



WELLINGTON SHIRE COUNCIL

Annual Report

For the year ended 30 June 2019

Council Offices

Sale Service Centre - Council Headquarters

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

Telephone: 1300 366 244 Fax: (03) 5142 3501

Email: enquiries@wellington.vic.gov.au

Yarram Service Centre

156 Grant Street, Yarram VIC 3971

Telephone: (03) 5182 5100 Fax: (03) 5182 6264

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1.0 Introduction

1.1 About this Annual Report

Wellington Shire Council is proud to present the 2018/19 Annual Report which focuses on informing our community about how we've performed over the second year of reporting against the *Council Plan 2017-21* and the *2018/19 Budget*.

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

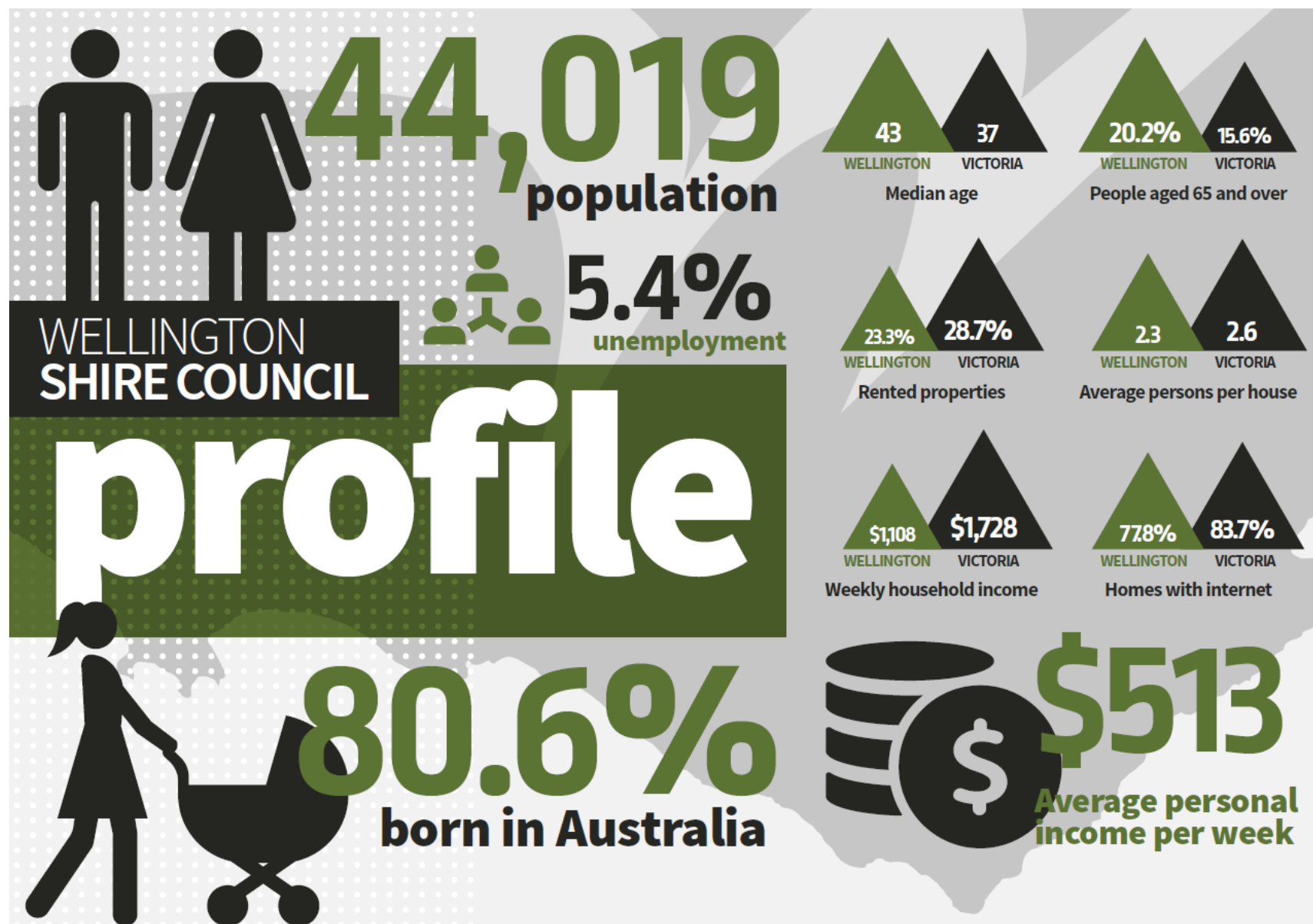
The report provides an overview of 2018/19 operations, and the various accomplishments and challenges throughout the year. It also describes the breadth of our services and operations, comprehensive corporate governance information as well as detailed audited financial statements.

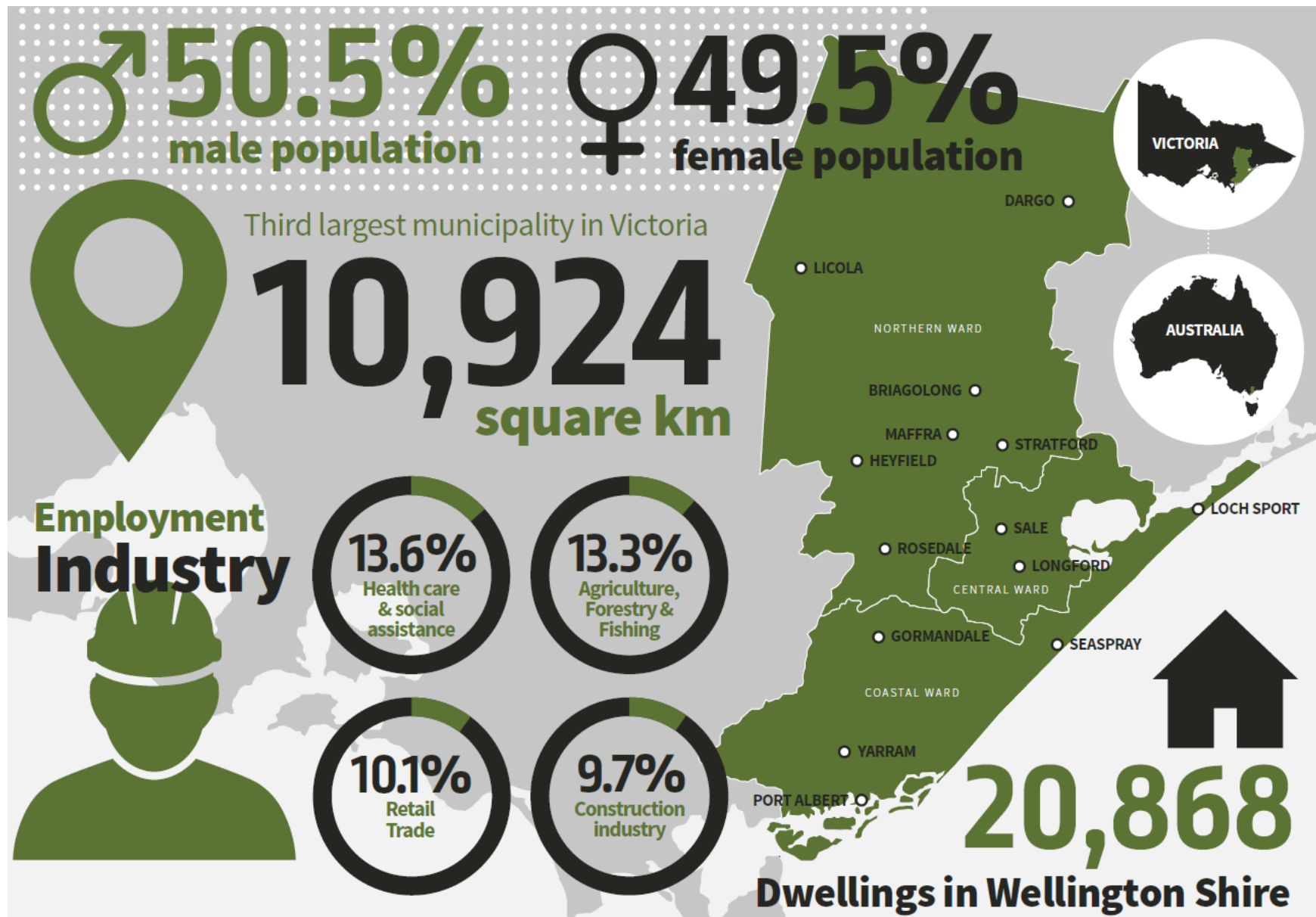
Council is committed to transparent reporting and accountability and our aim is to provide our residents, ratepayers, State and Federal Governments and other key stakeholders with an open, accurate account of our performance during 2018/19. The report also provides council staff with an overall picture of the way we have performed and how they have contributed to the community during the year.

