



WELLINGTON SHIRE COUNCIL

# ANNUAL REPORT

## 2016/17



# About this Annual Report

**Wellington Shire Council is proud to present the 2016/17 Annual Report which focuses on informing our community about how we've performed over the past twelve months against the Council Plan 2013-17 and 2016/17 Budget.**

It also aims to fulfil Council's statutory reporting obligations under the Local Government Act 1989 and other relevant legislation.

The report provides an overview of 2016/17 operations, and the various accomplishments and challenges throughout the year. It also seeks to describe the breadth of our services and operations, our governance and management processes, and the responsibilities fulfilled by our councillors, Corporate Management Team and employees.

Council is committed to transparent reporting and accountability and our aim is to provide our residents, ratepayers, State and Federal Governments and other key stakeholders with an open, accurate account of our performance during 2016/17.

**For further information and to provide feedback, please contact our Customer Service Department on 1300 366 244.**



An online version of this report is available at [www.wellington.vic.gov.au](http://www.wellington.vic.gov.au).





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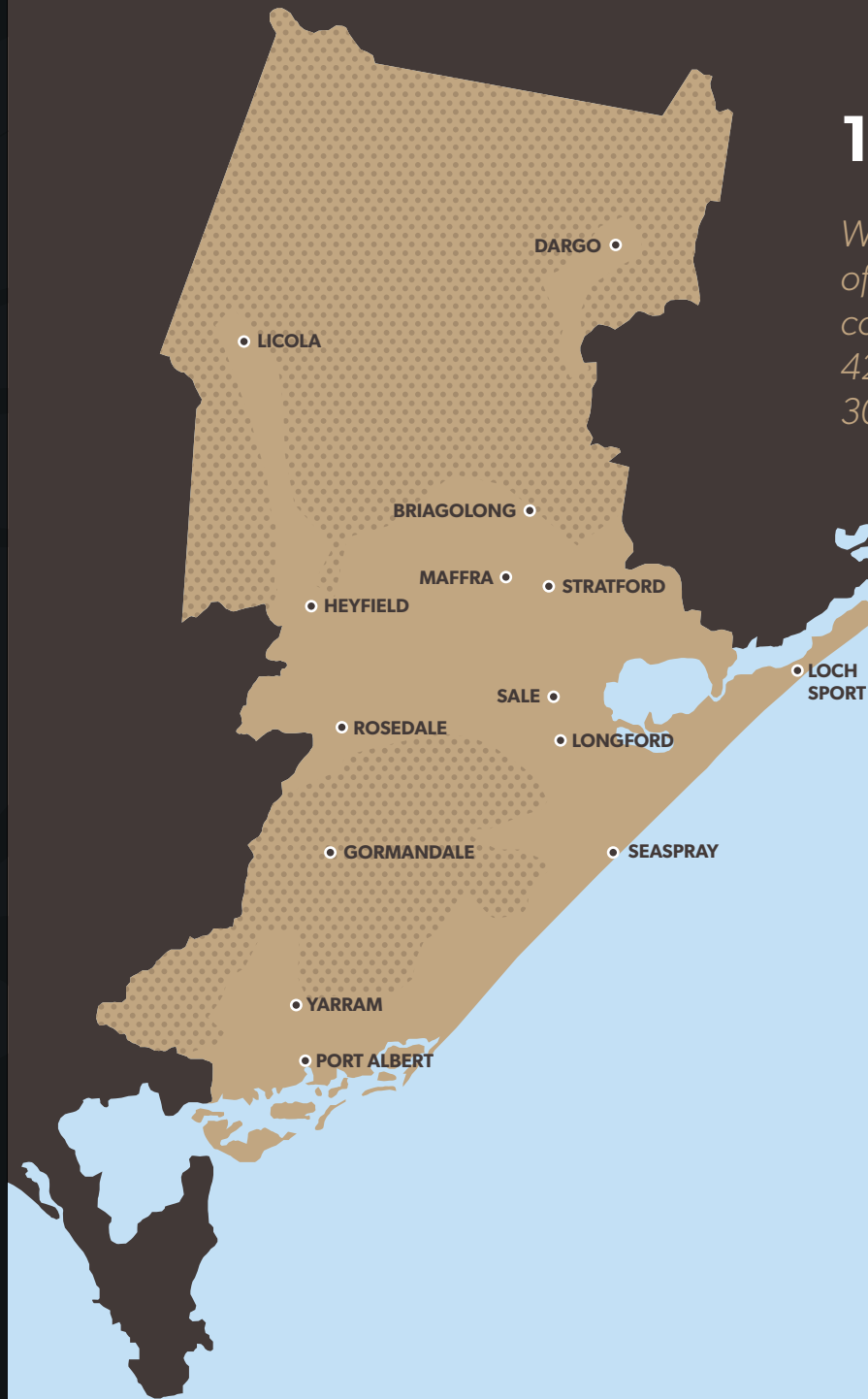


# 1

## REPORT OF OPERATIONS







## 1.1 Our Location

*Wellington Shire is located in the Gippsland region of the state of Victoria, Australia. It is Victoria's third largest municipality, covering an area of 10,924 square kilometres and is home to 42,871 residents (2016 Census) spread across more than 30 different communities.*



## 1.2 Demographic Profile

10,924  
SQUARE KM

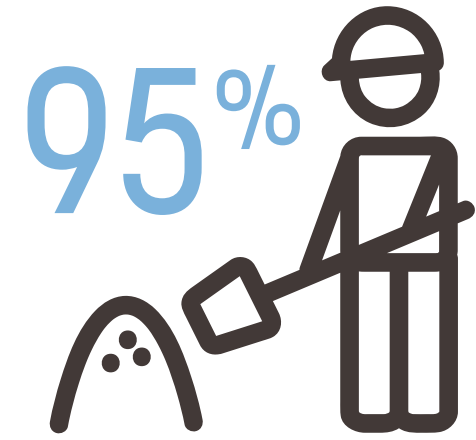


43  
MEDIAN AGE

\$563  
MEDIAN INCOME  
PER PERSON / PER WEEK



42,871  
POPULATION



95%

EMPLOYMENT  
FROM LABOUR FORCE



HEALTH CARE  
& SOCIAL  
ASSISTANCE



AGRICULTURE,  
FORESTRY &  
FISHING



RETAIL  
TRADE

19.4%  
BORN OVERSEAS

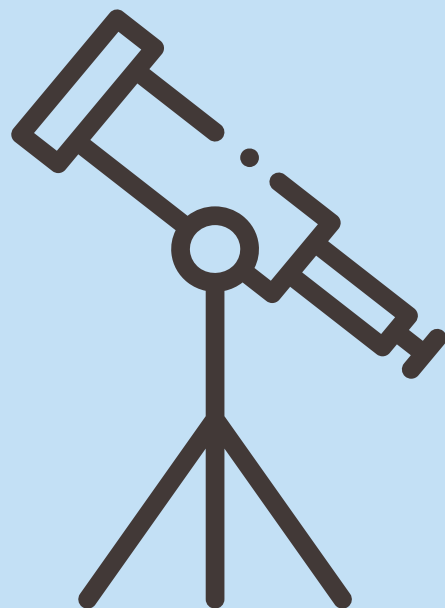


2.4  
PEOPLE  
PER HOUSE  
(AVERAGE)

## 1.3 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.



#### Balance

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



#### Integrity

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



#### Professionalism

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



#### Cooperation

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



## 1.4 Fast Facts

Some quick facts and figures from the 2016/17 financial year are detailed below:

<b>1,535,864</b> Scheduled kerbside garbage and recycling collection bin lifts.	<b>707,613</b> Square metres of local roads resealed.	<b>260,283</b> Library collection loans (does not include eBook usage).	<b>214,984</b> Visits to Wellington Shire Pools.		
<b>178,390</b> Visits to our libraries.	<b>86,973</b> Square metres of sealed local roads reconstructed.	<b>58,000</b> Cattle and sheep processed by The Gippsland Regional Livestock Exchange in Sale.	<b>41,238</b> Telephone calls received by Customer Service.		
<b>37,260</b> Walk-ins at the Sale Visitor Information Centre (VIC), Yarram VIC and Maffra VIC.	<b>23,433</b> Face-to-face customer enquiries received.	<b>19,912</b> Esso BHP Billiton Wellington Entertainment Centre (The Wedge) visits.	<b>18,342</b> People attended the Gippsland Art Gallery.		
<b>7,000</b> Aircraft movements at the West Sale Airport and Yarram Aerodrome.	<b>6,120</b> Kilometres of roadside slashed.	<b>3,482</b> Tonnes of recyclables sent for re-processing.	<b>3,107</b> Culverts cleared.		
<b>486</b> Licenced Food Premises inspected.	<b>435</b> Planning approvals in 2016/17 with an estimated value for development of \$59,121,963.	<b>293</b> Kilometres of roadside drainage cleaned.	<b>157</b> Building Notices and orders issued.	<b>87</b> Applicants successful in receiving Quick Response Grants.	<b>46</b> Applicants successful in receiving Community Assistance Grants.
				<b>10,575</b> Tonnes of garbage and recyclables collected from kerbside bins.	<b>9,145</b> Dogs and cats registered.
				<b>1,938</b> Kilometres of gravel roads graded.	<b>1,715</b> Urban drainage pits cleaned.



## 1.5 Highlights of the Year

This section outlines a calender of key events over the 2016/17 financial year.

### JULY [2016]

- Successful completion of upgrade works on Cunninghame Street in Sale. This was the first project under Council's newly adopted Residential Roads and Street Construction Program.
- Successful completion of pavilion upgrades at the Gordon Street Recreation Reserve in Heyfield.
- New Corporate Planning & Reporting System 'PULSE' was launched as part of the new Performance & Accountability Framework across the organisation.
- The Gippsland Art Gallery received 426 entries for this year's John Leslie Art Prize, 10 more than the previous year. The judging took place on 31 August with the \$20,000 non-acquisitive prize winner announced at a major exhibition opening event on Friday 2 September.
- ExxonMobil, in conjunction with Opera Australia, Orchestra Victoria and Wellington Shire Council, presented a free concert 'An Esso Night at the Opera' on Thursday 21 July at the Esso BHP Billiton Wellington Entertainment Centre. Over 300 people from the community enjoyed some of Australia's finest opera singers performing well-loved arias from Puccini, Bizet, Verdi, Rossini and more.
- Jack and the Beanstalk was produced by the Entertainment Centre and attended by 958 people over three days. The production was a 'relaxed performance' format, with a specially adjusted live performance for children with autism, learning difficulties or those new to theatre. It featured a narrator who guided the audience through the show, low level house lighting, with sound effects coming from the audience, creating an inclusive environment.
- Wellington Municipal Flood Emergency Plan Version 2.0 was endorsed and published. This was the first fully multi-agency Flood Emergency Plan in the State. It will be submitted to Victoria State Emergency Service for adoption as a State template.

 The redeveloped Gordon Street Recreation Reserve pavilion in Heyfield.



# 1.5 Highlights of the Year

## AUGUST

- State government funding was received for twelve months for an Age Friendly Project Officer. Appointment commenced in September 2016.
- The Economic Development Strategy 2016-22 and Action Plan 2016-18 was adopted by Council on 16 August 2016.

## SEPTEMBER

- Commencement of the \$14.53 million redevelopment of the Port of Sale Cultural Hub as well as the commencement of upgrades to the Port Precinct roadways, bridge and path infrastructure. The project was funded with \$4.5 million from the Federal Government's National Stronger Regions Fund, \$4.75 million from the State Government's Regional Growth Fund and Living Libraries Infrastructure Program, \$1.5 million from the John Leslie Foundation and \$3.78 million from Council.
- Council received a \$25,000 funding grant from Transport Accident Commission (TAC) to support the redevelopment of the Wellington Bike Ed Program. The funding went towards purchasing a light weight alloy trailer, bicycles, helmets and resources to support schools to run the program.
- The Yarram Library hosted "Story Island" exhibition provided by the State Library of Victoria from 16 September to 29 October 2016. Special programs were offered to schools and community groups with exhibition themes focused on inclusiveness and the environment. The State Library Victoria also provided \$1,500 towards the cost of supporting programs. Staff from Gippsland Art Gallery assisted in set up and delivery of programs while local authors delivered special readings to support exhibition themes.
- The CEO of Wellington Shire Council and President of Wellington Regional Tourism (WRT) signed a new three year Memorandum of Understanding, with transfer of function and budget for tourism marketing to WRT.

Works commence at the Port of Sale Cultural Hub (Wellington Centre).






## 1.5 Highlights of the Year

### OCTOBER

- A successful emergency management exercise was held on 20 October 2016 aiming to increase Council's preparedness for response to human pandemic influenza with a focus on business continuity. Twenty nine key staff participated.
- Council was successful in gaining \$600,000 through Round 3 of the National Stronger Regions Fund for the Gippsland Regional Sporting Complex (GRSC) Stage 2A. The project will include a new multi-purpose synthetic field and adjoining pavilion to be used by hockey, soccer, AFL 9s, schools and community groups. In addition to the \$600,000 from the Federal Government, the project will receive \$1 million from the John Leslie Foundation, \$750,000 from Wellington Shire Council, \$650,000 from the State Government and \$50,000 from the East Gippsland Hockey Association. Total project cost of \$3.05 million.
- Council supported a Family Fun Day for the Maffra dairy community, organised by Maffra Business and Tourism Association with over 340 people attending. Funding for the event was assisted through State Government provided funds and managed by Council.

 Funding announcement for the Gippsland Regional Sports Complex (GRSC) Stage 2A project.




# 1.5 Highlights of the Year

## NOVEMBER

- Announcement of \$5 million State Government funding towards the \$5.95 million West Sale Airport upgrade. Works include the resurfacing and lengthening of the West Sale Airport runway to meet Department of Defence requirements as a secondary airport to the RAAF Base East Sale.
- Dredging at Port of Sale was completed which resulted in improved safety and access outcomes as well as creating additional mooring opportunities.
- Yarram and Devon North communities completed new Community Emergency Plans.
- A new Youth Council 2017 was confirmed including 15 young people between the ages of 14 and 24 from Yarram, Woodside, Alberton, Maffra, Stratford, Sale and Rosedale.
- The VicHealth Walk to School Program 2016 saw 29 of 31 Wellington Shire schools participating in the campaign. Overall, there was a significant improvement in walking and active travel statistics. This was a positive reflection of the ongoing commitment from Primary Schools to work with Council to address active travel.

## DECEMBER

- Council received \$100,000 from the Victorian Government's Community Sports Infrastructure Fund – Female Friendly Facilities. This will contribute towards the \$233,630 redevelopment of Baldwin Recreation Reserve facilities, including new unisex officiating rooms along with much needed female change facilities and other amenities. Baldwin Recreation Reserve is home to the Sale Soccer Club.
- Bicycle Network announced Gippsland as the region for the RACV Great Victorian Bike Ride 2017 including multiple days in Wellington Shire. Riders will enjoy overnight stays in Yarram, Seaspray and Maffra with potentially 3,500 riders travelling through our Shire.
- December saw the passing of our much loved patron and supporter Mr John Leslie OBE. One of John's last wishes was to have a Memorial Service held for him in the 'John Leslie Theatre' which took place on 21 December 2016.

 Upgrade works were announced for West Sale Airport in November.





## 1.5 Highlights of the Year


### JANUARY [2017]

- Council held meetings with the owners of Australian Sustainable Hardwoods (ASH) regarding the announcement on 18 January 2017, of a possible closure of the Mill in September 2017.
- Major Event funding assisted with hosting of 2017 Victorian Country Championships held in Sale at the Lex Glover Aqua Energy Aquatics Complex in Sale on from 27 January to 29 January 2017.

### FEBRUARY

- Library staff liaised with representatives from the Stratford Men's Shed to deliver computer technology training for seniors attending the Shed.
- Approximately 1,500 excited fans attended the Suzi Quatro concert at the Sale Botanic Gardens on Sunday 19 February 2017.
- Council participated at the State Government Pavilion at the 2017 Avalon International Air Show, with the West Sale Airport trade display generating leads from organisations interested in expanding operations to West Sale Airport. Mayor Crossley attended the Air Show on Tuesday 28 February 2017 and represented Council at the official reception at Government House that evening.



 The 2017 Victoria Country Swimming Championships were held in Sale during January.

## 1.5 Highlights of the Year

### MARCH

- Council received the 2017 Award for Municipal Excellence - Rural Category from the Consulting Surveyors of Victoria, for 'excellence in dealing with subdivision applications'.
- Council adopted Amendment C90 to provide for further rural lifestyle lot development/growth in Longford.
- The official unveiling of the 'Cherished – Mother & Child' memorial in Victoria Park Sale by the Hon Darren Chester MP, Federal Member for Gippsland took place. Also in attendance was former state Premier Ted Baillieu and Deputy Premier Peter Ryan. The Memorial commemorates Prime Minister Julia Gillard's National Parliamentary Apology on 21 March 2013 and Victorian Premier Ted Baillieu & Deputy Premier Peter Ryan's Parliamentary state apologies on 25 October 2012. The apologies were in recognition of a tragic period in our recent history when new born babies were forcibly removed from their mothers without their consent.
- Fast tracking of event permissions for the Sale Motorbike track lead to several interested parties coming forward to form a Committee to manage the site ongoing.
- Funding announced through the Latrobe Valley Sporting Package: Sale Tennis Club redevelopment - \$1 million; Gormandale Recreation Reserve - \$500,000; Cowwarr Recreation Reserve - \$500,000 and Gordon Street Reserve in Heyfield - \$100,000.

### APRIL

- Ninety solar panels were installed on the roof of the Entertainment Centre to power the new 30kw renewable energy system.
- Council adopted the Heyfield Low Density Residential Land Supply Study to facilitate the release of 'one acre' lots to support future growth/development in Heyfield.
- Council also adopted Planning Scheme Amendment C92 Part One to provide heritage protection to 66 significant heritage properties across the municipality.



 The 'Cherished - Mother & Child' memorial was unveiled in Sale's Victoria Park during March.



## 1.5 Highlights of the Year


### MAY

- The first self-checkout unit was installed at the Sale Library to facilitate patron and staff familiarisation prior to the opening of the Wellington Centre.
- The Municipal Heat Health Plan was endorsed by the Municipal Emergency Management Planning Committee.
- After many months of consultation and development, Wellington Shire Council's renewed community vision document 'Wellington 2030' was presented to the public for final comment.

### JUNE

- After engaging with the Seaspray community, 400 street trees were planted as part of the township street tree program.
- Successful completion of the Port of Sale Skatepark upgrade project.
- Successful completion of Yarram CBD Streetscape upgrade project.
- Delivered 'Good Governance: People Management' and co-delivered 'Finding Local Voices' at Wellington Shire's Building Better Organisations Conference on 4 and 5 June 2017. Both workshops were well attended.
- The Federal and State Governments confirmed more than half-a-billion dollars will be invested on the Gippsland train line, after the Federal government agreed to a major funding boost towards Victoria's Regional Rail package. A total of \$435 million will be spent on major upgrades between Pakenham and Traralgon and an additional \$95 million to replace the Avon River Bridge at Stratford.
- Worked closely with Gippsland Water and received grant funding of \$40,000 per annum towards the employment of additional resources to audit waste water systems.



 The Yarram CBD Streetscape upgrade works were completed in June.

# 1.6 Challenges and Future Outlook

## Our Challenges

- Finalising the delivery of the Wellington Centre and Port Precinct projects.
- Managing disruption to user groups while the Gippsland Regional Sports Complex stadium floor is upgraded to a sprung timber floor.
- Securing funding for the Cameron Sporting Complex redevelopment in Maffra to deliver community needs and increases participation opportunities.
- Providing guidance and oversight to the development and implementation of a Wellington Service Planning model.
- Finalising the operational model for the new Wellington Centre at the Port of Sale within existing resources.
- Planning for multiple community facilities projects including the management of complex stakeholder relationships and ensuring thorough community engagement.
- Working within an increasingly complex Victorian planning system.
- Managing various strategic planning projects to help facilitate growth and development across the Shire.
- To plan for major event attraction, including promoting existing sporting facilities that Council has for events use.
- Proposed changes to the Building Act and Regulations.
- Development of a new Customer Service Strategy.
- Continuing the development of West Sale Airport – Eastern Recreational Aviation Precinct development and subsequent land sales opportunities in Stage 2.
- Successfully launch and operate the new Visitor Information Centre in the new Wellington Centre in Sale.
- Developing protocols from Wastewater Management inspections under the provisions of the Domestic Waste Water Management Plan.
- Proposed changes to the Domestic Animal Act and animal welfare legislation.
- Finalising infrastructure levels of service and updating infrastructure asset management plans.
- Progression of the 2017/18 capital works program.
- Planning for, and delivery of, a number of complex streetscape improvement projects including undertaking community engagement.
- Finalising and implementing a centralised facility maintenance service.
- Initiating the development of a new Waste Management Services tender document for a contract period between 2019-2029.



## THE FUTURE

## 1.6 Challenges and Future Outlook

### The Future

- Gippsland Regional Sports Complex stadium floor upgraded to a sprung timber floor to enable the facility to host senior level competition and training conducted by Basketball Victoria, local associations and clubs. This will add to the facility's ability to attract higher levels of activity that will bring economic benefit to the town.
- Working towards the grand opening in December 2017 of the Wellington Centre and ensuring all services are in place and are operating efficiently, and that all aspects of the facility and service meet community and council expectations.
- The successful delivery of a range of community infrastructure projects including Sale Tennis Club redevelopment; Baldwin Reserve female friendly change facilities; Maffra Lawn Tennis Club resurfacing synthetic courts and Maffra Recreation Reserve drainage upgrade.
- Continue to liaise closely with the health services to clearly understand the impact of changes to Home and Community Care services and the implementation of the National Disability Insurance Scheme.
- Complete the design and implementation plan for the Wellington Service Planning Model.
- Working with the State Government on the Planning for the Economic Growth Zone initiative to help streamline the planning scheme and planning approval process to better attract investment.
- Relocation of the Visitor Information Centre into the new Wellington Centre in Sale.
- Preparation for the RACV Great Victorian Bike Ride which includes overnight stays in Seaspray, Yarram and Maffra.
- Implementation of Stages 2 and beyond at the West Sale Airport Eastern Recreation Aviation Precinct development including construction and commissioning of Environment Protection Authority (EPA) licenced new Waste Water Treatment Plant.
- Commence detailed designs for West Sale Airport runway extension and asphalt overlay, including new airfield ground lighting system and associated works.
- Successful delivery of the 2017/2018 Roads to Recovery Program Projects.
- Continue engagement with the community regarding opportunities for upgrades under the Residential Roads and Street Construction Program.
- Successful delivery of boating infrastructure upgrades at Charlies Street, Loch Sport and Port Albert Boat Ramp.
- Finalise engagement for and begin the implementation of CBD streetscape works in Stratford, Rosedale, Maffra and York Street in Sale
- Successful delivery of 2017/2018 Open Space projects.
- Delivering an effective and efficient centralised Facility Maintenance Service.



## 2.1 Mayor's Message

Following an exciting and productive year, I am pleased to present the Wellington Shire Council Annual Report 2016/17.

Our single most exciting project is near completion. There is great anticipation in the community for the opening of the redeveloped Port of Sale precinct. This state of the art facility and the opportunities it will provide will resonate throughout the Wellington Shire and beyond.

Earlier in the year we saw the completion of the first component at the Port of Sale site, the Sale Skatepark and surrounds. The facility has been adopted by our young Wellington residents and a hit with families. It is now a place of high energy and activity.

The new Wellington Centre at the Port of Sale will incorporate the Gippsland Art Gallery, Sale Library, Sale Visitor Centre and the new Dock 70 Café. While this \$14.53 million project is the largest infrastructure project in Wellington Shire's history, it has been largely funded by the Federal and State governments, along with a generous \$1.5 million from the John Leslie Foundation. Ratepayers will only fund \$3 million, a great outcome for our community. I like my fellow councillors can't wait to welcome you all through the doors on the opening day near the end of this year.

After extensive consultation, Council adopted a new community vision document, "Wellington 2030". Under the theme of "Happy people, healthy environment and thriving communities in the heart of Gippsland". The Wellington 2030 document will guide Council's future decisions to ensure we build on our strengths, respond



to opportunities and create an environment that aligns with the community's values and aspirations.

Like many regions across Australia, Wellington has an ageing population. Our attractive landscapes, friendly communities, leisure activities and affordable housing are all drawcards for seniors and retirees to settle in our region. Council has been successful in attracting state government funding to deliver projects that enhance our community experiences for our ageing community members. In January 2017, Council signed the Age Friendly Victoria Declaration, committing to support and develop roles and contributions of older people in our community.

Council received a visit from Minister for Regional Development Jaala Pulford and Minister for Industry and Employment Wade Noonan to announce \$5 million for the major upgrade at the West Sale Airport. The upgrade will be delivered by Wellington Shire Council and includes resurfacing and lengthening of the West Sale Airport runway to meet Department of Defence requirements as a secondary airport to the RAAF Base East Sale.

Suzi Quatro and her Leather Forever Encore Tour concert attracted a crowd of about 1500 people to the Sale Botanic Gardens in February 2017. Wellington's 'Leaf' outdoor concert

venue provided the perfect location. To host an international artist of the calibre of Suzi Quatro with such success was a definite coup for Council and a treat for her fans.

It was fantastic to see more than 1500 swimmers and their families descend on Sale when Aqua Energy hosted the 2017 Country Swimming Championships. This event was a huge success not only for our Aqua Energy facility, but also the wider business community. Local hotels were booked out for the weekend and the visitors to Wellington enjoyed local hospitality, spending their money in our towns.

In a major development for library services, all our branches have been connected to the state-

*"Council has been successful in attracting state government funding to deliver projects that enhance our community experiences for our ageing community members."*

wide SWIFT consortium of public libraries, giving our patrons access to the collections of all SWIFT libraries across the state. This new service has been a major success, expanding access for our community to the education and enjoyment offered in libraries.

Our libraries have also received new management

Mayor Crossley with the Governor-General of the Commonwealth of Australia the Honourable Sir Peter Cosgrove at EBBWEC in Sale.



Deputy Mayor Alan Hall, 2017 Citizen of the Year Mark Thorpe, Mark's mother Glenys and Mayor Crossley at the's Citizen of the Year Awards luncheon.





Mayor Crossley with students from Rosedale Primary School who won the recent Best Edible or Productive Garden category of the 2016 Green Garden Awards.



Mayor Crossley after officially turning on the new \$250,000 lights at the Stephenson Park Oval in Sale during April.

software and catalogue to enhance content such as book cover images, searching capabilities and useful services such as sending emails and SMS reminders and notifications to library members. Further enhanced library services will also be on offer once the new library facility opens in the Port of Sale precinct.

Council was awarded the 2017 Award for Municipal Excellence in the Rural Category from the Consulting Surveyors of Victoria. The award was bestowed for excellence in dealing with

*“While our communities continue to grow, Council is well aware that it needs to provide the necessary infrastructure to accommodate these new developments.”*

subdivision applications, with Wellington identified as continually outperforming other rural councils with planning permit time frames for the more than \$59 million of approved development. This award was a well-deserved pat on the back for Council’s planning team.

Council completed various strategic planning projects to help facilitate growth and development across the Shire, including supporting the creation of further rural lifestyle lots in Longford and Heyfield, as well as a heritage overlay protection to 66 significant heritage properties across the Shire.

While our communities continue to grow, Council is well aware that it needs to provide the necessary infrastructure to accommodate these new developments. As such, work as begun on connecting the new housing estates of the Glebe and Woondella in Sale to the Central Business District via a shared path. A contract has been finalised for the delivery of the first stage of the project, which involves construction of the path along Cemetery Road to Dawson Street. The works will involve a slight realignment of the road, kerb and channel, parking lane and public lighting for safety.

The next stage which is currently being designed will see the path traverse across Flooding Creek through the Saleyards Reserve and re-join the road near the Saleyards Road and Finegan Court

intersection. A new controlled pedestrian crossing at the railway line will be constructed on the south side of Raglan Street. The crossing is expected to be available for use in 2017/18.

The town of Yarram has received a much-needed facelift this past year, with work following on from the construction of the wetlands and the connecting trunk drainage works in Commercial Road and Bland Street that enabled a modern kerb and channel profile to be used in the main street. The streetscape works required the coordination of both South Gippsland Water and VicRoads



who performed works on the main roadway. The works also included replacement of a South Gippsland Water main, construction of a concrete edge strip on the central median and resetting of bluestone pitchers, renewal of the kerb and channel using a lower modern profile, replacement of the footpath with charcoal coloured concrete and textured exposed aggregate concrete header strips, reconstruction of the road pavement including renewal of the parking bays and asphaltting of the entire roadway, landscaping and tree planting with no loss of parking, and renewal of the central median irrigation system. The completed works have given Yarram a new lease on life!

To support significant housing developments taking place in Cobains, the intersection of the Princes Highway and Cobains Road was upgraded with a multi-lane roundabout. Works are progressing well and the intersection is scheduled for completion in August.

Council has engaged in extensive consultation with property owners for six residential road and street construction improvements in Sale and Wurruk, with work already beginning. The roads and streets to be upgraded include Dundas Street, Sale - South; Dundas Street, Sale - North; Merry Street, Maffra; Marley Street, Sale - North; Marley Street, Sale - South; and Riverview Road, Wurruk. As a result of an earlier Council decision, work also commenced in Pearson and Simpson Street, Sale as part of this program. With the finalisation of approvals and designs for other schemes, additional tenders will be issued in the later part of 2017.

I commend this Annual Report to the Wellington community as a strong record of achievement and look forward to what the next 12 months have to offer. ■



**Cr Carolyn Crossley**

Wellington Shire Council Mayor



Mayor Carolyn Crossley with Ian Wright from Birdlife East Gippsland and RMIT Professor Peter Fisher and members of the Japanese TV crew visiting Australia to film the Latham's Snipe migration.



