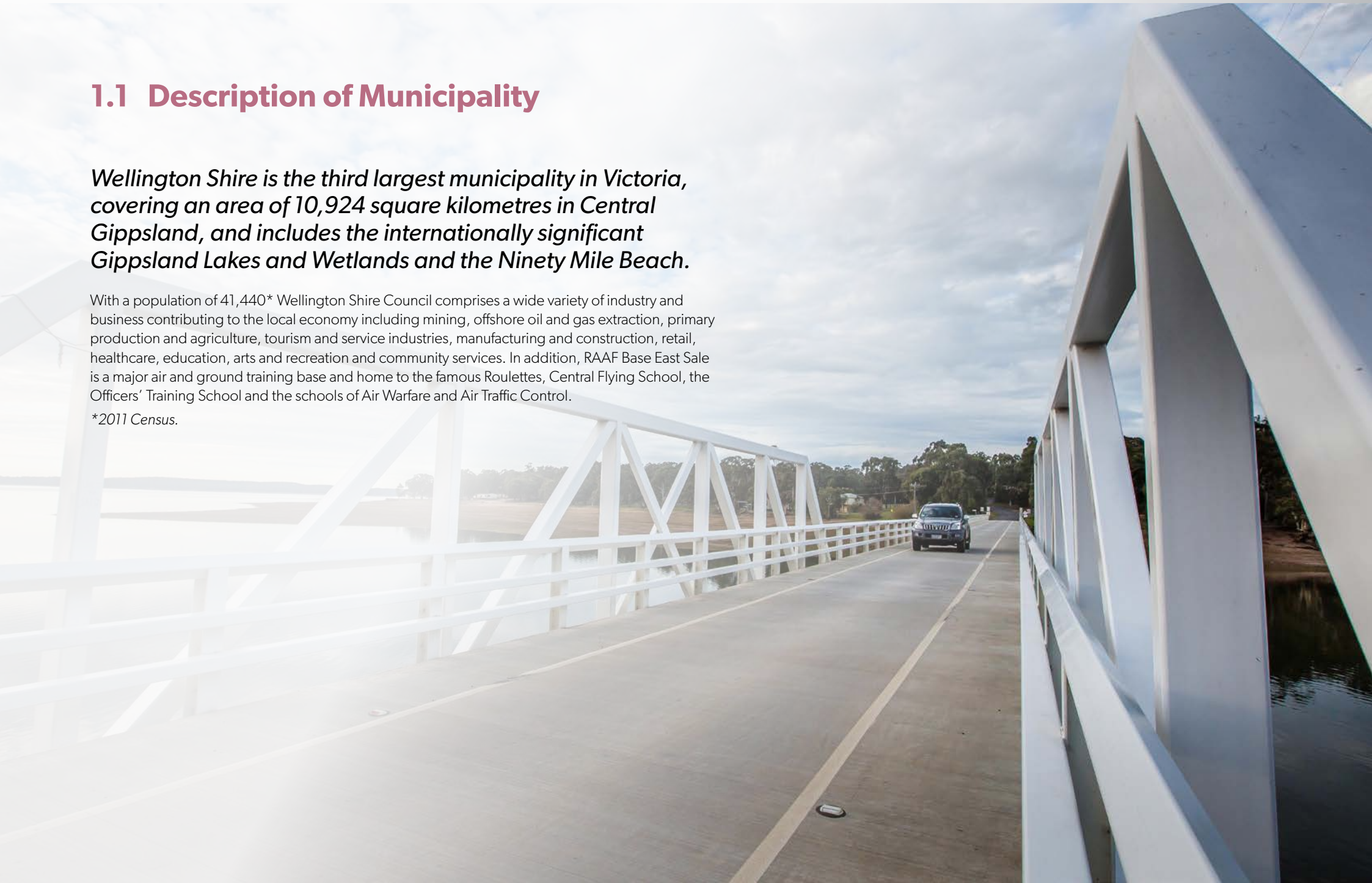
1.0 PERFORMANCE STATEMENT

1.1 Description of Municipality

Wellington Shire is the third largest municipality in Victoria, covering an area of 10,924 square kilometres in Central Gippsland, and includes the internationally significant Gippsland Lakes and Wetlands and the Ninety Mile Beach.

With a population of 41,440* Wellington Shire Council comprises a wide variety of industry and business contributing to the local economy including mining, offshore oil and gas extraction, primary production and agriculture, tourism and service industries, manufacturing and construction, retail, healthcare, education, arts and recreation and community services. In addition, RAAF Base East Sale is a major air and ground training base and home to the famous Roulettes, Central Flying School, the Officers' Training School and the schools of Air Warfare and Air Traffic Control.

*2011 Census.



1.2 Sustainable Capacity Indicators

For the year ended 30 June 2016.

Indicator / Measure	Result		Material Variations
	2015	2016	
Population			
Expenses per head of municipal population [Total expenses / Municipal population].	\$1,776.84	\$1,717.79	Council's total expenses were \$72,087,000 during 2015/16, which equates to \$1,717.79 being spent per Wellington Shire resident.
Infrastructure per head of Municipal Population [Value of infrastructure / Municipal population].	\$18,726.79	\$19,099.08	Wellington Shire Council's infrastructure was valued at a total of \$801,493,000 during the 2015/16 financial year. That equates to a total value of \$19,099.08 infrastructure per head of the municipality's population.
Population density per length of road [Municipal population / Kilometres of local roads].	13.61	13.52	There are 3,104km of sealed and unsealed local roads for an estimated municipal population of 41,965 within Wellington Shire.
Own-Source Revenue			
Own-source revenue per head of Municipal population [Own-source revenue / Municipal population].	\$1,394.98	\$1,475.59	Additional own source revenue received in 2015/16 included revenue from new animal registration fees, revenue from a combined service agreement with East Gippsland Shire Council and increased commercial tipping fees.
Recurrent Grants			
Recurrent grants per head of Municipal population [Recurrent grants / Municipal population].	\$503.46	\$293.24	On 30 June 2015, the Commonwealth Government remitted an advance payment of \$6.07 million for the 2015/16 Financial Assistance Grants, which overstated the 2014/15 indicator and also results in a corresponding understatement of the 2015/16 indicator.

1.0 PERFORMANCE STATEMENT

1.2 Sustainable Capacity Indicators

For the year ended 30 June 2016.

Indicator / Measure	Result		Material Variations
	2015	2016	
Disadvantage			
Relative socio-economic disadvantage [Index of Relative Socioeconomic Disadvantage by decile].	4	4	The Australian Bureau of Statistics (ABS) index of relative socioeconomic disadvantage indicates that one is the most disadvantaged and ten is the least disadvantaged. Wellington Shire's result is four.

Definitions

"Adjusted underlying revenue" means total income other than:

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

- "Infrastructure" means non-current property, plant and equipment excluding land.
- "Local road" means a sealed or unsealed road for which the Council is the responsible road authority under the Road Management Act 2004.
- "Population" means the resident population estimated by Council.
- "Own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).
- "Relative socio-economic disadvantage", in relation to a municipality, means the relative socioeconomic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.
- "SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website.
- "Unrestricted cash" means all cash and cash equivalents other than restricted cash.

1.3 Service Performance Indicators

For the year ended 30 June 2016.

Service Indicator / Measure	Result		Material Variations
	2015	2016	
Aquatic Facilities			
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population].	4.55	4.75	The estimated population of Wellington Shire is 41,965. The total visits to Council's indoor and outdoor aquatic facilities for 2015/16 was 199,337, which equates to an average of almost five visits per Wellington Shire resident for the year.
Animal Management			
Health and Safety			
Animal management prosecutions [Number of successful animal management prosecutions].	11	4	During 2015/16, Council undertook four animal management prosecutions, all of which were successful. The relatively low number of animal prosecutions undertaken by Council indicates the effectiveness of its ongoing animal management education program.
Food Safety			
Health and Safety			
Critical and major noncompliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100.	100%	100%	Council is committed to minimising threats to public health and has developed a proactive health promotions and education program for major-noncompliance food premises.

1.0 PERFORMANCE STATEMENT

1.3 Service Performance Indicators

For the year ended 30 June 2016.

Service Indicator / Measure	Result		Material Variations
	2015	2016	
Governance			
Satisfaction			
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community].	58	56	Council's participation in the 2015 Community Satisfaction Survey showed a 56% community satisfaction rating with the way Council has performed in making decision in the interests of the community. Though there is a slight decline in this rating, Council is still performing six points higher than large rural average and two points higher compared to State wide average.
Home and Community Care			
Participation			
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100.	-	-	The Wellington Shire council is not directly responsible for the delivery of Home and community care service, so there is no performance data available for these indicators.
Participation			
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100.	-	-	
Libraries			
Participation			
Active library members [Number of active library members / Municipal population] x100.	15.41%	13.42%	Wellington Shire Libraries offer a broad range of popular programs including author talks, baby rhyme times, and toddler story time and school holiday programs. These are well attended by library members and non-members within the municipality. Council continues to actively promote library membership across all sectors of the community.

1.0 PERFORMANCE STATEMENT

1.3 Service Performance Indicators

For the year ended 30 June 2016.

Service Indicator / Measure	Result		Material Variations
	2015	2016	
Maternal and Child Health			
Participation			
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100.	-	-	The Wellington Shire council is not directly responsible for the delivery of Maternal and child health service, so there is no performance data available for these indicators.
Participation			
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100.	-	-	
Roads			
Satisfaction			
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads].	52	53	Results from the 2015 Community Satisfaction Survey show an increase in residents’ satisfaction rating for Wellington Shire’s sealed local roads to 53% which is significantly higher than the average for similar large rural Councils. Council is responsible for a road network of 3,104 km, of which 1,506 km are sealed.
Statutory Planning			
Decision Making			
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council’s decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100.	100%	100%	In 2015/16 two planning application decisions were subject to a review by VCAT and, in both instances, Council’s decision was upheld.