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.

1.2 Demographic Profile of Council





1.3 Purpose

Vision

“Happy people, healthy environment and thriving communities in the heart of Gippsland.”

Values

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

- **Cooperation:** Working together, teamwork, collaboration and being solution-oriented.
- **Integrity:** Acting with respect, honesty, reliability, trust, tolerance and understanding.
- **Balance:** Demonstrating fairness, equity and flexibility. Considering work-life balance, and balancing community needs against resources.
- **Professionalism:** Personal development and meaningful work, being competent, innovative and courageous, focusing on excellence and continuous improvement.

1.4 Fast Facts

- 35,194 square metres of sealed local roads reconstructed
- 648,012 square metres of local roads resealed
- 1,553,446 scheduled kerbside garbage and recycling collection bin lifts
- 10,728 tonnes of garbage and recyclables collected from kerbside bins
- 4,076 tonnes of recyclables sent for re-processing
- 2,548km of gravel road graded
- 5,353km of roadside slashed
- 3,751 culverts cleared
- 5,607 urban drainage pits cleaned
- 21,285 tickets sold at The Wedge
- 251,892 visits to Wellington Shire pools
- 39,290 people attended the Gippsland Art Gallery
- 272,728 library visits
- 268,288 library collection loans
- 75 applicants successful in receiving Quick Response Grants
- 54 applicants successful in receiving Community Assistance Grants
- \$549,233 provided to support 101 community committees of management
- 852 young people entered in Council-supported youth events
- 31,000 swim school attendees
- 106,552 attendees at GRSC
- 101 performances at The Wedge
- 54 exhibitions at the Gippsland Art Gallery

- 449 planning approvals in 2018/19 with an estimated value for development of \$122,396,230
- 21,095 walk-ins to the Sale Visitor Information Centre (VIC), 6,726 at the Yarram VIC and 3,209 at the Maffra VIC
- 1,964 aircraft movements at West Sale Airport and 1,616 aircraft movements at Yarram Aerodrome
- 426 food premises inspected
- 40,705 customer service telephone calls received
- 30,559 face-to-face customer enquiries received
- 9,687 dogs and cats registered
- 521 lost pets reunited with their owners
- 603 emergency after-hours incidents attended
- 214 building regulation complaints received

1.5 Highlights of the Year

July 2018

- Opera Australia's Madame Butterfly was held at the Regent Theatre in Yarram providing a unique opportunity for access to world-class opera in a rural area.
- Gippsland Art Gallery exhibition of nationally-renowned and multi-award winning artist Peter Gardiner's 'Event Horizon' – a 10-year survey of 'disaster' paintings (fire, flood, drought) opened.
- Partnering with Central Gippsland Health, Aqua Energy hosted 'The Parenting Circle', a weekly program designed for new parents. It created a shared platform for learning and support for the challenges presented with parenting young children.
- Over 60 people participated in the National Tree Day event at Island Reserve in Maffra. More than 1,000 trees were planted during the event.

August 2018

- 1700 of our youngest community members enjoyed 25 Children's Book Week events held at Wellington libraries involving costumed performers displaying and talking about shortlisted picture books for the Children's Book Council Book of the Year Awards.
- Aqua Energy went digital with the help of new display signage televisions kept up-to-date with live information regarding lap lane availability, programs, promotions and general notices.
- Gippsland Regional Sports Complex ran its inaugural 'Tiny Stars' soccer program designed to offer children aged 3-5 an opportunity to learn the basics involved in playing soccer.
- 'A Taste of Tamworth' played at The Wedge performing arts centre to a sold-out house of country music fans.
- Twelve passionate young people were formally inducted as our new 2018/19 Youth Council hailing from Sale, Maffra and Yarram Secondary Colleges, Catholic College and Gippsland Grammar.

- Wellington Shire Council hosted National Disability Insurance Scheme (NDIS) ready courses throughout July and August aiming to better prepare Wellington community members with disabilities and their families for the new scheme.
- Community engagement commenced as part of the \$6M West Sale Airport Runway Extension Project which informed stakeholders of the proposed 12-week shutdown on main runway.
- EduCloud was activated at all library branches, allowing students in Years 10-12 to access their school's network and learning resources.

September 2018

- The prestigious \$20,000 John Leslie Art Prize was awarded at the Gippsland Art Gallery to Vanessa Kelly (Acquisitive Prize) and Andrea Sinclair (Best Gippsland Work) selected from 61 shortlisted artworks from a record-breaking 493 entries with shortlisted works exhibited at the Gippsland Art Gallery.
- Gippsland Art Gallery opened a new exhibition of works by iconic local Gunaikurnai artist, Dr Aunty Eileen Harrison: 'Connections to Country', her first exhibition at the gallery.
- Triple Crown Women's National Basketball League game between the Bendigo Spirit and Melbourne Boomers played to a sell-out crowd of 800 spectators at Cameron Sports Complex in Maffra.
- On Board: Skate Deck Art Competition opened with an event at the Port of Sale showcasing local street culture films and live music. Organised by Wellington Shire-supported youth groups, Youth Council and Propellor in partnership with the Gippsland Art Gallery and the Sale Library topping off a long program of Youth Week events and activities in April.
- The official opening of the redeveloped Cowwarr Recreation Reserve Pavilion. New women's netball, football and umpire change rooms were unveiled following a \$1.08M refurbishment. The project was jointly funded by the Wellington Shire Council, Department of Environment Land Water and Planning (DELWP), Latrobe Valley Authority, Sport and Recreation Victoria, Cowwarr Football Netball Club and the reserve's committee of management.