Mayor Crossley visits the Gippsland Regional Livestock Exchange in Sale.

## 2.2 Financial Summary

This summary should be read in conjunction with the Financial Statement and Performance Statements 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 \$26.11 million (excludes asset revaluation decrements), against a budgeted surplus of \$16.47 million, a variance gain of \$9.64 million.

The following major factors influenced this result:

- Fifty percent of Council's 2017/18 Victoria Grants Commission (VGC) allocation of approximately \$6.1 million being received in early June 2017, which will be carried forward to 2017/18.
- Non-monetary contributions of \$5.71 million consisting mainly of infrastructure assets contributed by developers for new subdivisions and gifted and donated assets relating to land acquired under the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme.
- Additional rate revenue of \$1.70 million raised during 2016/17 due to the finalisation of supplementary valuations after the completion of the 2016/17 budget, reflecting capital improvements across the shire.
- Construction and the rehabilitation of the Kilmany landfill site work is extending beyond original dates forecasted and now will be completed in August 2017 resulting in \$932k underspend.
- Savings in employee costs to budget from the Enterprise Agreement 9 bargaining process, applicable from November 2016, resulting in \$748k underspend.
- The Cowwarr Recreation Reserve Clubroom Redevelopment has been programmed to commence after the 2017 football season ends resulting in \$594k underspend.
- Delays in the commencement of Roads to Recovery funded capital work projects which has impacted on the timing of claims for 2016/17 by \$4.2 million, of which \$1.5 million is expected to be claimed in early 2017/18.
- Delays in residential street construction of sealed roads planned for 2016/17 has subsequently delayed associated owners' contributions of \$875k until 2017/18.

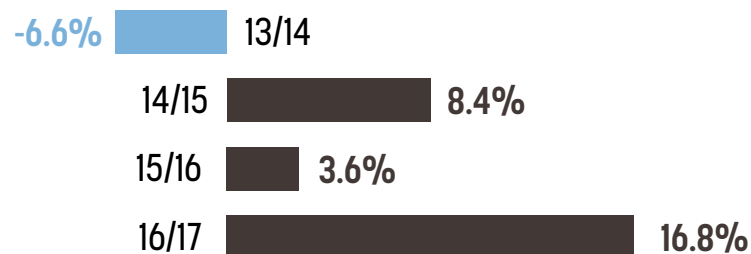


## 2.2 Financial Summary

The adjusted underlying result below, 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 of 16.8% is impacted by the advance payment of 2017/18 financial assistance grants. Excluding the advance payment, the adjusted underlying result is 10.9% 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. This is an ongoing challenge for councils with an extensive road network and lower populations than metropolitan councils.

### ADJUSTED UNDERLYING RESULT



### WORKING CAPITAL RATIO



### 2.2.2 Liquidity

Working capital at the end of the year was \$53.9 million or 416%, which is well above Council's budgeted position of 287%. 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 416% 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 252%.



“The Swagman” by John Brady, Sale Botanic Gardens.

## 2.2 Financial Summary

### 2.2.3 Cash

Council’s cash including term deposits greater than 90 days’ maturity (classified as other financial assets) finished at \$61.8 million against a budget of \$38.5 million, with \$28.0 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

13/14	36,189
14/15	44,358
15/16	44,544
16/17	61,817

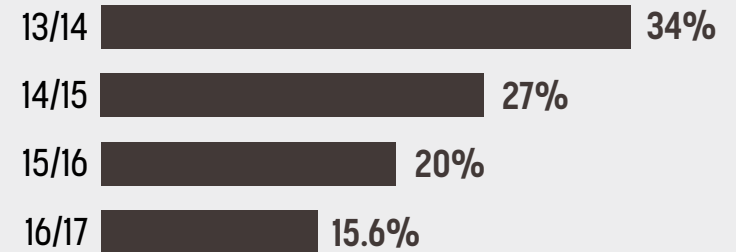


## 2.2 Financial Summary

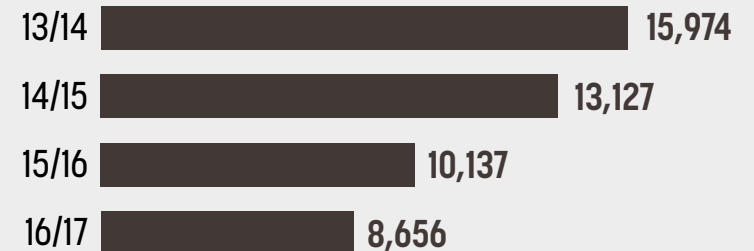
### 2.2.4 Obligations

During the 2016/17 year \$1.48 million of existing debt was repaid. At the end of the year, Council's debt ratio was 15.6%, 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 \$1.30 million to fund the Princes Highway – Cobains Road intersection upgrade and \$0.65 million to fund residential street construction schemes (and to be repaid by participating ratepayers over 5 to 10 years) were not required.

#### LOANS AND BORROWING 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 59.3% for the 2016-17 year. Council has focussed on controlling costs and for the 2016-17 year, this resulted in an average residential rate per residential assessment of \$1,283, an increase of \$2.02 per week on the prior year.

#### RATES CONCENTRATION RATIO



#### REVENUE LEVEL





## 2.2 Financial Summary

### 2.2.6 Capital Expenditure

During the year, the Council spent \$29.25 million on capital works. Council invested \$14.38 million on improving our roads, bridges, and footpaths, including \$2.75 million to reseal rural and urban roads.

Projects completed during the year include Forsyth's Bridge, Lay Bridge, the Victorian Timber Workers Memorial, the Swing Bridge refurbishment, the Gordon Street Heyfield clubrooms redevelopment, and Commercial Road Yarram streetscape. In addition, \$9.3 million was spent on progressing the Port of Sale Cultural Hub redevelopment project.

A further \$2.31 million was spent on our parks, gardens, and streetscapes around the Shire.

#### CAPITAL EXPENDITURE

13/14	23,447
14/15	24,351
15/16	23,784
16/17	29,250





## 2.3 Description of Operations

Wellington Shire Council is responsible for delivering 141 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 2016/17 and are reported upon in this document. Refer to the section on 'Our Performance' for more information about Council services.

### 2.3.1 Major Capital Works

#### Wellington Centre

Construction works commenced in August 2016 for redevelopment of Council's former civic centre into the new Wellington Centre (previously, Port of Sale Cultural Hub) incorporating the Gippsland Art Gallery, Sale Library, Sale Visitor Centre, Council Chamber and Dock 70 Café.

Civil, landscaping and building works to the open area between the Wellington Centre and The Wedge entertainment centre (former ESSO BHP Billiton Wellington Entertainment Centre) commenced in February 2017.

The Sale Skatepark extension and redevelopment was completed in April 2017 and opened to the public in May 2017. Footpath, landscaping and building works surrounding the skatepark commenced soon after the skatepark completion.

The opening of the new Wellington Centre and redeveloped Port of Sale precinct is expected by the end of 2017.





## 2.3 Description of Operations

### 2.3.1 Major Capital Works

#### Commercial Road Streetscape Improvements - Yarram

The renewal of the Commercial Road Streetscape through Yarram was completed in partnership with VicRoads who completed the reconstruction of the highway road pavement including asphaltting of the entire roadway and parking lanes.


The works followed on from the construction of the wetlands and the connecting trunk drainage works in Commercial Road and Bland Street that enabled a more modern kerb and channel profile to be used in the main street.

The streetscape works required coordination with South Gippsland Water, who replaced an aged and failing water main, as well as VicRoads and their alliance contract

The works included:

- Replacement of the South Gippsland Water Main in the western carriageway
- Construction of a concrete edge strip on the central median and resetting of bluestone pitchers
- Renewal of the kerb and channel using a lower modern profile
- Replacement of the footpath with charcoal coloured concrete and textured exposed aggregate concrete header strips
- Reconstruction of the road pavement by VicRoads including renewal of the parking bays and asphaltting of the entire roadway
- Landscaping and tree planting with no loss of parking
- Renewal of the central median irrigation system.



 The Glebe / Woondella Shared Path will pass through the Saleyards Reserve.

## 2.3 Description of Operations

### 2.3.1 Major Capital Works

#### Glebe / Woondella Shared Path - Sale

A 2.5 metre wide shared path is being constructed to link the Sale Central Business District to the Woondella, Glebe and Boulevard Estates on the Maffra-Sale Road.

Under the first stage of the project, a contract for construction of the path along Cemetery Road to Dawson Street has been awarded. The works involve a slight realignment of the road, kerb and channel, parking lane, public lighting and the shared path.

The next stage, which is currently being designed, will see the path traverse across Flooding Creek through the Saleyards Reserve and rejoin the road near the Saleyards Road and Finegan Court intersection.

A new 'controlled' pedestrian crossing at the railway line will be constructed on the south side of Raglan Street by VLine on behalf of Wellington Shire Council and the crossing is expected to be available for use in 2017/18.

#### Princes Highway/Cobains Road Intersection Upgrade - Sale

The Princes Highway and Cobains Road intersection has been upgraded with a multi-lane roundabout that was a VicRoads requirement due to the development taking place adjacent to the intersection.

The works were undertaken by the developer with the assistance of Wellington Shire Council and are now approximately 95% complete and are expected to be finished in August 2017.






## 2.3 Description of Operations

### 2.3.2 Major Changes

- A restructure took place reducing four business units to three. The Active Communities business unit became part of the Community Wellbeing business unit introducing community infrastructure planning, community assistance grants and community committees. Managers were required to reapply for positions. This structural change resulted in a significant financial saving and enables improved service outcomes due to closer interaction between services that are strongly community focussed.
- Emergency Management Victoria (EMV) has involved Local Government extensively in changes to emergency management legislation, structure and planning. While the engagement is valued it does add significant workload pressure to emergency management staff providing feedback and constantly updating policies and procedures.
- As part of the expansion of Council's Business Development team, the Commercial Facilities function has been integrated into the Development Division.
- The events process has been streamlined to include a detailed event guide to assist event organisers.

### 2.3.3 Economic Factors

There were no significant / unexpected financial challenges faced by Council during the 2016/17 year.

 Wellington's internal business units underwent change during 2016/17, resulting in financial savings and improved service outcomes.



## 2.3 Description of Operations

### 2.3.4 Major Achievements

Secured a number of funding grants to support significant infrastructure upgrade/renewal projects including:

- **\$1,000,000** Rosedale Revitalisation Project
- **\$640,000** Port Albert Boating Facilities Upgrade Project
- **\$331,368** Loch Sport Charlies Street Boat Ramp Upgrade
- **\$175,000** Loch Sport Foreshore Redevelopment Project

Secured significant funding to further enhance recreation facilities, including:


- **\$1,000,000** From the Latrobe Valley Authority for the Sale Tennis Club redevelopment.
- **\$600,000** From National Stronger Regions for GRSC Stage 2A.
- **\$500,000** From the John Leslie Foundation for the upgrade of the GRSC Stadium floor.
- **\$100,000** From Sport and Recreation Victoria for the development of female friendly change facilities at the Baldwin Reserve.
- **\$100,000** From Sport and Recreation Victoria for a drainage upgrade at the Maffra Recreation Reserve.
- **\$70,000** From Sport and Recreation Victoria for the resurfacing of the synthetic courts at the Maffra Lawn Tennis Club.



## 2.3 Description of Operations

### 2.3.4 Major Achievements



 Mayor Carolyn Crossley inspects the new Sale Library self-serve kiosk.

- Council's Road Management Plan has been reviewed and adopted.
- Council's Open Space Plan has been reviewed and adopted.
- Council's Sustainable Living Education program (SLed) delivered - 166 sessions with 5,715 participants.
- With support from benefiting property owners, four Street Construction Schemes were adopted by Council in line with Council's Residential Road and Street Construction Program.
- The Community Wellbeing Unit reviewed and updated two strategic documents, Council's Community Vision Wellington 2030 and the Wellington Community Early Years Plan 2017- 2021. Both were approved by Council.
- Completed feasibility studies for the Cameron Sporting Complex Redevelopment in Maffra and the Yarram Heated Pool
- Facilitated the Service Review process across all Council functions.
- Aqua Energy launched a new website and undertook a \$1.5 million gym upgrade including a range of new cardio and exercise equipment.
- SWIFT Library Management System rolled out across all library sites in Wellington.
- Self-serve kiosk installed at the Sale Library in preparation for the transition to the Wellington Centre.
- The Municipal Heat Health Plan was endorsed by the Municipal Emergency Management Planning Committee.
- Council continued to provide an efficient planning permit service in 2016/17 with 93% of applications decided within 60 days compared to the rural Council average of 77%.
- Council received the 2017 Award for Municipal Excellence - Rural Category from the Consulting Surveyors of Victoria, for 'excellence in dealing with subdivision applications'.
- Council adopted Amendment C90 to provide for further rural lifestyle lot development/growth in Longford.
- Council adopted the Heyfield Low Density Residential Land Supply Study to facilitate the release of 'one acre' lots to support future growth/development in Heyfield.
- Received grants of \$50,000 from the State Government/Victorian Planning Authority to help prepare the Wurruk/West Sale Industrial Land Use Strategy and \$40,000 from the Victorian Planning Authority for the North Sale Traffic Impact Assessment Study (prepared as part of the North Sale Development Plan project).
- Adoption of Wellington and East Gippsland Domestic Wastewater Management Plan.

## 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.



## 3.1 Municipality Profile

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.

The most recent Census data showed that the Wellington population grew from 41,440 in 2011 to 42,871 in 2016.

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.




## 3.1 Municipality Profile

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

 Located in Wellington's High Country, the Pinnacles lookout is one of Wellington's most scenic locations.



## 3.1 Municipality Profile

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.





## 3.2 Councillors

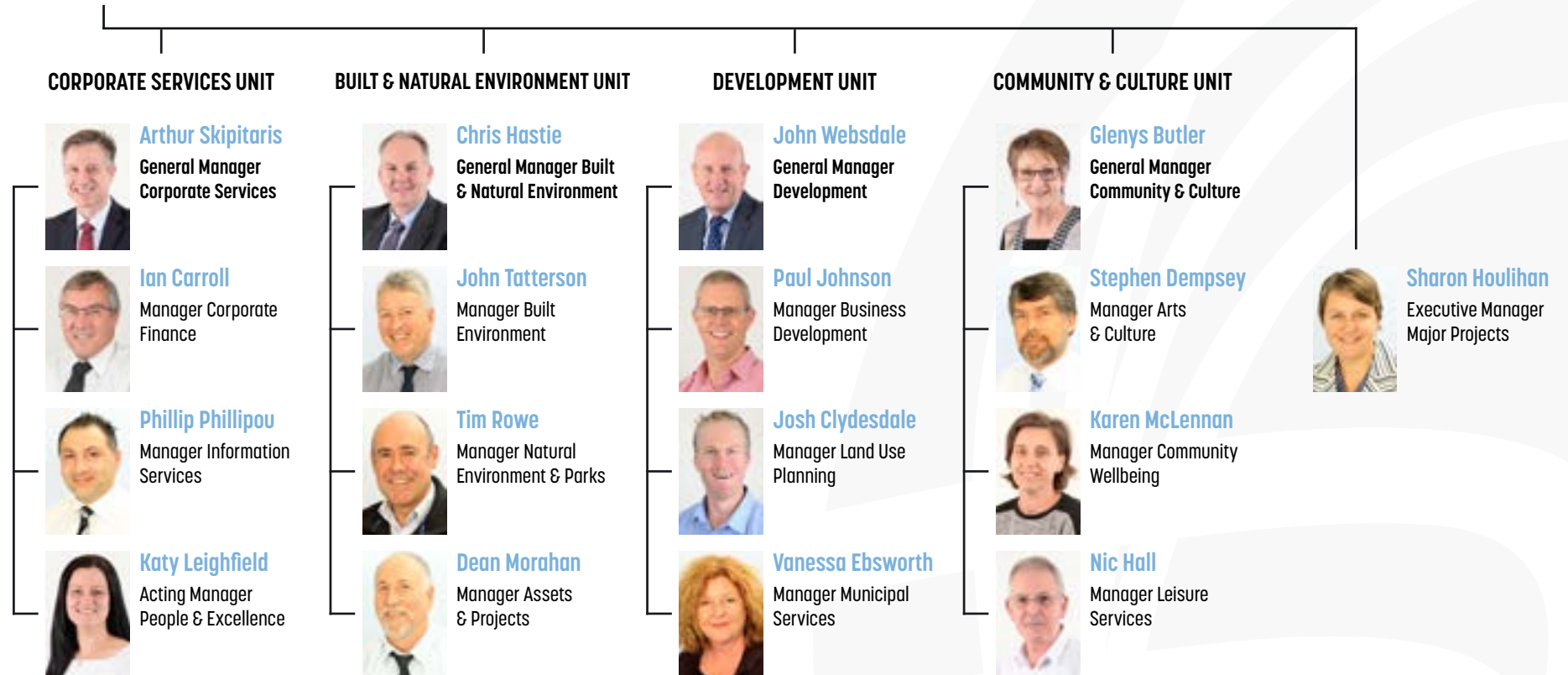
	NAME	WARD	TERMS ELECTED	MOBILE	EMAIL
①	<b>Cr Carolyn Crossley (Mayor)</b>	 Northern	2012, 2016	0409 495 833	carolync@wellington.vic.gov.au
②	<b>Cr Alan Hall (Deputy Mayor)</b>	 Coastal	2016	0476 000 159	alanh@wellington.vic.gov.au
③	<b>Cr Ian Bye</b>	 Central	2016	0476 000 146	ianb@wellington.vic.gov.au
④	<b>Cr Malcolm Hole</b>	 Northern	2000, 2003, 2005, 2008, 2012, 2016	0408 541 746	malcolmh@wellington.vic.gov.au
⑤	<b>Cr Gayle Maher</b>	 Coastal	2016	0476 000 162	gaylem@wellington.vic.gov.au
⑥	<b>Cr Darren McCubbin</b>	 Central	2003, 2005, 2008, 2012, 2016	0458 006 486	darrenm@wellington.vic.gov.au
⑦	<b>Cr Keith Mills</b>	 Northern	2016	0476 000 171	keithm@wellington.vic.gov.au
⑧	<b>Cr Scott Rossetti</b>	 Central	2008, 2012, 2016	0419 366 686	scottr@wellington.vic.gov.au
⑨	<b>Cr Garry Stephens</b>	 Coastal	2016	0476 000 157	garrys@wellington.vic.gov.au



# 4.1 Organisation Structure



**David Morcom**  
Chief Executive Officer



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 2017 Senior officers as designated by the Local Government Act, 1989 were as follows:



**David Morcom**  
Chief Executive  
Officer



**Arthur Skipitaris**  
General Manager  
Corporate Services



**Chris Hastie**  
General Manager Built  
& Natural Environment



**John Websdale**  
General Manager  
Development



**Glenys Butler**  
General Manager  
Community & Culture



**Ian Carroll**  
Manager Corporate  
Finance

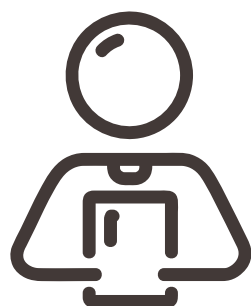


**Phillip Phillipou**  
Manager Information  
Services



## 4.3 Council Staff

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



276.48  
FULL TIME EQUIVALENT STAFF



Employee Type/Gender	CEO	Built and Natural Environment	Community and Culture	Corporate Services	Development	Total
<b>Permanent Full Time</b>						
Female	3.00	17.45	26.00	25.00	14.00	<b>85.45</b>
Male	2.00	93.00	12.00	14.00	26.00	<b>147.00</b>
<b>Total Permanent Full Time</b>	<b>5.00</b>	<b>110.45</b>	<b>38.00</b>	<b>39.00</b>	<b>40.00</b>	<b>232.45</b>
<b>Permanent Part Time</b>						
Female	0.00	0.60	12.8	2.78	7.91	<b>24.09</b>
Male	0.00	0.00	3.29	0.60	1.59	<b>5.48</b>
<b>Total Permanent Part Time</b>	<b>0.00</b>	<b>0.60</b>	<b>16.09</b>	<b>3.38</b>	<b>9.5</b>	<b>29.57</b>
<b>Casual</b>						
Female	0.00	0.00	8.62	0.00	0.43	<b>9.05</b>
Male	0.00	0.00	4.99	0.00	0.42	<b>5.41</b>
<b>Total Casual</b>	<b>0.00</b>	<b>0.00</b>	<b>13.61</b>	<b>0.00</b>	<b>0.85</b>	<b>14.46</b>
<b>Total</b>	<b>5.00</b>	<b>111.05</b>	<b>67.70</b>	<b>42.38</b>	<b>50.35</b>	<b>276.48</b>

## 4.3 Council Staff

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

Band	Female	Male	Total
Band 1	3.52	1.22	4.74
Band 2	4.00	22.00	26.00
Band 3	16.16	34.25	50.41
Band 4	31.99	14.53	46.52
Band 5	24.50	28.9	53.40
Band 6	20.20	21.00	41.20
Band 7	7.00	14.00	21.00
Band 8	1.00	7.00	8.00
N / A	10.21	15.00	25.21
<b>Total FTE</b>	<b>118.58</b>	<b>157.90</b>	<b>276.48</b>



118.58

FEMALE FULL TIME EQUIVALENT



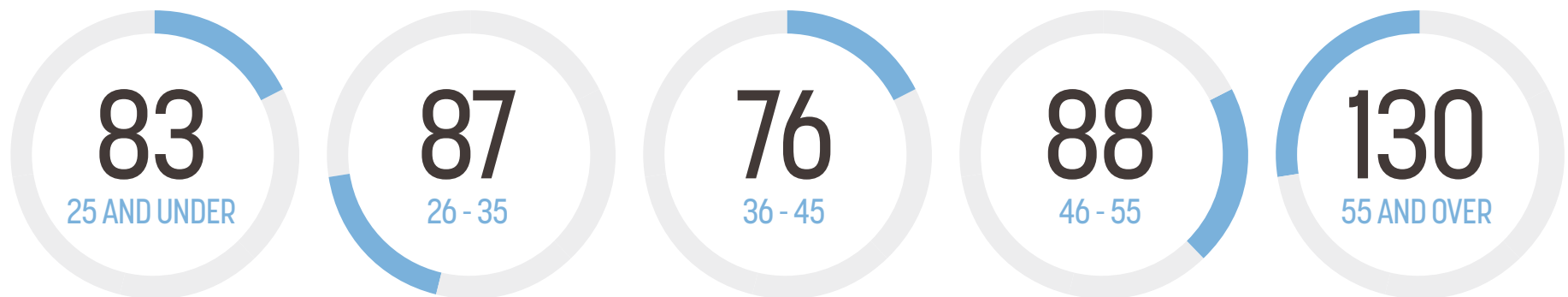
157.90

MALE FULL TIME EQUIVALENT



## 4.3 Council Staff

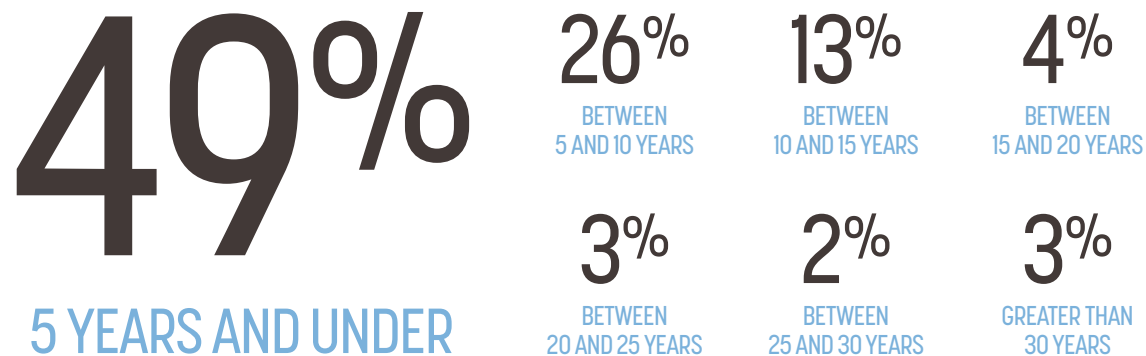
A summary of age spread of staff by headcount.



Age Category	CEO	Built and Natural Environment	Community and Culture	Corporate Services	Development	Total
25 and Under	0	4	77	0	2	83
26 - 35	1	25	41	11	9	87
36 - 45	2	19	29	11	15	76
46 - 55	2	32	23	12	19	88
55 and Over	0	32	41	11	46	130
<b>Total</b>	<b>5</b>	<b>112</b>	<b>211</b>	<b>45</b>	<b>91</b>	<b>464</b>

## 4.3 Council Staff

Years of service summary by headcount.



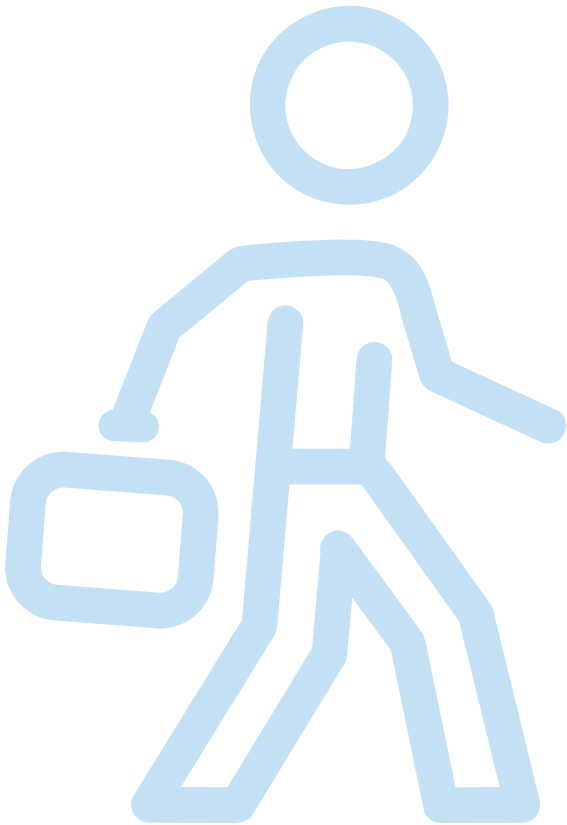
Years of Service	Full-Time	Part-Time	Casual	Total
5 and Under	102	19	103	224
Between 5 and 10	56	20	41	117
Between 10 and 15	35	13	13	61
Between 15 and 20	7	7	5	19
Between 20 and 25	12	4	0	16
Between 25 and 30	9	1	0	10
Greater than 30	12	3	2	17
<b>Total</b>	<b>233</b>	<b>67</b>	<b>164</b>	<b>464</b>



### 4.3 Council Staff

Our workforce by generation.

148  
BABY BOOMERS



133 GEN X  
114 GEN Y  
63 GEN Z  
6 VETERANS

Age Category	CEO	Built and Natural Environment	Community and Culture	Corporate Services	Development	Total
GEN Z	0	1	61	0	1	63
GEN Y	2	28	62	12	10	114
GEN X	2	43	38	22	28	133
Baby Boomers	1	40	50	11	46	148
Veterans	0	0	0	0	6	6
Total	5	112	211	45	91	464

## 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.

In 2016, Wellington Shire Council conducted the following activities to support and promote Equal Employment Opportunity across Council:

- Bullying and Harassment training for all Council employees
- Equal Employment Opportunity for all Equal Opportunity Contact Officers
- Interview Panellist training for recruitment with an emphasis on Equal Employment Opportunity
- Mental First Aid training for designated employees
- Updated Equal Employment Opportunity and Human Rights Council policy.



 Standing desks were an innovation introduced at Council's Sale Headquarters.



## 4.5 Our Volunteers

**Volunteers are vital to our organisation and our community. Last year, we continued work on developing a coordinated, consistent approach to enable our volunteers to thrive as they deliver great services to our community.**

While it is complex to assign a monetary value for the social value of volunteering, it is important to estimate the economic value to emphasise that voluntary work makes a significant contribution to the delivery of council services. We recognise the specialist nature of some of the roles, qualifications and vast industry experience these volunteers bring to their voluntary roles. As shown in the below table, the economic value of volunteer services provided through council services equated to more than \$2.5 million for 2016/17. This is excluding the volunteering work offered by numerous service and volunteer organisations during various events, which is hard to quantify.

The Volunteering in Wellington website ([www.volunteeringinwellington.com.au](http://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.

Volunteer Service	Main Duties	No. of Volunteers	Volunteer Hours	Estimated Annual Value*
<b>Visitor Information Centre (Sale, Maffra)</b>	Provide customer service, tourism advice, directions and local business information.	23	104 hours per week	<b>&gt; \$188,685</b>
<b>Art Gallery Guides</b>	Deliver education programs and workshops for kindergarten, primary and secondary schools and community groups.	12	19 hours per week	<b>&gt; \$34,890</b>
<b>Friends of Sale Botanic Gardens</b>	Attend monthly gardening day in the Sale Botanic Gardens.	10	20 hours per month	<b>&gt; \$8,374</b>
<b>Student volunteers for Parks and Gardens</b>	Undertake vegetation and maintenance works.	35	200 hours per year	<b>&gt; \$6,976</b>
<b>Wellington Shire Council Community Committees</b>	Manage, operate and maintain a facility for the community in an efficient, effective and practical manner. This includes facilities such as halls, reserves and pavilions.	670+	2,000 hours per month	<b>&gt; \$837,360</b>
<b>Wellington Bike Education Project</b>	Provide training and assistance to schools to run the Bike Education project which is funded by TAC and VicRoads.	118	132.5 hours per year	<b>&gt; \$4,623</b>

→ CONTINUED...