1.0 PERFORMANCE STATEMENT

1.3 Service Performance Indicators

For the year ended 30 June 2016.

Service Indicator / Measure	Result		Material Variations
	2015	2016	
Waste Collection			

Waste Diversion

Kerbside collection waste diverted from landfill

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

34.61%

32.10%

Over 3,400 tonnes of recycling waste was diverted from landfill in 2015/16 which is a slight decrease compared to 2014/15. That's an average of 179kg of recycling waste per household in Wellington Shire.

Definitions

- "Aboriginal child" means a child who is an Aboriginal person.
- "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006.
- "Active library member" means a member of a library who has borrowed a book from the library.
- "Annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act.
- "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English.
- "Class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act.
- "Class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act.
- "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.
- "Critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health.
- "Food premises" has the same meaning as in the Food Act 1984.
- "HACC service" means home help, personal care or community respite provided under the HACC program.
- "HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth.
- "Local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.
- "Major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.
- "Population" means the resident population estimated by Council.
- "Target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth.
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a Council Aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

1.0 PERFORMANCE STATEMENT

1.4 Financial Performance Indicators

For the year ended 30 June 2016.

Dimension Indicator / Measure	Result		Forecast				Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue Level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments].							A higher than expected number of supplementary valuations relating to residential properties were processed in 2015/16 compared to 2014/15 resulting in additional rates and charges raised. This increase was partly offset by a number of vacant blocks transferred to Council as part of the Wellington Coastal Strategy, Ninety Mile Beach Plan Voluntary Assistance program.
	\$1,114.95	\$1,177.97	\$1,251.13	\$1,305.15	\$1,370.65	\$1,434.12	
Expenditure Level Expenses per property assessment [Total expenses / Number of property assessments].							This measure is forecast to increase by \$370 per assessment by 2020. This increase reflects the inclusion of a CPI increase over the period with 2016/17 impacted by large one - off projects. Council is well below other similar councils for expenses per property assessments.
	\$2,181.33	\$2,103.93	\$2,322.26	\$2,378.07	\$2,424.99	\$2,474.12	
Workforce Turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100.							A slight increase in resignations and terminations in 2015/16 due to a higher number of planned staff retirements and couple of redundancies as a result of review in positions. Four full time staff who converted into casuals are also included in the result as casual positons are excluded from the calculation. Long term average for number of resignations and terminations is approximately 30 per year or 10%. No increase in staff numbers are anticipated in the forecast based on the current organisational structure.
	9.39%	13.14%	10.95%	10%	10%	10%	

1.4 Financial Performance Indicators

For the year ended 30 June 2016.

Dimension Indicator / Measure	Result		Forecast				Material Variations
	2015	2016	2017	2018	2019	2020	
Liquidity							
Working Capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100.	321.14%	382.82%	286.78%	300.53%	250.42%	269.83%	Council's liquidity has improved ahead of a planned increase in capital works for 2016/17. Project timing has seen deferral of commitment and reduced creditors at balance date.
Unrestricted Cash							
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100.	156.8%	226.46%	229.29%	240%	201.78%	221.96%	Conditional grants unspent are \$6.7 million lower from 2014/15 resulting in increased unrestricted cash in 2015/16. Payables and loan balances are also lower compared to 2014/15.
Obligations							
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100.	69.4%	80.21%	137.33%	90.37%	109.75%	122.23%	The improvement in this measure recognises Council's emphasis on reducing the asset renewal gap, which is being assisted by successful receipt of grant funding for projects such as the Yarram Streetscape renewal (completed 2015/16), Port of Sale Precinct (commenced 2015/16 and expected completion in 2017/18) and increased renewal of roads and bridges (funded by increased Roads to Recovery allocation).
Loans and Borrowings							
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100.	26.58%	19.61%	19.75%	18.86%	19.33%	15.03%	The reduction in this measure relates to Council not requiring proposed borrowings in 2015/16 of \$1.89 million and deferring \$1.3 million to 2016/17. Over the next four years Council will continue to construct a number of key residential street schemes, funded by borrowings which will be repaid over time by ratepayers benefitting from the works.

1.4 Financial Performance Indicators

For the year ended 30 June 2016.

Dimension Indicator / Measure	Result		Forecast				Material Variations
	2015	2016	2017	2018	2019	2020	
Liquidity							
Loans and Borrowings							
Loans and borrowings repayments compared to rates repayments on interest bearing loans and borrowings / Rate revenue] x100.	7.33%	7.05%	3.69%	2.58%	1.78%	6.78%	Existing Council loans will be progressively repaid over the next three years. In 2019/20 Council plans to partly repay the principal owing on an interest only loan.
Indebtedness							
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100.	20.36%	17.4%	18.37%	18.25%	14.02%	14.55%	The reduction in this measure mainly results from an increase in 2015/16 own source revenue associated with new sources of income and increased rates and charges and commercial tipping fees, along with a minor decrease in noncurrent liabilities (reduced loan payments). This measure compared to other similar councils (2015-31.34%) is significantly lower, indicating Council is in a strong position to cover noncurrent liabilities.
Operating Position							
Adjusted Underlying Result							
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100.	8.46%	3.63%	9.94%	1.99%	5%	5.69%	The fluctuation between 2014/15 and 2015/16 is the result of the early receipt of 2015/16 funds in 2014/15. This measure is predicted to rise in 2016/17 due to additional Roads to Recovery funding.

1.0 PERFORMANCE STATEMENT

1.4 Financial Performance Indicators

For the year ended 30 June 2016.

Dimension Indicator / Measure	Result		Forecast				Material Variations	
	2015	2016	2017	2018	2019	2020		
Stability								
Rates Concentration								
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100.	60.27%	69.1%	62.54%	69%	68.45%	69.36%	This measure has also been impacted by the unexpected receipt of funding in 2014/15, generating higher than expected adjusted underlying revenue for 2014/15.	
Rates Effort								
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100.	0.54%	0.56%	0.56%	0.58%	0.59%	0.61%	This measure is forecast to remain steady over the next four years.	

Definitions

"Adjusted underlying revenue" means total income other than:

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

- "Adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure.
- "Asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- "Current assets" has the same meaning as in the Australian Account Standards (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.

1.5 Other Information

For the year ended 30 June 2016.

Basis of Preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 21 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.




1.0 PERFORMANCE STATEMENT



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*.



 Ian Carroll CPA
 Principal Accounting Officer
 Dated: 20/9/16


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

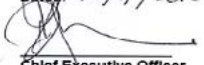
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

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


 Councillor
 Peter Cleary
 Dated: 20/9/16


 Councillor
 John Duncan
 Dated: 20/9/2016


 Chief Executive Officer
 David Morcom
 Dated: 20/9/16

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 156 Grant Street, Yarram Victoria 3971
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The Heart of Gippsland

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Wellington Shire Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Wellington Shire Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Wellington 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.

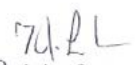
Independence

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, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Wellington Shire Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
 22 September 2016


 Andrew Greaves
 Auditor-General



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**Annual
Financial Report**

1.0 FINANCIAL REPORT

COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	51,690	49,392
Statutory fees and fines	4	466	566
User fees	5	6,410	6,113
Grants - operating	6	8,046	21,156
Grants - capital	6	6,744	5,076
Contributions - monetary	7	350	339
Contributions - non monetary	7	5,934	1,589
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	243	(177)
Other Income	9	3,405	3,002
Total income		83,288	87,056
Expenses			
Employee costs	10	23,748	22,906
Materials and services	11	25,195	27,175
Bad and doubtful debts	12	70	107
Depreciation and amortisation	13	21,102	22,491
Borrowing costs	14	649	769
Other expenses	15	1,323	1,570
Total expenses		72,087	75,018
Surplus for the year		11,201	12,038
Other comprehensive income			
Net asset revaluation increment	27(a)	3,119	8,000
Total comprehensive result		14,320	20,038

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

BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	4,102	25,096
Trade and other receivables	17	6,224	5,963
Other financial assets	18	40,442	19,262
Non-current assets classified as held for sale	19	218	-
Other assets	20	974	2,327
Total Current Assets		51,960	52,648
Non-current assets			
Trade and other receivables	17	1,427	1,486
Property, infrastructure, plant and equipment	21	899,169	887,890
Intangible assets	22	649	901
Total non-current assets		901,245	890,277
Total assets		953,205	942,925
Liabilities			
Current liabilities			
Trade and other payables	23	4,678	6,103
Trust funds and deposits	24	629	769
Provisions	25	6,785	6,532
Interest-bearing loans and borrowings	26	1,481	2,990
Total current liabilities		13,573	16,394
Non-current liabilities			
Provisions	25	2,117	1,855
Interest-bearing loans and borrowings	26	8,656	10,137
Total non-current liabilities		10,773	11,992
Total liabilities		24,346	28,386
Net assets		928,859	914,539
Equity			
Accumulated surplus		314,775	301,682
Reserves	27	614,084	612,857
Total Equity		928,859	914,539