October 2018

- Gippsland Regional Sports Complex (GRSC) Stage 2A project, a new pavilion and synthetic pitch for hockey and other sports, was completed and officially opened.
- \$4 million of Victorian Government funding via Sport and Recreation Victoria was successfully attracted for a major redevelopment of the Cameron Sporting Complex stadium in Maffra as well as \$1.3 million for change room developments at Stratford Recreation Reserve and Stephenson's Park and \$250,000 for tennis court renewal at Pine Lodge in Stratford.
- Gippsland Art Gallery formally launched the Esso Collection of Australian art and acknowledged the recent gift of 40 original artworks from Esso's corporate collection.
- Children's Week activities were held at many Wellington facilities including at the Port of Sale where the Gippsland Art Gallery established a children's activity area in one of its main art galleries and at the Sale Botanic Gardens where the Sale Library promoted its children's activities and resources.
- 'Upswing' youth mental health festival was staged by the Wellington Youth Council and Propellor, Wellington's music-focussed youth group, bringing the community together and

providing opportunities for leadership, learning and cooperation for youth councillors and young people of the shire.

- The Wedge performing arts centre presented the Australian Shakespeare Company's performance of Macbeth including a matinee performance attended by students from a number of secondary schools as part of their studies.

November 2018

- Maffra Library joined forces with the Boisdale School Makers Market and Gippsland Art Gallery and its exhibit, "Homeland: Memory and Meaning", which was attended by the Ukrainian High Commissioner from Sydney, to present a weekend of activities at the Maffra Memorial Hall, Maffra Library and Maffra Exhibition Space.
- Jazz legends, Paul Grabowsky and Vince Jones, two of Australia's most distinguished artists, performed 'Provenance' at The Wedge performing arts centre that would not have been out of place in New York's top jazz clubs.
- A Rural Access Transition Report was completed for the Victorian Government to detail how Council is transitioning its rural access projects in preparation for cessation of funding for the Rural Access Program at 30 June 2019. Transition planning proceeded concurrently with Council's advocacy, together with the Municipal Association of Victoria, for continuation of this important funding with success in the form of an extension until the end of 2019 being announced.
- Council submitted its funding application to the Commonwealth Government's Drought Communities Programme.

December 2018

- A 'Meet the Makers' market was held on at the Port of Sale Wellington Centre with around 600 visitors attending and availing themselves of the produce and gifts for sale along with art and merchandise at the Port of Sale Gift Shop.
- Gippsland Art Gallery opened Kevin Mortensen: 'The Alchemist' exhibition. Kevin Mortensen is a senior (and reclusive) Gippsland artist who has reached mythical proportions since representing Australia at the Venice Biennale in 1980. This was his first major career retrospective.
- The Wedge hosted the bi-annual 'Esso Night at the Opera' with a full house audience enjoying the show and a post-performance reception. A partnership between Esso, Opera Australia, Orchestra Victoria and Wellington Shire Council, this free community concert provided a wonderful opportunity for our community to experience first class opera locally.
- Aqua Energy, in partnership with the Latrobe Valley Authority, held a live broadcast of the 'Big Bash' cricket match between 'Melbourne Stars' and 'Sydney Thunder'. The match was streamed from the Optus big screen, with users watching from either the pool or a picnic setting on the grass at the Sale outdoor pool.
- An 'Inspired by the Lakes' sports day was held at Lake Guthridge in Sale with community members participating in all-abilities activities including sailing, soccer, badminton, hockey and bowls.

- As part of Council's fire inspection program, our community recorded the shire's lowest ever number of non-compliant properties and fire infringements ahead of the 2019 summer bushfire season reflecting the communities' awareness of the fire season risk.

January 2019

- The Glebe Woondella Shared Path Project was completed. Delivered across five stages, the full length of the path was open for use including the Raglan Street rail crossing and the Flooding Creek pedestrian bridge.
- The Gippsland Regional Sports Complex stadium floor replacement project was completed in accordance with the project plan.
- A new sculpture and mural were unveiled to visitors at Sale Botanic Gardens. A germinating seed made from stainless and Corten steel rests majestically on a colourful circular mosaic, adjacent to the adventure playground. The project was a collaboration between the Friends of Sale Botanic Gardens, who received funding from the John Leslie Foundation, and the Wellington Shire Council.
- Wellington Shire, as part of well-planned, multi-agency emergency management arrangements, provided emergency relief centres and other response to two major bushfires which started in our shire during January, the Rosedale South bushfire and Walhalla-Stoney Creek Track bushfire.
- The redeveloped Port of Sale reached its one-year anniversary on 6 January celebrating a total of 203,993 visitors to the Wellington Centre building since opening, including 41,208 visitors to the Gippsland Art Gallery.
- Amendment C103, which proposes to rezone land adjacent to the West Sale Airport for industrial purposes, was adopted by Council on 18 June 2019.
- Council allocated Commonwealth drought funding to enable local water cartage contractors to deliver household water to drought affected families, free of charge.

February 2019

- Gippsland Art Gallery's exhibition 'A Fine Romance' - a thematic group exhibition of contemporary realism which included some of the biggest names in Australian art including Sam Jinks and Natasha Bieniek - was celebrated with 'Date Night', a special evening event on Valentine's Day which attracted many first-time visitors to the gallery.
- Gippsland Art Gallery hosted an afternoon tea to celebrate the centenary of the 100th birthday of John Leslie OBE. The gallery's exhibition 'The John Leslie Gift' celebrated John's life and his legacy to the gallery and to the Sale community.
- Gippsland Regional Sports Complex stadium reopened after major works to replace the sports courts floors with a new, FIBA (international basketball federation) accredited timber sprung floor.
- Approximately 1,000 junior basketballers and their families totalling approximately 4000 people, attended the annual Sale Amateur Basketball Association junior tournament at the Gippsland Regional Sports Complex.
- Maintenance and accessibility audits were undertaken on all 115 community-managed facilities Wellington Shire Council supports. This provided, for the first time, a comprehensive

understanding of maintenance and future capital improvement development needs for these important facilities managed by hundreds of community volunteers.

- Wellington Shire Youth Councillors and members of 'Propellor', Wellington's music-focussed youth group which arranges drug and alcohol-free music, cultural and recreational events, represented regional young people at the Youth Affairs Council of Victoria's workshop as part of the Royal Commission into Mental Health.
- Wellington Shire, as part of well-planned, multi-agency emergency management arrangements, provided emergency relief centres and other response to a major bushfire complex which started from multiple lightning strikes between Licola and Dargo which joined to become the Licola-Mt Margaret Track bushfire.
- Prime Minister, Scott Morrison announced \$31 million to the second phase of the Macalister Irrigation District (MID) modernisation project which will complete the transformation of the MID's ageing assets into a highly automated, efficient, modern water delivery system. The Prime Minister also saw first-hand just how horrific drought conditions had become across Wellington Shire visiting farms near Briagolong and in the Giffard area.
- Council, with funding support from the Victorian Planning Authority prepared a range of technical studies to inform the layout of a future industrial precinct adjacent to West Sale Airport.
- Stage 3 of the Jayco Herald Sun Tour began at the Port of Sale, featuring internationally renowned cyclist Rickie Porte.
- Council, in partnership with the Latrobe Valley Authority, hosted the Collingwood Football Club in February as party of its Community Camp program. Local school students were treated to super clinics and the players also participated in a business breakfast.
- At the Avalon International Airshow, Council announced partnerships with RAAF Air Academy and Federation Training (TAFE Gippsland) that will ensure West Sale Airport is a leader in aviation and the facility is ripe for further investment. This followed the completion of the \$6M runway extension and lighting upgrade.
- Legislative changes to the way that local government ensures the safety and wellbeing of children has resulted in significant new organisational compliance obligations. As a result, Child Safe Standards training was rolled out to the organisation which included online and face to face training on Child Safety, Child Safe Standards Policy, and Code of Conduct amendments.
- Under the *Charter of Human Rights and Responsibilities Act 2006 VIC* (the Charter), local government has a legal obligation to act compatibly with human rights in the way we go about our work and deliver services. As a result, Human Rights training was rolled out to the entire organisation via the online Learning & Development System to ensure that all council staff have a well-rounded knowledge of human rights and remain compliant with their understanding of the Charter.