## 4.5 Our Volunteers

Volunteer Service	Main Duties	No. of Volunteers	Volunteer Hours	Estimated Annual Value*
<b>Community Planning Groups</b>	<ul style="list-style-type: none"> <li>Coordinate development of Community Plan.</li> <li>Support Community in implementing Plan.</li> <li>Liaise with Shire and other agencies regarding Plan projects.</li> <li>Plan and run events, markets and projects as part of the plan.</li> </ul>	85+	4,000 hours per month	> \$1,674,720
<b>Access and Inclusion Advisory Group</b>	<ul style="list-style-type: none"> <li>Assist communication on access and inclusion matters, to and from their local communities, through their contacts and networks.</li> <li>Identify and address access issues via the Access and Inclusion Policy and Action Planning process.</li> <li>Provide access and inclusion expertise and experience during the planning stages of Council projects and policy development.</li> <li>Promote Access and Inclusion throughout Wellington Shire. Act as a reference group for the Rural Access position located at Wellington Shire Council.</li> </ul>	15	30 hours per month	> \$12,560
<b>Wellington Shire Youth Council (Youth Group)</b>	<ul style="list-style-type: none"> <li>Provide opportunities for young people to have their voices heard, to act on issues and advocate for different youth needs.</li> <li>To be a youth voice for the Council.</li> <li>To put on events and activities that are inclusive of all young people and to engage them in community life.</li> </ul>	16	3,268 hours per year	> \$144,021
<b>Propellor FReeZA Group (Youth Group)</b>	Provide opportunities for young people to perform and experience music events.	8 (Up to 20 casual volunteers for events)		
<b>L2P Program (Council run program in partnership with Mission Australia)</b>	Support and mentor young people in Wellington Shire to get their probationary license.	30	936 hours per year	> \$32,657
<b>TOTAL</b>				> \$2,944,866*

\*Using projected gross opportunity cost wage rate for volunteer in 2016 - \$34.89 per hour (Source: Key Facts and Statistics about Volunteering in Victoria, 2015 Report).

# 4.6 Other Staff Matters

## 4.6.1 Enterprise Bargaining Agreement

Wellington Shire Council commenced an enterprise bargaining process in late 2016 in consultation with the relevant staff and management representatives, nominated workplace union delegates and union organisers.

Enterprise Agreement No.9 was adopted in April 2017 and remains operative until 8 November 2019.

## 4.6.2 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. We take an integrated approach to learning, focusing on a mix of on-the-job experience, online and instructor lead training and formal education.

The table below shows the total number of employees who undertook online training as of 30 June 2017:

Course	Built and Natural Environment	Community and Culture	Corporate Services	Development
<b>Fraud and Corruption Awareness</b>	106	194	43	88
<b>Occupational Health &amp; Safety</b>	102	95	43	76
<b>Prevention of Workplace Bullying and Harassment</b>	85	177	30	76
<b>Prevention of Workplace Bullying and Harassment - for Managers and Supervisor</b>	21	27	17	14
<b>Contractor Safety</b>	36	14	9	14
<b>Interview Panellist Training</b>	21	23	19	15



## 4.6 Other Staff Matters

The table below highlights a sample of the instructor led training undertaken as of 30 June 2017:

Course	Staff Number
First Aid Training	160
Mental Health First Aid	10
Public Speaking	11
Contact Officer Training	9
Situational Awareness Training	57

Fifteen employees were supported to advance their formal qualifications through the Tertiary Reimbursement Program during the 2016/17 year.

### 4.6.3 Performance and Accountability Framework

A Performance and Accountability Framework was introduced which aligned position descriptions, performance appraisals and corporate performance indicators. As part of the introduction of the framework over 300 position descriptions were reviewed and updated.

All permanent and fixed term staff (294 employees in total) took part in our annual performance appraisal process. The performance appraisal was available online, allowing employees to easily access their appraisals, and make notes and comments throughout the year.

## 4.6 Other Staff Matters

### 4.6.4 Staff Recognition

Wellington Shire Council encourages all members of staff to acknowledge the contributions of others. The Wellington Staff Achievement Awards highlight the excellence that exists in all areas and job functions across the organisation. During the year, forty seven employees received awards for demonstrating outstanding achievement in one of the following areas: Teamwork and Partnerships, Introducing an Improvement, Leadership and Customer Focus.

Council also recognises employees for their ongoing contribution, commitment and service to the organisation by acknowledging significant employment anniversaries.

The table below shows the number of service anniversaries acknowledged per division.

Years of Service	CEO Unit	Built and Natural Environment	Community and Culture	Corporate Services	Development
5 Years	1	4	14	3	8
10 Years	0	3	8	0	3
15 Years	0	3	4	2	2
20 Years	0	0	1	1	1
25 Years	0	0	0	0	
30 Years	0	1	0	0	1
35 Years	0	0	0	0	1

## 4.6 Other Staff Matters

### 4.6.5 Prevention of Violence Against Women

The Prevention of Violence against Women (PVAW) is supported by Wellington Shire Council through the promotion of gender equity and other educational activities as a part of the 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 in order to create organisational and community awareness around the prevention of men's violence against women.

Family violence includes 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.


Wellington Shire Council has developed a Gender Equity Action Plan as a result of actions arising from the 'Gender Audit'. 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.

In acknowledging 16 Days of Activism, Wellington Shire Council presented our prevention of men's violence against women organisational strategy at the 'Champions of Change' breakfast as well as promoting the 'Victoria Against Violence' initiative which called for staff to wear the colour orange to work in support of gender equity and family violence.

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.



 Cr Darren McCubbin was a guest speaker at the 'Champions of Change' breakfast.



## 4.6 Other Staff Matters

### 4.6.6 Staff Engagement Survey

A Staff Engagement Survey was conducted in April 2017 with 229 employees responding to the survey. The objective of this survey was to identify ways to improve staff workplace satisfaction, which, in turn, improves overall productivity and levels of customer service.

Our overall satisfaction rating has increased from 5.18 to 5.48 compared to 2014 survey results, putting Wellington in second place out of 77 Australian councils, for overall employee satisfaction.

Our overall staff engagement rating also increased from 65% to 69%, with 75% of respondents saying that they are proud to work for the Council, 77% saying that they are satisfied with their job and 81% agreeing that they would recommend Wellington as a great workplace to their family and friends.

### 4.6.7 Health and Safety

Wellington Shire Council aims to maintain a culture of workplace safety for all employees, Councillors, contractors and visitors. Staff acknowledged “Providing a safe work environment” as the highest performing indicator in the organisation through Staff Engagement Survey 2017.

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 2016/17, a number of such initiatives were undertaken to enhance Council’s OHS function. These include:

- Implementation of a new contractor management program
- Implementation of portable standing desks
- Implementation of online OHS induction and awareness training
- Implementation of staff Contractor safety training
- Improvements to traffic management documentation
- An asbestos process review
- Manual handling training
- Mental health awareness training
- An incident and investigation process review.

## 4.6 Other Staff Matters

### 4.6.8 Employee Health and Wellbeing

Our health and wellbeing programs, initiatives and support services are designed to:

- Improve work performance and productivity
- Reduce costs associated with absenteeism, presenteeism, disability and workers' compensation
- Improve the workplace culture of the organisation and retain existing employees
- Improve our branding and image.

Council continued to deliver the following initiatives during 2016/17 to support these objectives.

Promoting physical health and fitness:

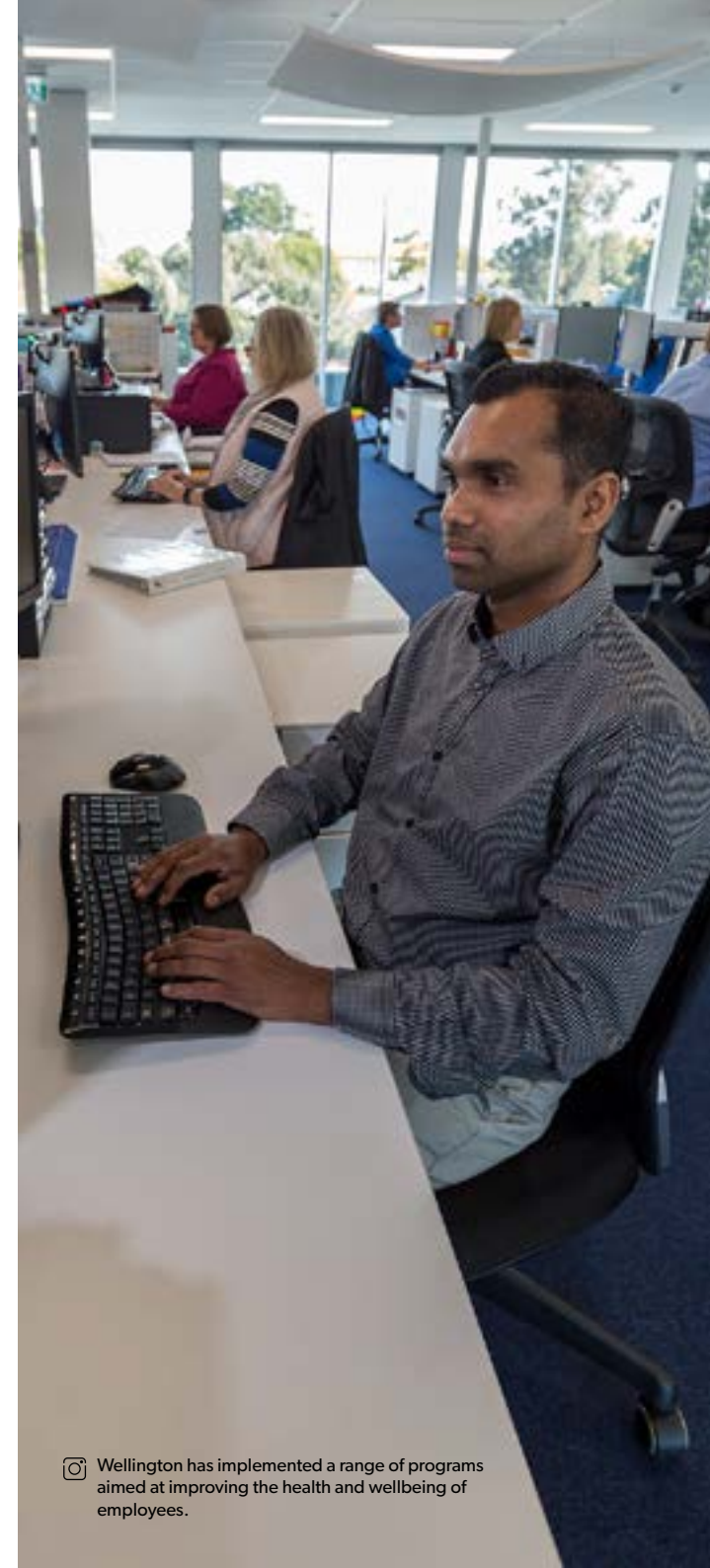
- Employees at Council are provided a 10% discount on membership to our leisure facility Aqua Energy. Aqua Energy provides fitness classes, a fully equipped gymnasium and swimming pool.
- Ride to Work Day which encourages staff to ride their push-bike to work instead of driving to work.


Promoting mental health and wellbeing:

- Our Employee Assistance Program provides free access to Converge International (an external service) for our employees and their families for confidential counselling and support for work and personal related issues.
- R U OK Day: Council acknowledges RUOK Day annually by providing organisational awareness into suicide prevention by reducing the stigma surrounding mental health issues.

Promoting employee social inclusion:

- Social Club: Provides social connection for staff by providing social events such as communal lunches, weekend outings, movie nights and health initiatives such as Yoga, walking and soccer nights.



 Wellington has implemented a range of programs aimed at improving the health and wellbeing of employees.



Wellington Shire Council's  
Sale Service Centre.

## 5.1 Measuring Our Performance

### 5.1.1 Local Government Performance Reporting Framework

This annual report is prepared in accordance with the Local Government Amendment (Performance Reporting and Accountability) Act 2014 and Local Government (Planning and Reporting) Regulations 2014.

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

Our Report of Operations and audited Performance Statement in Section Two of this report provides comparative performance data for 2016/17 and data trends for the last three years.

Ratepayers, residents and other stakeholders can compare our performance results against other large rural Victorian councils via the My Council website ([www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)).





## 5.1 Measuring Our Performance

### 5.1.2 Community Satisfaction Survey

The annual Local Government Community Satisfaction Survey provides additional means to compare with other similar councils as well as tracking our results over recent years.

Our 2016 survey results indicated that Wellington Shire Council was performing better than other large rural Councils. Council scored a rating of 63 out of 100 for overall council performance compared to 54 for other large rural council's and 59 state-wide.

The three areas that survey participants highlighted that Council performed particularly well in were, arts centres and libraries, the appearance of our public areas and our recreational facilities.

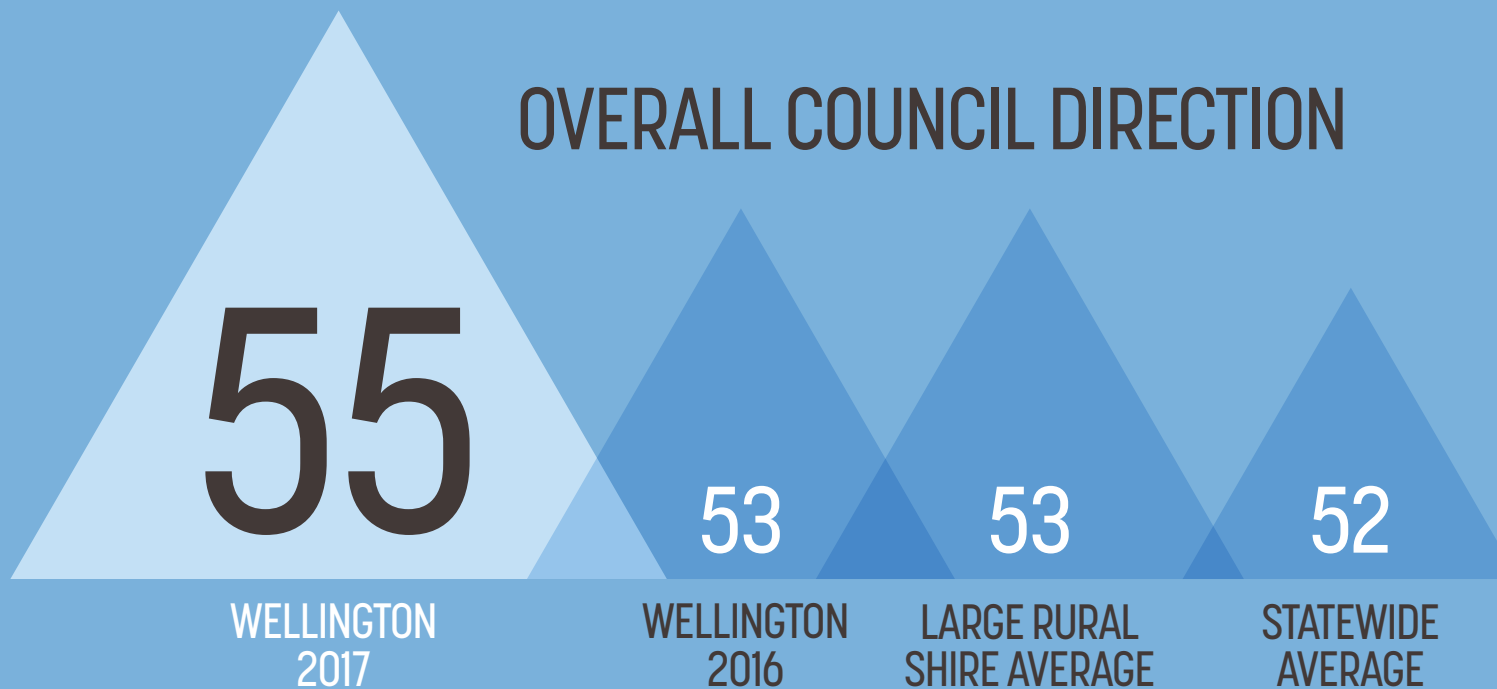
Council also scored significantly higher results in the enforcement of our local laws, consultation and engagement, lobbying, and town planning and policy, compared to the previous year.

The survey results also suggested that Council should make improvements to unsealed roads, sealed local roads, and slashing and weed control. Council will undertake further investigation of those areas identified for improvement.

The Local Government Satisfaction Survey is independent of Council. The research is conducted annually by JWS Research on behalf of the Department of Environment, Land, Water and Planning.

A summary of core Community Satisfaction Survey Results is included on the next page with the detailed report available on Council's website.

## OVERALL COUNCIL DIRECTION



Performance Measures	Wellington 2017	Wellington 2016	2017 Large Rural Shire Average	2017 Statewide Average
<b>Overall Performance</b>	<b>63</b>	61	54	59
<b>Community Consultation</b> <i>Community consultation and engagement</i>	<b>59</b>	55	52	55
<b>Advocacy</b> <i>Lobbying on behalf of the community</i>	<b>61</b>	55	51	54
<b>Making Community Decisions</b> <i>Decisions made in the interest of the community</i>	<b>59</b>	56	51	54
<b>Sealed Local Roads</b> <i>Condition of sealed local roads</i>	<b>56</b>	53	43	53
<b>Customer Service</b>	<b>70</b>	66	66	69
<b>Overall Council Direction</b>	<b>55</b>	53	52	53

## 5.1 Measuring Our Performance

### 5.1.3 Reporting Against the Council Plan 2013-17 and Annual Budget 2016/17

The following diagram shows the relationships between the Annual Report with the key planning documents in local government. It also shows the community and stakeholder engagement as the foundation to our planning and reporting process.

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.

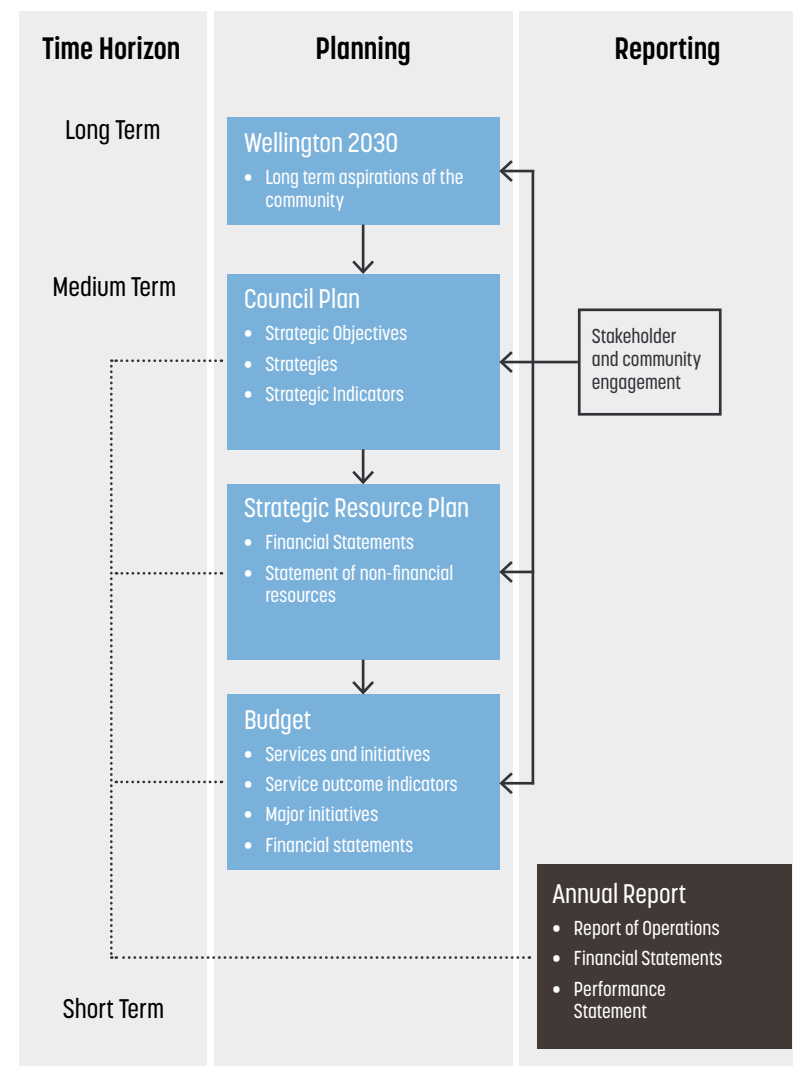
Wellington 2030 was used to develop and guide our key themes and strategic objectives for the 2013-17 four year Strategic Plan, our Council Plan. Council undertook an extensive community consultation program to review the Wellington 2030 strategic document during 2016/17, prior to preparing the new Council Plan 2017-21.

We continued to work throughout 2016-17 towards better integration of

the Council Plan and other strategic documents with key operational documents such as annual business plans and individual work/performance plans. Our aim was to create a strong focus across the organisation on achieving the plan's strategic objectives while continuing to meet our operational and service delivery requirements.

We continuously kept the community informed about our progress and performance through our website, social media, quarterly community newsletter Wellington Matters, local newspapers and actively engaged members in our planning and decision-making processes via surveys, workshops, focus groups, forums, committees and meetings.

The section 5.3 details how we performed during the year towards realising the various strategies identified in 2013-17 Council Plan, major initiatives and initiatives as identified in the 2016/17 Annual Budget, and achieving the performance measures and targets related to each.





## 5.2 Council Plan

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 2016/17 annual budget.

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



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

## 5.3 Performance

Council's performance for the 2016/17 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
- 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:



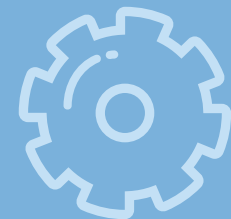
Strategic  
Indicators



Major  
Initiatives



Description of  
Services




Service Indicators  
and Measures

## 5.3 Performance

### 5.3.1 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	16/17	
Increased community satisfaction rating for Council’s interaction and responsiveness in dealing with the public.	71	66	70	There is positive improvement compared to last year’s result. Council is currently developing a four year action plan to further improve customer service across all Council services.
Increased community satisfaction rating with community engagement.	59	55	59	Wellington Shire Council is performing seven points higher than the large rural council average and four points higher than the state wide average for community engagement. Council adopted a new community engagement strategy in 2016 to guide the way council staff consult with and inform the community about projects and services in the future.
Increased community satisfaction rating with Council’s advocacy and community representation on key local issues.	58	55	61	A significant increase in satisfaction in this area which is ten points higher than the Large Rural average and seven points higher than state wide average.
Increased community satisfaction rating with overall performance.	63	61	63	Satisfaction level has improved regarding Council’s overall performance. This is also nine points higher than Large Rural average and two points higher than state wide average.



# 5.3 Performance


1

LEADERSHIP & ENGAGEMENT



## 5.3.1 Leadership and Engagement

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

 <b>Major Initiatives</b>	<b>Progress</b>	<b>Status</b>
Through Gippsland Local Government Network, Wellington will work with other Gippsland Councils to implement objectives in the Gippsland Regional Plan.	Council continues to advocate on a number of regional projects including Macalister Irrigation District (MID), passenger rail, and Latrobe Valley transitional issues that affect the entire region.	<b>Ongoing</b>
Explore both Corporate (back office processing) and ICT Shared Services opportunities for the Gippsland Local Government Network (GLGN) Councils.	Benchmarking data for similar back office and ICT functions is being reviewed to identify potential opportunities for greater efficiencies across the GLGN Councils.	<b>Ongoing</b>

# 5.3 Performance


1

LEADERSHIP & ENGAGEMENT



## 5.3.1 Leadership and Engagement

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

 Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
Councillors, Chief Executive and Corporate Management Team.	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Corporate Management Team and associated support which covers service provision across the entire organisation.	2,592	2,809	217
Media and Public Relations.	<p>This area provides internal and external communication services including media, marketing and branding support for Council projects and initiatives. The team also seeks to identify trends in public opinion and ensure that Council adapts and responds in a timely manner.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Develop an internal communications plan that will establish and embed a shared understanding of corporate expectations, culture and strategic framework (In Progress -80%).</li> </ul>	386	429	43

## 5.3 Performance


### 5.3.1 Leadership and Engagement

# 1

## LEADERSHIP & ENGAGEMENT



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

 Service Indicator / Measure	Result		Comments	
	14/15	15/16		16/17
GOVERNANCE				
Transparency				
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%	2.6%	Wellington Shire Council made 306 resolutions during the 2016/17 financial year. Of those decisions, 298 or 97.4% 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.
Consultation and Engagement				
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement].	59	55	59	Wellington Shire Council is performing seven points higher than the large rural council average and four points higher than the state wide average for community engagement. Council adopted a new community engagement strategy in 2016 to guide the way council staff consult with and inform the community about projects and services in the future.
Attendance				
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%	92.6%	Wellington Shire Councillor commitment to actively serve the community is reflected in its 92.6% attendance rate at the 23 ordinary Council meetings and one special Council meeting held in 2016/17.

→ CONTINUED...



# 5.3 Performance


## 5.3.1 Leadership and Engagement

1

LEADERSHIP & ENGAGEMENT



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

 Service Indicator / Measure	Result		Comments
	14/15	15/16	
GOVERNANCE			
<b>Service Cost (Cost of Governance)</b> [Direct cost of the governance service / Number of Councillors elected at the last Council general election].	\$39,707	\$40,977	\$42,074
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 whilst undertaking Council duties are reimbursed. This cost reflects both Councillor allowances and reimbursements for the period. Wellington Shire Councillor reimbursement is at the lower end of the scale for Victorian councillors.			
<b>Satisfaction</b> 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	59
Council’s participation in the 2016 Community Satisfaction Survey showed a 59% community satisfaction rating with the way Council has performed in making decisions in the interests of the community. Council has performed eight points higher than large rural average and five points higher compared to state wide average.			



2


ORGANISATIONAL

## 5.3 Performance

### 5.3.2 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.	<b>8.46% Achieved</b>	<b>3.63% Achieved</b>	<b>16.82% Achieved</b> The adjusted underlying result is within the desired range of -20% to 20%.
Increased community satisfaction rating with overall performance.	<b>63</b>	<b>61</b>	<b>63</b> Satisfaction level has improved regarding Council's overall performance. This is also nine points higher than Large Rural average and two points higher than the state wide average.
Increased staff satisfaction and engagement.	<b>68.3</b>	<b>68.3</b>	<b>72.7</b> Staff perception of overall performance has increased over time and is in the top quartile among 77 other councils in Victoria.
External financial audits of Council reflect compliance with legislation.	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b> An unqualified audit opinion was signed by VAGO on 22/09/2016 for the 2015/16 financial year.
Increased percentage of current assets compared with current liabilities.	<b>321%</b>	<b>383%</b>	<b>416%</b> Council's liquidity has improved due to grant funding received in advance and increase in capital works for 2017/18 due to project timing, which has been partly offset by increased payables.


## 5.3 Performance

### 5.3.2 Organisational

## 2 ORGANISATIONAL



The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

 Major Initiatives	Progress	Status
Drive the Wellington Shire Council Enterprise Agreement No 9 renegotiations to ensure adoption of an effective and workable agreement.	The Fair Work Commission formally ratified the Wellington Shire Council's Enterprise Agreement 9 (EA9). All the work required to implement the changes introduced by our new EA9 is now complete.	<b>Complete</b>
Implement Stage 3 of the Information Communications Technology (ICT) Strategic Road Map 2015-17 to achieve organisational wide infrastructure and technology improvements.	The ICT Strategic Roadmap 2015-17 is in its final year. To date, all strategic objectives have been delivered with great success. Major accomplishments of the plan include; Implementation of new infrastructure and technology to facilitate Council's operational requirements, design and delivery of a new Unified Communications System to provide an effective and efficient Council communications system, implementation of Cloud technologies to facilitate new efficiencies across the organisation.	<b>Complete</b>
Manage the Port of Sale Cultural Hub Project ICT and AV design and installation.	This project is progressing well for completion scheduled December 2017.	<b>Ongoing</b>
Plan and implement an organisational wide electronic document and records management system.	Stage one has been completed with a draft Business Classification Scheme now developed which will be used to inform system specification and tender document for a new electronic, document and records management system in the 2017/18 period.	<b>Complete</b>

→ CONTINUED...



## 5.3 Performance


### 5.3.2 Organisational

# 2

## ORGANISATIONAL




The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

 Major Initiatives	Progress	Status
Implement new Position Descriptions, an automated Appraisal System and KPI reporting database across the organisation.	Position Descriptions were reviewed and finalised using the new templates for all positions. New performance appraisal system ELMO was launched and 2016/17 performance appraisals were completed across the organisation using the new system.	<b>Complete</b>
Adopt and implement the Domestic Wastewater Management Plan (DWMP).	The DWMP was adopted by Council. Memorandum of Understanding (MoU) was signed by water authorities. Planning has now commenced for the development of an inspection regime.	<b>Complete</b>

## 5.3 Performance

### 5.3.2 Organisational

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.


	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
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> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Manage and deliver Information Communication Technology (ICT) services to East Gippsland Shire Council as per the Memorandum of Understanding. (Ongoing).</i></li> </ul>	2,377	2,455	78

➔ CONTINUED...

## 5.3 Performance

### 5.3.2 Organisational

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<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>			
	People and Excellence	<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Implement a new corporate planning and reporting system to ensure strategic organisational alignment and that reporting capabilities are optimised. (Complete).</i></li> <li>• <i>Review Council's Business Continuity Planning framework to ensure that an effective plan is in place to maintain the continuity of critical business functions in the event of a business interruption event. (Ongoing).</i></li> <li>• <i>Develop an organisation learning and development strategy to ensure that organisation learning needs are identified, prioritised and implemented cost effectively to achieve identified outcomes. (Complete).</i></li> </ul>	1,801	2,046	245

→ CONTINUED...