The above balance sheet should be read with the accompanying notes

1.0 FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		914,539	301,682	605,809	7,048
Surplus/(deficit) for the year		11,201	11,201	-	-
Net asset revaluation increment/(decrement)	27(a)	3,119		3,119	-
Transfer from asset revaluation reserve to accumulated surplus	35	-	1,543	(1,543)	-
Transfers to other reserves	27(b)	-	(2,025)	-	2,025
Transfers from other reserves	27(b)	-	2,374	-	(2,374)
Balance at end of the financial year		928,859	314,775	607,385	6,699
		Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		893,853	286,409	600,519	6,925
Effects of correction of errors	1(x)	648	803	(155)	-
Surplus for the year		12,038	12,038	-	-
Net asset revaluation increment/(decrement)	27(a)	8,000	-	8,000	-
Transfer from asset revaluation reserve to accumulated surplus	35	-	2,555	(2,555)	-
Transfers to other reserves	27(b)	-	(1,553)	-	1,553
Transfers from other reserves	27(b)	-	1,430	-	(1,430)
Balance at end of the financial year		914,539	301,682	605,809	7,048

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and Charges		51,269	48,619
Statutory fees and fines		466	566
User fees		6,668	5,937
Grants - operating		8,569	21,510
Grants - capital		7,370	5,327
Contributions -monetary		460	463
Interest received		1,256	1,251
Trust Funds and deposits taken		7,738	7,372
Other receipts		1,738	1,752
Goods and Services Tax Collected	1(t)	789	774
Goods and Services Tax Refunds from the Australian Taxation Office	1(t)	3,929	4,092
Employees costs		(23,590)	(22,390)
Material and services		(26,691)	(26,835)
Trust Funds and deposits repaid		(7,789)	(7,286)
Other payments		(643)	(730)
Goods and Services Tax Paid to Suppliers	1(t)	(4,718)	(4,865)
Net cash provided by operating activities	28	26,821	35,557
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	21	(23,981)	(24,381)
Proceeds from sale of property, infrastructure, plant and equipment	8	988	613
Payments for investments		(132,971)	(89,154)
Proceeds from sale of investments		111,791	69,892
Net cash used in investing activities		(44,173)	(43,030)
Cash flows from financing activities			
Finance costs		(652)	(773)
Repayment of borrowings		(2,990)	(2,847)
Net cash provided by/(used in) financing activities		(3,642)	(3,620)
Net increase/(decrease) in cash and cash equivalents		(20,994)	(11,093)
Cash and cash equivalents at the beginning of the financial year		25,096	36,189
Cash and cash equivalents at the end of the financial year		4,102	25,096
Financing arrangements	29		
Restrictions on cash assets	16		

The above cash flow statement should be read with the accompanying notes

1.0 FINANCIAL REPORT

STATEMENT OF CAPITAL WORKS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
Property			
Land		185	-
Land improvements		46	12
Total land		<u>231</u>	<u>12</u>
Buildings		2,028	8,070
Total buildings		<u>2,028</u>	<u>8,070</u>
Total property		<u>2,259</u>	<u>8,082</u>
Plant and equipment			
Plant, machinery and equipment		2,837	1,555
Furniture and Fittings		203	1,007
Computers and telecommunications		67	601
Library Books		196	240
Art Works		50	72
Total plant and equipment		<u>3,353</u>	<u>3,475</u>
Infrastructure			
Roads		9,493	7,550
Bridges		1,515	708
Footpaths and cycleways		587	1,587
Drainage		132	132
Recreational, leisure and community facilities		1,711	646
Waste management		538	68
Parks, open space and streetscapes		1,781	952
Aerodromes		175	86
Off street car parks		101	49
Other infrastructure		2,139	1,016
Total infrastructure		<u>18,172</u>	<u>12,794</u>
Total capital works expenditure		<u><u>23,784</u></u>	<u><u>24,351</u></u>
Represented by:			
New asset expenditure		453	-
Asset renewal expenditure		16,659	15,381
Asset expansion expenditure		822	1,546
Asset upgrade expenditure		5,850	7,424
Total capital works expenditure		<u><u>23,784</u></u>	<u><u>24,351</u></u>

The above Statement of Capital Works should be read in conjunction with the accompanying notes.
The Statement of Capital Works includes work in progress and excludes intangibles

Notes to the Financial Report For the Year Ended 30 June 2016

INTRODUCTION

Wellington Shire Council was established by an Order of the Governor in Council on 2 December 1994. The Council's main office is located at 18-20 Desailly Street, Sale 3850.

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 (AAS's), 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 AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(e))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(k))
- the determination of employee provisions (refer to note 1(p))
- the determination of landfill provision (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) Change 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.

(d) 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 revenues 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.

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Revenue recognition (cont'd)

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 their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues 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 notes 6 and 7. 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.

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.

(e) 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; and

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

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

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

(f) 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.

(g) 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.

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) 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.

(j) 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(k) have been 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, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use 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 21, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from two to five 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

As at 30 June 2016 Land assets were revalued, resulting in a credit to the Asset Revaluation Reserve of \$1.17 million.

Art Gallery Works

Art Gallery works were revalued at 30 June 2016, resulting in a credit to the Asset Revaluation Reserve of \$1.38 million.

Buildings and Structures

As at 1 July 2015 Building and structures assets were revalued by APV Valuers and Asset Management Pty Ltd, Public Artwork by Charles Nodrum, Playgrounds and skate parks by Ray Hutchison & Associates and BMX Tracks by Krusics Pty Ltd. This process resulted in a credit to the Asset Revaluation Reserve of \$0.58 million, an amount additional to the management adjustment made in the prior financial year, due to the changes in data integrity and asset standard lives since the interim revaluation.

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd)

Prior Year Newly Recognised/Derecognised Adjustments

During the year, as part of a continuous improvement focus, Council is able to use technology that allows better identification of assets 'as built'. In addition, information flow from officers in the field conveys more accurate data to Asset Managers as variances are discovered. These variances resulted in assets being recognised and derecognised in the Council's asset register and are deemed to be prior year errors which have been retrospectively adjusted to equity against prior year opening balances.

A third balance sheet has not been presented to disclose these prior year errors as they were considered not material to the comparative amounts included within the Balance Sheet.

	Actual	Prior year adjustments	Reclassified	Restated
	2015	Newly recognised	Derecognised	2015
	\$'000	\$'000	\$'000	\$'000
Roads	493,245	141	(25)	493,361
Bridges	58,011		(107)	57,904
Footpaths	24,093	33		24,126
Drainage	69,343	570		69,913
Land	78,668	10		78,678
Landfill Improvements*	666			666
Land under Roads	17,079			17,079
Buildings	75,765			75,765
Recreational, Leisure and Community	15,213	24		15,237
Waste Management	2,896			2,896
Parks Open Space and Streetscapes	16,988	6		16,994
Aerodromes	9,385			9,385
Off Street Car Parks	2,857			2,857
Other Infrastructure	5,365			5,365
Art Gallery	2,003		(4)	1,999
Plant, Machinery and Equipment	5,658			5,658
Fixtures, Fittings and Furniture	1,400			1,400
Computers and Telecommunications	778			778
Library Books	1,528			1,528
Work in Progress	6,301			6,301
Property, Infrastructure, Plant and Equipment	887,242	784	(136)	-
				887,890

*The total effect of the correction of prior year errors for 'newly recognised' and 'derecognised' assets above was \$648,000 - refer Note 1(x). The associated effect on the Accumulated Surplus (\$784,000) and Asset Revaluation Reserve (-\$136,000) are disclosed in the Statement of Changes of Equity.

Land under roads

Council recognises land under roads it controls at fair value.

(k) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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

Notes to the Financial Report
For the Year Ended 30 June 2016

(k) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles (cont'd)

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.

ASSET TYPE	Depreciation Period	Threshold Limit \$
Property		
Land	-	All
Land Improvements	5	All
Buildings		
Heritage Buildings	20-100 years	>\$10,000
Buildings	20-100 years	>\$10,000
Plant and Equipment		
Plant, Machinery and Equipment	3-15 years	>\$3,000
Fixtures, Fittings and Furniture	10 years	>\$1,000
Computers and Telecommunications	3 years	>\$1,000
Library Books	10 years	All
Infrastructure		
Road Pavements and Seals		
- Pavements Sealed	100 years	All
- Pavements Gravel (Local Access A and above)	15	All
- Pavements Gravel (Local Access B and C)	20	All
- Seals - Urban and Rural	15	All
- Asphalt Urban and Rural	30	All
Road Substructure	Indefinite	All
Road Kerb, Channel and Minor		
- Road Kerb and Channel	70	All
- Road Minor Culverts and	100	All
Bridges		
- Concrete		
- Deck and Substructure	100	All
- Floodways and Major Culverts	100	All
- Timber		
- Deck and Substructure	60	All
- Floodways and Major Culverts	100	All
Footpaths and Cycleways		
- Asphalt / Bitumen	15	All
- Concrete / Paved	60	All
- Gravel / Sand	10	All
- Unconstructed	100	All
Drainage		
- Pump Wells	20	All
- Other Drainage	20 - 100	All
- Open Drain - Earth/Retention	Indefinite	All
Recreational, Leisure and Community Facilities	10 - 100 years	>\$5,000
Waste Management	20 - 100 years	>\$5,000
Parks, Open Space and	10 - 120 years	>\$5,000
Off Street Car Parks	30 - 100 years	>\$5,000
Aerodromes	20 - 120 years	>\$5,000
Intangible Assets		
Landfill Airspace	5 - 38 years	All
Software	3-10 years	>\$1,000

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) 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.

(m) Impairment of assets

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

(n) 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 24).

(o) 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 the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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, interest on borrowings and finance lease charges.

(p) Employee costs and benefits

The calculation of employee costs and benefits include 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 remuneration rate expected to apply at the time of settlement.

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee costs and benefits (cont'd)

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 the 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.