March 2019

- New microwave infrastructure for the Rosedale Library was completed to provide improved connectivity for the Rosedale community.

- The Prahran Mechanic's Institute began a new historical research outreach service at Sale Library with specialist research assistance provided for users. The service delivers requested historical material directly to borrowers without their need to travel to Melbourne or rely upon postal services and Wellington Shire libraries deliver material to users at no additional cost.
- All of Wellington Shire's six library branches acted as locations for free hearing tests conducted by Australian Hearing for Hearing Awareness Week.
- The Wedge performing arts centre presented Marina Prior and David Hobson, legends of opera and musical theatre in 'The 2 of Us'.
- Hosted by Kilmany Park mansion, The Wedge performing arts centre presented the Australian Shakespeare Company's performance of Romeo and Juliet with almost 400 patrons attending on the lawn of the beautiful, historic mansion.
- Gippsland Art Gallery presented a retrospective exhibition of celebrated, senior Gippsland artist, Lesley Duxbury: 'Echo – A Survey', which included an original 1821 painting by English landscape painter, John Constable.
- Gippsland Art Gallery Director Simon Gregg judged the inaugural Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) Art Prize and purchased an impressive possum-skin cloak by Gunaikurnai artist Alice Pepper for the gallery through the Gippsland Textile Collection Fund.
- Swim school enrolments at Aqua Energy reached an all-time record level of 863 for 2019, representing a 35% increase in enrolments over the last five years.
- Aqua Energy obtained accreditation as a registered provider for the National Disability Insurance Scheme (NDIS), making it easier for community members who have a NDIS disability support plan to access personal training and other Aqua Energy-provided services.
- 'Pop-up' bushfire recovery sessions were held at Heyfield, Briagolong, Loch Sport, Rosedale and Dargo, arranged by Wellington Shire Council with attendance by many state and local recovery agencies as part of pre-planned, multi-agency emergency recovery arrangements.
- Startup Gippsland program launched in Sale with the support of LaunchVic funding. Thirteen businesses from Wellington are participating in the 12-week intensive growth program.

April 2019

- Consultation with community and stakeholders for The Wedge Redevelopment Demand Study commenced which will inform future decision-making as to whether and what type of redevelopment may be needed for the 18-year-old performing arts centre.
- Gippsland Art Gallery hosted a panel discussion as part of the state-wide 'Climarte' Festival, with guest speakers and audience considering ideas and concepts around art and activism, community engagement, transition and accelerated action on climate change.
- 'Gippy Girls Can!', a local variation of the nation-wide 'This Girl Can' promotion encouraging girls and women to re-enter sport and active recreation was held at Gippsland Regional Sports Complex and Aqua Energy, with program support provided in collaboration with GippSport.
- Council adopted the Urban Paths Plan designed to ensure that town's significant community facilities are supported by appropriate footpath infrastructure.

- The Wellington Access and Inclusion Advisory Group, supported by Wellington Shire, carried out 'Lived Experience' audits in several locations, including Dargo Bush Nursing Unit, Dargo Community House and Port of Sale's Wellington Centre. The outcomes of these audits are provided to owners/operators of the buildings, including Council, for consideration and consultation regarding improvements to operations to assist with inclusion of all community members.
- Federation Training, in partnership with Council, held a strategic engagement session at the Port of Sale, attended by local business representatives. The session included a timeline for the new campus in Sale.
- Operations at West Sale Airport were restored following successful completion of works to extend and asphalt the main runway.

May 2019

- The 2019 Parks Week program was a great success. The program included events at the Yarram Early Learning Centre, a Teddy Bears Picnic and a Baby's Day Out at the Sale Botanic Gardens, and the Port Albert Seaside Festival.
- Sale Library at the Port of Sale hosted the launch of "A Job for Everyone" program in Wellington for young people with disabilities to address and share experiences with employers.
- The Wedge performing arts centre presented internationally renowned Irish folk music duo Foster and Allen to a sold out audience and the incredible Canned Heat, in their only regional performance in their 'On the Road Again' tour, bringing patrons from all over Victoria.
- Wellington Shire's Municipal Emergency Management Planning Committee undertook a multi-agency debrief of the summer 2019 bushfires to review collaboration and interaction between agencies and effectiveness of preparedness, response, relief and recovery operations and inter-agency coordination.

June 2019

- Local Government Victoria allocated a grant of \$4.5M from the Rural Councils Transformation Program, to four of the GLGN Councils, so that they can begin work on planning for the shared services opportunity.
- Implementation of the Yarram Town Tree Plan resulted in around 200 trees added to Yarram's urban forest.
- Council was successful in its application for funding under Round 2 of the State Government's Fixing Country Roads Program. The project will involve the widening and sealing of around 4km of Balloong Road which forms part of an over-dimensional vehicle route.
- Port of Sale's Wellington Centre won the Regional Prize and a Public Architecture Award at the Australian Institute of Architects' Victorian Architecture Awards, announced at an awards evening.
- The Wedge performing arts centre achieved its highest income from tickets sales since opening, generating \$670,970 in ticket sales this financial year, a 26% increase on last year, resulting in a 12% increase in patronage from last year.

- The Wedge hosted Emmy-award winning American singer-songwriter Toni Child's with her performance 'Retrospective'.
- The inaugural Wellington Youth Awards were held with more than 100 people attending, recognising 20 nominees and seven winners in seven categories.
- Outgoing Wellington Youth Councillors for 2018/19 were recognised and thanked for their service and incoming Wellington Youth Councillors for 2019/20 formally commenced their service by taking the 'oath of service' to serve their community to the best of their abilities.
- The Port of Sale East Bank Redevelopment Study was prepared to facilitate Council's long-term strategic land use planning aspirations for land formerly occupied by the Sale Specialist School and Sale High School.
- A major structural review of the Wellington Planning Scheme began as part of the State Government's Planning in the Economic Growth Zone (PEGZ) project and Smart Planning reform.

1.6 Challenges and Future Outlook

Challenges

- Transition to altered federal funding arrangements under the National Disability Insurance Scheme and My Aged Care program with regards to funding agreements with health service providers.
- Inadequate public and community transport in regional rural areas and impact on access to services, employment, education and recreation activities and social inclusion.
- Community resilience and cross-agency preparedness for emergencies and changes to state and federal financial assistance funding arrangements.
- Meeting service needs of specific communities (early years, youth, seniors, LGBTQI+, CALD, Aboriginal, people with disabilities, people who are unwell, unemployed, volunteers).
- The need for strategic planning to identify and prioritise future community facilities capital projects and leverage off changing external funding arrangements and priorities.
- Increasing environmental sustainability of Council's major public facilities and their operations.
- High cost of operating high quality, accessible, safe and modern public facilities.
- Historical inconsistencies and inequities in support for community-managed facilities and volunteer committees of management and user groups.
- Workforce skills shortages in specialised or high demand areas such as swim teachers and project managers.
- Recruitment of suitably qualified staff to carry out statutory roles.
- Ensuring compliance across the dynamic and changing nature of the building industry and its regulations.