## 5.3 Performance

### 5.3.2 Organisational

## 2 ORGANISATIONAL



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
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><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Identify and implement an automated Credit Card module to enable procurement efficiency and compliance. (In Progress-65%).</li> </ul>	(9,516)	2,091	11,607
Municipal Services		<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"> <li>Statutory building service.</li> <li>Environmental health service, including food safety support programs.</li> <li>Local Laws, including animal management services.</li> <li>Customer Service.</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Develop and implement a Customer Service Strategy that defines the standards required to improve customer satisfaction across all Council services. (In Progress-55%).</li> </ul>	1,637	1,872	235

## 5.3 Performance


### 5.3.2 Organisational

# 2

## ORGANISATIONAL



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

 Service Indicator / Measure	14/15	Result 15/16	16/17	Comments
FOOD SAFETY				
<b>Timeliness</b> Time taken to action food complaints: [Number of days between receipt and first response action for all food complaints / Number of food complaints]	<b>1 Day</b>	<b>1 Day</b>	<b>1 Day</b>	Council endeavours to action food complaints within 24 hours, including those received outside business hours, at weekends and public holidays. Council received 19 food complaints in the 2016 calendar year. The lower number of food complaints could be due to continuing education for business owners and operators through our standard risk assessment inspection regime.
<b>Service Standard</b> 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.	<b>87%</b>	<b>94%</b>	<b>91%</b>	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 approximately 91% were assessed during the 2016 calendar year.
<b>Service Cost</b> 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].	<b>\$491</b>	<b>\$397</b>	<b>\$367</b>	The new improved on-site inspection process has led to significant reduction in the delivery cost of Council’s food safety services for the 579 food premises in Wellington Shire.


➔ CONTINUED...

# 5.3 Performance

## 5.3.2 Organisational



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

 Service Indicator / Measure	Result		Comments	
	14/15	15/16		
FOOD SAFETY				
<b>Health and Safety</b>				
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%	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.
ANIMAL MANAGEMENT				
<b>Timeliness</b>				
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	1.3 Days	Local Laws Officers responded to 1,219 domestic animal management requests during the reporting period, with an average initial response time of 1.33 days. Response times for the reporting period are slightly lower than last year due to the addition of a temporary staff member to assist in this area. Animal management requests range from lost, wandering or nuisance pets, barking dogs, domestic animal welfare concerns, dog attacks, reports of dangerous or menacing dogs and reports of illegal breeding activities.




## 5.3 Performance

### 5.3.2 Organisational

## 2 ORGANISATIONAL



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


 Service Indicator / Measure	14/15	Result 15/16	16/17	Comments
ANIMAL MANAGEMENT				
<b>Service Standard</b> Animals reclaimed: [Number of animals reclaimed / Number of animals collected].	43%	66%	58%	<p>The impoundment/removal of feral cats is now a reporting requirement and as such has reduced the reclaim rate from 65.72% last reporting period to 58.34% this reporting period. During the reporting period, 148 feral cats were removed from the natural environment.</p> <p>Unclaimed animals are placed into the care of Victorian Animal Aid Trust and, if suitable, rehomed through their pet adoption program. All animals reclaimed by their owners are required to be registered before release.</p>
<b>Service Cost</b> Cost of animal management service: [Direct cost of the animal management service / Number of registered animals].	\$33.75	\$50.09	\$57.65	<p>An increase in the cost per animal from \$50.09 from the previous reporting period to \$57.65 this reporting period is attributable to: 1) a decrease in the number of registered animals (10,661 for the previous reporting period verses 9,286 this reporting period) and 2) increased activity monitoring domestic animal businesses, in particular breeding establishments. Although the cost of animal management services has increased, so has cost recovery by way of an increase in annual registration fees for breeding establishments. This protects general ratepayers from the financial impact of increased monitoring activities.</p>
<b>Health and Safety</b> Animal management prosecutions: [Number of successful animal management prosecutions]	11	4	17	<p>Wellington Shire Council undertook 17 animal management prosecutions during 2016-17. All were successful. The majority of prosecutions were related to serious dog attacks on livestock which had a significant increase this year.</p>

## 5.3 Performance

### 5.3.3 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	16/17	
Maintain a high community satisfaction rating for overall performance of waste management.	65	67	69	Positive trend is continuing with a two point increase in satisfaction from last year.
Environmentally Sustainable Design principles are incorporated in the construction of new facilities and major upgrades.	Achieved	Achieved	Achieved	Environmentally Sustainable Design principles are incorporated into new facility designs and construction where appropriate, e.g. Wellington Centre.
Decreased percentage of Wellington's residential waste to landfill.	65%	68%	67%	The percentage of waste to landfill has slightly decreased during the 2016/17 period.
Decreased CO <sup>2</sup> equivalent Council fleet vehicle emissions.	601.77 Tonnes	598.58 Tonnes	566.16 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.
Conditions of the Wellington Shire Council landfill license are met.	5,213 Tonnes	-	-	Data is unable to be provided at this time.
Conditions of the Wellington Shire Council landfill license are met.	Achieved	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 Performance

## 5.3.3 Natural Environment

3

NATURAL ENVIRONMENT



The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress	Status
Establish a five year work plan (with responsible managers) to reduce energy consumption by 5% per year, at Council's top five energy using facilities, utilising Planet Footprint energy monitoring service to document actions implemented and track results.	<p>Facility managers of each site agreed to include this initiative as a priority in their business plans.</p> <p>Planet Footprint data collection was discontinued and alternate energy consumption tracking methodology is yet to be determined.</p>	Ongoing



# 5.3 Performance


## 5.3.3 Natural Environment

3

NATURAL ENVIRONMENT



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$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 to 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 and quality, waste management and energy use.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Refine and implement the Wetlands Management Process into the Park Service operational plans. (Complete).</i></li> <li>• <i>Initiate the Depot Nursery Climate Change plant trials. (Complete).</i></li> <li>• <i>Identify the key recommendations of the Turf Management service review for implementation. (Complete).</i></li> </ul>	4,482	5,011	429

## 5.3 Performance


### 5.3.3 Natural Environment

# 3

## NATURAL ENVIRONMENT



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

 Service Indicator / Measure	14/15	Result 15/16	16/17	Comments
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	30	Council receives requests for damaged or stolen bins to be replaced, uncollected bins to be collected, and additional bins to be provided. In 2016/17, we received a total of 30 requests per 1,000 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.	2.6	2.5	1.6	Over 1.5 million bin lifts were performed during 2016/17 as part of Wellington Shire’s waste collection service which operates within a defined collection boundary within the 11,000km2 municipality. Only 251 bins were reported as missed. An increased awareness on Contractor’s behalf led to a significant drop in number of bins missed compared to the last year.
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	\$65.49	Wellington Shire’s kerbside collection includes the weekly garbage waste collection service of 19,012 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.

→ CONTINUED...

## 5.3 Performance


### 5.3.3 Natural Environment

# 3

## NATURAL ENVIRONMENT



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

 Service Indicator / Measure	Result		Comments
	14/15	15/16	16/17
WASTE COLLECTION			
<b>Service Cost</b> Cost of kerbside recyclables collection service: [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins].	\$44.78	\$44.74	\$46.12
Wellington Shire collects 19,012 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.			
<b>Waste Diversion</b> 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%	33%
Almost 3,500 tonnes of recycling waste were diverted from landfill in 2016/17 which is a slight increase compared to 2015/16. That's an average of 188 kg of recycling waste per collection household in Wellington Shire.  Wellington Shire Council does not currently have a kerbside green waste collection service in place limiting the diversion rate percentage under this category.			




## 5.3 Performance

### 5.3.4 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	16/17	
Increased community satisfaction rating for overall performance in local roads and footpaths.	56	56	59	Satisfaction level has gradually improved for this service area over the last five years.
Asset condition of Wellington Shire Council roads, buildings, footpaths, playgrounds and toilets.	Sealed Roads: 2	Sealed Roads: 2	Sealed Roads: 2	This is the average asset condition score where: 1: As New 2: Very Good 3: Fair 4: Poor 5: Serious
	Unsealed Roads: 2	Unsealed Roads: 2	Unsealed Roads: 2.5	
	Buildings: 2	Buildings: 2	Buildings: 2	
	Structures: 2	Structures: 2	Structures: 2	
	Playgrounds: 1	Playgrounds: 1	Playgrounds: 1	
	Toilets: 1	Toilets: 1	Toilets: 1	

## 5.3 Performance

### 5.3.4 Infrastructure

 Strategic Indicator / Measure	14/15	Result 15/16	16/17	Comments
Increased annual spend on asset renewal as a percentage of total capital expenditure.	63.2%	70%	73.2%	Renewal expenditure percentage has continuously increased over the last three years.
Increased overall performance score - implementation of the Road Management Plan.	Achieved	Achieved	Achieved	A review of the Road Management Plan was undertaken in 2016-17, in line with requirements of the Road Management Act 2004. Councils Road Management Plan performance is assessed every two years. An audit will be occurring in the second half of 2017. The last review of road and path management received a good result, with no high-risk factors identified.
Increased community satisfaction rating with the appearance and cleanliness of public places.	72	76	74	Even though there is a slight decrease from last year's result, Council's performance in this area still meets the importance ranking identified in the survey.
Increased percentage of sealed local roads below the renewal intervention level set by Council.	97%	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.

# 5.3 Performance


## 5.3.4 Infrastructure

4

INFRASTRUCTURE

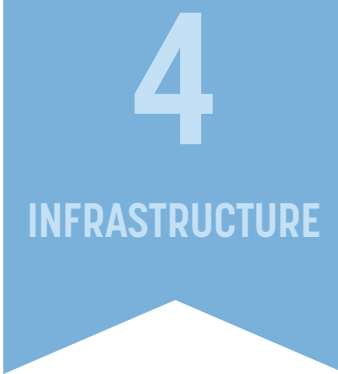


The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.


 <b>Major Initiatives</b>	<b>Progress</b>	<b>Status</b>
Progress the Port of Sale Cultural Hub construction project in line with the project plan.	Delivery of the Port of Sale Cultural Hub (Wellington Centre) project is generally in line with the original project plan with the official opening planned for December 2017.	<b>Ongoing</b>
Progress the Port of Sale Precinct (The Port) redevelopment project in line with the project plan.	Delivery of the Port of Sale Precinct (The Port) project is generally in line with the original project plan with the official opening planned for December 2017.	<b>Ongoing</b>
Subject to receipt of State Government funding, support Defence Project AIR 5428 outcomes, by commencing detailed planning and project programming for upgrades at West Sale Airport including runway extension and asphalt overlay, runway lighting and other associated works.	State Government funding of \$5M received and a detailed project plan developed. Construction scheduled to take place throughout the 17/18 and 18/19 financial years.	<b>Complete</b>

## 5.3 Performance

### 5.3.4 Infrastructure



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<p>The Assets and Projects Business Unit manages a diverse range of services for Council including:</p> <p><b>Project Management</b> - Which includes the implementation and management of capital projects from across the organisation in the order of \$28 million - \$45 million per annum.</p> <p><b>Asset Management and Information Systems</b> - 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><b>Infrastructure Planning</b> - Which focuses heavily on new infrastructure development opportunities that have a strong external funding emphasis.</p>			
	Assets and Projects	<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Progress the Residential Road and Street Construction Plan projects in line with the implementation plan. (Complete).</li> <li>• Oversee the supervision of the Princes Highway/Cobains Road Roundabout project in line with the project plan. (In Progress-95%).</li> <li>• Construct the Park Street Bridge, Sale as per the project plan. (In Progress-75%).</li> <li>• Progress the Cowwarr Recreation Reserve Clubrooms redevelopment project in line with the project plan. (Deferred).</li> </ul>	3,021	3,298	277

→ CONTINUED...



# 5.3 Performance


## 5.3.4 Infrastructure

4

INFRASTRUCTURE




The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<p>The Built Environment Business Unit manages Council’s building and infrastructure assets including:</p> <p><b>Facilities</b> - Managing Council’s building assets and infrastructure to ensure long term sustainability of effective service delivery for operational and community purposes.</p> <p><b>Planning</b> - Effectively plan for the renewal and improvement of Council’s infrastructure.</p>			
	Built Environment	<p><b>Commercial Facilities Management</b> - Manage a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers. (This service area was transferred to Business Development unit for the last quarter of the year).</p> <p><b>Road Management and Operations</b> - Manage the maintenance of Council’s road infrastructure in a coordinated way to maximise benefit to the community and road users.</p>	2,762	5,157	2,395

## 5.3 Performance

### 5.3.4 Infrastructure

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<b>Initiatives</b>			
		<ul style="list-style-type: none"> <li>Finalise Operational Review for Yarram Aerodrome and present to West Sale Airport and Yarram Aerodrome Strategic Advisory Group. (Complete).</li> <li>Review land identified as surplus to Council's requirements and update Land Sales Strategy. (Complete).</li> <li>Finalise a Stormwater Management Plan which identifies levels of service and service gaps for all townships, supported by a capital works program. (In Progress -50%).</li> <li>Initiate a minimum of four projects identified within the Residential Road and Street Construction Plan to the stage of public meetings and formal survey. (Complete).</li> <li>Complete a review of Council's level of service for bituminous surfacing in residential streets and courts. (Complete).</li> <li>Implement year 3 of the Boating Facilities Action Plan. (Complete).</li> <li>Undertake a review of the 2013 – 2016 Boating Facilities Strategic Plan. (In Progress-15%).</li> </ul>			
	Built Environment		2,762	5,157	2,395

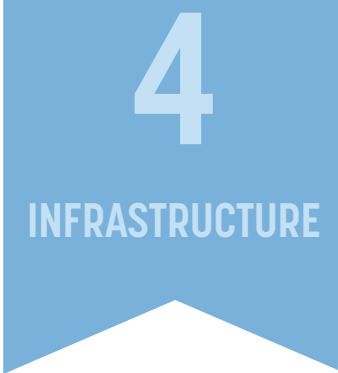
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INFRASTRUCTURE




## 5.3 Performance

### 5.3.4 Infrastructure



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

	Service Indicator / Measure	14/15	Result 15/16	16/17	Comments
ROADS					
<b>Satisfaction of Use</b>					
Sealed local road requests: [Number of sealed local road requests / Kilometres of sealed local roads] x100.		12%	16%	16%	In 2016/17, Council received a total of 236 customer action requests for sealed roads which is comparable to the previous year. A range of factors influences the community contacting Council in relation to sealed roads, which may include the adverse impact of weather events.
<b>Condition</b>					
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%	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.
<b>Service Cost</b>					
Cost of sealed local road reconstruction: [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed].		\$49.72	\$33.32	\$45.02	The area of sealed road reconstruction, as well as the scope of the works, varied in comparison to previous years data. Additionally, some reconstruction was completed in more complex urban environments, resulting in some higher costs relative to the area reconstructed.

→ CONTINUED...

## 5.3 Performance


### 5.3.4 Infrastructure

# 4

## INFRASTRUCTURE



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

	Service Indicator / Measure	Result			Comments
		14/15	15/16	16/17	
ROADS					
<b>Service Cost</b>					
	Cost of sealed local road resealing: [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed].	\$4.71	\$3.71	\$3.09	Wellington Shire Council continues to procure road resealing services in a cost effective manner. A modest reduction in cost resulted from the type of treatments completed within 2016/17 program, relative to the previous year.
<b>Satisfaction</b>					
	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	56	Results from the 2016 Community Satisfaction Survey show an increase in residents' satisfaction rating for Wellington Shire's sealed local roads to 56% which is 13 points higher than the average for similar large rural councils. Council is responsible for a road network of 3,100 km, of which 1,506 km are sealed.




## 5.3 Performance

### 5.3.5 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	16/17	
Planning applications received.	419	420	441	A strong level of development activity in Wellington Shire continues to be evident with 441 new planning permit applications/ amendments received.
Total value of municipal development.	\$85.5m	\$54.1m	\$59.1m	The total estimated cost of works for planning permits issued remains significantly higher than the Victorian rural average of \$6.02 million.
Increased percentage of planning applications processed within statutory timeframes.	97%	96%	93%	Wellington Shire continues to provide an efficient planning permit service, well above the Victorian rural average of 77%.
Number and percentage of applications appealed to VCAT.	1 and 0.2%	2 and 0.4%	2 and 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%	2 and 100%	Two Council decisions to approve permits were upheld by VCAT.
Increased number of planning application decisions made within 60 days.	486	489	416	Wellington Shire continues to provide an efficient planning permit service compared to the Victorian rural average.

# 5.3 Performance

## 5.3.5 Land Use Planning

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LAND USE  
PLANNING



The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress	Status
Implement the North Sale Development Plan and Developer Contributions Plan into the Planning Scheme to support well planned housing growth.	The draft North Sale Development Plan is well progressed and will be completed early in the 2017/18 financial year following final traffic and drainage investigations.	In Progress (75%)
Facilitate the release of industrial land in Wurruk/West Sale to support economic growth.	With the support of State Government funding, consultants have been appointed to commence the Wurruk/West Sale Industrial Land Use Strategy to facilitate the future industrial rezoning of land identified in the Sale, Wurruk and Longford Structure Plan. Community and stakeholder engagement will be undertaken as the project progresses in 2017/18.	In Progress (15%)

# 5.3 Performance


## 5.3.5 Land Use Planning

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LAND USE  
PLANNING




The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<p>The Land Use Planning Business Unit is responsible for the provision of the following services:</p> <ul style="list-style-type: none"> <li>• Statutory planning service.</li> <li>• Strategic land use planning service.</li> </ul> <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><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Implement the Heritage Study (Stage 2) into the Planning Scheme to protect the Shire’s heritage assets. (Complete).</i></li> </ul>	977	1,368	391
	Wellington Coast Subdivision Strategy	<ul style="list-style-type: none"> <li>• <i>The Wellington Coast Subdivision Strategy Project Manager is responsible for implementing the Ninety Mile Beach Plan Voluntary Assistance Scheme. Expenditure for 2016/17 is funded through unspent State Government grant funding carried forward.</i></li> </ul>	337	489	152

## 5.3 Performance

### 5.3.5 Land Use Planning

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

	Service Indicator / Measure	Result			Comments
		14/15	15/16	16/17	
STATUTORY PLANNING					
<b>Timeliness</b>					
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	58	Council achieved a result of 58 for the median number of days between receipt of a planning application and a decision being made, which was an increase on the year prior due to resourcing changes during the 16/17 financial year, although still well within the expected range.	
<b>Service Standard</b>					
Planning applications decided within 60 days: [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100.	97%	96%	93%	The statutory timeframe for issuing planning permits is 60 days for regular applications and 10 days for VicSmart applications. Council has achieved strong results with 93% of regular applications and 100% of VicSmart applications being decided in these timeframes, compared to the rural average of 77% and 91% respectively.	
<b>Service Cost</b>					
Cost of statutory planning service: [Direct cost of statutory planning service / Number of planning applications received].	\$1,944.20	\$1,989.80	\$2,265.12	Council received 388 new planning permit applications in 2016/17. The cost to deliver the service was \$878,865 which equates to a cost of \$2,265.12 per new planning application received. The cost of the service has increased from the 2015/16 result, in part, in response to a reduced number of new applications being received during 2016/17. It should be noted the State Government increased planning application fees in October 2016 resulting in additional revenue that provides an offset against the increase in expenditure.	
<b>Decision Making</b>					
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%	100%	In 2016/17, VCAT upheld two Council decisions to grant planning permits.	





6

ECONOMY

## 5.3 Performance

### 5.3.6 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	16/17	
Increased local employment rates.	Achieved	Not Achieved	Achieved	Unemployment rate: July to September 2016 quarter 7.1%. January to March 2017 quarter 6.6% <i>(Data from Department of Employment)</i>
Increased Wellington Shire visitor rates.	Achieved	Achieved	Achieved	Domestic overnight visitors had 19.2% increase from March 2016 to March 2017 Domestic visitor nights had 26.3% increase from March 2016 to March 2017. <i>(Data from Destination Gippsland)</i>
Increased Visitor Information Centre visitations.	Achieved	Achieved	Not Achieved	11.6% decrease in visitors to Information Centres. 14% increase to website sessions and 28% increase to Facebook likes.
Increased population growth in municipality.	Achieved	Not Achieved	Achieved	Population has increased to 42,871 based on 2016 Census data which is an increase of 3.7% since 2011.

 CONTINUED...


## 5.3 Performance

### 5.3.6 Economy

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ECONOMY



 Strategic Indicator / Measure	Result		Comments
	14/15	15/16	
Number of planned Wellington Shire Council business development activities delivered.	30	42	Council continues to facilitate numerous business development forums and activities.
Increased local business participation in business development activities.	1,550	1,248	Following the creation of the new Business Development Unit in March 2017, participation in business development activities has been redefined.

# 5.3 Performance

## 5.3.6 Economy



The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress	Status
Develop a report and roadmap to address further economic and social opportunities as a result of expansion of RAAF Base East Sale.	<p>Council received funding from Regional Development Victoria to investigate the social and economic opportunities from Defence Project AIR 5428.</p> <p>AEC Group tabled the Economic and Social Opportunities Arising from Defence Project AIR 5428 report to Council in April.</p>	Complete
Strongly advocate for the relocation of the Federation Training's Fulham campus to Sale's CBD, and in doing so improve accessibility to education and training outcomes for the Wellington community.	Council has strongly advocated to State Government for improved access to post-secondary education. Council's advocacy has been informed by evidence from local industry and TAFE customers who have identified the currently service provision as inadequate.	Ongoing




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ECONOMY

## 5.3 Performance

### 5.3.6 Economy

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		Council's Economic Development service aims to enhance and grow the diverse economy of this Shire and drive key Council Strategic projects.			
		<b>Business Development</b> - 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.			
		<b>Tourism Development</b> - 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.			
Economic Development		<b>Initiatives</b> <ul style="list-style-type: none"><li>• <i>Seek funding to develop a business case for the extension of the Great Southern Rail Trail through to Yarram and Port Albert, in order to increase visitation and business opportunities in adjacent areas. (In Progress-65%)</i></li><li>• <i>Implement the action plan associated with Wellington Shire Economic Development Plan 2016-2022. (Complete)</i></li><li>• <i>Advocate, in partnership with other Gippsland Shires, for increases and enhancements of V-line services to Gippsland to improve connectivity and access for residents. (Ongoing)</i></li></ul>	910	911	1




# 5.3 Performance

## 5.3.7 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	14/15	Result 15/16	16/17	Comments
Increased opportunity for people to access footpaths and bikeways, tracks and trails.	6.2km	6.94km	7.03km	Increased length of 7.03km of footpaths giving a total length of 267km of Council managed footpaths.
Increased community satisfaction rating for overall performance of recreational facilities.	73	73	72	Council’s performance rating for recreational facilities is on par with 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.	74	73	72	The Customer Satisfaction Survey lists Disaster and Emergency Management as the service considered most important by the community. There has been a decline in Council Performance of one point over the past year which has increased the gap between community importance and Council performance. Even so, Wellington is performing two points higher than both Large Rural shires and state-wide averages.
Support provided to volunteers/community groups via grants and development opportunities. Local creative endeavours are supported through grant allocations and other initiatives	\$261,783	\$218,318	\$205,875	Community Assistance Grants.
	\$79,923	\$121,871	\$104,739	Quick Response Grants.


## 5.3 Performance

### 5.3.7 Community Wellbeing

# 7

## COMMUNITY WELLBEING




 Strategic Indicator / Measure	Result			Comments
	14/15	15/16	16/17	
Rates of access and participation in a range of arts and cultural activities.	14,902	14,072	18,342	Art Gallery visits.
	19,721	22,536	19,912	Entertainment Centre visits.
	181,114	184,834	178,390	Library visits.
Increased percentage of community members as active WSC library members.	15.4%	13.4%	13.6%	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 and open to both library members and non-members within the municipality.
Increased number of visits to WSC aquatic facilities per head of municipal population.	4.55	4.75	5.01	In 2016/17, we recorded 214,984 visits to Wellington Shire's swimming pools. (This equates to an average of around 5.1 visits per Wellington Shire resident and is an increase of 7.1% recorded entries in the previous year).
Decreased time taken to action food complaints.	1 Day	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. Council only received 19 food complaints in the 2016 calendar year. The Lower number of food complaints could be due to continuing education for business owners and operators through our standard risk assessment inspection regime.

## 5.3 Performance

### 5.3.7 Community Wellbeing



The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.


 Major Initiatives	Progress	Status
Support the development of Yarram Early Learning Inc. to ensure the service is not dependent on a Council subsidy beyond June 2017.	Council provided financial support to Yarram Early Learning Centre to assist with cash flow issues in January 2017. Enrolments at the Centre remain at 85% capacity. A new committee was elected at the Annual General Meeting in early June 2017 with four (out of the nine) positions on the committee filled by committee members who were re-elected.	<b>Complete</b>
Facilitate stakeholder engagement throughout the development and delivery of the Gippsland Regional Sporting Complex Stage 2 A.	<p>Completion of tender documentation for the construction of Stage 2A of GRSC included sign off from all three presidents of Wellington Hockey Clubs.</p> <p>Stakeholder group representatives also provided input to the proposed fees and charges and gave 'in principle' agreement to the adoption of the fee structure.</p> <p>A GRSC User Group has been re-established, with revised membership to include representatives from the key organisations expecting to use the new synthetic pitch and pavilion, as well as representation from current key user groups and one Councillor.</p>	<b>Ongoing</b>
Plan for the upgrade of Maffra Gymnastics Club and investigate further enhancements at Cameron Sporting Complex.	Strategic planning work for the project has been completed. Options to be presented to Council in July, with a funding application to be lodged in August 2017.	<b>Complete</b>
Oversee a review and update of Wellington 2030 and facilitate a comprehensive service review process across the organisation.	Wellington 2030 Community Vision was adopted by Council on 16 May 2017. The Service Review process was completed and there is now a process in place to build upon service reviews and develop a framework for service planning across the organization.	<b>Complete</b>

# 5.3 Performance

## 5.3.7 Community Wellbeing



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		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.			
		Services include:			
	Community Wellbeing	<ul style="list-style-type: none"> <li>• Community Planning</li> <li>• Access and Inclusion</li> <li>• Youth Liaison</li> <li>• Transport Project</li> <li>• Arts Development.</li> </ul>	1,434	1,845	411



## 5.3 Performance

### 5.3.7 Community Wellbeing

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<b>Initiatives</b>			
		<ul style="list-style-type: none"> <li>Undertake consultation and planning to ensure the development of a first draft of the Municipal Public Health and Wellbeing (Healthy Wellington) plan (2017-21) by June 2017. (Complete)</li> <li>Develop Wellington Age Friendly Plan. (Complete).</li> <li>Complete a review of the Wellington Responsible Gaming Policy. (Complete).</li> <li>Finalise the Youth Council Development Strategy and achieve planned actions for 2016-17. (In Progress-80%).</li> <li>Facilitate delivery of two key outcomes in the 2015-2018 Community Engagement Strategy Action Plan. (Ongoing).</li> <li>Ensure implementation of Council-led responsibilities for 2016-17 in the Healthy Wellington Action Plan. (Complete).</li> <li>Finalise the Municipal Early Years Plan with support from key partners and achieve planned actions for 2016-17. (In Progress-90%).</li> </ul>			
	Community Wellbeing		1,434	1,845	411


→ CONTINUED...



## 5.3 Performance

### 5.3.7 Community Wellbeing

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<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"> <li>• Gippsland Art Gallery</li> <li>• Libraries</li> <li>• ESSO BHP Billiton Wellington Entertainment Centre</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Provide access to hearing loop facilities at all public library branches for hearing augmentation. (Complete).</i></li> <li>• <i>Investigate and evaluate a replacement box office ticketing system for the Entertainment Centre. (Complete).</i></li> <li>• <i>Identify a digital asset management system for library and art gallery collections. (Complete).</i></li> <li>• <i>Introduce patron self-checkout units at Sale Library. (Complete).</i></li> <li>• <i>Develop a program of annual exhibitions at Gippsland Art Gallery Sale designed to encourage emerging artists in Gippsland. (Complete).</i></li> <li>• <i>Implement Dromkeen major children's literature and illustration exhibition at Yarram Library, in partnership with State Library of Victoria. (Complete).</i></li> </ul>	2,073	2,171	98
	Arts and Culture				


→ CONTINUED...

## 5.3 Performance

### 5.3.7 Community Wellbeing




The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
Active Communities		<p>The Active Communities Business Unit provides services and functions directed at fostering a healthier and more active community. Active Communities 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"> <li>• Planning for and supporting recreation facilities that encourage the community to participate in physical and general wellbeing activities.</li> <li>• Planning for the development of community infrastructure that addresses community service needs.</li> </ul>			
(Business unit formerly known as 'Healthy Lifestyles' was split into two business units as Active Communities and Leisure Services).		<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Establish a process that enables development and maintenance of 10 year capital planning of community facilities for Council approval. (Complete).</li> <li>• Conduct a review of the community assistance grants program and implement recommendations prior to the opening of the 2016/17 Community Assistance Grants Program. (Complete).</li> <li>• Review Current Section 86 structures that are currently in place and make appropriate recommendations to be considered by Council. (In Progress-95%).</li> <li>• Facilitate stakeholder engagement throughout the delivery of the Cowwarr Recreation Reserve Clubroom Redevelopment. (Complete).</li> <li>• Apply the Community Facilities Strategy to all relevant decisions involving projects that impact community facilities. (Ongoing).</li> </ul>	1,344	1,977	633

## 5.3 Performance

### 5.3.7 Community Wellbeing

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
		<p>The Leisure Services Lifestyles Unit provides services and functions directed at fostering a healthier and more active community through the facilitation and provision of a range of recreation, fitness and community activities and programs at Council's recreation facilities.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Ensure Council owned recreation facilities are managed sustainably, are fully utilised and accessible to people of all abilities.</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Complete a business case for the redevelopment of 25 metre indoor pool at Aqua Energy in Sale. (Complete).</li> <li>• Implement the 2016/17 priorities emanating from the 2015-2020 Aquatic Strategy. (In Progress-90%).</li> <li>• Inform Aqua Energy's business decisions through the cost allocation model data. (Ongoing).</li> <li>• Implement actions and recommendations from the Leisure Services Marketing Plan as a tool to increase memberships and participation rates. (Complete).</li> <li>• Implementation of the 2016/17 Aqua Energy and Gippsland Regional Sporting Complex Business Plan. (Complete).</li> </ul>			
	Leisure Services		1,635	1,539	(96)

## 7 COMMUNITY WELLBEING



→ CONTINUED...