Sick Leave Gratuity

A former entity of Wellington Shire Council had established a sick leave gratuity scheme which ceased at the end of September 1991. Under the scheme, sick leave is payable to all ex-Shire employees and is not to exceed existing benefits as at the end of September 1991, using remuneration rates current at the time of leaving. The employees are entitled to the sick leave gratuity upon their leaving the organisation. The amount provided for appears as a non-current liability.

(q) Provision for Doubtful Debts

Council has extensive legal powers for the recovery of rates and property related debts such as general rates and special rates and charges, therefore any provision is on the basis of the outstanding amount exceeding the realisable recovery amount.

Included in the Provision for Doubtful Debts is an amount relating to land in the 90 Mile Beach inappropriate subdivision. Council has a significant number of rateable properties in this area for which provision has been made for a total amount outstanding of \$2,188,056 (2015 \$2,465,939). A provision has been established as these properties are unable to be sold in order for Council to recover the debt.

(r) Landfill rehabilitation provision

Under Environment Protection Authority (EPA) legislation Council is obligated to restore licensed landfill sites to a particular standard. Current projections have been taken into account in determining when the 3 licensed landfills at Kilmany, Longford and Maffra will cease operation and the timing of restoration work. The forecast lives of these sites are 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 is based on current understanding of work required to reinstate the site to a suitable standard, acceptable to the EPA. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, the volume of work required and related costs.

(s) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. At balance date Council did not have any finance 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.

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

Leasehold Improvements

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

(t) 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 Taxation 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.

We are unable to accurately split the Goods and Services Tax between the different line items of the Statement of Cash Flows, as this would be impracticable due to the functionality of the financial system. Therefore the cash flows resulting from the Goods and Services Tax have been shown as separate line items in the Statement of Cash Flows.

(u) 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 that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Assets and Liabilities

(v) 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.

(w) Pending accounting standards

The following Australian Accounting Standards have been issued and are applicable to the Council but not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	What's new?	Impact/Action	Transition	Effective Date
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	AASB 15 replaced the previous revenue standards: AASB118 Revenue and AASB111 Construction Contracts. AASB establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flow arising from an entity's contracts with customers, with revenue recognised as 'performance obligations' are satisfied.	As there is inadequate information available, Council believes that it is too early to assess the impact of the pending standard change.	The standard requires retrospective implementation.	1 January 2018
AASB16 'Leases'	AASB 16 brings all leases onto the balance sheet of the lessees by recognising a 'right of use' asset and a lease liability.	As there is inadequate information available, Council believes that it is too early to assess the impact of the pending standard change.	Early adoption is permitted if AASB 15 'Revenue from Contracts with Customers' is applied.	1 January 2019

(x) Effects of corrections of errors on prior year

These include :

	\$'000
Newly recognised assets (Note 1(j))	784
Derecognised assets (Note 1(j))	(136)
Total effects of correction of errors	648

Rounding

(y) 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.

Notes to the Financial
For the Year Ended 30 June 2016

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 percent or \$600,000 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 16 June 2015. 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 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	51,373	51,690	317	
Statutory fees and fines	525	466	(59)	1
User fees	5,813	6,410	597	2
Grants - operating	13,647	8,046	(5,601)	3
Grants - capital	5,710	6,744	1,034	4
Contributions - monetary	486	350	(136)	5
Contributions - non monetary	-	5,934	5,934	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	236	243	7	
Other income	2,492	3,405	913	7
Total income	80,282	83,288	3,006	
Expenses				
Employee costs	24,327	23,748	579	
Materials and services	30,400	25,195	5,205	8
Bad and doubtful debts	111	70	41	9
Depreciation and amortisation	22,155	21,102	1,053	10
Borrowing costs	731	649	82	11
Other expenses	674	1,323	(649)	12
Total expenses	78,398	72,087	6,311	
Surplus/(deficit) for the year	1,884	11,201	9,317	

*The Budget 2016 figures have been reclassified in order to comply with the Local Government Model Financial Report disclosure requirements.

1.0 FINANCIAL REPORT

Notes to the Financial
For the Year Ended 30 June 2016

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory Fees & Fines	Income from infringements has fallen short of budget (\$98k); this income is unpredictable and based on community behaviour. Income from registration fees and permits has also fallen short of budget (\$19k); this income is unpredictable and based on the number of customer requests. Planning and land information certificate fees have exceeded budget \$58k.
2	User Fees	Fees raised from commercial tipping were higher than anticipated \$231k due to the larger volume of waste processed during the year 2015/16. A combined services initiative between Wellington Shire Council and East Gippsland Shire has generated additional income \$163k as Council is reimbursed for the information technology service it has provided.
3	Grants - operating	On 30 June 2015 the Commonwealth Government remitted an advance payment of 50% of Council's 2015/16 Financial Assistance Grant allocation, resulting in an unexpected receipt of \$6.07 million. The revenue was recognised upon receipt in 2014/15 after the budget for 2015/16 was already finalised.
4	Grants - capital	Capital grants are higher than budgeted due to an increase allocation of funding from the Roads to Recovery Program, although a significant portion of this funding will be carried forward to 2016/17; net increase which has been received in 2015/16 is \$1.05 million. In addition, some grant funding originally expected to be received in 16/17 has been received in 2015/16, including Gippsland Regional Sports Complex Stage 2 \$390k and Charles Street Boat Ramp \$350k. The next instalment for the Port of Sale Cultural Hub and Precinct Redevelopment of (\$500k) budgeted to be received in 2015/16, will now be received in 2016/17. The Maxfield Bridge Renewal grant application for (\$285k) was unsuccessful.
5	Contributions - monetary	Delays in residential street construction of sealed roads, kerbs, and channels planned for 2015/16 have subsequently delayed associated owners contributions (\$300k) until 2016/17. Unbudgeted contributions received from other councils for the GLGN shared services business case \$77k is offset by associated expenditure.
6	Contributions - non monetary	Non monetary contributions for 2015/16 consisted mainly of infrastructure assets contributed by developers for new subdivisions (\$5.78 million). Council also recognised gifted and donated assets relating to land acquired under the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme \$153k.
7	Other Income	Adjustments to non cash entries for newly recognised infrastructure assets equate to \$411k. Interest on short term investments has exceeded budget \$256k mainly due to the receipt of grants in advance and the timing of expenditure during the year. Higher than expected turn over commission and lease capital adjustments from caravan parks \$150k, and unanticipated insurance recovery for heritage assets \$149k, are partially offset by lower than expected donations towards capital projects (\$250k).
8	Materials & Services	Deferral of the rehabilitation of Kilmany and Longford landfill to 2016/17 and 2017/18 are due to further acceptance of lower risk ratings by EPA resulting in a \$2.33m underspend. The majority of the contribution to the Princess Highway/Cobains Road Intersection Upgrade \$1.48m has been delayed to 2016/17. Savings in utilities charges \$355k is mainly due to the replacement of street lighting with LED luminaries which are more energy efficient and are cheaper to substitute. Savings were also seen in insurances \$147k.
9	Bad & Doubtful Debts	The amount provided for the provision of local laws doubtful debts is \$28k lower than budgeted.
10	Depreciation and amortisation	Depreciation and amortisation (non cash) is lower due to the impact of the building assets revaluation in 2015/16. The forecast has been revised to reflect the estimated full year impact on building depreciation which is partly offset by an increase in drainage depreciation.
11	Borrowing costs	Borrowing costs were lower than expected due planned borrowings of \$1.80 million to fund the Princes Highway - Cobains Road intersection upgrade being lowered to \$1.30 million and deferred to 2016/17, and planned borrowings of \$1.17 million for the Sale Livestock Exchange Upgrade not being relied upon.
12	Other Expenses	During the year, Council wrote off assets found to be the property of an external party (\$229k). In addition a number of assets which were no longer maintained by Council were derecognised (\$96k). NPV rate and cost changes in the calculation of the landfill rehabilitation provision has resulted in a \$328k (non cash) adjustment.

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 2 BUDGET COMPARISON (CONT'D)

b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land	-	185	(185)	1
Land improvements	60	46	14	
Total Land	60	231	(171)	
Buildings	4,471	2,028	2,443	2
Total Buildings	4,471	2,028	2,443	
Total Property	4,531	2,259	2,272	
Plant and Equipment				
Plant, machinery and equipment	2,525	2,837	(312)	3
Fixtures, fittings and furniture	156	203	(47)	
Computers and telecommunications*	122	67	55	
Library books	229	196	33	
Art Works	27	50	(23)	
Total Plant and Equipment	3,059	3,353	(294)	
Infrastructure				
Roads	9,215	9,493	(278)	4
Bridges	2,471	1,515	956	5
Footpaths and cycleways	1,154	587	567	6
Drainage	305	132	173	
Recreational, leisure and community facilities	2,436	1,711	725	7
Waste management	690	538	152	
Parks, open space and streetscapes	3,550	1,781	1,769	8
Aerodromes	250	175	75	
Off street car parks	200	101	99	
Other infrastructure	2,027	2,139	(112)	
Total Infrastructure	22,298	18,172	4,126	
Total Capital Works Expenditure	29,888	23,784	6,104	
Represented by:				
New asset expenditure	305	453	(148)	
Asset renewal expenditure	20,702	16,659	4,043	
Asset expansion expenditure	506	822	(316)	
Asset upgrade expenditure	8,375	5,850	2,525	
Total Capital Works Expenditure	29,888	23,784	6,104	