- Significant structural changes to the Wellington Planning Scheme as a result of the State Government's Smart Planning reforms.
- Coastal climate change adaptation in areas subject to natural hazard risks.
- Administering increasingly complex regulations via the planning process, including native vegetation, bushfire management and cultural heritage requirements.
- Continuing to manage the Gippsland Regional Livestock Exchange (GRLE) ensuring best value to the local livestock industry and ratepayers during a period of drought.
- Attracting State and Commonwealth Government funding to support local businesses to expand and create new jobs in Wellington.
- Continuing to advocate for increased passenger rail services for Wellington residents.
- Continuing to work with our Agricultural community during one of the most significant droughts on record.
- Introduction of the State Government e-waste ban.
- Continuing implementation of direct managed large facilities maintenance services.
- Implementation of new Residential Roads and Street Construction Plan and Boating Infrastructure Plan including community engagement.
- Progression of Council's 2019/20 capital works program.
- Progression of Gippswide Kerbside Collaborative Procurement opportunities including options for FOGO (Food Organics and Green Organics).
- Continuing to advocate for improvements to and support for improvements to recycling services.
- Enterprise Agreement 10.
- Increasing Governance and Compliance demands:
 - ✓ Privacy
 - ✓ Victorian Data Protective Standards
 - ✓ Potential changes to the Local Government Act.
- ICT Improvements across the organisation including development of new systems for OH&S, Human Resources, Learning and Development.
- Gippsland Shared Services planning.
- Continued Financial Sustainability in a Rate Capped Environment.
- Changes to the Local Government Act and 2020 Council elections.

The future

- Developing guidelines for Council to work respectfully with Gunaikurnai cultural content, in consultation with Gunaikurnai Land and Waters Corporation and traditional owners.

- Developing a Community-Managed Facilities Strategy and action plan aiming to address equity in support for community facilities and committees and, combined with shire-wide community facilities auditing, improving decision-making regarding future capital investment.
- Supporting community committees to deliver capital projects at Airly-Clydebank Hall, Bundalaguah Myrtlebank Hall, Port Albert Mechanics Institute, Sale Historical Society, Stratford Kindergarten, Stratford Mechanics Hall, Yarram Mechanics Hall, Yarram Regent Theatre, Briagolong Quarry Reserve, Yarram Walpole Stadium and Woodside Recreation Reserve.
- Developing a multi-agency action plan for implementation of 'Healthy Wellington', our municipal public health and well-being plan and integrated health service agencies' health prevention plans.
- Implementing healthy choices food menus at Council's major facilities.
- Developing a shire-wide Early Years Facilities Strategy, assessing readiness of Council early childhood facilities for state-wide kindergarten expansion program and undertaking master plans for key early childhood facilities.
- Reviewing funding arrangements of health services for aged care and early childhood services.
- Undertaking shire-wide sporting needs assessment and sporting infrastructure plan and facility master plans for key sporting facilities.
- Progressing delivery of capital projects including Cameron Sporting Complex redevelopment, changeroom redevelopment projects at Sale Recreation Reserve main oval, Stephenson Park and Stratford Recreation Reserve, Sale Outdoor Pool plant replacement, Port of Sale street signage, skatepark lighting and café seating expansion, Briagolong Recreation Reserve pavilion redevelopment, Pine Lodge Recreation Reserve tennis court resurface, seasonal pools rolling sustainability improvement upgrades.
- Attracting funding for 'A Warmer Pool for Yarram' project.
- Investigating options and developing business cases for future development of Gippsland Regional Sports Complex, The Wedge performing arts centre and Aqua Energy aquatic centre.
- Implementing a digital workforce management system for Leisure Services.
- Progressively rolling out sustainability initiatives in Council's major public facilities and outdoor pools including phasing out single use plastic, solar energy provision, rainwater collection and diversion and LED lighting upgrades.
- Identifying and implementing improvements in emergency management from state-wide Councils and Emergencies Capability project.
- Identifying implications for Council's financial sustainability with respect to resourcing emergency management responsibilities as a result of federal and state government changes to financial assistance funding arrangements for emergency events.
- Preparing structure plan for Maffra to support the future urban growth of the township.
- Implementing the Port of Sale East Bank Redevelopment Study to facilitate future redevelopment of the former Sale Specialist School and High School site.

- Working with the State and Federal Governments to help improve drought support measures.
- Working with TAFE Gippsland in the development of a new facility and associated programs at the Port of Sale campus.
- Developing a business case for the development of future stages within the Eastern Recreation Aviation Precinct at West Sale Airport.
- Reviewing and renewing Wellington Shire Council's Local Laws.
- Completing civil works for Maffra Streetscape Upgrade – Stage 1.
- Considering the introduction of recovery of FOGO waste service in conjunction with Gippswide Kerbside Collaborative Procurement opportunity.
- Completing pavilion and court upgrades at Sale Tennis Club.
- Commencing review and update of Environmental Sustainability Strategy (2020-2024).
- Continuing to advocate for improvements to and support for improvements to recycling services.
- Continuing community engagement regarding opportunities for street sealing in Port Albert.
- Cameron Sporting Complex Redevelopment Project.
- Reconstruction and widening Balloong Road, Woodside.
- Bridge Replacements – Orr's No 3 and Rathjen's.
- Yarram Regent Theatre - Solar Panels & Façade Refurbishment.
- Pine Lodge Recreation Reserve, Stratford - Tennis Court Resurface.
- Stratford Recreation Reserve - Changeroom Redevelopment.

2.0 The Year in Review

2.1 Mayor's Message

It is with great pleasure that I present the Wellington Shire Council Annual Report 2018/19.

Over the past 12 months, Council has devoted considerable resources to supporting and advocating for our drought affected farmers across Wellington. The drought has had dramatic impacts not only on farms, but also on many of our small businesses as less money circulates through our local economy.

This advocacy has taken many forms, at both State and Federal levels.

We were particularly pleased to receive a visit from Prime Minister Scott Morrison in early 2019 to announce vital funding for the modernisation of the Macalister Irrigation District (MID). The Prime Minister also met with drought-affected dryland farmers to hear from them first-hand the issues they are facing. Council was pleased to secure \$1 million from the Commonwealth Government for drought infrastructure funding, which allowed for the provision of free household water cartage for drought-affected farmers, among other initiatives.

Council also hosted the Deputy Prime Minister, Federal Agriculture Minister and the State Agriculture Minister in Wellington during this period to advocate for further practical drought support and awareness.

We were also successful in obtaining \$250,000 from the State Government to spend on community-based events and upgrades to water infrastructure. This allowed Council to fund around 20 community events, provide free entry for farming families to the Sale, Yarram and Maffra agricultural shows, and upgrade water standpipes in rural communities.

Further to this, Council introduced a number of financially supporting measures for farmers including the continuation of the 20% farming discount rate, waiver of fees for roadside grazing permits and the freezing of yard fees at the Gippsland Regional Livestock Exchange.

We understand that only rain will end the drought. Until that happens, we will continue to support our rural sector as much as we can and continue to push the state government to provide more direct financial support where it is desperately needed.

Aside from the drought, we celebrated the official opening of Gippsland Regional Sports Complex (GRSC) Stage 2A, which was a \$3.6 million project to build a national standard synthetic hockey field that services our entire region. The field and fully accessible pavilion is now home to the Maffra, Sale and Wellington hockey clubs and has become a very well utilised part of the GRSC sporting precinct.

Our Baldwin Recreation Reserve was given a \$600,000 make-over to bring it up to modern standards, including new female changerooms, umpire changerooms and public amenities to cater for the growing female participation at Sale United Soccer Club.