## 5.3 Performance

### 5.3.7 Community Wellbeing



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

	Business Area	Description of Services Provided	Net Cost (\$000)	Actual Budget (\$000)	Variance (\$000)
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><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Ensure implementation of all municipal responsibilities identified in the Municipal Emergency Management Plan. (Ongoing).</i></li> <li>• <i>Ensure implementation of all municipal responsibilities identified in the Municipal Fire Management Plan. (Ongoing).</i></li> </ul>	409	479	70

## 5.3 Performance

### 5.3.7 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			Comments
	14/15	15/16	16/17	
AQUATIC FACILITIES				
<b>Service Standard</b> Health inspections of aquatic facilities: [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities].	1	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.
<b>Service Standard</b> Reportable safety incidents at aquatic facilities: [Number of WorkSafe reportable aquatic facility safety incidents].	1	0	1	The safety and quality of one indoor all year facility and five outdoor seasonal facilities has been maintained throughout the year with only one minor incident.
<b>Service Cost</b> 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	\$4.84	During 2016/17, Wellington Shire Council’s only indoor aquatic, all-year facility in Sale (Aqua Energy) operated at a cost to Council of \$931,818 and recorded 192,521 visitors. This resulted in an average cost per visitation of \$4.84. The decrease in subsidy per visit is attributable to increased attendances at Aqua Energy.

## 5.3 Performance


### 5.3.7 Community Wellbeing

# 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		Comments	
	14/15	15/16		16/17
AQUATIC FACILITIES				
<b>Service Cost</b> 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	\$21.41	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 2016/17 was \$480,931. The combined total visitations to the five pools was 22,463, a reduction of around 7% from the previous year. Increases in service provision and maintenance requirements resulted in increases in facility operating costs above that of 2015/16.
<b>Utilisation</b> Utilisation of aquatic facilities: [Number of visits to aquatic facilities / Municipal population].	4.55	4.75	5.01	The combined number of visits recorded at Council’s indoor and outdoor aquatic facilities during 2016/17 was 214,984.  This equates to an average of just over five aquatic facility visits per Wellington Shire resident for the year.

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## 5.3 Performance


### 5.3.7 Community Wellbeing

# 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		Comments	
	14/15	15/16		16/17
LIBRARIES				
<b>Utilisation</b> Library collection usage: [Number of library collection item loans / Number of library collection items].	2.47	2.54	1.99	Wellington Shire Library’s collection is available through six branches and four Outreach sites at local Community Houses to cover the 11,000km2 municipality. Wellington joined the SWIFT consortium in July 2016 which enables users to request items from every member library’s collection without additional charge. Loans variance is due to longer SWIFT loan periods, fewer Outreach sites which are not utilised as well as the previous Mobile Library, and an overall decline in branch loans.
<b>Resource Standard</b> Standard of library collection: [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100].	35.79%	41.38%	47.76%	Our book and audio-visual stock continues to be refreshed with contemporary material each year, which has resulted in our standard of library collection meeting the expected percentage range.
<b>Service Cost</b> Cost of library service: [Direct cost of the library service / Number of visits].	\$6.50	\$6.58	\$6.54	Wellington Shire’s library facilities provide value and service across the Shire, with a cost reduction in 2016/17. Our library organises a diverse range of physical and electronic resources and services to meet personal information, recreation, and lifelong learning needs for all sectors and needs in the community. Outreach services support four rural communities at some distance from the six library branches at the major town centres.

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## 5.3 Performance

### 5.3.7 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			Comments
		14/15	15/16	16/17	
LIBRARIES					
<b>Participation</b>					
Active library members: [Number of active library members / Municipal population] x 100.		15.4%	13.4%	13.6%	Wellington Shire’s libraries offer a broad range of popular programs including author talks, baby rhyme times, toddler story time and school holiday programs. These are well attended and open to both library members and non-members within the municipality. Council continues to actively promote library membership across all sectors of the community, resulting in a 1.5% increase in active library membership.

## 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.

21

**ORDINARY COUNCIL  
MEETINGS**

3

**SPECIAL COUNCIL  
MEETINGS**

### 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.

Wellington Shire Council is streaming live video and audio of our Council Meetings and Special Council Meetings. Recently recorded meetings or earlier meetings can be accessed via Council web page at <http://www.wellington.vic.gov.au/Your-Council/Council-Meetings/Live-Council-Meetings>.

Council held the following meetings during 2016/17:










- **21** x Ordinary Council Meetings
- **3** x Special Council Meetings.

## 6.1 Governance










### 6.1.2 Councillor Meeting Attendance 2016/17

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2016/17 financial year.

1 July 2016 - 22 October 2016

Councillor	Ordinary Meeting	Special Meeting	Total
 <b>Cr Darren McCubbin</b> (Mayor)	8	0	<b>8</b>
 <b>Cr Bob Wenger</b> (Deputy Mayor)	8	0	<b>8</b>
 <b>Cr Carolyn Crossley</b>	8	0	<b>8</b>
 <b>Cr Emilie Davine</b>	8	0	<b>8</b>
 <b>Cr John Duncan</b>	8	0	<b>8</b>
 <b>Cr Malcolm Hole</b>	8	0	<b>8</b>
 <b>Cr Peter Cleary</b>	7	0	<b>7</b>
 <b>Cr Scott Rossetti</b>	6	0	<b>6</b>
 <b>Cr Patrick McIvor</b>	5	0	<b>5</b>

3 November 2016 - 20 June 2017

Councillor	Ordinary Meeting	Special Meeting	Total
 <b>Cr Ian Bye</b>	13	3	<b>16</b>
 <b>Cr Keith Mills</b>	13	3	<b>16</b>
 <b>Cr Malcolm Hole</b>	12	3	<b>15</b>
 <b>Cr Gayle Maher</b>	12	3	<b>15</b>
 <b>Cr Scott Rossetti</b>	12	3	<b>15</b>
 <b>Cr Garry Stephens</b>	12	3	<b>15</b>
 <b>Cr Carolyn Crossley</b> (Mayor)	11	3	<b>14</b>
 <b>Cr Darren McCubbin</b>	12	2	<b>14</b>
 <b>Cr Alan Hall</b> (Deputy Mayor)	11	2	<b>13</b>

## 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	2016/17 Representative	Purpose
<b>Briagolong Quarry Reserve Committee</b>	Cr Keith Mills	<i>To protect, promote and develop the Briagolong Quarry Reserve.</i>
<b>Briagolong Recreation Reserve Committee</b>	Cr Keith Mills	<i>To protect, promote and develop the Briagolong Recreation Reserve.</i>
<b>Cameron Sporting Complex Committee</b>	Cr Malcolm Hole	<i>To protect, promote and develop the Cameron Sporting Complex, Maffra.</i>
<b>Gordon Street Reserve Committee</b>	Cr Malcolm Hole	<i>To protect, promote and develop the Gordon Street Reserve, Heyfield.</i>
<b>Maffra Recreation Reserve Committee</b>	Cr Carolyn Crossley	<i>To protect, promote and develop the Maffra Recreation Reserve.</i>
<b>Newry Recreation Reserve Committee</b>	Cr Keith Mills	<i>To protect, promote and develop the Newry Recreation Reserve.</i>
<b>Sale Performance Space Fundraising Committee</b>	Cr Darren McCubbin	<p><i>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.</i></p> <p><i>To maintain a public fund into which the public may contribute towards cultural activities, programs and events conducted by Wellington Shire Council through Council-owned cultural spaces and facilities.</i></p> <p><i>To coordinate fundraising activities on behalf of Council-owned cultural spaces and facilities. To obtain all necessary permits and approvals required for eligible fundraising activities.</i></p>





 The Aqua Energy User Group is just one of Council's Advisory Committees.

## 6.1 Governance

### 6.1.3 Special Committees

#### List of Advisory Committees

- Aqua Energy User Group Committee
- Audit & Risk Committee
- CEO Performance Review Committee
- Esso BHP Billiton Wellington Entertainment Centre Advisory Group
- Gippsland Art Gallery Advisory Group
- Place Names Committee
- Remuneration Committee
- Stephenson Park Advisory Committee
- Strategic Land Use Planning Projects Review Group
- Swing Bridge & Precinct Advisory Group
- Wellington Access & Inclusion Advisory Group

#### Committees of Other Organisations (Delegates)

- Gippsland Climate Change Network Incorporated
- Gippsland Local Government Network (GLGN)
- Gippsland Local Government Waste Forum
- Monash University East Gippsland Regional Clinical School Community Advisory Committee
- Municipal Association of Victoria (MAV)
- National Sea Change Task Force
- National Timber Council Association Inc
- South East Australian Transport Strategy (SEATS)
- Timber Towns Victoria
- Wellington Regional Tourism (WRT)

#### Other Groups, Taskforces, Project Control Groups (PCG's) & Statutory Committees

- Healthy Wellington Action Group
- Wellington Shire Council Emergency Management Planning Committee

## 6.1 Governance

### 6.1.4 Code of Conduct

In accordance with section 76 C (2) of the Local Government Act, 1989, Council must, within the period of four months after a general election:

- a. Call a special meeting solely for the purpose of reviewing the Councillor Code of Conduct; and
- b. At that special meeting, approve any amendments to be made to the Councillor Code of Conduct determined by the Council to be necessary following the review of the Councillor Code of Conduct.

On 20 December 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 Governance

### 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 2016/17, 11 conflicts of interest were declared at Council and Special Committee meetings.

Date of Conflict of Interest Nominated	Councillor	Conflict of Interest - Council Meetings
<b>6 September 2016</b>	Cr Darren McCubbin	<i>Direct - Esso BHP Billiton Wellington Entertainment Centre Advisory Group Minutes.</i>
<b>20 September 2016</b>	Cr Emilie Davine	<i>Indirect - North Sale Growth Area - Draft Response Plan.</i>
<b>20 September 2016</b>	Cr Carolyn Crossley	<i>Indirect - Community Assistance Grants.</i>
<b>20 September 2016</b>	Cr Patrick McIvor	<i>Indirect - Community Assistance Grants.</i>
<b>18 April 2017</b>	Cr Malcolm Hole	<i>Direct - Heyfield Low Density Residential Land Supply Study.</i>
<b>18 April 2017</b>	Cr Malcolm Hole	<i>Direct - Strategic Planning Update January to March 2017.</i>
<b>18 April 2017</b>	Cr Carolyn Crossley	<i>Indirect - Planning Permit Application P286/2016.</i>
<b>18 April 2017</b>	Cr Ian Bye	<i>Indirect - Reviewing Council's Responsible Gaming Policy.</i>
<b>18 April 2017</b>	Cr Malcolm Hole	<i>Indirect - Reviewing Council's Responsible Gaming Policy.</i>
<b>16 May 2017</b>	Cr Ian Bye	<i>Indirect - Longford Development Plan - Status Report.</i>
<b>16 May 2017</b>	Cr Garry Stephens	<i>Indirect - Community Assistance Grants - Events and Projects March 2017.</i>



# 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 2016 to 30 November 2016, the Councillor annual allowance upper limit for a category two Council (as defined by the Local Government Act 1989) was fixed at \$24,127 per annum and the allowance upper limit for the Mayor was \$74,655 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect from 1 December 2016. The annual allowance upper limits were adjusted for the period 1 December 2016 to 30 June 2017 to \$24,730 per annum for the Councillor allowance and \$76,521 per annum for the Mayoral allowance.

This table contains a summary of the allowances paid to each Councillor during the 2016/17 year.

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

Councillor	Term of Office (During Financial Year)	\$ Allowance
 <b>Cr Carolyn Crossley</b>	1 July 2016 to 30 June 2017 (Mayor, 3 November 2016 to 30 June 2017)	<b>\$62,956</b>
 <b>Cr Darren McCubbin</b>	1 July 2016 to 30 June 2017 (Mayor, 1 July 2016 to 21 October 2016)	<b>\$43,215</b>
 <b>Cr Malcolm Hole</b>	1 July 2016 to 30 June 2017	<b>\$25,934</b>
 <b>Cr Scott Rossetti</b>	1 July 2016 to 30 June 2017	<b>\$25,934</b>
 <b>Cr Ian Bye</b>	3 November 2016 to 30 June 2017	<b>\$17,683</b>
 <b>Cr Alan Hall</b>	3 November 2016 to 30 June 2017	<b>\$17,683</b>
 <b>Cr Gayle Maher</b>	3 November 2016 to 30 June 2017	<b>\$17,683</b>
 <b>Cr Keith Mills</b>	3 November 2016 to 30 June 2017	<b>\$17,683</b>
 <b>Cr Garry Stephens</b>	3 November 2016 to 30 June 2017	<b>\$17,683</b>
 <b>Cr Peter Cleary</b>	1 July 2016 to 21 October 2016	<b>\$8,252</b>
 <b>Cr Emilie Davine</b>	1 July 2016 to 21 October 2016	<b>\$8,252</b>
 <b>Cr John Duncan</b>	1 July 2016 to 21 October 2016	<b>\$8,252</b>
 <b>Cr Patrick McIvor</b>	1 July 2016 to 21 October 2016	<b>\$8,252</b>
 <b>Cr Bob Wenger</b>	1 July 2016 to 21 October 2016	<b>\$8,252</b>
<b>TOTAL</b>		<b>\$287,721</b>

## 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 2016/17 year are shown on the next page.

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





## 6.1.7 Councillor Expenses

Councillor	Term of Office (During Financial Year)	Travel	Car Mileage	Child Care	Info and Comm	Conf. and Training	\$ Total
 <b>Cr Malcolm Hole</b>	1 July 2016 to 30 June 2017	\$5,236	-	-	\$2,060	\$3,825	<b>\$11,121</b>
 <b>Cr Darren McCubbin</b>	1 July 2016 to 30 June 2017 (Mayor, 1 July 2016 to 21 October 2016)	\$2,835	\$1,949	-	\$1,496	\$3,200	<b>\$9,480</b>
 <b>Cr Carolyn Crossley</b>	1 July 2016 to 30 June 2017 (Mayor, 3 November 2016 to 30 June 2017)	\$1,833	\$2,008	-	\$735	\$3,425	<b>\$8,001</b>
 <b>Cr Alan Hall</b>	3 November 2016 to 30 June 2017	\$5,965	-	-	\$263	\$990	<b>\$7,218</b>
 <b>Cr Gayle Maher</b>	3 November 2016 to 30 June 2017	\$5,804	-	-	\$301	\$1,043	<b>\$7,148</b>
 <b>Cr Garry Stephens</b>	3 November 2016 to 30 June 2017	\$3,412	-	-	\$353	\$1,261	<b>\$5,026</b>
 <b>Cr Bob Wenger</b>	3 November 2016 to 30 June 2017	\$960	\$1,355	-	\$968	\$554	<b>\$3,837</b>
 <b>Cr Ian Bye</b>	3 November 2016 to 30 June 2017	\$658	-	-	\$336	\$864	<b>\$1,858</b>
 <b>Cr Scott Rossetti</b>	3 November 2016 to 30 June 2017	-	-	-	\$675	\$826	<b>\$1,501</b>
 <b>Cr Keith Mills</b>	1 July 2016 to 21 October 2016	-	-	-	\$623	\$829	<b>\$1,452</b>
 <b>Cr Emilie Davine</b>	1 July 2016 to 21 October 2016	-	-	\$473	\$735	\$178	<b>\$1,386</b>
 <b>Cr John Duncan</b>	1 July 2016 to 21 October 2016	\$221	-	-	\$691	\$154	<b>\$1,066</b>
 <b>Cr Peter Cleary</b>	1 July 2016 to 21 October 2016	\$504	-	-	\$186	\$154	<b>\$844</b>
 <b>Cr Patrick McIvor</b>	1 July 2016 to 21 October 2016	-	-	-	\$367	\$154	<b>\$521</b>
<b>TOTAL</b>		<b>\$27,428</b>	<b>\$5,312</b>	<b>\$473</b>	<b>\$9,789</b>	<b>\$17,457</b>	<b>\$60,459</b>

## 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 and Risk Committee

The Audit & Risk 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 & Risk Committee consists of three independent members, Mr Peter Craighead (Chair), Mr Joel Churchill and Mr Chris Badger, and two Councillors. Independent members are appointed for a three-year term. The chair is elected from amongst the independent members.

The Audit & Risk 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 & Risk 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 & Risk Committee meeting are subsequently reported to and considered by Council.

The Committee met on four occasions during 2016/17, providing advice to Council on a wide range of issues including:

- Quarterly legal reports
- Risk management updates
- Financial reports
- Updates on outstanding audit recommendations
- Updates on Information Services.







## 6.2 Management

### 6.2.1 Audit and Risk Committee

Other key outcomes for the 2016/17 year are summarised below.

#### In September 2016 the Committee:

- Adopted in-principle the 2015/16 financial and performance statements in accordance with legislative requirements.
- Received and noted the external auditor's (Victorian Auditor General's Office) management letter for the year ending 30 June 2016.
- Considered and received the internal audit reports on Business Continuity Planning and Disaster Recovery and Follow-up of Agreed Actions from Prior Year Internal Audit Reports.
- Received an update on the process to appoint a candidate for the independent member term expiring on 28 October 2016.
- Received and noted the report by the Victorian Auditor-General on Local Government Service Delivery: Recreational Facilities.
- Received and noted the report by the Victorian Ombudsman on Misuse of Council Resources.
- Noted the Chairman's report for the period ending 30 June 2016.
- Received and noted an update on the Sale Livestock Exchange.
- Received and noted an annual update on the Road Management Act processes.
- Received a verbal update on Council's submission to the 'Act for the Future' Directions Paper, a review of the Local Government Act 1989.

## 6.2 Management

### 6.2.1 Audit and Risk Committee

#### In December 2016 the Committee:

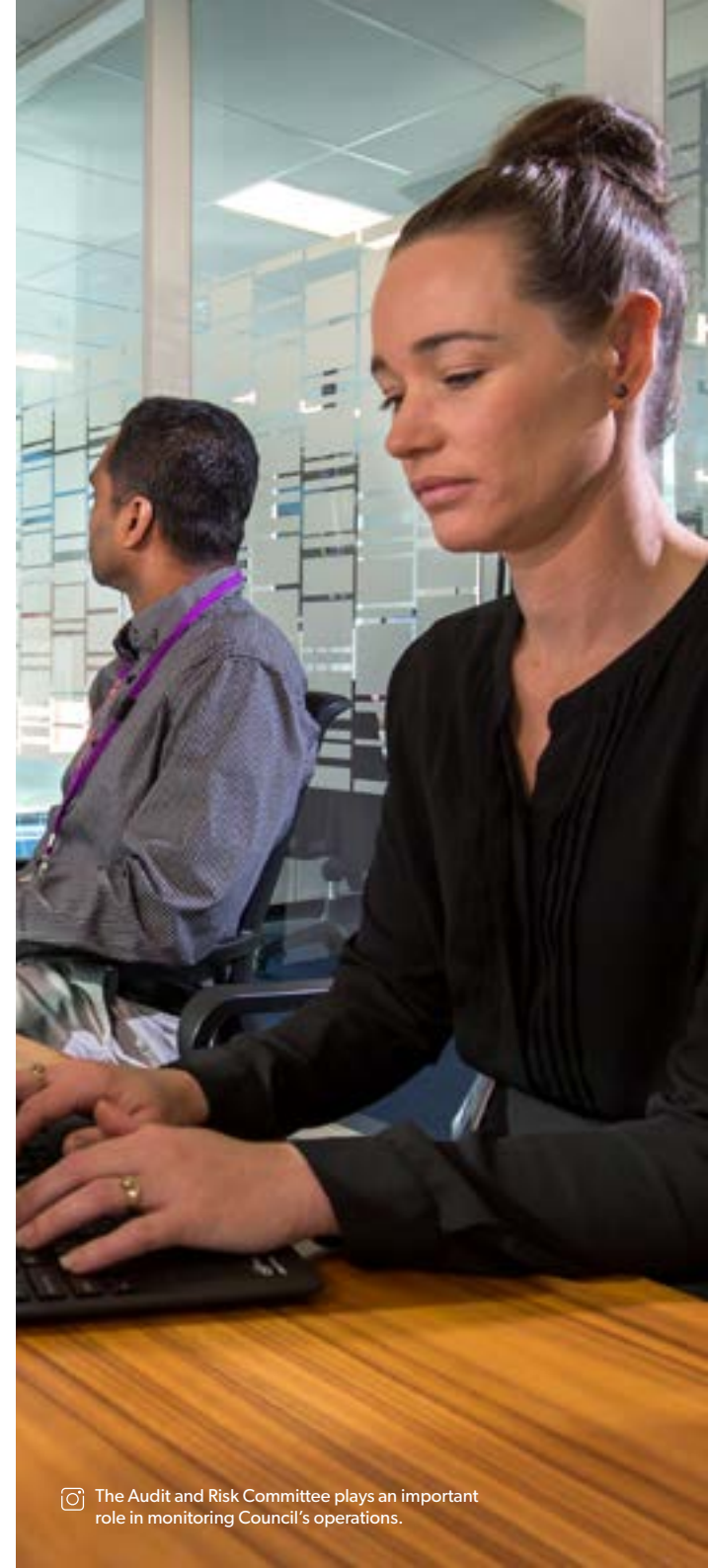
- Welcomed new independent member Chris Badger, new Councillor representative Garry Stephens and congratulated Councillor Alan Hall on his move from independent member to Council representative
- Resolved to recommend to Council that Peter Craighead be elected as Chairperson
- Reviewed the Audit Committee Charter and agreed to recommend to Council that it change the name of the Committee to 'Audit & Risk Committee'
- Considered the responses to the evaluation of Audit Committee performance
- Considered and received the internal audit report on Reputation Management
- Considered the content of the Strategic Internal Audit Plan 2016/17
- Reviewed proposed changes to the Investment, Risk Management and Procurement policies
- Reviewed the reports by the Victorian Auditor-General on Audit Committee Governance and Local Government: 2015/16 Audit Snapshot.

#### In February 2017 the Committee:

- Considered proposed meeting dates for Audit & Risk Committee for 2017
- Reviewed changes made by Council to the remuneration of Audit & Risk Committee members
- Reviewed a report of Council's status against the recommendations from the VAGO report on Audit Committee Governance.

#### In June 2017 the Committee:

- Received and reviewed the External Audit Strategy as provided by Crowe Horwath
- Considered and received the internal audit report on Occupational Health & Safety
- Received a presentation on Enterprise Risk Management
- Reviewed changes to Accounting Standards
- Received the 2017-21 draft Council Plan prior to adoption by Council
- Received the draft 2017/18 Budget prior to adoption by Council.



The Audit and Risk Committee plays an important role in monitoring Council's operations.





## 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 & Risk Committee annually.

The Internal Auditor attends each Audit & Risk 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 corporate planning system. Managers provide quarterly status updates that are reviewed by the Audit & Risk Committee.

The SIAP for 2016/17 was undertaken with the following reviews conducted:

- Business Continuity Planning and Disaster Recovery (August 2016)
- Review of Reputation Management (November 2016)
- Occupational Health & Safety (May 2017).

### 6.2.3 External Audit

Council is externally audited by the Victorian Auditor-General. For the 2016/17 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 & Risk 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 & Risk Committee.



## 6.2 Management

### 6.2.4 Risk Management

Council is committed to proactive risk management and has continued to maintain a Risk Management System which is in line with the Risk Management Principles & Guidelines, (AS/NZS ISO 31000: 2009). 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.

In 2016/17, work has been completed in reviewing the Risk Register and identifying Strategic Risks and whether these risks have the appropriate mitigations.

To support the organisation wide risk management, Council has purchased an Enterprise Risk Management (ERM) System. This tool provides a risk management solution to assist officers with identifying, profiling and assessing risks within a combined monitoring and reporting framework.

### 6.2.5 Insurance

Council has continued to review its insurance profile, policies and cover. In 2016/17, Council has placed certain efforts working with our insurance brokers and insurers to ensure that our insurance cover is consistent with Council's identified risk profile and requirements.

Asset valuations were also conducted and updated to further reflect true values. This resulted Council improving few insurance covers to reflect Council's needs.

## 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
<b>1</b> <b>Community Engagement Policy</b> <i>Policy outlining council's commitment to engaging with the community on matters of public interest.</i>	Included in Community Engagement Strategy 2017-2020. Date of adoption: 6 September 2016.
<b>2</b> <b>Community Engagement Guidelines</b> <i>Guidelines to assist staff to determine when and how to engage with the community.</i>	Community Engagement Strategy 2017-2020 includes a range of community engagement tools and guidelines to assist council staff to provide quality engagement for council projects. Community Engagement Action Plan which is currently under development will include training of staff and auditing and evaluation of community engagement practices across the Shire. Date of adoption: 6 September 2016.
<b>3</b> <b>Strategic Resource Plan</b> <i>Plan under section 126 of the Local Government Act, 1989 outlining the financial and non-financial resources required for at least the next 4 financial years.</i>	Adopted in accordance with Section 126 of the Local Government Act, 1989. Date of adoption: 6 June 2016.
<b>4</b> <b>Annual Budget</b> <i>Plan under section 130 of the Local Government Act, 1989 setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required.</i>	Adopted in accordance with Section 130 of the Local Government Act 1989. Date of adoption: 6 June 2016.
<b>5</b> <b>Asset Management Plans</b> <i>Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.</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. Date of operation of current plans: Roads: January 2016 Paths: January 2016 Bridges: January 2016 Drainage: January 2016 Property: January 2016 Open Space: January 2016

## 6.3 Governance and Management Checklist

Governance and Management Items		Assessment
<b>6</b>	<b>Rating Strategy</b> <i>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.
<b>7</b>	<b>Risk Policy</b> <i>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: 21 March 2017.
<b>8</b>	<b>Fraud Policy</b> <i>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: 21 March 2017.
<b>9</b>	<b>Municipal Emergency Management Plan</b> <i>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: 25 May 2017.
<b>10</b>	<b>Procurement Policy</b> <i>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: 21 March 2017.
<b>11</b>	<b>Business Continuity Plan</b> <i>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.

## 6.3 Governance and Management Checklist

Governance and Management Items	Assessment
<b>12 Disaster Recovery Plan</b> <i>Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.</i>	<p>Existing document is currently being reviewed.  Date of operation: 4 December 2014.</p>
<b>13 Risk Management Framework</b> <i>Framework outlining council's approach to managing risks to the council's operations.</i>	<p>Risk Management Framework is currently being revised to align with AS/NZS ISO 31000:2009.  Date of operation of current strategy: 18 December 2012.</p>
<b>14 Audit &amp; Risk Committee</b> <i>Advisory committee of council under section 139 of the Local Government Act, 1989 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>	<p>Established in accordance with Section 139 of the Local Government Act, 1989.  The Audit &amp; Risk Committee has been in operation since February 1996 (based on available evidence).  Date of establishment: February 1996.</p>
<b>15 Internal Audit</b> <i>Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls.</i>	<p>Date of engagement of current provider: 29 June 2017.</p>
<b>16 Performance Reporting Framework</b> <i>A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of Local Government Act, 1989.</i>	<p>Date of operation of current framework: 1 July 2016.</p>



## 6.3 Governance and Management Checklist

Governance and Management Items		Assessment
<b>17</b>	<b>Council Plan Reporting</b> <i>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: 19 July 2016, 18 October 2016, 7 February 2017, 18 April 2017.
<b>18</b>	<b>Financial Reporting</b> <i>Quarterly statements to council under section 138 Local Government Act, 1989 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: 19 July 2016, 18 October 2016, 7 February 2017, 18 April 2017.
<b>19</b>	<b>Risk Reporting</b> <i>Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies.</i>	Date of reports: 19 July 2016, 7 February 2017. A new Enterprise Risk Management (ERM) System was implemented during 2016/17. Operational and strategic risks, and mitigants have also been reviewed and reporting will resume in 2017/18.
<b>20</b>	<b>Performance Reporting</b> <i>Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Local Government Act, 1989.</i>	Quarterly Reports. Date of reports: 19 July 2016, 18 October 2016, 7 February 2017, 18 April 2017.
<b>21</b>	<b>Annual Report</b> <i>Annual report under sections 131, 132 and 133 of the Local Government Act, 1989 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. Date statements presented: 18 October 2016

## 6.3 Governance and Management Checklist

Governance and Management Items	Assessment
<p><b>22 Councillor Code of Conduct</b></p> <p><i>Code under section 76C of the Local Government Act, 1989 setting out the conduct principles and the dispute resolution processes to be followed by councillors.</i></p>	<p>Reviewed in accordance with Section 76C of the Local Government Act, 1989. Date reviewed: 20 December 2016.</p>
<p><b>23 Delegations</b></p> <p><i>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></p>	<p>Reviewed in accordance with Section 98(6) of the Local Government Act, 1989. Date reviewed: 9 February 2017.</p>
<p><b>24 Meeting Procedures</b></p> <p><i>A local law governing the conduct of meetings of council and special committees.</i></p>	<p>Local law No 1, Meeting procedures made in accordance with Section 91(1) of the Local Government Act, 1989 Date local law made: 6 November 2014.</p>

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



**David Morcom**  
Chief Executive Officer

Dated: 26 September 2017



**Cr Carolyn Crossley**  
Mayor

Dated: 26 September 2017

## 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 regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for inspection or which can be obtained for the purposes of Section 222 of the Local Government Act, 1989 (the Act) 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; and
  - The dates on which the travel began and ended; and
  - The destination of the travel; and
  - 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 register of delegations.
- 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 Principles and Continuous Improvement

The Best Value Principles contained in the Victorian Local Government Act 1989 place a duty on councils to ensure that their services:

- Offer the best possible quality and value for money
- Are responsive to community needs
- Are accessible to the people they are intended for
- Show continuous improvement
- Are subjected to regular community consultation
- Council reports regularly to its community on how the council's services measure up against the best value principles.