* This budget comparison excludes Intangibles

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Unexpected purchase of land funded from the Asset Improvement Reserve.
2	Buildings	The Port of Sale Cultural Hub Redevelopment Project (\$2.63 million) was delayed due to design and community consultation issues, this is a multi year project. The Construction contract is to be awarded in August 2016. Final works were completed on the Yarram District Hub \$198k and the Desailly Street - Corporate Headquarters \$66k, these funds were carried forward from the previous financial year.
3	Plant, machinery and equipment	The purchase of two trucks were delayed in 2014/15 due to extended delivery times, these items were both purchased in 2015/16 with carried forward funds.
4	Roads	An additional \$1.05 million of Roads to Recovery grant funding was received in late 2015, several projects were brought forward from future programs to utilise these funds. While Cunningham Street Reconstruction (\$631k) has commenced, the Simpson and Pearson Street residential street construction scheme was adopted by Council in April 2016, construction is planned to commence in October 2016. These projects are Special Charge Schemes which have a long lead time due to statutory requirements and require stakeholder engagement and approval. The annual reseals program delivered (\$476k) in savings after completion of the programed works. Brewers Hill Road reconstruction in Maffra (\$202k) was delayed due to wet weather hampering progress and an additional Roads to Recovery funding allocation increasing the original scope of the project.
5	Bridges	The funding application for Maxfields footbridge (\$570k) was unsuccessful and therefore the project did not commence, another application will be made for in 2016/2017. The Park Street Bridge (\$250k) was delayed, this is an auxiliary project to the Port of Sale Cultural Hub Redevelopment and commencement is dependent upon the commencement of the overall precinct development.
6	Footpaths and cycleways	Within the Footpaths and Shared Paths annual program (\$333k), expenses for the Queens Street Roundabout in Maffra was combined with the larger project and moved to Roads. The remaining underspend is minor works on service authority pit lid realignments for Tarraville Road, Port Albert to be completed early 2016/17. The New Shared Paths program (\$249k) was a combination of a few small projects which were all completed below the cost originally estimated.
7	Recreational, leisure and community facilities	The Stephenson Park Power Supply upgrade (\$278k) is a multi year project. The project required extensive consultation with the various user groups to scope up the electricity supply requirements to equitably contribute to ongoing supply charges. The successful electrical contractor installing the lights underestimated the procurement time to obtain and erect the light towers and lights and the project will overrun by two months. Regional Aquatic Complex - 25M Pool Heating project (\$242k) was delayed and rescoped in accordance with the Aquatic Strategy which was completed in December 2015. Gordon Street Recreation Reserve Clubrooms Redevelopment (\$199k) had design issues which delayed commencement.
8	Parks, open space and streetscapes	The Sale CBD Infrastructure Renewal Program (\$750k) was made up of two key projects. Macarthur Street, where no tenders were received the first time this package was advertised and had to be retendered. The Desailly, Cunninghame, Macalister Street package of works was tendered in May without a successful contractor being appointed. It will now be readvertised. Commercial Road Streetscape Improvements are ongoing, the annual budget allocation was 75% spent, with the remainder (\$355k) now expected to be spent in 2016/17. It was delayed due to extensive consultation with the community prior to advertising and awarding a contract. Rosedale Streetscape project (\$350k) also required extensive consultation with the community and will be advertised in August 2016. A contract for the Water Bore & Irrigation project at the Cameron Sporting Complex (\$176k) was awarded to enable works to be completed December 2015. The contractor performed poorly. The bore was not able to achieve anticipated flow rates and as a result the bore is being reworked.

Notes to the Financial Report
For the Year Ended 30 June 2016

2016	2015
\$'000	\$'000

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 its total land and improvements value.

The valuation base used to calculate general rates for 2015/2016 was \$9,135 million (2014/2015 \$8,965 million). The 2015/2016 general rate in the CIV dollar was 0.005362 (2014/2015, 0.005182) and farm rate 0.0041290 (2014/2015, 0.004145).

General Rates	46,498	44,073
Waste management charge	3,258	3,130
Service rates and charges	1,343	1,242
Supplementary rates and rate adjustments	517	870
Cultural and recreational	74	77
TOTAL RATES AND CHARGES	51,690	49,392

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

NOTE 4 STATUTORY FEES AND FINES

Planning fees	227	220
Land and Building information certificates	116	98
Infringements and costs	66	159
Permits	57	89
TOTAL STATUTORY FEES AND FINES	466	566

NOTE 5 USER FEES

Waste management services	2,483	2,404
Leisure centres	2,091	2,116
Registration and other permits	735	602
Entertainment Centre	361	378
Other fees and charges	484	343
Emergency Management Works	101	100
Caravan Parks	74	98
Animal Services	81	72
TOTAL USER FEES	6,410	6,113

1.0 FINANCIAL REPORT

Notes to the Financial Report For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 6 GRANTS		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	10,550	20,150
State funded grants	4,240	6,082
TOTAL GRANTS	14,790	26,232
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	5,952	18,270
Roads to recovery	95	-
<i>Recurrent - State Government</i>		
Property Valuation	344	30
Libraries	309	302
Rural access and Transport connection	223	223
Municipal emergency	210	149
Cultural Services	208	221
Parks and Environmental services	95	84
State emergency services	75	75
School crossing supervisors	69	77
Environmental health	60	74
Fire Service Property Levy	55	53
Senior citizens	54	51
Community support programs	35	40
Other	19	14
Economic Development	-	10
Total recurrent operating grants	7,803	19,673
<i>Non Recurrent - State Government</i>		
Community support programs	122	3
Community and Recreation facilities upgrade	118	306
Other	31	-
Environmental health	23	23
Economic Development and Tourism	17	15
Municipal emergency	9	135
Natural disaster funding	(77)	490
Parks and Environmental services	-	11
Wellington coastal subdivision strategy	-	500
Total non-recurrent operating grants	243	1,483
Total operating grants	8,046	21,156

Notes to the Financial Report For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 6 GRANTS (CONT'D)		
Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	4,503	1,627
Total recurrent capital grants	4,503	1,627
<i>Non-recurrent - State Government</i>		
Other Infrastructure	663	550
Recreational leisure and community facilities	470	619
Bridges	432	-
Recreational leisure and streetscapes	424	456
Footpaths and cycleways	94	188
Waste Management	84	21
Parks, open space and streetscapes	33	119
Plant, machinery and equipment	24	2
Library Books	12	10
Buildings	-	1,484
Roads	5	-
Total non-recurrent capital grants	2,241	3,449
Total capital grants	6,744	5,076
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	6,292	6,278
Received during the financial year and remained unspent at balance sheet date	1,380	2,868
Received in prior years and spent during the financial year	(1,759)	(2,854)
Balance at year end	5,913	6,292
NOTE 7 CONTRIBUTIONS		
Monetary	350	339
Non-monetary	5,934	1,589
TOTAL CONTRIBUTIONS	6,284	1,928
<i>Contributions of non monetary assets were received in relation to the following asset classes:</i>		
Land	153	447
Land under roads	50	12
Buildings	-	189
Infrastructure	5,731	937
Art Works	-	4
Total non-monetary contributions	5,934	1,589
Unspent monetary contributions received on condition that they be spent in a specific manner		
Balance at start of year	167	226
Received during the financial year and remained unspent at balance sheet date	47	46
Received in prior years and spent during the financial year	(97)	(105)
Balance at year end	117	167
NOTE 8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Disposal of Plant and Equipment		
Proceeds of Sale	988	613
Written down value of assets disposed	(745)	(790)
TOTAL NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	243	(177)

1.0 FINANCIAL REPORT

Notes to the Financial Report For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 9 OTHER INCOME		
Interest on Investments	1,256	1,251
Other rent	871	602
Recognition of Assets	411	-
Donations	325	510
Interest on Debtors	317	335
Insurance Recovery	190	118
Miscellaneous Income	35	186
TOTAL OTHER INCOME	3,405	3,002
NOTE 10(a) EMPLOYEE COSTS		
Wages and salaries	19,218	18,843
Superannuation	1,960	1,872
Casual staff	1,435	1,166
WorkCover	541	418
Other	367	388
Fringe benefits tax	227	219
TOTAL EMPLOYEE COSTS	23,748	22,906
NOTE 10(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	232	225
Employer contributions - other funds	-	-
	232	225
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,198	1,092
Employer contributions - other funds	534	520
	1,732	1,612
Employer contributions payable at reporting date	-	-

Refer to note 32 for further information relating to Council's superannuation obligations

Notes to the Financial Report For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 11 MATERIALS AND SERVICES		
Contractors	11,317	12,438
Materials	6,774	7,075
Contributions	2,985	3,173
Utility Payments	1,937	2,176
Insurances	904	951
Authority Fees	940	894
Consultants	250	392
Legal Expenses	88	76
TOTAL MATERIALS AND SERVICES	25,195	27,175
NOTE 12 BAD AND DOUBTFUL DEBTS		
Rates Debtors	70	87
Other Debtors	(2)	2
Infringements	2	18
TOTAL BAD AND DOUBTFUL DEBTS	70	107
NOTE 13 DEPRECIATION AND AMORTISATION		
Infrastructure	15,198	14,977
Property	3,317	5,069
Plant and Equipment	2,253	2,117
Total depreciation	20,768	22,163
Intangible assets	334	328
TOTAL DEPRECIATION AND AMORTISATION	21,102	22,491
<i>Refer to note 21 and 22 for a more detailed breakdown of depreciation and amortisation charges</i>		
NOTE 14 BORROWING COSTS		
Interest - Borrowings	649	769
TOTAL BORROWING COSTS	649	769
NOTE 15 OTHER EXPENSES		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	51	47
Auditors' remuneration - Internal	26	36
Councillors' allowances	291	283
Operating lease rentals	273	295
Work in progress/asset written off	256	36
Landfill remediation	330	94
Derecognition of assets	96	779
TOTAL OTHER EXPENSES	1,323	1,570