We also saw considerable works in the main streets of Rosedale and Stratford, with new streetscapes, landscaping and general beautification and safety upgrades to make entering these two towns more pleasant.

A \$6 million project to extend the main runway and lighting upgrade at the West Sale Airport was also completed. This project has enabled the West Sale Airport to become the centre for aviation training in Gippsland, with the facility to be utilised by the RAAF Air Academy and Federation Training.

We also took the time to recognise our outstanding Wellington residents at different events throughout the year. I was thrilled to recognise the efforts of locals Laurie Smyth and Tilly Korbman in their local communities, by awarding them the Wellington Shire Citizen of the Year and Wellington Young

Citizen of the Year respectively, as part of our Australia Day celebrations. Both Laurie and Tilly's dedication to community service is to be admired and aspired to.

In closing can I take this opportunity to acknowledge the absolute privilege to have served as Mayor over this last year and importantly to acknowledge my councillor colleagues, the CEO, and indeed all members of the Wellington Shire team who, with professional respect and dedication make my job easy

And most importantly, thank you to all of you throughout our very large shire, that is the heart of Gippsland. It is you who continue to amaze me with your commitment to one another and to your communities. It is this community spirit that sets Wellington apart.

Regards

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a long horizontal stroke.

Cr Alan Hall

Mayor

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 Performance to Budget

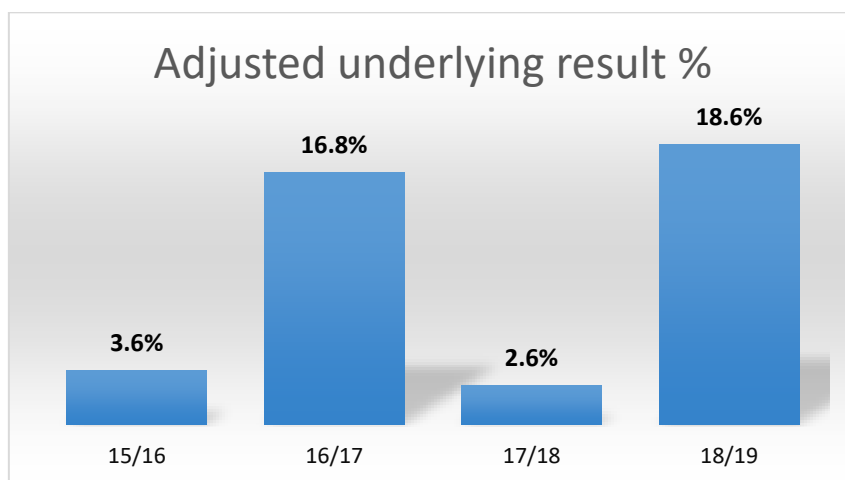
Council finished the year with a surplus of \$33.68 million (excludes asset revaluation decreases), against a budgeted surplus of \$9.86 million, a variance surplus of \$23.81 million.

The following major factors influenced this result:

- Final invoices for the Port of Sale Redevelopment project of \$2.2 million for the work completed in 2017/18.
- The conclusion of the current five-year Roads to Recovery program has resulted in an additional \$1.9 million being received.
- Council received fifty percent of its 2019/20 Victoria Grants Commission (VGC) allocation of \$7.4 million and \$4.5 million associated with the Gippsland Shared Services initiative in June 2019, which will be carried forward into FY 2019/20.
- New operating grant funding was received including \$0.7 million for drought community resilience and support programs and \$0.2 million for Stratford Recreation Reserve. Council also received additional 2018/19 VGC allocation of \$0.8 million.
- Delays in the commencement of major operating projects, including Sale Memorial Hall of \$0.6 million and Gippsland Shared Services initiative of \$0.6 million until 2019/20 resulting in 2018/19 underspends.
- Savings in employee costs of \$1.23 million resulting from staff vacancies; and a lower than expected 2018/19 annual WorkCover premium.

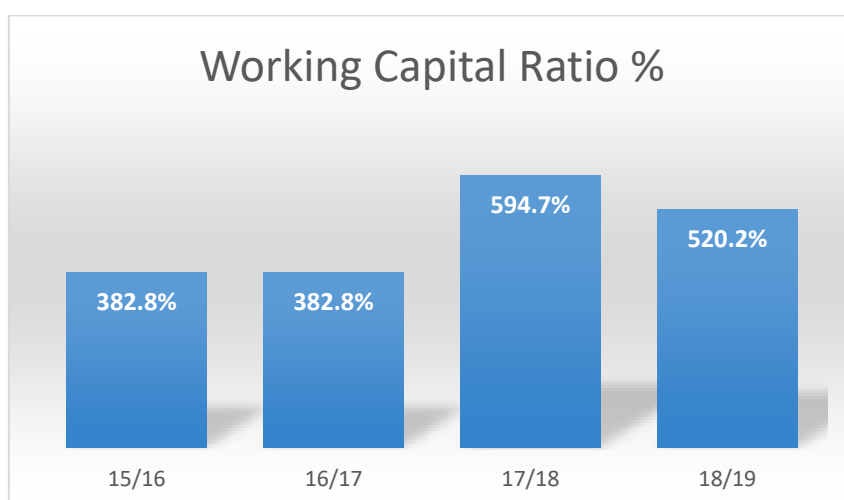
2.2.2 Adjusted Underlying Result

The adjusted underlying result, pictured 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 18.6% is impacted by the advance payment of 2019/20 financial assistance grants and other major operating grants received in 2018/19. Excluding this advance funding, the adjusted underlying result is 7.72% which is still in the acceptable ranges (20%) to 20%. Achieving an underlying surplus is a critical financial strategy that provides capacity to renew Council's assets, and this is an ongoing challenge for councils with an extensive road network and lower populations than metropolitan councils.



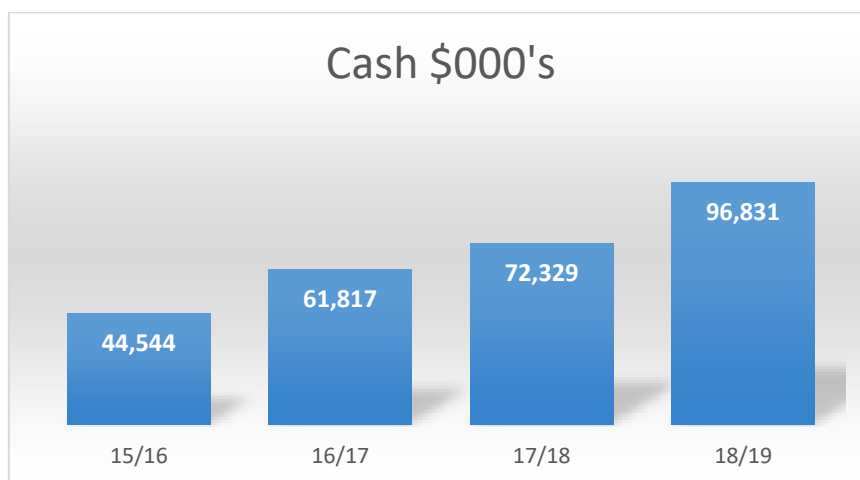
2.2.3 Liquidity

Working capital at the end of the year was \$85.5 million or 520.2%, which is well above Council's budgeted position of 298.5%. 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 520.2% reflects our strong financial position and is well above the expected target band of between 120% and 200%. Ignoring cash, which is restricted for specific purposes and the ratio reduces to 348.1%.