We also recognise it as fundamental to improving community outcomes and committed to pursuing continuous improvement as a core part of how we practice our business daily and in our strategic and operational planning.

The corporate planning cycle puts into practice the Best Values principles through:

- Identifying the community needs in terms of Council services and creating strategic objectives to identify the services to be offered and their intended outcomes, as voiced in our Strategic Vision Wellington 2030
- Identifying the best possible quality and value for money service delivery through linking the community vision- Wellington 2030 with the Council Plan 2013-17 and business planning, and measuring service performance by the means of Corporate Performance Indicators (CPIs)
- Ensuing services are accessible to the people for which they are intended by service planning and explicitly seeking users' experience of the service through forums such as Community Reference Groups, surveys
- Monitoring and refining the services to ensure there is continuous improvement on quality and value, currently through the customer satisfaction survey, service reviews process mapping in Promapp and business plan reporting in Pulse-Corporate Planning and Reporting system
- Reviewing the service following regular community consultation as part of ongoing strategic planning
- Council reporting regularly to its community on the results of consultation and how the council's services have measured up against the best value principles.





## 6.4 Statutory Information

### 6.4.2 Best Value Principles and Continuous Improvement

#### Service Reviews

We are committed to support continuous improvement in delivering high quality, value-for-money services and infrastructure to the community. The introduction of rate capping has also changed the financial climate in which Council's operate, resulting in the need to review service costs, efficiencies and outcomes.

During August to November 2016, we conducted an organisational wide 'Service Review' to assess our services, identify their specific strengths and opportunities for improvement. This process also helped us to achieve the following:

- Provide the newly elected Council with a comprehensive list and understanding of the services delivered by Council to support informed decision making
- Renewal of the Wellington 2030 Community Vision and reviewing services against this vision.

A working group of staff representing all divisions within Council were involved in developing the service review template to identify and review 141 services across the organisation.

- Final recommendations arising from the review and the implementation of a number of service improvements are due in 2017/18 year and beyond.

#### Process Reviews

We also continued to work towards creating a workplace culture where employees are constantly thinking about how things can be done better and are encouraged to suggest opportunities for improvement. To support this, we are using Promapp as a Business Process Management (BPM) tool where employees map and review processes to identify or suggest process improvements.

## 6.4 Statutory Information

### 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, Seniors 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.
- Funding of community lead / developed projects associated Age Friendly Communities Grant
- Wellington Shire Council's funding agreement with Central Gippsland Health and Yarram and District Health Service, who are the providers of Home and Community Care (HACC) services, outlines compliance with all legislation.



 Cr Carolyn Crossley and Cr Garry Stephens at the Yarram Age-Friendly declaration signing.

### 6.4.4 Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

## 6.4 Statutory Information

### 6.4.5 Disability Action Plan

Wellington Shire Council has reviewed and developed the Wellington Access and Inclusion Plan 2017 – 2022 and accompanying action plan which incorporates a Disability Action Plan.

#### The focus of the strategy and action plans is:

- To increase accessible programs, services and events offered or funded by Council
- To increase accessible and inclusive information and communications produced by Council
- To increase inclusive employment opportunities at Council for people with disabilities
- For persons employed at Council to be informed about the access requirements of people with disabilities
- To increase advocacy for improved access and inclusion within the Wellington Shire community.

#### Over the last 12 months some achievements that have come from previous Access and Inclusion Plans include:

- 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 which is due to be completed December 2017.
- 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.
- 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.
- Aqua Energy (Council owned Fitness Centre) has a changing places accessible toilet. Plans for new Wellington Centre, which incorporates Sale Library, Gippsland Art Gallery and Council Chambers, to include a changing places accessible toilet.
- 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

All Councils in Victoria are required to prepare a Domestic Animal Management Plan (DAMP) every four years. The primary purpose of the DAMP is to provide a strategic guide to the community towards the goal of responsible pet ownership and to assist Council to achieve a professional, consistent and proactive approach to domestic animal management.

**Whilst drafting the new DAMP for 2017-2021, key considerations were given by Council to:**

- Maintain qualified and experienced staff
- Encouraging increased pet registration and compliance, with an emphasis on cats
- Reducing the number of dog attack incidents by encouraging responsible pet ownership, increasing safety awareness around dogs and enforcing legislation
- Maintaining continued compliance relating to the keeping of declared menacing, dangerous and restricted breed dogs
- Reducing the feral cat population and euthanasia rates of unwanted pets'
- Ensuring Domestic Animal Businesses are identified and regulated
- Responding to and investigating animal nuisance complaints in a timely and effective manner
- Responding to any emergency involving people and their pets.

**In June 2017, a review of animal management services was conducted to measure progress towards the objectives.**

**A number of milestones were achieved including:**

- Staff responded to 1,219 animal management complaints, with an average initial response time of 1.3 days
- An increase in the number of impounded pets reunited with their owners
- Seventeen percent (17%) increase in the number of registered domestic animals compared with previous year
- Seventeen (17) 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
- Regular media releases and awareness activities relating to responsible pet ownership.





## 6.4 Statutory Information

### 6.4.7 Food Act Ministerial Directions

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

### 6.4.8 Freedom of Information

The Freedom of Information Act 1982 was created to promote openness, accountability and transparency in the Victorian public service by giving members of the public the right to access government information.

Currently Council's don't have to process Freedom of Information requests for non-personal documents dated prior to 1988.

To access documents held by an agency under the Freedom of Information Act 1982, a request must be 'valid'. A valid request is a request which is in writing, clearly describes the documents to which access is requested and includes an application fee (\$28.40) or evidence that the applicant qualifies for the application fee to be waived.

Further information regarding Freedom of Information and applications for requests for access to documents under Freedom of Information are available for download on Wellington Shire Council's website [www.wellington.vic.gov.au](http://www.wellington.vic.gov.au).

It is the object of the Act and the responsibility of the Freedom of Information Officer to assist applicants and to extend as far as possible the right to access documents in the possession of our agency.

## 6.4 Statutory Information

### 6.4.8 Freedom of Information

Access to documents may be granted in full (no exempt material), granted in part (some exempt material) or denied in full (all material exempt).

A summary of exemptions which may apply to documents include:

- Section 28: Cabinet documents
- Section 29B: Documents of Court Services Victoria
- Section 30: Internal working documents
- Section 31: Law enforcement documents
- Section 32: Documents affecting legal proceedings
- Section 33: Documents affecting personal privacy
- Section 34: Documents relating to trade secrets etc
- Section 35: Documents containing material obtained in confidence
- Section 36: Disclosure contrary to the public interest
- Section 38: Documents to which secrecy provisions of enactments apply
- Section 38A: Council documents.



In the period 1 July 2016 to 30 June 2017, Wellington Shire Council received seven (7) "valid" Freedom of Information requests.

- Access to documents was granted in part for four (4) requests
- Access to documents provided outside of the Act for one (1) request
- Two (2) requests were not finalised in this reporting period.

#### **Fees & Charges collected in 2016/2017:**

Application fees: **\$167.40** One application fee was waived, due to evidence of hardship.

Access Charges: **\$567.90** (collected)

Some documents were not released to applicants after the decisions were released due to non-payment of access charges (\$452.95 not paid).

Access Charges are payable for search time (@ \$20.90 per hour or part thereof) and photocopying (@ 20 cents per black and white A4 page). Charges are not applied for document processing time which can be considerably time consuming.



## 6.4 Statutory Information

### 6.4.8 Freedom of Information

Wellington Shire Council also received three (3) non-valid requests where either the application fee was not paid or invited clarification was not received by the applicants leaving requests unclear in their terms.

New Freedom of Information legislation will be introduced on 1 September 2017 and the changes are thought to possibly increase the workload for each request by 30% to 100% due to mandatory consultation requirements.

The Freedom of Information Commissioner has key responsibilities:

- To promote the understanding of the Freedom of Information Act
- Provide advice, guidance and training to government departments and Councils
- Deal with complaints about the handling of Freedom of Information decisions made by agencies
- Review decisions made by agencies if requested
- Report to Parliament about the operation of the Freedom of Information Act, annually.

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.

Further information regarding Freedom of Information can be found on Wellington Shire Council's website [www.wellington.vic.gov.au](http://www.wellington.vic.gov.au) or Freedom of Information Commissioner website [www.foicommisioner.vic.gov.au](http://www.foicommisioner.vic.gov.au)





## 6.4 Statutory Information

### 6.4.9 Privacy and Data Protection

The Privacy & Data Protection Act is designed to protect all information held by the public sector, including the personal information of individuals.

Under the Act, 'personal information' means information or an opinion, that is recorded in any form and whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained.

Examples of personal information include an individual's name, address, contact details, sex, age, financial details, marital status, education etc.

The objects of the Privacy & Data Protection Act with respect to information privacy are to:

1. Balance the public interest in the free flow of information with the public interest in protecting the privacy of personal information in the public sector
2. Promote awareness of responsible personal information handling practices
3. Promote the responsible and transparent handling of personal information in the public sector.

The majority of Wellington Shire Council's received enquiries are lodged internally from staff or from external customers seeking property ownership details. Staff enquiries largely relate to the collection and use and disclosure of personal information.

Wellington Shire Council doesn't maintain statistical data on the number and type of enquiries regarding personal information and data protection lodged and actioned annually but all enquiries are promptly actioned to achieve desired outcomes. It is important to be open and accountable in relation to how we collect and use personal information and who information may be provided to if shared with third parties.



## 6.4 Statutory Information

### 6.4.9 Privacy and Data Protection

The Privacy & Data Protection Act has ten (10) Information Privacy Principles (IPPs) which govern the collection, use and handling of personal information by Victorian public sector organisations, local councils and contracted service providers.

With limited exemptions, all Victorian Government organisations, contracted service providers and local councils must comply with these Principles.

Personal information may be disclosed if an individual provides consent or if disclosure is reasonably necessary for a law enforcement function or is necessary to prevent or lessen a serious and imminent threat to an individual's life, health, safety or welfare or a serious threat to public health, public safety or public welfare.

The Office of the Commissioner for Privacy and

Data Protection has created Guidelines for sharing personal information for the Victorian public sector. The Guidelines identify the factors that inhibit appropriate information sharing and demonstrate why privacy is rarely a barrier.

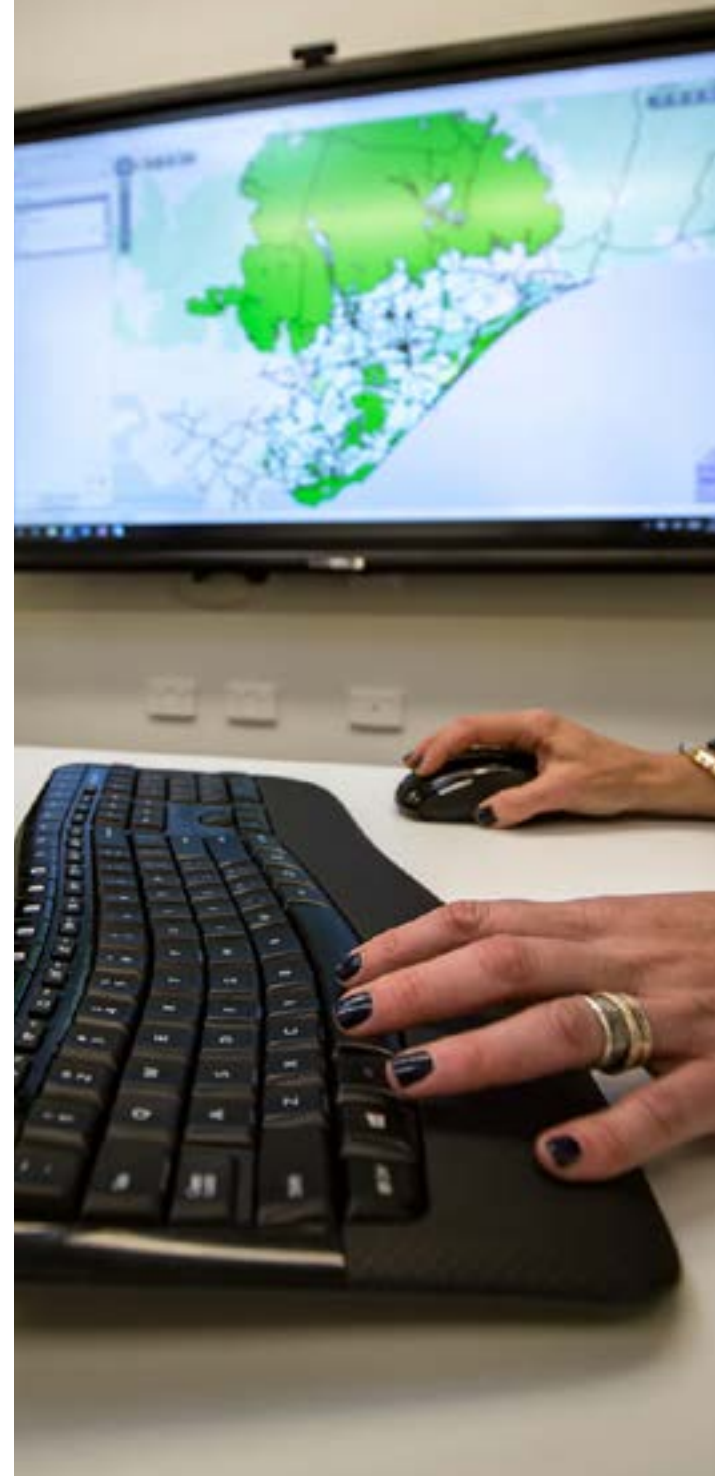
A privacy breach occurs when there is a failure to comply with one or more of the Information Privacy Principles, most commonly, resulting in unlawful access to or collection, use or disclosure of personal information.

The potential for privacy breaches can be reduced by good policies and practices in handling of personal information and ongoing training of staff in their responsibilities under the Act. No privacy breaches have been recorded against Wellington Shire Council.

*Wellington Shire Council's Privacy & Data Protection Policy is available on our website [www.wellington.vic.gov.au](http://www.wellington.vic.gov.au) and is based on the principles outlined in the Privacy and Data Protection Act 2014 and governs Council's approach to managing personal information.*

*Privacy & Data Protection training is provided internally to staff at Induction (one-on-one) and at Corporate training sessions with additional information being regularly distributed via newsletters and email to staff.*

*Privacy enquiries can be made to Council's Privacy Officer by phoning (03) 5142 3112 or emailing [enquiries@wellington.vic.gov.au](mailto:enquiries@wellington.vic.gov.au).*



## 6.4 Statutory Information

### 6.4.10 Protected Disclosure Procedures

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 under Documents Available for Public Inspection.

During the 2016/17 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

### 6.4.11 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.

### 6.4.12 Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in council's annual report. There were no such reports in 2016/17.

## 6.5 Other Information

### 6.5.1 Grants Distributed

#### Community Assistance Grants 2016-17

Forty six applicants were successful in receiving Community Assistance Grants across the categories: Projects, Events and Facilities, totalling **\$205,875.78** (details below).

Organisation	Project Title	Amount Funded
City of Sale Eisteddfod Society Inc	City of Sale Eisteddfod - 70th year celebrations	<b>\$5,000.00</b>
Glenmaggie Mechanic's Institute	Glenmaggie Country Rock Festival	<b>\$5,000.00</b>
Heyfield & District Historical Society	Everything Old is New Again	<b>\$5,000.00</b>
Heyfield Community Resource Centre	Heyfield Kid's House Shade Sail Installation	<b>\$5,000.00</b>
Heyfield Traders & Tourism Association in conjunction with Heyfield Community Resource Centre	Heyfield Food & Wine Festival	<b>\$5,000.00</b>
Heyfield Vintage Machinery Group	Heyfield Vintage Machinery Rally	<b>\$5,000.00</b>
Lake Glenmaggie Community Representative Group Inc	Glenmaggie Foreshore Playground - Stage 1	<b>\$5,000.00</b>
Loch Sport Community House	Loch Sport New Year's Eve Fireworks and Foreshore Carnival	<b>\$5,000.00</b>
Longford Cricket Club	Turf Pitch Covers	<b>\$5,000.00</b>
Maffra Neighbourhood House	Maffra Neighbourhood House Family Day	<b>\$5,000.00</b>

→ CONTINUED...

## 6.5 Other Information

### 6.5.1 Grants Distributed

#### Community Assistance Grants 2016-17

Organisation	Project Title	Amount Funded
Port Albert Progress Association	Australia Day Fun Day	\$5,000.00
Quantum Support Services	Marley Street Project - Community Open Space Beautification	\$5,000.00
Really Living Committee	2017 Really Living Expo	\$5,000.00
Rotary Club of Sale Central	Monday Tucker	\$5,000.00
Sale Baptist Church	Free Community Fun Day	\$5,000.00
Sale City Band Inc.	Sale Brass Academy 2017	\$5,000.00
Sale Golf and Bowls Club	Improving the club's accessibility	\$5,000.00
Sale to Sea Inc.	Sale to Sea Disability Challenge	\$5,000.00
Sale-Maffra and District Kennel Club Inc and Macalister All Breeds Kennel and Obedience Club Inc	Gippsland International Winter Festival - All Breeds Championship Dog Shows	\$5,000.00
Stratford On Avon Shakespeare Association	Shakespeare on the River Festival	\$5,000.00
Tarra Festival Committee	2017 Tarra Festival	\$5,000.00



## 6.5 Other Information

### 6.5.1 Grants Distributed

#### Community Assistance Grants 2016-17

Organisation	Project Title	Amount Funded
The Sale Music Festival - Picnic on the Green	The Sale Music Festival: Picnic on the Green	\$5,000.00
Veronica Maybury Committee Recreation Reserve Committee of Management	New Year's Eve Family Fun and Fireworks	\$5,000.00
Wines of Eastern Gippsland Inc	Tinamba Food & Wine Festival	\$5,000.00
Woodside & District Football Netball Club	Portable grand stand seating	\$5,000.00
Yarram & District Health Service	Disability Discrimination Act (DDA) compliant, outdoor multipurpose work, deck and garden area in Edgar House	\$5,000.00
Yarram Community Learning Centre	Yarram Exercise and Health (YEAH)	\$5,000.00
Youth Insearch Foundation (Aust) Inc	Empower Gippsland Youth	\$5,000.00
Balook and District Residents Association	Rainforest Rhythms	\$4,980.00
Gormandale Community House	Family Fun Day	\$4,948.00
Heyfield Community Resource Centre	Growing for Heyfield - a community nursery for our town!	\$4,762.00
Sale Neighbourhood House	Native food garden and interactive native play space	\$4,635.00


## 6.5 Other Information

### 6.5.1 Grants Distributed

#### Community Assistance Grants 2016-17

Organisation	Project Title	Amount Funded
Victorian Animal Aid	Animal Aid Inaugural Pet's Day in the Park	<b>\$4,628.80</b>
Cowwarr Public Hall Committee of Management	Kitchen Supper Room Component of the Cowwarr Public Hall Restoration	<b>\$4,490.00</b>
Longford Family Fun Day Sub Committee	Good Friday Family Fun Day	<b>\$4,000.00</b>
Yarram Eisteddfod Society Inc	Yarram Eisteddfod 2017	<b>\$4,000.00</b>
Yarram Basketball Association	Equipment for the Yarram Basketball Association	<b>\$3,964.00</b>
Lions Club of Sale	BBQ Trailer Upgrade	<b>\$3,730.00</b>
Devon Welshpool Won Wron Woodside Football Netball Club Inc	Alberton West New Year's Eve Fireworks	<b>\$3,500.00</b>
Golden Paradise Beach Ratepayers & Residents Association Inc	End of Summer Surf Festival	<b>\$3,500.00</b>
Gippsland Woodcraft Group Inc Nambrok	Air conditioner installation to workshop	<b>\$2,737.50</b>
Heyfield Community Resource Centre	Heyfield Kid's House upgrade	<b>\$2,532.48</b>
Yarram Combined Churches Committee	Yarram Churches & Service Clubs Christmas Hamper 2016 Appeal	<b>\$2,500.00</b>



 The Port Albert Progress Association received a \$5,000 grant for their Australia Day Fun Day.

## 6.5 Other Information

### 6.5.1 Grants Distributed

#### Community Assistance Grants 2016-17

Organisation	Project Title	Amount Funded
Yarram Community Learning Centre Men's Shed	Yarram Men's Shed - Finishing into the Future	<b>\$2,400.00</b>
Woodside & District Football Netball Club	Annual Family Fun Day and Show 'n' Shine	<b>\$2,300.00</b>
Loch Sport Public Hall COM	Kitchen/meeting room 21 year update	<b>\$2,268.00</b>

#### Community Assistance Grants 2016-17

87 applicants were successful in receiving Quick Response Grants, totalling \$104,739.

## 6.5 Other Information

### 6.5.2 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 76 new citizens to our community from 20 different countries.

### 6.5.3 Civic Reception

The following Civic Receptions were held during the 2016/17 year.


Event / Civic Reception	Brief Description	Date or Month
Visit by His Excellency the Honourable Sir Peter Cosgrove AK ML (ret.) Governor-General of the Commonwealth of Australia and Her Excellency Lady Cosgrove.	Wellington Shire Council was privileged to host a Civic Reception for His Excellency the Honourable Sir Peter Cosgrove and Lady Cosgrove. Whilst in the area, they took the opportunity to visit a number of local businesses and community organisations. The Civic Reception also gave them the opportunity to meet further representatives from the RSL clubs, Rotary Club, Lions Clubs, local school students and some scouting groups.	<b>9 November 2016</b>
2017 Australia Day Awards Luncheon	Approximately 100 people attended a luncheon in honour of the winners of the 2017 Wellington Shire Council Citizen of the Year, Young Citizen of the Year, Community Event of the Year and Community Group of the Year. It is the fifth year that the winners and those who nominated them have been recognised with a special luncheon. A large number of communities were represented by nominations across all the categories.	<b>13 December 2016</b>
Victorian Country Long Course Swimming Championships Civic Reception	Over a three day period, the Victorian Country Long Course Swimming Championships brought approximately 700 swimmers from 42 clubs and up to 1500 support staff, coaches and families to the region from across all parts of Victoria and border clubs. We have previously hosted this event in both 2009 and 2013. The Civic Reception was attended by approximately 30 guests comprising of Sponsors representatives, Presidents of attending Swimming clubs, Directors of Swimming Victoria and Life Members of swimming clubs.	<b>26 January 2017</b>



## 6.5 Other Information

### 6.5.3 Civic Reception

Event / Civic Reception	Brief Description	Date or Month
Eastern District Fire Brigade Championships Civic Reception	Event was attended by approximately 50 representatives of competing brigades, including Life Members of the Eastern District Fire Brigade Association, the event marked the beginning of a weekend of competition. It was the 11th occasion that Maffra Brigade has hosted the competition.	<b>28 January 2017</b>
Welcome Reception for Her Excellency The Honourable Linda Dessau AC, Governor of Victoria and Mr Anthony Howard	While visiting our Shire for two days, the Governor of Victoria and Mr Howard took the time to visit key businesses within Wellington Shire Council. This is the first time a Governor has visited since 2013.	<b>30 March 2017</b>
New Professionals Civic Reception	Our annual reception for New Professionals was held at The Wedge and attracted guests from a variety of occupations such as teachers, doctors, accountants, aged care workers, and bank employees to name a few. The event was attended by approximately 100 people who see this reception as a wonderful networking opportunity.	<b>31 May 2017</b>

 The Licola Road is one of the most picturesque drives within Wellington.

# 2

## PERFORMANCE STATEMENT



## 7.1 Sustainable Capacity Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
POPULATION				
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,776.84	\$1,717.79	\$1,814.75	Council’s total operating expenses were \$77.8m during 2016/17, which equates to \$1,814.75 being spent per Wellington Shire resident.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$18,726.79	\$19,099.08	\$17,929.46	Wellington Shire Council’s infrastructure was valued at a total of \$768.7m during the 2016/17 financial year. That equates to a total value of \$17,929.46 infrastructure per head of the municipality’s population.  A valuation of assets in 2017 for roads and footpaths has lowered this measure.
Population density per length of road [Municipal population / Kilometres of local roads]	13.61	13.52	13.83	There are 3,100km of sealed and unsealed local roads for an estimated municipal population of 42,871 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	\$1,563.36	Additional own source revenue received in 2016/17 included revenue from new commercial leases, combined service agreements with other Gippsland Councils and increased commercial tipping fees.



# 7.1 Sustainable Capacity Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
RECURRENT GRANTS				
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$503.46	\$293.24	\$605.65	During 2016/17, the Commonwealth Government remitted an advance payment of \$6.2 million for the 2017/18 Financial Assistance Grants, which inflates the 2017 indicator.
DISADVANTAGE				
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	4	4	4	The Australian Bureau of Statistics (ABS) index of relative socio-economic 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 socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.

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

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



## 7.2 Service Performance Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
AQUATIC FACILITIES				
<b>Utilisation</b> Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.55	4.75	5.01	The combined number of visits recorded at Council's indoor and outdoor aquatic facilities during 2016/17 was 214,984. This equates to an average of just over five aquatic facility visits per Wellington Shire resident for the year.
ANIMAL MANAGEMENT				
<b>Health and Safety</b> Animal management prosecutions [Number of successful animal management prosecutions]	11	4	17	Wellington Shire Council undertook 17 animal management prosecutions during 2016-17. All were successful. The majority of prosecutions were related to serious dog attacks on livestock which had a significant increase this year.
FOOD SAFETY				
<b>Health and Safety</b> Critical and major non-compliance 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%	100%	Council is committed to minimising threats to public health and have a proactive health promotion and education program for major-noncompliance food premises.

➔ CONTINUED...

## 7.2 Service Performance Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
GOVERNANCE				
<b>Satisfaction</b> 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	59	Council’s participation in the 2016 Community Satisfaction Survey showed a 59% community satisfaction rating with the way Council has performed in making decisions in the interests of the community. Council has performed eight points higher than large rural average and five points higher compared to State wide average.
HOME AND COMMUNITY CARE				
<b>Participation</b> 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.
<b>Participation</b> 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	-	-	-	

➔ CONTINUED...

## 7.2 Service Performance Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
LIBRARIES				
<b>Participation</b> Active library members [Number of active library members / Municipal population] x100	15.41%	13.42%	13.62%	Wellington Shire’s libraries offer a broad range of popular programs including author talks, baby rhyme times, toddler story time and school holiday programs. These are well attended and open to both library members and non-members within the municipality. Council continues to actively promote library membership across all sectors of the community, resulting in a 1.5% increase in active library membership.
MATERNAL AND CHILD HEALTH				
<b>Participation</b> 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.
<b>Participation</b> 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	-	-	-	

## 7.2 Service Performance Indicators

For the year ended 30 June 2017.

Indicator	Results			Material Variations
	2015	2016	2017	
ROADS				
<b>Satisfaction</b> 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	56	Results from the 2016 Community Satisfaction Survey show an increase in residents’ satisfaction rating for Wellington Shire’s sealed local roads to 56% which is 13 points higher than the average for similar large rural councils. Council is responsible for a road network of 3,100 km, of which 1,506 km are sealed.
STATUTORY PLANNING				
<b>Decision Making</b> 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%	100%	In 2016/17, VCAT upheld two Council decisions to grant planning permits.
WASTE COLLECTION				
<b>Waste Diversion</b> 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%	32.93%	<p>Almost 3,500 tonnes of recycling waste were diverted from landfill in 2016/17 which is a slight increase compared to 2015/16. That’s an average of 188 kg of recycling waste per collection household in Wellington Shire.</p> <p>Wellington Shire Council does not currently have a kerbside green waste collection service in place limiting the percentage diversion rate under this category.</p>

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## 7.2 Service Performance Indicators

**For the year ended 30 June 2017.**

### **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 program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth.*

*"HACC service" means home help, personal care or community respite provided under the HACC program.*

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

*"Major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an 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.*

## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
EFFICIENCY								
<b>Revenue Level</b> Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,114.95	\$1,177.97	\$1,278.23	\$1,287.27	\$1,306.25	\$1,337.10	\$1,351.82	Supplementary valuations relating to residential properties processed in 2016/17 were higher than expected resulting in additional rates and charges raised. This increase was partly offset by a reduction in residential assessments associated with the transfer of a number of vacant blocks as part of the Wellington Coastal Strategy, Ninety Mile Beach Plan Voluntary Assistance program.
<b>Waste Diversion</b> Expenses per property assessment [Total expenses / Number of property assessments]	\$2,181.33	\$2,103.93	\$2,344.22	\$2,335.68	\$2,374.41	\$2,354.58	\$2,419.69	This increase reflects the inclusion of a CPI increase over the period with 2016/17 impacted by large one-off projects and increased employee costs. Depreciation has also increased due to the impact of 2015/16 asset revaluation. Council is well below similar councils for expenses per property assessments.

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## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
EFFICIENCY								
<b>Workforce Turnover</b> Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.39%	13.14%	9.92%	9.97%	10.00%	10.00%	10.00%	There were fewer retirements in 2016/17 compared to the previous year. The percentage of resignations and terminations during the year is comparable with the long term average which is around 10%.
LIQUIDITY								
<b>Working Capital</b> Current assets compared to current liabilities [Current assets / Current liabilities] x100	321.14%	382.82%	416.15%	361.57%	288.50%	348.48%	351.66%	Council’s liquidity has improved due to grant funding received in advance and an increase in capital works for 2017/18 due to project timing, which has been partly offset by increased payables. Future years liquidity will remain steady except for 2018/19 where Council has an obligation to repay an interest only loan.