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 16 CASH AND CASH EQUIVALENTS		
Cash on hand	5	5
Cash at bank	1,250	6,336
Term deposits	2,847	18,755
TOTAL CASH AND CASH EQUIVALENTS	4,102	25,096
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 24)	629	769
Unexpended grants and contributions (Note 6 & 7)	1,427	2,914
Prior years unexpended grants and contributions (Note 6 & 7)	4,603	3,733
Other non discretionary reserves (Note 27(b))	1,041	845
Total restricted funds	7,700	8,261
Total unrestricted cash and cash equivalents	(3,598)	16,835
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works/operating projects	6,108	4,319
Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	-	6,073
Discretionary reserves (Note 27(b))	5,658	6,203
Total funds subject to intended allocations	11,766	16,595
In addition to the 2015/16 total cash of \$4.1 million, Council has \$40.4 million of funds invested in longer term deposits (greater than 90 days) which therefore must be recognised as other financial assets. These funds are available to cover amounts required for discretionary use as they fall due.		
The recognition of longer term deposits (greater than 90 days) as other financial assets has also resulted in \$19.3 million of 2014/15 term deposits (original 2014/15 \$38.0 million, revised \$18.7 million) being reallocated from cash and cash equivalents (term deposits) to other financial assets (refer Note 18).		
NOTE 17 TRADE AND OTHER RECEIVABLES		
Current		
Rates debtors	2,962	2,167
Government grants	1,555	1,790
Other debtors	604	706
Provision for doubtful debts - other debtors	-	(1)
Waste management	429	451
Special charge schemes	7	54
Net GST receivable	667	796
Total current trade and other receivables	6,224	5,963
Non-current		
Rates debtors - refer Note 1(q)	3,355	3,633
Provision for doubtful debts - rate debtors refer Note 1(q)	(2,188)	(2,466)
Special charge schemes	232	295
Provision for doubtful debts - special charge scheme	(2)	(2)
Other debtors	35	52
Provision for doubtful debts - other debtors	(5)	(26)
Total non-current trade and other receivables	1,427	1,486
TOTAL TRADE AND OTHER RECEIVABLES	7,651	7,449

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 17 TRADE AND OTHER RECEIVABLES (CONT'D)		
a) Ageing of Receivables		
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 & other receivables (excluding statutory receivables) was:		
Current (not yet due)	2,491	3,080
Past due by up to 30 days	22	216
Past due between 31 and 180 days	12	4
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	10
Total trade & other receivables	2,525	3,310
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	1	7
New Provisions recognised during the year	-	1
Amounts already provided for and written off as uncollectible	-	(7)
Amounts provided for but recovered during the year	(1)	-
Balance at end of year	-	1
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of Nil (2015 Nil) were impaired.		
NOTE 18 OTHER FINANCIAL ASSETS		
Term Deposits	40,442	19,262
TOTAL OTHER FINANCIAL ASSETS	40,442	19,262
NOTE 19 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Cost of acquisition	218	-
TOTAL NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	218	-
NOTE 20 OTHER ASSETS		
Prepayments	355	341
Accrued Income	619	1,986
TOTAL OTHER ASSETS	974	2,327

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 21 (a)**PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT****Summary of property, infrastructure, plant and equipment**

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	98,340	(664)	97,676	96,913	(500)	96,413
Buildings	126,361	(49,935)	76,426	126,348	(50,583)	75,765
Plant and Equipment	24,845	(11,758)	13,087	22,968	(11,605)	11,363
Infrastructure	1,057,757	(353,284)	704,473	1,037,699	(339,651)	698,048
Work in progress	7,507	-	7,507	6,301	-	6,301
	<u>1,314,810</u>	<u>(415,641)</u>	<u>899,169</u>	<u>1,290,229</u>	<u>(402,339)</u>	<u>887,890</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	4,272	4,218	(3,701)	(8)	4,781
Plant and Equipment	112	181	(51)	-	242
Infrastructure	1,917	2,369	(1,573)	(229)	2,484
Total	<u>6,301</u>	<u>6,768</u>	<u>(5,325)</u>	<u>(237)</u>	<u>7,507</u>

1.0 FINANCIAL REPORT

NOTE 21 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Land and Buildings

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Land Under Roads \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
Fair Value 1 July 2015	78,668	-	1,166	17,079	96,913	126,348	-	126,348	4,272	227,533
Accumulated Depreciation at 1 July 2015	-	-	(500)	-	(500)	(50,584)	-	(50,584)	-	(51,084)
	78,668	-	666	17,079	96,413	75,764	-	75,764	4,272	176,449
Movements in Fair Value										
Acquisition of assets	196	68	-	76	340	640	117	757	4,218	5,315
Revaluation increments/decrements	1,154	13	-	-	1,167	110	-	110	-	1,277
Fair value of assets Disposed	-	-	-	-	-	(1,498)	-	(1,498)	(8)	(1,506)
Transfers	(109)	-	-	29	(80)	644	-	644	(3,701)	(3,137)
	1,241	81	-	105	1,427	(104)	117	13	509	1,949
Movement in Accumulated Depreciation										
Depreciation and amortisation	-	-	(164)	-	(164)	(3,153)	-	(3,153)	-	(3,317)
Accum Depn Revaluation increments/decrements	-	-	-	-	-	2,210	-	2,210	-	2,210
Accumulated depreciation of disposals	-	-	-	-	-	908	-	908	-	908
Transfers	-	-	-	-	-	684	-	684	-	684
	-	-	(164)	-	(164)	649	-	649	-	485
At fair value 30 June 2016	79,909	81	1,166	17,184	98,340	126,244	117	126,361	4,781	229,482
Accumulated depreciation at 30 June 2016	-	-	(664)	-	(664)	(49,935)	-	(49,935)	-	(50,599)
	79,909	81	502	17,184	97,676	76,309	117	76,426	4,781	178,883

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 21 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Plant and Equipment

	Plant Machinery and Equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library Books \$'000	Art Works \$'000	Work in Progress \$'000	Total Plant and Equipment \$'000
Fair Value 1 July 2015	10,745	2,608	4,309	3,307	1,999	112	23,080
Accumulated Depreciation at 1 July 2015	(5,087)	(1,208)	(3,531)	(1,779)	-	-	(11,605)
	5,658	1,400	778	1,528	1,999	112	11,475
Movements in Fair Value							
Acquisition of assets	2,838	39	144	197	50	182	3,450
Revaluation increments/decrements	-	-	-	-	1,378	-	1,378
Fair value of assets Disposed	(2,571)	-	-	(259)	-	-	(2,830)
Transfers	-	61	-	-	-	(51)	10
	267	100	144	(62)	1,428	131	2,008
Movement in Accumulated Depreciation							
Depreciation and amortisation	(1,433)	(250)	(309)	(261)	-	-	(2,253)
Accumulated depreciation of disposals	1,841	-	-	259	-	-	2,100
	408	(250)	(309)	(2)	-	-	(153)
At fair value 30 June 2016	11,012	2,708	4,453	3,245	3,427	243	25,088
Accumulated depreciation at 30 June 2016	(4,679)	(1,458)	(3,840)	(1,781)	-	-	(11,758)
	6,333	1,250	613	1,464	3,427	243	13,330

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 21 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Waste Management \$'000	Parks open space and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
Fair Value 1 July 2015	700,117	92,101	38,309	104,695	37,437	4,795	26,490	14,593	4,216	14,947	1,917	1,039,617
Accumulated Depreciation at 1 July 2015	(206,754)	(34,197)	(14,173)	(34,783)	(22,201)	(1,899)	(9,495)	(5,208)	(1,359)	(9,582)		(339,651)
	493,363	57,904	24,136	69,912	15,236	2,896	16,995	9,385	2,857	5,365	1,917	699,966
Movements in Fair Value												
Acquisition of assets	9,639	1,323	1,150	3,560	341	81	511	169	-	2,338	2,369	21,481
Revaluation increments/decrements	-	-	-	-	159	(287)	40	-	-	175	-	87
Fair value of assets Disposed	(923)	(1,500)	(132)	(73)	(212)	-	(21)	-	-	(75)	(229)	(3,165)
Transfers	1,596	2	237	43	636	-	45	-	-	1,235	(1,573)	2,221
	10,312	(175)	1,256	3,530	924	(206)	575	169	-	3,673	567	20,624
Movement in Accumulated Depreciation												
Depreciation and amortisation	(10,052)	(1,064)	(871)	(1,166)	(604)	(115)	(637)	(246)	(70)	(373)	-	(15,198)
Accum Depn Revaluation increments/decrements	-	-	-	-	(1,241)	176	(49)	(397)	(25)	(282)	-	(1,818)
Accumulated depreciation of disposals	843	1,500	132	132	677	27	21	-	-	47	-	3,379
Transfers	-	-	-	4	-	-	-	-	-	-	-	4
	(9,209)	436	(739)	(1,030)	(1,168)	88	(665)	(643)	(95)	(608)	-	(13,633)
At fair value 30 June 2016	710,429	91,926	39,564	108,225	38,361	4,589	27,065	14,762	4,216	18,620	2,484	1,060,241
Accumulated depreciation at 30 June 2016	(215,963)	(33,761)	(14,912)	(35,813)	(23,369)	(1,811)	(10,160)	(5,851)	(1,454)	(10,190)	-	(353,284)
	494,466	58,165	24,652	72,412	14,992	2,778	16,905	8,911	2,762	8,430	2,484	706,957

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 21(b) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Valuation of land and buildings

Valuation of buildings were undertaken by a qualified independent valuer APV Valuers & Asset Management - Lachlan Black Registered Valuer No 2913 and Damon Griggs Registered Valuer No 3204. Valuation of land was undertaken by a qualified independent valuer Jonathan Barnett Registered Valuer No 63207.