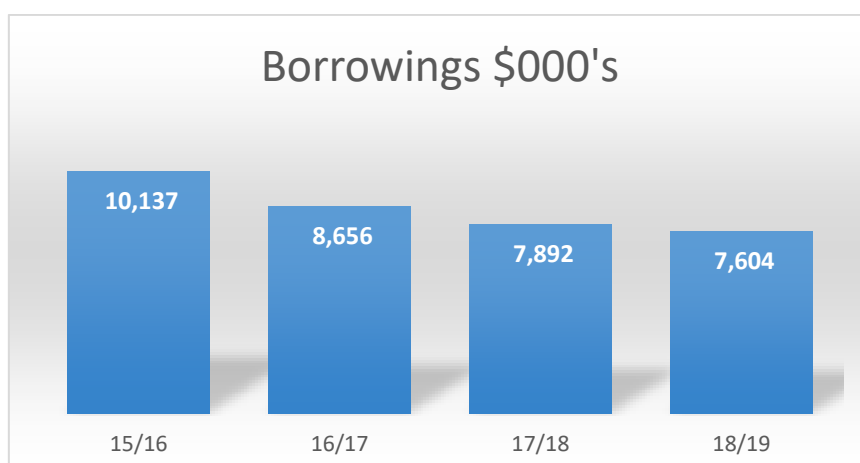
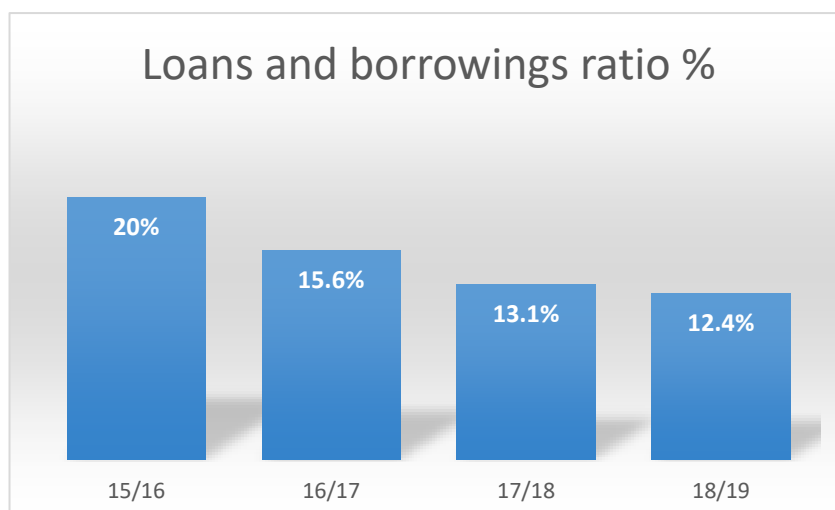
2.2.4 Cash

Council's cash including term deposits greater than 90 days' maturity (classified as other financial assets) finished at \$96.8 million against a budget of \$65.1 million, with \$35.0 million reserved for specific purposes in future years including completion of carried forward capital works, major operating projects, the Wellington coast subdivision strategy voluntary assistance scheme and future waste infrastructure projects.



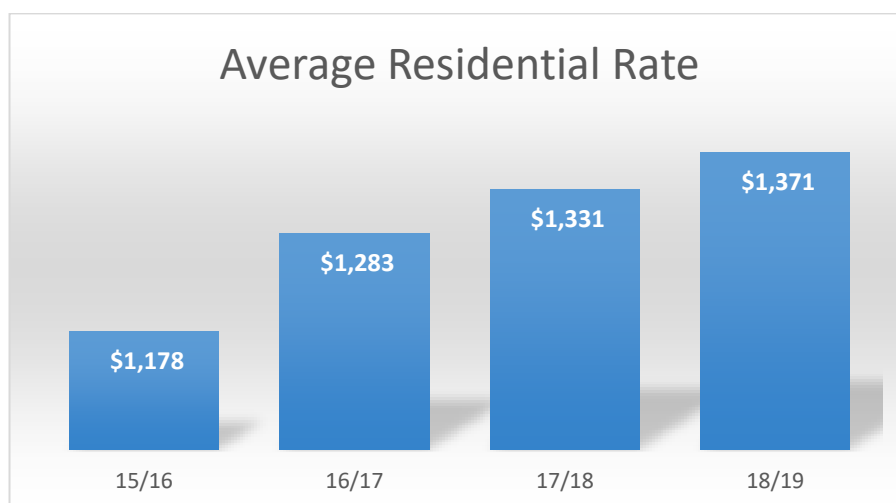
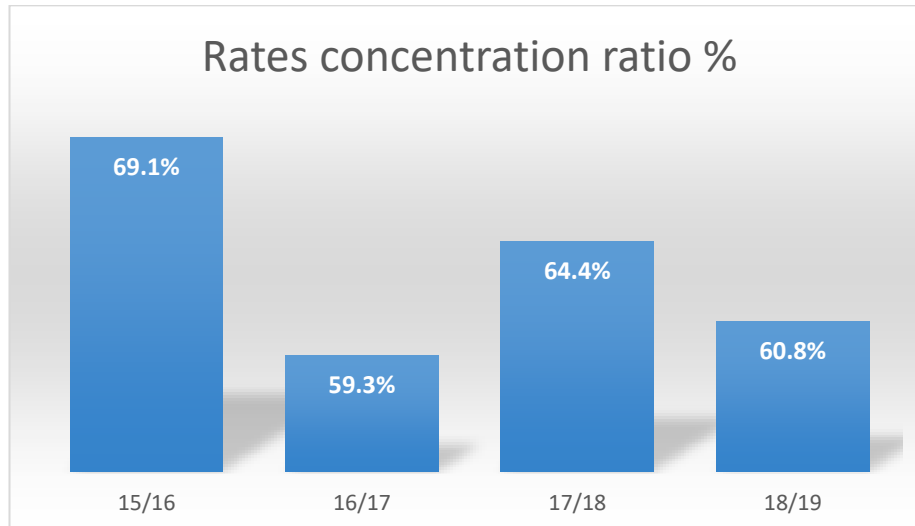
2.2.5 Obligations

During the 2018/19 year \$0.3 million of existing debt was repaid. At the end of the year, Council's debt ratio was 12.4% 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 \$5.0 million to partly fund the Maffra CBD streetscape development, Cameron Sporting Complex, street construction schemes and Sale Tennis Club redevelopment were deferred to 2019/20.



2.2.6 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 60.8% for the 2018/19 year. Council has focussed on controlling costs and for the 2018/19 year, this resulted in an average residential rate per residential assessment of \$1,371.08 an increase of \$0.78 per week on the prior year.