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## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
LIQUIDITY								
<b>Unrestricted Cash</b> Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100								The improvement in 2016/17 unrestricted cash availability is due to Council having adequate cash available to cover current liabilities and reduced amounts in long term deposits. Future years will be relatively steady except for 2018/19 where Council has a commitment to repay an interest only loan.
156.80%      -71.49%      169.41%				194.42%      166.51%      199.66%      220.13%				

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## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
OBLIGATIONS								
<b>Asset Renewal</b> Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	69.40%	80.21%	94.65%	133.81%	120.69%	108.86%	99.99%	The improvement in this measure recognises Council's emphasis on continual reduction of the asset renewal gap, which is being assisted by successful receipt of grant funding for projects such as the 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).
<b>Loans and Borrowings</b> Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	26.58%	19.61%	15.62%	19.93%	20.96%	16.61%	19.01%	The reduction in this measure relates to Council deferring \$1.3 million of loan borrowings in 2016/17 to 2017/18. 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.

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## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
OBLIGATIONS								
<b>Loans and Borrowings</b> Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	7.33%	7.05%	3.60%	2.52%	1.94%	7.16%	2.18%	The reduction from 2015/16 to 2016/17 is due to the repayment of two major loans and no new borrowings for 2015/16 and 2016/17. This results in a reduction of \$1.64 million loan principal and interest payments between the two years. 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.
<b>Indebtedness</b> Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	20.36%	17.04%	18.79%	18.86%	15.01%	15.58%	17.13%	This measure results from an increase in 2016/17 own source revenue associated with increased rates and charges, statutory fees and commercial tipping fees, along with a minor decrease in non-current liabilities (reduced loan payments).

➔ CONTINUED...

## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
OPERATING POSITION								
<b>Adjusted Underlying Result</b> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	8.46%	3.63%	16.82%	1.89%	6.61%	7.85%	6.23%	The fluctuation between 2015/16 and 2016/17 is the result of the early receipt of 2017/18 funds in 2016/17. This early receipt of funds will also impact the 2017/18 result. The remaining future years will remain relatively steady.
STABILITY								
<b>Rates Concentration</b> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	60.27%	69.10%	59.25%	69.49%	65.88%	66.97%	66.94%	This measure has also been impacted by the unexpected receipt of funding in 2016/17 applicable to 2018.

➔ CONTINUED...

## 7.3 Financial Performance Indicators

For the year ended 30 June 2017.

Dimension / Indicator	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
STABILITY								
<b>Rates Effort</b> Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.54%	0.56%	0.54%	0.58%	0.57%	0.58%	0.58%	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.



## 7.4 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 6 June 2017 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.

# 7.5 Independent Auditor's Report



**VAGO**  
Victorian Auditor-General's Office

## Independent Auditor's Report


*To the Councillors of Wellington Shire Council*

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2017</li> <li>• sustainable capacity indicators for the year ended 30 June 2017</li> <li>• service performance indicators for the year ended 30 June 2017</li> <li>• financial performance indicators for the year ended 30 June 2017</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Wellington Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

Level 31 / 35 Collins Street, Melbourne VIC 3000  
T 03 8660 7000 [enquiries@audit.vic.gov.au](mailto:enquiries@audit.vic.gov.au) [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li> <li>• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control</li> <li>• evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.</li> </ul> <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE  
27 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# 7.6 Certification of the Performance Statement





3

# FINANCIAL REPORT



# COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
<b>Income</b>			
Rates and charges	3	55,417	51,690
Statutory fees and fines	4	692	466
User fees	5	6,610	6,410
Grants - operating	6	19,619	8,046
Grants - capital	6	11,170	6,744
Contributions - monetary	7	453	350
Contributions - non monetary	7	5,714	5,934
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	169	243
Other Income	9	4,062	3,405
<b>Total income</b>		<b>103,906</b>	<b>83,288</b>
<b>Expenses</b>			
Employee costs	10	24,605	23,748
Materials and services	11	26,916	25,195
Bad and doubtful debts	12	83	70
Depreciation and amortisation	13	22,849	21,102
Borrowing costs	14	570	700
Other expenses	15	2,777	1,272
<b>Total expenses</b>		<b>77,800</b>	<b>72,087</b>
<b>Surplus for the year</b>		<b>26,106</b>	<b>11,201</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation (decrement)/increment	27(a)	(62,825)	3,119
<b>Total comprehensive result</b>		<b>(36,719)</b>	<b>14,320</b>

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

# BALANCE SHEET

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	45,386	4,102
Trade and other receivables	18	6,756	6,224
Other financial assets	17	16,431	40,442
Non-current assets classified as held for sale	19	-	218
Other assets	20	2,380	974
<b>Total Current Assets</b>		<b>70,953</b>	<b>51,960</b>
<b>Non-current assets</b>			
Trade and other receivables	18	2,184	1,427
Property, infrastructure, plant and equipment	21	848,186	900,239
Intangible assets	22	1,529	649
<b>Total non-current assets</b>		<b>851,898</b>	<b>902,315</b>
<b>Total assets</b>		<b>922,852</b>	<b>954,275</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	23	9,509	4,678
Trust funds and deposits	24	991	629
Provisions	25	5,786	6,785
Interest-bearing loans and borrowings	26	764	1,481
<b>Total current liabilities</b>		<b>17,050</b>	<b>13,573</b>
<b>Non-current liabilities</b>			
Provisions	25	4,700	2,117
Interest-bearing loans and borrowings	26	7,892	8,656
<b>Total non-current liabilities</b>		<b>12,592</b>	<b>10,773</b>
<b>Total liabilities</b>		<b>29,642</b>	<b>24,346</b>
<b>Net assets</b>		<b>893,210</b>	<b>929,929</b>
<b>Equity</b>			
Accumulated surplus		344,174	315,988
Reserves	27	549,036	613,941
<b>Total Equity</b>		<b>893,210</b>	<b>929,929</b>

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



STATEMENT OF CHANGES IN EQUITY  
For the Year Ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>					
Balance at beginning of the financial year		929,929	315,988	607,242	6,699
Surplus for the year		26,106	26,106	-	-
Net asset revaluation decrement	27(a)	(62,825)	-	(62,825)	-
Transfer from asset revaluation reserve to accumulated surplus	35	-	1,887	(1,887)	-
Transfers to other reserves	27(b)	-	(2,865)	-	2,865
Transfers from other reserves	27(b)	-	3,058	-	(3,058)
<b>Balance at end of the financial year</b>		<b>893,210</b>	<b>344,174</b>	<b>542,530</b>	<b>6,506</b>
<b>2016</b>					
Balance at beginning of the financial year		914,539	301,682	605,809	7,048
Effects of correction of errors	1(x)	1,070	1,213	(143)	-
Surplus for the year		11,201	11,201	-	-
Net asset revaluation increment	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)
<b>Balance at end of the financial year</b>		<b>929,929</b>	<b>315,988</b>	<b>607,242</b>	<b>6,699</b>

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

STATEMENT OF CASH FLOWS  
For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and Charges		54,010	51,269
Statutory fees and fines		692	466
User fees		6,135	6,657
Grants - operating		20,308	8,569
Grants - capital		9,563	7,370
Contributions -monetary		471	460
Interest received		1,357	1,256
Trust Funds and deposits taken		1,002	7,738
Other receipts		2,164	1,757
Goods and Services Tax Collected	1(t)	902	789
Goods and Services Tax Refunds from the Australian Taxation Office	1(t)	4,033	3,929
Employees costs		(23,993)	(23,588)
Material and services		(22,929)	(26,701)
Trust Funds and deposits repaid		(640)	(7,789)
Other payments		(747)	(315)
Goods and Services Tax Paid to Suppliers	1(t)	(4,935)	(4,718)
<b>Net cash provided by operating activities</b>	<b>28</b>	<b>47,393</b>	<b>27,149</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	21	(29,286)	(23,981)
Proceeds from sale of property, infrastructure, plant and equipment	8	1,078	988
Payments for investments		(102,003)	(132,971)
Proceeds from sale of investments		126,099	111,791
<b>Net cash used in investing activities</b>		<b>(4,112)</b>	<b>(44,173)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(516)	(980)
Repayment of borrowings		(1,481)	(2,990)
<b>Net cash used in financing activities</b>		<b>(1,997)</b>	<b>(3,970)</b>
Net increase/(decrease) in cash and cash equivalents		41,284	(20,994)
Cash and cash equivalents at the beginning of the financial year		4,102	25,096
<b>Cash and cash equivalents at the end of the financial year</b>		<b>45,386</b>	<b>4,102</b>
Financing arrangements	29		
Restrictions on cash assets	16		

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

STATEMENT OF CAPITAL WORKS  
For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Property</b>			
Land		-	185
Land improvements		952	46
<b>Total land</b>		<u>952</u>	<u>231</u>
Buildings		7,765	2,028
<b>Total buildings</b>		<u>7,765</u>	<u>2,028</u>
<b>Total property</b>		<u>8,717</u>	<u>2,259</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		2,111	2,837
Furniture and Fittings		134	203
Computers and telecommunications		74	67
Library Books		266	196
Art Works		-	50
<b>Total plant and equipment</b>		<u>2,585</u>	<u>3,353</u>
<b>Infrastructure</b>			
Roads		10,546	9,493
Bridges		2,851	1,515
Footpaths and cycleways		792	587
Drainage		187	132
Recreational, leisure and community facilities		679	1,711
Waste management		40	538
Parks, open space and streetscapes		2,434	1,781
Aerodromes		147	175
Off street car parks		143	101
Other infrastructure		122	2,139
<b>Total infrastructure</b>		<u>17,941</u>	<u>18,172</u>
<b>Total capital works expenditure</b>		<u>29,243</u>	<u>23,784</u>
<b>Represented by:</b>			
New asset expenditure		296	453
Asset renewal expenditure		21,396	16,659
Asset expansion expenditure		2,150	822
Asset upgrade expenditure		5,401	5,850
<b>Total capital works expenditure</b>		<u>29,243</u>	<u>23,784</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 2017

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.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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.

*Roads and Footpaths*

As at 30 June 2017, management conducted a review of the carrying value of the roads and footpaths classes and determined that these classes were in excess of their value. Accordingly, a management adjustment was made, resulting in a debit to the Asset Revaluation Reserve of \$53.6 million for Roads and \$8.5 million for Footpaths. The value of the Road assets reduced by \$53.6 million and Footpath assets by \$8.5 million. As a result of these decreases, future depreciation will reduce by \$618k per annum.

Values at balance date were adjusted as a result of benchmarking data samples gained across the shire and from construction indices reflecting a general subdued environment relative to price data available at the last revaluation in 2013.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 2016	Prior year adjustments	Reclassified	Restated Actual 2016
		Newly recognised	Derecognised	
	\$'000	\$'000	\$'000	\$'000
<b>Property</b>				
Land- Specialised	79,910	-	-	79,910
Land - non specialised	81	-	-	81
Landfill Improvements	502	-	-	502
Land under Roads	17,184	-	-	17,184
Buildings- specialised	73,234	-	-	73,234
Buildings- non specialised	117	-	-	117
Work in Progress	4,781	-	-	4,781
<b>Total Property</b>	<b>175,809</b>	<b>-</b>	<b>-</b>	<b>175,809</b>
<b>Plant &amp; Equipment</b>				
Plant, Machinery and Equipment	6,333	-	-	6,333
Fixtures, Fittings and Furniture	1,251	-	-	1,251
Computers and Telecommunications	612	-	-	612
Library Books	1,464	-	-	1,464
Art Gallery	3,426	-	-	3,426
Work in Progress	243	-	-	243
<b>Subtotal Plant &amp; Equipment</b>	<b>13,329</b>	<b>-</b>	<b>-</b>	<b>13,329</b>
<b>Infrastructure</b>				
Roads	494,466	32	-	494,498
Bridges	58,165	282	-	58,447
Footpaths and Cycleways	24,652	3	-	24,655
Drainage	72,411	753	-	73,164
Recreational, Leisure and Community	13,435	-	-	13,435
Waste Management	3,410	-	-	3,410
Parks Open Space and Streetscapes	17,352	-	-	17,352
Aerodromes	10,021	-	-	10,021
Off Street Car Parks	2,711	-	-	2,711
Other Infrastructure	10,924	-	-	10,924
Work in Progress	2,484	-	-	2,484
<b>Subtotal Plant &amp; Equipment</b>	<b>710,031</b>	<b>1,070</b>	<b>-</b>	<b>711,101</b>
<b>Property, Infrastructure, Plant and Equipment</b>	<b>899,169</b>	<b>1,070</b>	<b>-</b>	<b>900,239</b>

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 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 \$
<b>Property</b>		
Land	-	All
Land Improvements	5	All
<b>Buildings</b>		
Heritage Buildings	20-100 years	>\$10,000
Buildings	20-100 years	>\$10,000
<b>Plant and Equipment</b>		
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
<b>Infrastructure</b>		
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 Culverts		
- Road Kerb and Channel	70	All
- Road Minor Culverts and Drainage	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 Basin	Indefinite	All
Recreational, Leisure and Community Facilities	10 - 100 years	>\$5,000
Waste Management	20 - 100 years	>\$5,000
Parks, Open Space and Streetscapes	10 - 120 years	>\$5,000
Off Street Car Parks	30 - 100 years	>\$5,000
Aerodromes	20 - 120 years	>\$5,000
<b>Intangible Assets</b>		
Landfill Airspace	5 - 38 years	All
Software	3-10 years	>\$1,000

Notes to the Financial Report  
For the Year Ended 30 June 2017

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.

*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.

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee costs and benefits (continued)

*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 \$1,446,433 (2016: \$2,188,056). 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 licensed landfills at Kilmany and Maffra will cease operation and the timing of restoration work for these and the Longford site. 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.

*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.



Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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: AASB 118 Revenue and AASB 111 Construction Contracts. The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract.	The full impact of this standard is not known, however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.	The standard requires retrospective implementation.	1 January 2019
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.	The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge (using the effective interest method) on the lease liability. (Council has a number of operating leases that will be impacted as a result of this change, and at this stage the impact of the revised standards has not been determined).	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

A number of adjustments have been deemed to be prior year errors which have been retrospectively adjusted to equity against prior year opening balances. These include :

	\$'000
Newly recognised assets (Note 1(j))	1,213
Derecognised assets (Note 1(j))	(143)
<b>Total effects of correction of errors</b>	<b>1,070</b>

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 Report  
For the Year Ended 30 June 2017

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 and \$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 21 June 2016. 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 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
<b>Income</b>				
Rates and charges	53,722	55,417	1,695	1
Statutory fees and fines	461	692	231	2
User fees	6,117	6,610	493	
Grants - operating	13,619	19,619	6,000	3
Grants - capital	15,483	11,170	(4,313)	4
Contributions - monetary	1,114	453	(661)	5
Contributions - non monetary	-	5,714	5,714	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	328	169	(159)	7
Other income	2,975	4,062	1,087	8
<b>Total income</b>	<b>93,819</b>	<b>103,906</b>	<b>10,087</b>	
<b>Expenses</b>				
Employee costs	25,353	24,605	748	9
Materials and services	29,122	26,916	2,206	10
Bad and doubtful debts	111	83	28	
Depreciation and amortisation	21,760	22,849	(1,089)	11
Borrowing costs	504	570	(66)	
Other expenses	502	2,777	(2,275)	12
<b>Total expenses</b>	<b>77,352</b>	<b>77,800</b>	<b>(448)</b>	
<b>Surplus for the year</b>	<b>16,467</b>	<b>26,106</b>	<b>9,639</b>	

Notes to the Financial Report  
For the Year Ended 30 June 2017

## NOTE 2 BUDGET COMPARISON (CONT'D)

## (i) Explanation of material variations - 2a) Income and Expenditure

Variance Ref	Item	Explanation
2a) 1	Rates and charges	Additional rates raised during 2016/17 due to the finalisation of supplementary valuations after the completion of the 2016/17 budget, reflecting capital improvements across the shire.
2a) 2	Statutory Fees & Fines	Planning application fees are higher than expected by \$143k due to the State Government increasing statutory planning fees in October 2016 and increased planning applications during the year. Additional income of \$42k has been received for information certificates and \$35k for fire infringements.
2a) 3	Grants - operating	Operating grants variance mainly relates to 50% of Council's 2017/18 Victoria Grants Commission (VGC) allocation of approximately \$6.1 million being received in early June 2017, which will be carried forward to 2017/18.
2a) 4	Grants - capital	The majority of the outstanding capital grants funding being \$4.2 million relates to Roads to Recovery projects which have been delayed, impacting the timing of claims for 2016/17, of which \$1.5 million is expected to be claimed in early 2017/18. A number of other building and other infrastructure projects have commenced but the final grant funding will not be received until 2017/18.
2a) 5	Contributions - monetary	Delays in residential street construction of sealed roads (Pearson Simpson Street Scheme) planned for 2016/17 has subsequently delayed associated owners' contributions (\$875k) until 2017/18. A contribution expected for Gippsland Regional Sporting Complex for \$50k was not received by 30 June 2017. Unbudgeted contributions towards Cunninghame Street Scheme of \$72k, and Cobains Rd Intersection of \$71k, were expected in 2015/16 but invoiced in 2016/17. Additional public open space and developer's contributions of \$69k and miscellaneous contributions of \$52k.
2a) 6	Contributions - non monetary	Non monetary contributions for 2016/17 consisted mainly of infrastructure assets contributed by developers for new subdivisions of \$5.49 million. Council also recognised gifted and donated assets relating to land acquired under the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme \$265k.
2a) 7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Net loss on disposal of assets is primarily due to the losses realised from the sale of plant (\$147k) and vehicles (\$20 k) which were replaced as part of Council's planned cyclical replacement program.
2a) 8	Other Income	Other income primarily represents recognition of new assets (non cash adjustments) of \$500k during 2016/17. Interest on short term investments has exceeded the adopted budget by \$354k mainly due to the receipt of grants in advance and the timing of expenditure.
2a) 9	Employee costs	Savings achieved in the bargaining process applicable from November 2016 Enterprise Agreement 9 versus budget.
2a) 10	Materials & Services	Remedial works at the Kilmany landfill of \$600k didn't occur as anticipated and now will proceed in the first half of 2018. The Cowwarr Recreation Reserve Clubroom Redevelopment has been programmed to commence after the 2017 football season ends resulting in a \$594k underspend. Plant operating costs (fuel and parts) savings of \$452k for 2016/17 mainly due to the unpredictability of fuel prices and breakdowns. Savings in utilities charges of \$194k is mainly associated with street lighting and other energy efficient initiatives implemented during the year. Savings associated with lower than expected 2016/17 insurance premiums \$194k.
2a) 11	Depreciation and amortisation	During the year, infrastructure assets are replaced and the written down value of these assets amounted to \$2.12 million. This increase was partly offset by reduction in annual depreciation of buildings (\$588k), landfill improvements (\$248k), roads (\$180k) and intangibles (\$157k) mainly due to delays in the Port of Sale Cultural Hub Redevelopment Project, Kilmany landfill cell construction and road construction schemes.
2a) 12	Other Expenses	During the year, Council wrote off assets found to be the property of an external party (\$197k). In addition a number of assets which were no longer maintained by Council were derecognised (\$1,231k). A review of the landfill rehabilitation provision has resulted in a (\$684k) (non cash) adjustment.

Notes to the Financial Report  
For the Year Ended 30 June 2017

## NOTE 2 BUDGET COMPARISON (CONT'D)

## b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
<b>Property</b>				
Land	-	-	-	
Land improvements	1,530	952	578	1
<b>Total Land</b>	<b>1,530</b>	<b>952</b>	<b>578</b>	
Buildings	10,912	7,765	3,147	2
<b>Total Buildings</b>	<b>10,912</b>	<b>7,765</b>	<b>3,147</b>	
<b>Total Property</b>	<b>12,442</b>	<b>8,717</b>	<b>3,725</b>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	2,542	2,111	431	3
Fixtures, fittings and furniture	67	134	(67)	4
Computers and telecommunications*	276	74	202	5
Library books	264	266	(2)	
<b>Total Plant and Equipment</b>	<b>3,149</b>	<b>2,585</b>	<b>564</b>	
<b>Infrastructure</b>				
Roads	15,160	10,546	4,614	6
Bridges	3,200	2,851	349	7
Footpaths and cycleways	1,449	792	657	8
Drainage	290	187	103	9
Recreational, leisure and community facilities	2,646	679	1,967	10
Waste management	110	40	70	11
Parks, open space and streetscapes	4,786	2,434	2,352	12
Aerodromes	485	147	338	13
Off street car parks	96	143	(47)	14
Other infrastructure	1,137	122	1,015	15
<b>Total Infrastructure</b>	<b>29,359</b>	<b>17,941</b>	<b>11,418</b>	
<b>Total Capital Works Expenditure</b>	<b>44,950</b>	<b>29,243</b>	<b>15,707</b>	
<b>Represented by:</b>				
New asset expenditure	2,043	296	1,747	
Asset renewal expenditure	29,254	21,396	7,858	
Asset expansion expenditure	3,917	2,150	1,767	
Asset upgrade expenditure	9,736	5,401	4,335	
<b>Total Capital Works Expenditure</b>	<b>44,950</b>	<b>29,243</b>	<b>15,707</b>	

\* This budget comparison excludes Intangibles

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations - 2b) Capital Works

Variance Item Ref	Explanation
2b) 1 Land Improvements	The Kilmany landfill cell 2 construction is delayed into 2018 because of supply chain issues outside of Council's control, \$565k.
2b) 2 Buildings	The Port of Sale Cultural Hub Redevelopment Project was delayed due to design and community consultation issues and timing delays between contractors who must operate safely in confined spaces, \$3,068k. This is a multi year project and the completion has been scheduled for December 2017.
2b) 3 Plant, machinery and equipment	The replacement of twelve vehicles has been deferred because of lower than expected kilometres and we are keeping some for longer as an economy measure, \$317k. Plant valued at \$114k was not delivered until 2017/18.
2b) 4 Fixtures, fittings and furniture	Art acquisitions were above budget, funded by donations \$27k. The Aqua Energy Public Address System was replaced for \$18k and several purchases of fittings met capitalisation guidelines and were moved from the operating budget \$13k.
2b) 5 Computers and telecommunications	A change of ownership of a major supplier caused delays in two major projects. These projects are now moving ahead but the delays resulted in a \$202k underspend at the end of the financial year.
2b) 6 Roads	An additional \$2.9 million of Roads to Recovery grant funding was received in the report year, several projects were brought forward from future programs to utilise these funds. Several new special charge schemes which have a long lead time due to statutory requirements and required stakeholder engagement were delayed by extended community consultation, resulting in one project being cancelled and the design and construction of others being delayed, \$2,068k. The Pearson Simpson Street Scheme is behind due to stakeholder engagement and consultation \$2,692k. The annual reseals program delivered (\$458k) in savings after completion of the programmed works. Thirty seven other projects make up the balance of the variance.
2b) 7 Bridges	Maxfields footbridge, \$570k, has been deferred due to project being rescoped.
2b) 8 Footpaths and cycleways	Delays in gaining V/Line approval and negotiations with landowners has slowed the Glebe/Woodella shared path, \$966k, and the Path Disability access projects, \$120k. Some unfavourable variances upon completion of a number of other projects, (\$429k).
2b) 9 Drainage	Minor drainage works were completed with savings of \$82k. The Heyfield Gordon Street recreation reserve dam wall remediation has undergone significant community and specialist consultation and been rescoped, \$80k. Seaspray Flood Mitigation, purchase of the last two pumps was brought forward from the next financial year, (\$59k).
2b) 10 Recreational, leisure and community facilities	Additional stakeholder consultation for the Gippsland Regional Sporting Complex delayed signoff on the plans, tenders will be sought in the new financial year, \$1,541k. The Sale outdoor pool plant room replacement has been out to tender twice with no price submissions received \$287k. The project will be re-tendered in the new financial year.
2b) 11 Waste management	The Maffra landfill entry road sealing project has been deferred, \$50k. The Longford EPA required monitoring bores have been delayed, \$19k.
2b) 12 Parks, open space and streetscapes	The Sale CBD Infrastructure Renewal Program was delayed by difficulty getting expressions of interest, \$1,139k. Stratford streetscape renewal is on hold pending VicRoads decision on the road layout, \$699k. Rosedale streetscape renewal had been redesigned and re-scoped to take advantage of additional Federal funding, \$499k.
2b) 13 Aerodromes	West Sale Airport - Lots 7 & 8 Headwork is behind schedule by \$178k, Boundary Fencing is waiting on completion of the land swap deal to commence, \$113k. Saving on Aerodromes Minor capital works of \$48k.
2b) 14 Off street car parks	Savings in the off street parking reseals, \$54k, offset by the Baldwin Reserve carpark reconstruction, (\$101k).
2b) 15 Other infrastructure	Delays in the Loch Sport Charlies Street boat ramp and the Port Albert boat ramp of \$1,096k.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 2016/2017 was \$9,552 million (2015/2016 \$9,135 million). The 2016/2017 general rate in the CIV dollar was 0.005329 (2015/2016, 0.005362) and farm rate 0.004263 (2015/2016, 0.004290).

General Rates	48,408	46,498
Waste management charge	3,388	3,258
Service rates and charges	1,660	1,343
Supplementary rates and rate adjustments	1,895	517
Cultural and recreational	66	74
<b>TOTAL RATES AND CHARGES</b>	<b>55,417</b>	<b>51,690</b>

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	361	227
Infringements and costs	146	66
Land and Building information certificates	131	116
Permits	54	57
<b>TOTAL STATUTORY FEES AND FINES</b>	<b>692</b>	<b>466</b>

NOTE 5 USER FEES

Waste management services	2,549	2,483
Leisure centres	2,053	2,091
Other fees and charges	756	484
Registration and other permits	702	735
Entertainment Centre	395	361
Emergency Management Works	83	101
Animal Services	72	81
Caravan Parks	-	74
<b>TOTAL USER FEES</b>	<b>6,610</b>	<b>6,410</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>NOTE 6 GRANTS</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	24,766	10,550
State funded grants	6,020	4,240
<b>TOTAL GRANTS</b>	<b>30,786</b>	<b>14,790</b>
<b>Operating Grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	18,236	5,952
Roads to recovery	-	95
<i>Recurrent - State Government</i>		
Libraries	311	309
Rural access and Transport connection	263	223
Cultural Services	214	208
Parks and Environmental services	108	95
Municipal emergency	90	210
Environmental health	88	60
School crossing supervisors	75	69
Fire Service Property Levy	56	55
Senior citizens	55	54
Community support programs	39	35
Other	10	19
State emergency services	-	75
Property Valuation	(110)	344
<b>Total recurrent operating grants</b>	<b>19,435</b>	<b>7,803</b>
<i>Non Recurrent - State Government</i>		
Planning	90	-
Economic Development and Tourism	67	17
Community support programs	16	122
Community and Recreation facilities upgrade	13	118
Other	-	31
Environmental health	-	23
Municipal emergency	-	9
Natural disaster funding	(2)	(77)
<b>Total non- recurrent operating grants</b>	<b>184</b>	<b>243</b>
<b>Total operating grants</b>	<b>19,619</b>	<b>8,046</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>NOTE 6 GRANTS (CONT'D)</b>		
<b>Capital Grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	6,531	4,503
<b>Total recurrent capital grants</b>	<b>6,531</b>	<b>4,503</b>
<i>Non-recurrent - State Government</i>		
Buildings	3,300	-
Other Infrastructure	460	663
Recreational leisure and streetscapes	408	424
Recreational leisure and community facilities	289	470
Parks, open space and streetscapes	121	33
Plant, machinery and equipment	52	24
Library Books	9	12
Bridges	-	432
Footpaths and cycleways	-	94
Waste Management	-	84
Roads	-	5
<b>Total non-recurrent capital grants</b>	<b>4,639</b>	<b>2,241</b>
<b>Total capital grants</b>	<b>11,170</b>	<b>6,744</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	5,919	6,292
Received during the financial year and remained unspent at balance sheet date	1,186	1,386
Received in prior years and spent during the financial year	(2,596)	(1,759)
Balance at year end	<b>4,509</b>	<b>5,919</b>
<b>NOTE 7 CONTRIBUTIONS</b>		
Monetary	453	350
Non-monetary	5,714	5,934
<b>TOTAL CONTRIBUTIONS</b>	<b>6,167</b>	<b>6,284</b>
<i>Contributions of non monetary assets were received in relation to the following asset classes:</i>		
Infrastructure	5,409	5,731
Land	244	153
Land under roads	61	50
	<b>5,714</b>	<b>5,934</b>
<b>Unspent monetary contributions received on condition that they be spent in a specific manner</b>		
Balance at start of year	117	167
Received during the financial year and remained unspent at balance sheet date	47	47
Received in prior years and spent during the financial year	(90)	(97)
Balance at year end	<b>74</b>	<b>117</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>NOTE 8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>		
<b>Disposal of Plant and Equipment</b>		
Proceeds of Sale	1,078	988
Written down value of assets disposed	(909)	(745)
<b>TOTAL NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</b>	<b>169</b>	<b>243</b>
<b>NOTE 9 OTHER INCOME</b>		
Interest on Investments	1,357	1,256
Other rent	1,010	871
Donations	725	325
Recognition of Assets	507	411
Interest on Debtors	337	317
Miscellaneous Income	91	35
Insurance Recovery	35	190
<b>TOTAL OTHER INCOME</b>	<b>4,062</b>	<b>3,405</b>
<b>NOTE 10(a) EMPLOYEE COSTS</b>		
Wages and salaries	19,874	19,218
Superannuation	2,060	1,960
Casual staff	1,621	1,435
Other	429	367
WorkCover	392	541
Fringe benefits tax	229	227
<b>TOTAL EMPLOYEE COSTS</b>	<b>24,605</b>	<b>23,748</b>
<b>NOTE 10(b) SUPERANNUATION</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	211	232
Employer contributions - other funds	-	-
	<b>211</b>	<b>232</b>
Employer contributions payable at reporting date	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,163	1,198
Employer contributions - other funds	625	534
	<b>1,788</b>	<b>1,732</b>
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 2017