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 the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Specialised Land	-	-	79,909
Land Under Roads	-	-	17,184
Land Improvements	-	-	502
Buildings	-	2,458	73,968
Total	-	2,458	171,563

Valuation of infrastructure

Valuation of infrastructure assets (roads, bridges, footpaths and cycleways and drainage) has been determined in accordance with a valuation undertaken by Council Officer Mr Chris Hastie B. Eng. (Civil), Gcert Mgt.

Valuation of infrastructure assets (recreational, leisure and community facilities, waste management, parks, open space and streetscapes, aerodromes and other Infrastructure) has been determined in accordance with an independent valuation undertaken by APV Valuers & Asset Management - Lachlan Black Registered Valuer No 2913 and Damon Griggs Registered Valuer No 3204.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	494,466
Bridges	-	-	58,165
Footpaths and Cycleways	-	-	24,652
Drainage	-	-	72,412
Recreational, leisure and community facilities	-	316	14,676
Waste Management	-	5	2,773
Parks, open space and streetscapes	-	317	16,588
Aerodromes	-	18	8,893
Off street car parking	-	-	2,762
Other Infrastructure	-	3,184	5,246
Total	-	3,840	700,634

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 21(b) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 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 \$0.03 and \$18,147.97 per square metre and land under roads values range between \$0.15 and \$1.03 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 comprised of a square metre basis ranging from \$357 to \$4,437 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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 10 years to indefinite. 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.

	2016 \$'000	2015 \$'000
Reconciliation of specialised land		
Off Street Car Parks	5,559	4,638
Aerodromes	2,899	3,051
Parks/Open Space/Streetscapes	40,636	39,561
Recreation, Leisure & Community Facilities	27,383	28,023
Drainage	793	753
Waste Management	1,606	1,484
Other Infrastructure - Piers/Jetties/Caravan Parks/Markets/Saleyard	1,033	1,158
Total specialised land	79,909	78,668

1.0 FINANCIAL REPORT

Notes to the Financial Report For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 22 INTANGIBLE ASSETS		
Water rights	9	14
Software	188	317
Landfill air space	452	570
TOTAL INTANGIBLE ASSETS	649	901

	Water Right \$'000	Software \$'000	Landfill \$'000	Total \$'000
Gross Carrying amount				
Balance at 1 July 2014	-	1,255	1,942	3,197
Additions	17	53	40	110
Assets written off	-	-	(503)	(503)
Balance at 1 July 2015	17	1,308	1,479	2,804
Additions	-	82	-	82
Balance at 30 June 2016	17	1,390	1,479	2,886
Accumulated amortisation and impairment				
Balance at 1 July 2014	-	769	1,302	2,071
Amortisation expense	3	222	103	328
Assets written off	-	-	(496)	(496)
Balance at 1 July 2015	3	991	909	1,903
Amortisation expense	5	211	118	334
Balance at 30 June 2016	8	1,202	1,027	2,237
Net book value at 30 June 2015	14	317	570	901
Net book value at 30 June 2016	9	188	452	649

NOTE 23 TRADE AND OTHER PAYABLES

Trade Payables	4,532	5,930
Accrued Employee Expenses	146	173
TOTAL TRADE AND OTHER PAYABLES	4,678	6,103

NOTE 24 TRUST FUNDS AND DEPOSITS

Trust monies are held for the following purposes:		
Refundable deposits	307	184
Fire Services Property Levy	179	280
Retention amounts	87	135
Other trust funds and deposits	56	170
TOTAL TRUST FUNDS AND DEPOSITS	629	769

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, subdivision deposits and the use of civic facilities.

Fire Services Property Levy - Council is the collection agent for fire services property 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.

Other Trust funds and deposits - Council holds in trust tickets sales for shows performed by third parties held at the entertainment centre which are on forwarded to performer on completion of the show.

Notes to the Financial Report For the Year Ended 30 June 2016

NOTE 25 PROVISIONS

2016

	Employee \$'000	Landfill restoration \$'000	Total \$'000
Balance at beginning of the financial year	6,226	2,161	8,387
Additional Provisions	2,172	-	2,172
Amounts used	(2,236)	-	(2,236)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	251	328	579
Balance at the end of the financial year	6,413	2,489	8,902

2015

	Employee \$'000	Landfill restoration \$'000	Total \$'000
Balance at beginning of the financial year	5,759	2,027	7,786
Additional Provisions	2,255	40	2,295
Amounts used	(1,993)	-	(1,993)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	205	94	299
Balance at the end of the financial year	6,226	2,161	8,387

(a) Employee Provisions

Current provisions expected to be wholly settled within 12 months

	2016 \$'000	2015 \$'000
Annual Leave	1,359	1,369
Long Service Leave	471	341
	1,830	1,710

Current provisions expected to be settled after 12 months

	2016 \$'000	2015 \$'000
Annual Leave	400	340
Long Service Leave	3,691	3,924
	4,091	4,264
Total current provisions	5,921	5,974

(a) Employee Provisions (cont'd)

Non Current

	2016 \$'000	2015 \$'000
Long Service Leave	491	251
Sick Leave Gratuity	1	1
Total non-current provisions	492	252
Aggregate Carrying amount of Employee Benefits		
Current	5,921	5,974
Non-Current	492	252
Total aggregate carrying amounts of employee provisions	6,413	6,226

(b) Landfill Restoration

	2016 \$'000	2015 \$'000
Current	864	558
Non-current	1,625	1,603
	2,489	2,161

Refer to Note 1(r) for further information on Landfill restoration provision.

1.0 FINANCIAL REPORT

Notes to the Financial Report For the Year Ended 30 June 2016

NOTE 26 INTEREST-BEARING LOANS AND BORROWINGS

	2016 \$'000	2015 \$'000
Current		
Borrowings - secured	1,481	2,990
Non-current		
Borrowings - secured	8,656	10,137
TOTAL INTEREST-BEARING LOANS AND BORROWINGS	10,137	13,127

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

Not later than one year	1,481	2,990
Later than one year and not later than five years	4,630	5,822
Later than five years	4,026	4,315
	10,137	13,127

b) Aggregate carrying amount of interest-bearing loans and borrowings:

Current	1,481	2,990
Non-current	8,656	10,137
	10,137	13,127

Notes to the Financial Report For the Year Ended 30 June 2016

NOTE 27 RESERVES

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
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(a) Asset revaluation reserves

2016

Property

Land	73,119	1,083	74,202
Buildings and Structures	71,832	123	71,955
	144,951	1,206	146,157

Infrastructure

Road	401,836	(74)	401,762
Footpaths	2,738	(33)	2,705
Drainage	36,121	(28)	36,093
Bridges	19,040	(874)	18,166
	459,735	(1,009)	458,726

Other

Art Gallery Stock	1,123	1,378	2,501
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TOTAL ASSET REVALUATION RESERVES

	605,809	1,575	607,384
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2015

Property

Land	73,414	(295)	73,119
Buildings and Structures	71,544	288	71,832
	144,958	(7)	144,951

Infrastructure

Road	402,442	(606)	401,836
Footpaths	2,758	(20)	2,738
Drainage	29,208	6,913	36,121
Bridges	19,875	(835)	19,040
	454,283	5,452	459,735

Other

Art Gallery Stock	1,123	-	1,123
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TOTAL ASSET REVALUATION RESERVES

	600,364	5,445	605,809
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The asset revaluation reserve is used to record the increase(net) value of Council's assets over time.

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
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(b) Other reserves

2016

Discretionary Reserves

Asset Improvement	253	45	253	45
Plant Replacement	1,474	603	1,334	743
Waste Management	4,476	1,000	606	4,870

Total Discretionary Reserves

	6,203	1,648	2,193	5,658
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1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 27 RESERVES (CONT'D)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2016				
Non Discretionary Reserves				
Recreational Land	276	108	29	355
Art Gallery Acquisition	-	7	5	2
Art Gallery Contribution	1	34	-	35
Leased Property Improvements	568	228	147	649
Total Non Discretionary Reserves	845	377	181	1,041
TOTAL OTHER RESERVES	7,048	2,025	2,374	6,699
2015				
Discretionary Reserves				
Asset Improvement	688	-	435	253
Plant Replacement	1,448	500	474	1,474
Waste Management	3,689	902	115	4,476
Total Discretionary Reserves	5,825	1,402	1,024	6,203
Non Discretionary Reserves				
Recreational Land	335	89	148	276
Art Gallery Acquisition	-	14	14	-
Art Gallery Contribution	33	-	32	1
Leased Property Improvements	732	48	212	568
Total Non Discretionary Reserves	1,100	151	406	845
TOTAL OTHER RESERVES	6,925	1,553	1,430	7,048

Purpose of Reserves**Discretionary Reserves****Asset Improvement**

Reserve to fund capital improvements.

Plant Replacement

Reserve is to fund future purchases of major plant and equipment.

Waste Management

Reserve is to fund the establishment of recycling and transfer stations, rehabilitation of landfills and monitoring of existing and closed landfills, and an increase in landfill capacity in the future.

Non -Discretionary Reserves**Recreational Land**

Reserve to fund future open space facilities as per Section 18 of Subdivision Act.

Art Gallery Acquisition

Reserve is to fund future approved art gallery acquisitions.

Art Gallery Contributions

Reserve is to fund future specific major art gallery exhibitions.

Leased Property Improvements

Reserve to fund future works on leased properties in accordance with Crown Land Act.

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 28 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)		
Surplus for the period	11,201	12,038
Depreciation and Amortisation	21,102	22,491
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(243)	177
Contributions- Non- monetary	(5,934)	(1,589)
Borrowing costs	652	772
Other	(59)	735
Change in assets and liabilities		
Decrease in trade and other receivables	(201)	439
Increase in Other Assets	1,352	(658)
Decrease in trade and other payables	(1,511)	500
Increase in other liabilities	(51)	51
Increase in Provisions	513	601
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,821	35,557
NOTE 29 FINANCING ARRANGEMENTS		
Bank overdraft	200	200
Credit Card facilities	120	120
Total Facilities	320	320
Used facilities	29	32
Unused facilities	229	232

1.0 FINANCIAL REPORT

Notes to the Financial Report For the Year Ended 30 June 2016

NOTE 30 COMMITMENTS

The Council has entered into the following

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	4,477	4,477	4,477	-	13,431
Waste management	242	242	484	-	968
Animal pound & shelter service	58	-	-	-	58
North Sale outline development plan	197	-	-	-	197
Litter Bins	952	-	-	-	952
Maternal and Child Health	125	125	125	-	375
L to P Project	254	21	-	-	275
Software Maintenance					
TOTAL	6,305	4,865	5,086	-	16,256

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1	-	-	-	1
Bridges	452	-	-	-	452
Buildings	14	-	-	-	14
Footpaths & Cycleways	114	-	-	-	114
Landfill Improvements	101	-	-	-	101
Other Infrastructure	445	-	-	-	445
Parks, open space and streetscapes	39	-	-	-	39
Plant, Machinery & Equipment	451	-	-	-	451
Recreational leisure and community facilities	2,027	-	-	-	2,027
Roads	91	-	-	-	91
Waste Management					
TOTAL	3,735	-	-	-	3,735

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	4,433	4,433	8,865	-	17,731
Waste Management	175	175	-	-	350
Tourist Information Centre	274	274	21	-	569
Software Maintenance	237	237	710	-	1,184
Animal Pound and Shelter Service	388	-	-	-	388
Valuation Contract	57	-	-	-	57
North Sale outline development plan	60	-	-	-	60
Linemarking	949	863	-	-	1,812
Maternal and Child Health	125	125	251	-	501
L to P Project					
TOTAL	6,698	6,107	9,847	-	22,652

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,639	-	-	-	1,639
Buildings	42	-	-	-	42
Footpaths & Cycleways	650	-	-	-	650
Plant, Machinery & Equipment	617	-	-	-	617
Roads					
TOTAL	2,948	-	-	-	2,948

Notes to the Financial Report For the Year Ended 30 June 2016

NOTE 31 OPERATING LEASES

(a) Operating lease commitments

At the reporting date, the 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):

	2016 \$'000	2015 \$'000
Not later than one year	261	253
Later than one year and not later than five years	739	1,356
Later than five years	27	31
	1,027	1,640

(b) Operating lease receivables

The Council had entered into a commercial property sublease for a portion of it unused office space in the Port of Sale Business Centre. This property was sublet as an operating lease and has now expired.

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

	2016 \$'000	2015 \$'000
Not later than one year	-	6
	-	6

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 32 SUPERANNUATION

The Wellington 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 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Wellington 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 participations of Wellington Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Wellington 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.

As at 30 June 2015, an interim actuarial investigation was held as the Funds provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long - term assumptions;

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.75% pa.

Vision Super has advised that the VBI at 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim 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 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 32 SUPERANNUATION (Cont.)

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$130.8 million; and
A total service liability surplus of \$239 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 defined benefit members would have been entitled to if they had all exited on 30 June 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$358,620.

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 33 CONTINGENT LIABILITIES AND ASSETS

Contingent Liabilities

Defined Benefit Superannuation Fund

Wellington Shire Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 32. 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.

Landfill Restoration

Council operates 3 licensed landfills at Kilmany, Longford and Maffra and will be required to carry out site rehabilitation works in the future. Council currently has a provision for landfill restoration (refer Note 25 (b)) which is a best estimate at this time. Depending on the exact requirements of the Environment Protection Authority (EPA) Council may have a further liability but at this point the exact amount is unknown. The risk level for the Longford landfill has been determined by the EPA but potential costs are yet to be determined.

Legal Matters

Wellington Shire Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably measured, no allowance for these contingencies has been made in the financial statements.

Guarantees for loans to other entities

Council has also guaranteed a loan taken out by a community group, to undertake significant capital works to the Club's facilities that are located on Council land.

Council's estimated liability with respect to contingent items is as follows:

	2016 \$'000	2015 \$'000
Bank Guarantees	934	934
Loan Guarantees	30	36
Total Bank Guarantees	964	970

Contingent Assets

Non cash contributions expected to be received in respect of subdivision and gifted assets are as follows:

	2,061	2,455
Developer Contributions	2,061	2,455
Total Contingent Assets	2,061	2,455

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 34 FINANCIAL INSTRUMENTS

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council 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,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council has exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- council have a policy for establishing credit limits for the entities we deal with;
 - council may require collateral where appropriate; and
 - council only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.
- Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 33.

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.

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 34 FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have 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:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, 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 26.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value

(e) 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 0% and -0.5% in market interest rates (AUD) from year-end cash rate of 1.75%

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
NOTE 35 ADJUSTMENTS DIRECTLY TO EQUITY		
Reversal of revalued components of assets disposed or written off (transfer from asset revaluation reserve to accumulated surplus).		
Land	84	71
Landfill Air space	-	224
Buildings & Structures	451	1,627
Roads, Streets ,Drainage, Bridges & Culverts	1,009	633
	1,543	2,555

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 Carolyn Crossley Mayor (1/7/15 - 4/11/15)
	Councillor John Duncan
	Councillor Patrick McIvor
	Councillor Bob Wenger
	Councillor Peter Cleary
	Councillor Emilie Davine
	Councillor Malcolm Hole
	Councillor Darren McCubbin - Mayor (5/11/15 - 30/6/16)
	Councillor Scott Rossetti

CHIEF EXECUTIVE OFFICER David Morcom

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers whose total remuneration from Council and any related entities fall within the following bands:

	2016 No.	2015 No.
Income Range:		
\$ 1 - \$ 9,999	-	-
\$ 10,000 - \$ 19,999	-	-
\$ 20,000 - \$ 29,999	7	7
\$30,000 - \$ 39,999	-	-
\$40,000 - \$ 49,999	1	1
\$50,000 - \$ 59,999	-	-
\$60,000 - \$ 69,999	1	1
\$70,000 - \$ 79,999	-	-
\$260,000 - \$269,999	-	-
\$280,000 - \$289,999	-	1
\$290,000 - \$299,999	1	-
	10	10
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	589	566

1.0 FINANCIAL REPORT

Notes to the Financial Report
For the Year Ended 30 June 2016

NOTE 36 RELATED PARTIES (CONT'D)

(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 \$139,000

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income Range:	2016 No.	2015 No.
<\$138,999	1	1
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	4	2
	6	6
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,024	945

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$Nil (2014/15 - \$Nil).

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person was Nil (2014/15 Nil)


(vi) Transactions with responsible persons

During the period Council entered into transactions with responsible persons or related parties of responsible persons.

- Cowwarr Public Hall : Councillor Carolyn Crossley is the Secretary of the Cowwarr Public Hall Management Committee. For 2015/16, Council paid a total of \$2,328 (2014/15 \$Nil) on normal commercial terms and conditions.
- Municipal Association of Victoria (MAV): Councillor Malcolm Hole is a Board Member of MAV. For 2015/16, Council paid \$68,088, (2014/15 \$14,758) on normal commercial terms and conditions.
- Gippsland Regional Arts-Sale : Councillor Darren McCubbin is the Treasurer of Gippsland Regional Arts-Sale. For 2015/16 Council paid \$13,565 (2014/15 \$33,896) on normal commercial terms and conditions.
- Sale Theatre Company: Councillor Darren McCubbin is the Secretary of Sale Theatre Company. For 2015/16, Council paid \$10,783 (2014/15 \$7,749) on normal commercial terms and conditions.
- Sale Elderly Citizens Village: Councillor Darren McCubbin is a Director of Sale Elderly Citizens Village. For 2015/16, Council paid \$2,200 (2014/15 \$Nil) on normal commercial terms and conditions.

NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

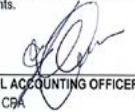
No matters have occurred after balance date that require disclosure in the financial report.



WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland

CERTIFICATION OF 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.



PRINCIPAL ACCOUNTING OFFICER
 Ian Carroll CPA

Dated : 20/9/16
Sale


In our opinion the accompanying financial statements present fairly the financial transactions of Wellington Shire Council for the year ended 30 June 2016 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.

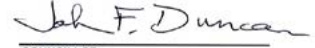
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.


COUNCILLOR
 Peter Cleary

Dated : 20/9/16
Sale


CHIEF EXECUTIVE OFFICER
 David Morcom

Dated : 20/9/16
Sale


COUNCILLOR
 John Duncan

Dated : 20-9-2016
Sale

Sale Service Centre



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The Heart of Gippsland

1.0 FINANCIAL REPORT

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010Website www.audit.vic.gov.au**INDEPENDENT AUDITOR'S REPORT****To the Councillors, Wellington Shire Council***The Financial Report*

I have audited the accompanying financial report for the year ended 30 June 2016 of the Wellington 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 financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Wellington 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.

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, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Wellington Shire Council as at 30 June 2016 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
22 September 2016

 Andrew Greaves
 Auditor-General



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