	2017 \$'000	2016 \$'000
<b>NOTE 11 MATERIALS AND SERVICES</b>		
Contractors	13,224	11,317
Materials	6,851	6,774
Contributions	2,555	2,985
Utility Payments	1,907	1,937
Authority Fees	936	940
Insurances	862	904
Consultants	431	250
Legal Expenses	150	88
<b>TOTAL MATERIALS AND SERVICES</b>	<b>26,916</b>	<b>25,195</b>
<b>NOTE 12 BAD AND DOUBTFUL DEBTS</b>		
Rates Debtors	76	70
Infringements	7	2
Other Debtors	-	(2)
<b>TOTAL BAD AND DOUBTFUL DEBTS</b>	<b>83</b>	<b>70</b>
<b>NOTE 13 DEPRECIATION AND AMORTISATION</b>		
Infrastructure	16,611	15,198
Property	3,660	3,317
Plant and Equipment	2,334	2,253
<b>Total depreciation</b>	<b>22,605</b>	<b>20,768</b>
Intangible assets	244	334
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>22,849</b>	<b>21,102</b>
<i>Refer to note 21 and 22 for a more detailed breakdown of depreciation and amortisation charges</i>		
<b>NOTE 14 BORROWING COSTS</b>		
Interest - Borrowings	513	649
Changes to Net Present Value due to interest rate movements	57	51
<b>TOTAL BORROWING COSTS</b>	<b>570</b>	<b>700</b>
<b>NOTE 15 OTHER EXPENSES</b>		
Derecognition of assets	1,231	96
Landfill Rehabilitation Expense	684	279
Councillors' allowances	288	291
Operating lease rentals	278	273
Work in progress assets written off	197	256
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	56	51
Auditors' remuneration - Internal	43	26
<b>TOTAL OTHER EXPENSES</b>	<b>2,777</b>	<b>1,272</b>



Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>NOTE 16 CASH AND CASH EQUIVALENTS</b>		
Term deposits	44,917	2,847
Cash at bank	464	1,250
Cash on hand	5	5
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>45,386</b>	<b>4,102</b>
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)	991	629
Unexpended grants and contributions (Note 6 & 7)	1,233	1,427
Prior years unexpended grants and contributions (Note 6 & 7)	3,351	4,603
Other non discretionary reserves (Note 27(b))	1,245	1,041
Total restricted funds	6,820	7,700
Total unrestricted cash and cash equivalents	38,566	(3,598)
<b>Intended allocations</b>		
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	9,683	6,108
Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	6,219	
Discretionary reserves (Note 27(b))	5,261	5,658
Total funds subject to intended allocations	21,163	11,766
<b>NOTE 17 OTHER FINANCIAL ASSETS</b>		
Term Deposits	16,431	40,442
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>16,431</b>	<b>40,442</b>
<b>NOTE 18 TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
<i>Statutory Receivables</i>		
Rates debtors	3,532	2,962
Special charge schemes	41	7
Infringements and Fire Hazards	31	63
Net GST receivable	1,062	667
<i>Non statutory receivables</i>		
Government grants	1,051	1,555
Other debtors	550	541
Waste management	489	429
Total current trade and other receivables	6,756	6,224
<b>Non- current</b>		
<i>Statutory receivables</i>		
Rates debtors - refer Note 1(q)	3,374	3,355
Provision for doubtful debts - rate debtors refer Note 1(q)	(1,446)	(2,188)
Special charge schemes	180	232
Provision for doubtful debts - special charge scheme	(2)	(2)
Infringements and Fire Hazards	90	35
Provision for doubtful debts - infringements	(12)	(5)
<i>Non statutory receivables</i>		
Other debtors	-	-
Total non-current trade and other receivables	2,184	1,427
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>8,940</b>	<b>7,651</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>NOTE 18 TRADE AND OTHER RECEIVABLES (CONT'D)</b>		
<b>a) Ageing of Receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	1,141	2,491
Past due by up to 30 days	24	22
Past due between 31 and 180 days	924	12
Total trade & other receivables	2,089	2,525
<b>b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	-	1
Amounts provided for but recovered during the year	-	(1)
Balance at end of year	-	-
<b>c) Ageing of individually impaired Receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of Nil (2016 Nil) were impaired.		
	-	-
<b>NOTE 19 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Cost of acquisition	-	218
<b>TOTAL NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>-</b>	<b>218</b>
<b>NOTE 20 OTHER ASSETS</b>		
Prepayments	353	355
Accrued Income	2,027	619
<b>TOTAL OTHER ASSETS</b>	<b>2,380</b>	<b>974</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 21 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Accumulated Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2017 \$'000
Land	97,677	19	305	(703)	(140)	-	-	97,158
Buildings	73,351	930	-	-	(3,520)	(137)	1,343	71,967
Plant and Equipment	13,086	2,497	-	-	(2,334)	(692)	136	12,693
Infrastructure	708,617	11,968	5,409	(62,122)	(16,611)	(1,093)	3,782	649,950
Work in progress	7,508	14,335	-	-	-	(197)	(5,228)	16,418
	900,239	29,749	5,714	(62,825)	(22,605)	(2,119)	33	848,186

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	4,781	10,343	(2,754)	(79)	12,291
Plant and Equipment	243	54	(100)	-	197
Infrastructure	2,484	3,938	(2,374)	(118)	3,930
Total	7,508	14,335	(5,228)	(197)	16,418

Notes to the Financial Report  
For the Year Ended 30 June 2017

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
Closing Balance 30 June 2016	79,910	81	1,166	17,184	98,341	139,030	117	139,147	4,781	242,269
Depreciation Closing Balance 30 June 2016	-	-	(664)	-	(664)	(65,796)	-	(65,796)	-	(66,460)
Fair Value 1 July 2016	79,910	81	1,166	17,184	98,341	139,030	117	139,147	4,781	242,269
Accumulated Depreciation at 1 July 2016	-	-	(664)	-	(664)	(65,796)	-	(65,796)	-	(66,460)
	79,910	81	502	17,184	97,677	73,234	117	73,351	4,781	175,809
<b>Movements in Fair Value</b>										
Acquisition of assets	-	-	18	1	19	930	-	930	10,343	11,292
Contributed assets	244	-	-	61	305	-	-	-	-	305
Revaluation increments/decrements	(703)	-	-	-	(703)	-	-	-	-	(703)
Fair value of assets Disposed	-	-	(12)	(7)	(19)	(835)	-	(835)	(79)	(933)
Transfers	81	(81)	-	-	-	1,460	(117)	1,343	(2,754)	(1,411)
	(378)	(81)	6	55	(398)	1,555	(117)	1,438	7,510	8,550
<b>Movement in Accumulated Depreciation</b>										
Depreciation and amortisation	-	-	(133)	(7)	(140)	(3,520)	-	(3,520)	-	(3,660)
Accumulated depreciation of disposals	-	-	12	7	19	698	-	698	-	717
Transfers	-	-	-	-	-	(1)	-	(1)	-	(1)
	-	-	(121)	-	(121)	(2,823)	-	(2,823)	-	(2,944)
At fair value 30 June 2017	79,532	-	1,172	17,239	97,943	140,585	-	140,585	12,291	250,819
Accumulated depreciation at 30 June 2017	-	-	(785)	-	(785)	(68,619)	-	(68,619)	-	(69,404)
	79,532	-	387	17,239	97,158	71,966	-	71,966	12,291	181,415

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 2016	10,969	2,709	4,327	3,245	3,426	243	24,919
Accumulated Depreciation at 1 July 2016	(4,636)	(1,458)	(3,715)	(1,781)	-	-	(11,590)
	6,333	1,251	612	1,464	3,426	243	13,329
<b>Movements in Fair Value</b>							
Acquisition of assets	2,102	47	30	266	52	54	2,551
Fair value of assets Disposed	(1,656)	-	-	(233)	-	-	(1,889)
Transfers	35	-	101	-	-	(100)	36
	481	47	131	33	52	(46)	698
<b>Movement in Accumulated Depreciation</b>							
Depreciation and amortisation	(1,554)	(229)	(302)	(249)	-	-	(2,334)
Accumulated depreciation of disposals	964	-	-	233	-	-	1,197
	(590)	(229)	(302)	(16)	-	-	(1,137)
At fair value 30 June 2017	11,450	2,756	4,458	3,278	3,478	197	25,617
Accumulated depreciation at 30 June 2017	(5,226)	(1,687)	(4,017)	(1,797)	-	-	(12,727)
	6,224	1,069	441	1,481	3,478	197	12,890

Notes to the Financial Report  
For the Year Ended 30 June 2017

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
Closing Balance 30 June 2016	710,429	91,926	39,564	108,224	25,150	4,674	25,128	15,655	4,054	20,165	2,484	1,047,453
Depreciation Closing Balance 30 June 2016	(215,963)	(33,761)	(14,912)	(35,813)	(11,715)	(1,264)	(7,776)	(5,634)	(1,343)	(9,241)	-	(337,422)
Prior Year Adjustments - Asset	36	470	8	1,198	-	-	-	-	-	-	-	1,712
Prior Year Adjustments - Depreciation	(4)	(188)	(5)	(445)	-	-	-	-	-	-	-	(642)
Fair Value 1 July 2016	710,465	92,396	39,572	109,422	25,150	4,674	25,128	15,655	4,054	20,165	2,484	1,049,165
Accumulated Depreciation at 1 July 2016	(215,967)	(33,949)	(14,917)	(36,258)	(11,715)	(1,264)	(7,776)	(5,634)	(1,343)	(9,241)	-	(338,064)
	494,498	58,447	24,655	73,164	13,435	3,410	17,352	10,021	2,711	10,924	2,484	711,101
<b>Movements in Fair Value</b>												
Acquisition of assets	8,299	31	1,014	761	320	17	1,068	9	-	449	3,938	15,906
Contributed assets	2,621	-	1,064	1,703	21	-	-	-	-	-	-	5,409
Revaluation increments/decrements	(78,361)	-	(14,169)	-	-	-	-	-	-	-	-	(92,530)
Fair value of assets Disposed	(5,397)	(661)	(982)	(526)	(79)	-	(179)	-	-	(136)	(118)	(8,078)
Transfers	1,968	8	963	464	138	-	168	-	-	74	(2,374)	1,409
	(70,870)	(622)	(12,110)	2,402	400	17	1,057	9	-	387	1,446	(77,884)
<b>Movement in Accumulated Depreciation</b>												
Depreciation and amortisation	(10,630)	(1,014)	(1,354)	(1,344)	(646)	(118)	(720)	(250)	(69)	(466)	-	(16,611)
Accumulated depreciation of disposals	4,394	661	954	479	79	-	178	-	-	121	-	6,866
Accum Depn Revaluation increments/decrements	24,764	-	5,643	-	-	-	-	-	-	-	-	30,407
Transfers	1	-	-	(2)	(22)	-	1	(1)	-	22	-	(1)
	18,529	(353)	5,243	(867)	(589)	(118)	(541)	(251)	(69)	(323)	-	20,661
At fair value 30 June 2017	639,595	91,774	27,462	111,824	25,550	4,691	26,185	15,664	4,054	20,552	3,930	971,281
Accumulated depreciation at 30 June 2017	(197,438)	(34,302)	(9,674)	(37,125)	(12,304)	(1,382)	(8,317)	(5,885)	(1,412)	(9,564)	-	(317,403)
	442,157	57,472	17,788	74,699	13,246	3,309	17,868	9,779	2,642	10,988	3,930	653,878

Note that the four year cycle for Roads and Footpaths revalue occurred and market price data movements since 2013 are the basis for reduced carrying values at June 2017



Notes to the Financial Report  
For the Year Ended 30 June 2017

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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	D of V
Specialised Land	-	-	79,531	06/2016
Land Under Roads	-	-	17,239	06/2014
Land Improvements	-	16	371	06/2016
Specialised Buildings	-	-	71,966	07/2015
<b>Total</b>	<b>-</b>	<b>16</b>	<b>169,107</b>	

**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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	D of V
Roads	-	-	442,157	07/2013
Bridges	-	-	57,472	07/2013
Footpaths and Cycleways	-	-	17,788	07/2013
Drainage	-	-	74,699	06/2015
Recreational, leisure and community facilities	-	303	12,943	07/2015
Waste Management	-	-	3,309	07/2015
Parks, open space and streetscapes	-	550	17,318	07/2015
Aerodromes	-	-	9,779	07/2015
Off street car parking	-	-	2,642	07/2015
Other Infrastructure	-	87	10,901	07/2015
<b>Total</b>	<b>-</b>	<b>940</b>	<b>649,008</b>	

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 \$0.05 and \$18,147.88 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.

	2017 \$'000	2016 \$'000
<b>Reconciliation of specialised land</b>		
Off Street Car Parks	5,559	5,559
Aerodromes	1,915	2,899
Parks/Open Space/Streetscapes	40,717	40,637
Recreation, Leisure & Community Facilities	27,908	27,383
Drainage	793	793
Waste Management	1,606	1,606
Other Infrastructure - Piers/Jetties/Caravan Parks/Markets/Saleyard	1,033	1,033
<b>Total specialised land</b>	<b>79,531</b>	<b>79,910</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000		
<b>NOTE 22 INTANGIBLE ASSETS</b>				
Water rights	3	9		
Software	115	188		
Landfill air space	1,411	452		
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,529</b>	<b>649</b>		
	<b>Water Right \$'000</b>	<b>Software \$'000</b>	<b>Landfill \$'000</b>	<b>Total \$'000</b>
<b>Gross Carrying amount</b>				
Balance at 1 July 2016	17	1,390	1,479	2,886
Additions	-	43	1,082	1,125
Assets disposed	-	-	(40)	(40)
Balance at 30 June 2017	17	1,433	2,521	3,971
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2016	8	1,202	1,027	2,237
Amortisation expense	6	116	122	244
Written down value assets replaced	-	-	(39)	(39)
Balance at 30 June 2017	14	1,318	1,110	2,442
Net book value at 30 June 2016	9	188	452	649
Net book value at 30 June 2017	3	115	1,411	1,529
<b>NOTE 23 TRADE AND OTHER PAYABLES</b>				
Trade Payables		8,514	4,532	
Accrued Employee Expenses		995	146	
<b>TOTAL TRADE AND OTHER PAYABLES</b>		<b>9,509</b>	<b>4,678</b>	
<b>NOTE 24 TRUST FUNDS AND DEPOSITS</b>				
Trust monies are held for the following purposes:				
Refundable deposits		415	307	
Fire Services Property Levy		189	179	
Retention amounts		267	87	
Other trust funds and deposits		120	56	
<b>TOTAL TRUST FUNDS AND DEPOSITS</b>		<b>991</b>	<b>629</b>	

*Purpose and nature of items*

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits, 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 ticket 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 2017

**NOTE 25 PROVISIONS**

	Employee \$'000	Landfill restoration \$'000	Total \$'000
<b>2017</b>			
Balance at beginning of the financial year	6,413	2,489	8,902
Additional Provisions	2,451	1,765	4,216
Amounts used	(2,384)	-	(2,384)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(305)	58	(247)
Balance at the end of the financial year	<b>6,175</b>	<b>4,312</b>	<b>10,487</b>
<b>2016</b>			
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	<b>6,413</b>	<b>2,489</b>	<b>8,902</b>
	<b>2017 \$'000</b>	<b>2016 \$'000</b>	
<b>(a) Employee Provisions</b>			
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual Leave		1,347	1,359
Long Service Leave		576	471
		<b>1,923</b>	<b>1,830</b>
<b>Current provisions expected to be settled after 12 months</b>			
Annual Leave		412	400
Long Service Leave		3,451	3,691
		<b>3,863</b>	<b>4,091</b>
Total current provisions		<b>5,786</b>	<b>5,921</b>
<b>(a) Employee Provisions</b>			
<b>Non Current</b>			
Long Service Leave		387	491
Sick Leave Gratuity		1	1
Total non- current provisions		<b>388</b>	<b>492</b>
Aggregate Carrying amount of Employee Benefits			
Current		5,786	5,921
Non-Current		388	492
Total aggregate carrying amounts of employee provisions		<b>6,174</b>	<b>6,413</b>
<b>(b) Landfill Restoration</b>			
Current		-	864
Non-current		4,312	1,625
		<b>4,312</b>	<b>2,489</b>

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 26 INTEREST-BEARING LOANS AND BORROWINGS

	2017 \$'000	2016 \$'000
<b>Current</b>		
Borrowings - secured (1)	764	1,481
<b>Non -current</b>		
Borrowings - secured (1)	7,892	8,656
<b>TOTAL INTEREST-BEARING LOANS AND BORROWINGS</b>	<b>8,656</b>	<b>10,137</b>

(1) Borrowings are secured by Council rate income

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

Not later than one year	764	1,481
Later than one year and not later than five years	7,155	7,919
Later than five years	737	737
	<b>8,656</b>	<b>10,137</b>

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

Current	764	1,481
Non-current	7,892	8,656
	<b>8,656</b>	<b>10,137</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 27 RESERVES

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2017</b>			
<b>Property</b>			
Land	74,202	(703)	73,499
Buildings and Structures	71,955	(135)	71,820
	<b>146,157</b>	<b>(838)</b>	<b>145,319</b>
<b>Infrastructure</b>			
Road	381,338	(54,468)	326,870
Footpaths	22,981	(8,709)	14,272
Drainage	36,099	(312)	35,787
Bridges	18,166	(385)	17,781
	<b>458,584</b>	<b>(63,874)</b>	<b>394,710</b>
<b>Other</b>			
Art Gallery Stock	2,501	-	2,501
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b>607,242</b>	<b>(64,712)</b>	<b>542,530</b>
<b>2016</b>			
<b>Property</b>			
Land	73,119	1,083	74,202
Buildings and Structures	71,832	123	71,955
	<b>144,951</b>	<b>1,206</b>	<b>146,157</b>
<b>Infrastructure</b>			
Road	381,560	(222)	381,338
Footpaths	23,014	(33)	22,981
Drainage	36,121	(22)	36,099
Bridges	19,040	(874)	18,166
	<b>459,735</b>	<b>(1,151)</b>	<b>458,584</b>
<b>Other</b>			
Art Gallery Stock	1,123	1,378	2,501
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b>605,809</b>	<b>1,433</b>	<b>607,242</b>

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
<b>(b) Other reserves</b>				
<b>2017</b>				
<b>Discretionary Reserves</b>				
Asset Improvement	45	312	-	357
Plant Replacement	743	826	(964)	605
Waste Management	4,870	1,339	(1,910)	4,299
<b>Total Discretionary Reserves</b>	<b>5,658</b>	<b>2,477</b>	<b>(2,874)</b>	<b>5,261</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

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>(b) Other reserves</b>				
<b>2017</b>				
<b>Non Discretionary Reserves</b>				
Recreational Land	355	131	-	486
Infrastructure Contributions	-	13	-	13
Art Gallery Acquisition	2	18	(16)	4
Art Gallery Contribution	35	-	(35)	-
Leased Property Improvements	649	226	(133)	742
<b>Total Non Discretionary Reserves</b>	<b>1,041</b>	<b>388</b>	<b>(184)</b>	<b>1,245</b>
<b>TOTAL OTHER RESERVES</b>	<b>6,699</b>	<b>2,865</b>	<b>(3,058)</b>	<b>6,506</b>
<b>2016</b>				
<b>Discretionary Reserves</b>				
Asset Improvement	253	45	(253)	45
Plant Replacement	1,474	603	(1,334)	743
Waste Management	4,476	1,000	(606)	4,870
<b>Total Discretionary Reserves</b>	<b>6,203</b>	<b>1,648</b>	<b>(2,193)</b>	<b>5,658</b>
<b>Non Discretionary Reserves</b>				
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
<b>Total Non Discretionary Reserves</b>	<b>845</b>	<b>377</b>	<b>(181)</b>	<b>1,041</b>
<b>TOTAL OTHER RESERVES</b>	<b>7,048</b>	<b>2,025</b>	<b>(2,374)</b>	<b>6,699</b>

**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.

**Infrastructure Contributions**

Reserve is a accumulation of developer contributions which are to be expended at a future date on infrastructure.

**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 2017

	2017 \$'000	2016 \$'000
<b>NOTE 28 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS</b>		
Surplus for the period	26,106	11,201
Depreciation and Amortisation	22,849	21,102
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(169)	(243)
Contributions - Non-monetary	(5,714)	(5,934)
Borrowing costs	516	980
Other	(278)	(59)
<b>Change in assets and liabilities</b>		
Increase in trade and other receivables	(1,290)	(201)
(Decrease)/Increase in Other Assets	(1,405)	1,352
Increase / (Decrease) in trade and other payables	4,831	(1,511)
Increase / (Decrease) in other liabilities	362	(51)
Increase in Provisions	1,585	513
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>47,393</b>	<b>27,149</b>
<b>NOTE 29 FINANCING ARRANGEMENTS</b>		
Bank overdraft	200	200
Credit Card facilities	130	120
<b>Total Facilities</b>	<b>330</b>	<b>320</b>
Used facilities	42	29
<b>Unused facilities</b>	<b>288</b>	<b>291</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 30 COMMITMENTS

The Council has entered into the following commitments.

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
<b>Operating</b>					
Waste management	4,518	4,518	-	-	9,036
Valuation Contract	430	211	473	-	1,114
Kilmany Landfill Remedial Works	1,025	-	-	-	1,025
Animal pound & shelter service	253	253	253	-	759
V-Line Pedestrian Crossing (Raglan Street)	484	-	-	-	484
Litter Bins	206	206	-	-	412
Software Maintenance	279	-	-	-	279
L to P Project	125	125	-	-	250
Tourist Information centre	88	-	-	-	88
West Sale and Wurruk Industrial Land Supply Strategy	78	-	-	-	78
North Sale outline development plan	39	-	-	-	39
<b>TOTAL</b>	<b>7,525</b>	<b>5,313</b>	<b>726</b>	<b>-</b>	<b>13,564</b>

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
<b>Capital</b>					
Roads	5,354	-	-	-	5,354
Buildings	3,948	-	-	-	3,948
Landfill Improvements	1,649	-	-	-	1,649
Parks, open space and streetscapes	478	-	-	-	478
Bridges	394	-	-	-	394
Plant, Machinery & Equipment	229	-	-	-	229
Waste Management	41	-	-	-	41
<b>TOTAL</b>	<b>12,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,093</b>

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 30 COMMITMENTS CONT'D

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

	2017	2016
	\$'000	\$'000

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):

Not later than one year	254	261
Later than one year and not later than five years	690	739
Later than five years	-	27
	<b>944</b>	<b>1,027</b>



Notes to the Financial Report  
For the Year Ended 30 June 2017

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 (Vision Super). 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 2017, 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 Employee Benefits.

**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 2016, an interim actuarial investigation was held as the Fund 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 102.0%. 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) 2.5% pa.

Vision Super has advised that the VBI at 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 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 2017 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 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). 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 2017  
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 Wellington Shire Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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

**2016 Interim actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and  
A total service liability surplus of \$156 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 2016. 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 2016 VBI during August 2016.

**2017 Full triennial actuarial**

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

**Future superannuation contributions**

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$369,870.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 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 our best estimate at this time. Depending on the exact requirements of the Environment Protection Authority (EPA) Council may have a revised liability but at this point the exact amount is unknown. Risk level negotiations continue with the EPA for the Longford landfill and are anticipated to be resolved in 2018.

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:

	2017 \$'000	2016 \$'000
Bank Guarantees	934	934
Loan Guarantees	25	30
<b>Total Bank Guarantees</b>	<b>959</b>	<b>964</b>

Contingent Assets

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

	1,039	2,061
Developer Contributions	1,039	2,061
<b>Total Contingent Assets</b>	<b>1,039</b>	<b>2,061</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

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 has 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.

Notes to the Financial Report  
For the Year Ended 30 June 2017

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:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets 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 2.4%.
- These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report  
For the Year Ended 30 June 2017

	2017	2016
	\$'000	\$'000
<b>NOTE 35 ADJUSTMENTS DIRECTLY TO EQUITY</b>		
Reversal of revalued components of assets disposed or written off (transfer from asset revaluation reserve to accumulated surplus).		
Roads, Streets, Drainage, Bridges & Culverts	1,750	1,008
Buildings & Structures	137	451
Land	-	84
	<b>1,887</b>	<b>1,543</b>

NOTE 36 RELATED PARTY DISCLOSURES

(i) Related Parties

Wellington Shire Council is the parent entity.

(ii) Key Management Personnel (KMP)

Wellington Shire Council has a CEO and 4 General Managers. Along with 9 councillors this makes a total of 14 KMP positions.

During the year a general election was held on 22 October 2017 resulting in 4 councillors being re-elected and 5 new councillors being elected.

These events result in the following numbers of KMP's being disclosed:

Councillors being 9 at the beginning of the year and 5 newly elected during the year as detailed below.

Non- Councillors - 5

<b>COUNCILLORS</b>	Councillor Carolyn Crossley (1/07/16 - 30/06/17) - Mayor (3/11/16 - 30/06/17)
	Councillor Darren McCubbin (1/07/16 - 30/06/17) - Mayor (1/07/16 - 21/10/16)
	Councillor Scott Rossetti (1/7/16 - 30/06/17)
	Councillor Malcolm Hole (1/7/16 - 30/06/17)
	Councillor John Duncan (1/7/16 - 21/10/16)
	Councillor Patrick McIvor (1/7/16 - 21/10/16)
	Councillor Bob Wenger (1/7/16 - 21/10/16)
	Councillor Peter Cleary (1/7/16 - 21/10/16)
	Councillor Emilie Davine (1/7/16 - 21/10/16)
	Councillor Keith Mills (3/11/16 - 30/06/17)
	Councillor Ian Bye (3/11/16 - 30/06/17)
	Councillor Alan Hall (3/11/16 - 30/06/17)
	Councillor Gayle Maher (3/11/16 - 30/06/17)
	Councillor Garry Stephens (3/11/16 - 30/06/17)

	2017	2016
	No.	No.
Total Number of Councillors	14	9
Chief Executive Officer and other Key Management Personnel	5	5
Total Key Management Personnel	<b>19</b>	<b>14</b>

(iii) Remuneration of Key Management Personnel

	2017	2016
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,393	1,377
Long-term benefits	279	258
Termination benefits	-	-
Total	<b>1,672</b>	<b>1,635</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

NOTE 36 RELATED PARTY DISCLOSURES (CONT'D)

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

Income Range:	2017 No.	2016 No.
\$ 1 - \$ 9,999	6	-
\$ 10,000 - \$ 19,999	4	-
\$ 20,000 - \$ 29,999	2	7
\$ 30,000 - \$ 39,999	-	-
\$ 40,000 - \$ 49,999	1	1
\$ 50,000 - \$ 59,999	-	-
\$ 60,000 - \$ 69,999	1	1
\$ 190,000 - \$ 199,999	-	4
\$ 200,000 - \$ 209,999	4	-
\$ 290,000 - \$ 299,999	-	1
\$ 300,000 - \$ 309,999	1	-
	<u>19</u>	<u>14</u>

(iv) Transactions with related parties

During the period Council entered into a number of transactions with related parties of KMP's or their close family members. These transactions occurred within normal commercial terms and conditions and included \$124,000 to the Municipal Association of Victoria for membership and other services. Payments of \$33,000 for production of shows at Esso BHP Billiton Wellington Entertainment Centre and \$17,000 for various other minor transactions with a number of suppliers. Council also contributed a total of \$14,000 for community grants, operating subsidies to various community groups where KMP's or close family members held positions on the board or committee.

(v) Outstanding balances with related parties

The balance outstanding at the end of the reporting period in relation to transactions with related parties was Nil (2015/16 Nil).

(vi) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party was Nil (2015/16 Nil).

(vii) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council was Nil (2015/16 Nil).

NOTE 37 SENIOR OFFICERS REMUNERATION

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

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$142,000

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

Income Range:	No.	No.
<\$141,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	-
	<u>2</u>	<u>2</u>

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	334	235

NOTE 38 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**

I certify that the accompanying financial statements have been prepared in accordance with the Local Government Act 1988, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.

  
\_\_\_\_\_  
PRINCIPAL ACCOUNTING OFFICER  
Ian Carroll CPA

Dated: 26/09/2017  
Date:

In my opinion the accompanying financial statements present fairly the financial transactions of Wellington Shire Council for the year ended 30 June 2017 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  
Alan Hall

Dated: 26/09/2017  
Date:

  
\_\_\_\_\_  
COUNCILLOR  
Gary Stephens

Dated: 26/09/2017  
Date:

  
\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER  
David Morrison

Dated: 26/09/2017  
Date:

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18 Doreilly Street (PO Box 500), Sale Victoria 3850  
Telephone: 1300 595 300

**Human Service Centre**  
100 Gundy Street, Yarram Victoria 3577  
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Financial Statements Page 48 of 50

*The Heart of Gippsland*

## Independent Auditor's Report

### To the Councillors of Wellington Shire Council



<b>Opinion</b>	<p>I have audited the financial report of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>balance sheet as at 30 June 2017</li> <li>comprehensive income statement for the year then ended</li> <li>statement of changes in equity for the year then ended</li> <li>statement of cash flows for the year then ended</li> <li>statement of capital works for the year then ended</li> <li>notes to the financial statements, including a summary of significant accounting policies</li> <li>certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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#### Auditor's responsibilities for the audit of the financial report

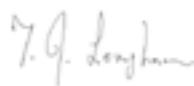
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
27 September 2017

  
Tim Loughnan  
as delegate for the Auditor-General of Victoria





**WELLINGTON**  
SHIRE COUNCIL  
*The Heart of Gippsland*

### **Sale Service Centre - Council Headquarters**

18 Desailly Street (PO BOX 506), Sale VIC 3850

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Telephone: 1300 366 244

Email: [enquiries@wellington.vic.gov.au](mailto:enquiries@wellington.vic.gov.au)

### **Yarram Service Centre**

156 Grant Street, Yarram VIC 3971

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