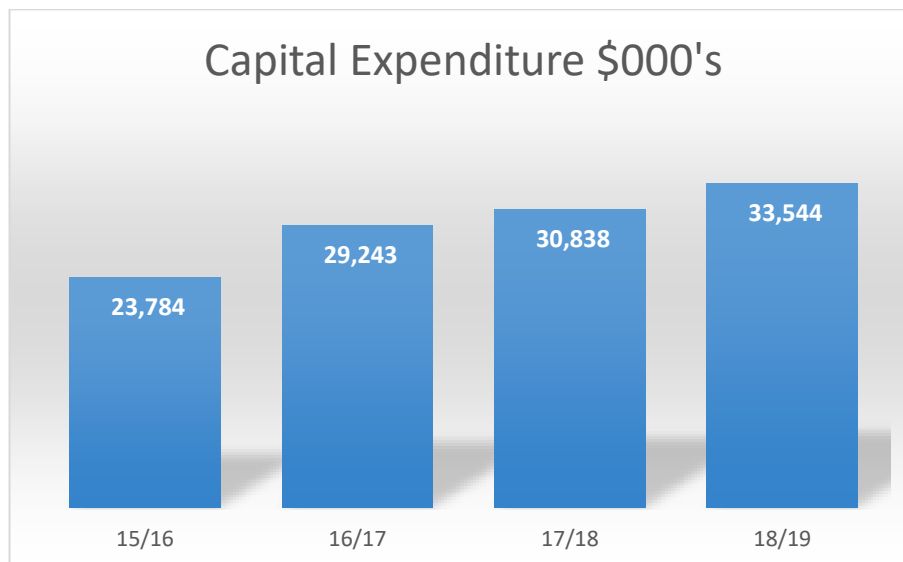


2.2.7 Capital Expenditure

During the year, the Council spent \$33.5 million on capital works. Council invested \$13.9 million on improving roads, bridges, and footpaths, including \$3.6 million to reseal and asphalt rural and urban roads.

Projects completed during the year include West Sale Aerodrome runway extension, Rosedale civil redevelopment (completion of the redevelopment of Willow park), the Gippsland Regional Sports Complex Stage 2A, Glebe Woondella shared path (boardwalk/bridge and lighting) and final works on the Boodyarn, Napier and Toms Cap bridges.

A further \$3.6 million was spent on our parks, gardens, and streetscapes around the Shire.



2.3 Description of Operations

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

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our 2017-21 Council Plan and the associated Budget 2018/19 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

West Sale Airport Runway Extension

The \$6M runway extension project at West Sale Airport was completed, further strengthening Wellington's aviation capability. Runway 09/27 was lengthened to 1800 metres which included pavement rehabilitation, drainage improvements and lighting. A total of 56,000m² of high specification asphalt was used in the final runway surfacing. State Government contributed \$5 million for the project which brings the facility up to the standard required for RAAF Air Academy to use the facilities as part of the new Pilot Training System.

Gippsland Regional Sports Complex – Stage 2A

This \$3.6 million development was completed at the Gippsland Regional Sports Complex providing the community with a national-standard synthetic hockey field and universally accessible pavilion that is now the home for Maffra, Sale and Wellington Hockey Clubs.

In addition to providing the community access to an elite hockey facility, the synthetic field enables broad programming of social activities conducted by the Gippsland Regional Sports Complex including social hockey, small fielded soccer and modified football. The facility was officially opened on 30 October 2018 and has already seen significant usage with growth in both traditional and social formats of hockey.

Council received \$650,000 funding from the Victorian Government's Community Sports Infrastructure Fund, \$600,000 from the Australian Government's Building Stronger Regions Fund and \$50,000 from the hockey community.

Baldwin Recreation Reserve – Changeroom Redevelopment

This \$600,000 project provided equitable access for all users to change room infrastructure at the Baldwin Recreation Reserve, the home of the Sale United Football Club. The project resulted in construction of two new changerooms and first aid room and refurbishment of existing changerooms, umpire changerooms and public amenities.

Council received \$100,000 funding from the Victorian Government's Female Friendly Facility Fund as well as a contribution of \$50,000 from the Sale United Football Club.

Maffra Recreation Reserve Drainage

This \$468,590 project delivered drainage upgrades to the main oval, new oval fencing and improved pedestrian accessibility across the Maffra Recreation Reserve.

Council received \$100,000 funding from the Victorian Government's Country Football Netball Program as well as a contribution of \$50,000 from the Maffra Recreation Reserve Committee of Management.

Yarram Recreation Reserve Lighting Upgrade

This \$247,641 project delivered sustainable match standard lighting to the Yarram Recreation Reserve through the provision of 100 lux LED lighting. An audit of the existing lighting infrastructure identified that the current provision was well below the Australian Football League guidelines.

Council received \$100,000 funding from the Victorian Government's Country Football Netball Program and \$50,000 from the Yarram Recreation Reserve Committee of Management.

Community Managed Places Projects

Council received a total of \$1.8 million (in addition to \$450,000 already received in 2017/18 for Cowwarr Recreation Reserve) for the delivery of sporting infrastructure upgrades at Gordon Street Recreation Reserve and Gormandale Recreation Reserve.

Gormandale Recreation Reserve: Main oval and netball court LED lighting upgrades providing 100 lux competition lighting to both facilities.

Gordon Street Recreation Reserve: Cricket net redevelopment, main oval LED Lighting upgrades providing 100 lux competition lighting, netball court redevelopment that included reconstruction of the existing netball court and construction of a new court with 100 lux LED lighting.

Kilmany Landfill Cell Construction

Construction of a new landfill cell which allows for 100,000 m³ of waste was completed at Kilmany landfill. Project cost was over \$2.1 million and aimed at protecting groundwater and stormwater from leachate out of the landfill itself.

Aqua Energy - Cardio Equipment Upgrade

This project was the second phase of a planned upgrade and replacement of old and outdated, unreliable cardiovascular training equipment. Installed in the Aqua Energy gym, this equipment

meets the current and future needs of gym users and members from ages 13 to 90. This project was fully funded by Council rates of \$98,000.

Aqua Energy and Gippsland Regional Sports Complex - PV Solar Installation and LED lighting renewal

PV solar panels were installed to reduce reliance on purchased electrical power and reduce overall energy usage at Aqua Energy and Gippsland Regional Sports Complex. Aqua Energy is also undertaking a rolling program to upgrade facility lighting and reduce overall energy usage. This supports the program to reduce energy usage by 5% per year over 5 years. This project was fully funded by Council rates of \$91,000.

The Wedge Theatre Improvements

Theatre improvements including replacement of hand-winches, rostra platforms and moving head lighting fixtures. This project expanded our theatre capabilities to keep up with the touring professional shows, local schools and amateur companies' requirements. The project was fully funded by Council rates \$51,800.

Audience and User Enhancements at The Wedge

This project resolved problems with the previous hearing augmentation system at the auditorium. The new system better utilises the capacity of modern hearing aids as well as assisting a wider range of patron's hearing requirements. It is able to be upgraded and expanded in the future to other rooms and areas if required. The upgraded audio-visual system allowed the centre to continue to accommodate clients with their presentation display requirements. Replacement of the previous event and venue bookings software better suits the business needs by offering better reports, customer relationship management systems, a more user-friendly interface, and the ability to offer tailored packages to better suit the needs of clients. This project was fully funded by Council rates of \$38,300.

Rosedale Civic Renewal project including the redevelopment of Willow Park

The \$1.56 million redevelopment included new streetscape in Prince Street including new footpath, kerb, drainage, line-marking and planting. The project also included a shared pathway between the town and Willow Park which is a well-known and designated RV (Recreational Vehicle) stop-over point. Works included sealing of Maloney Grove which is the access road into Willow Park; along with the building of a new toilet block and shelter and associated landscaping and vegetation works at Willow Park.

Wellington Shire Council funded more than \$560,000 and managed the project, with funding of \$1 million from the Federal Department of Infrastructure, Regional Development and Cities.

Gippsland Regional Sports Complex Floor upgrades

Synthetic playing surface on the four indoor sports courts was replaced with a sprung timber sports floor which will be rated to a minimum of International Basketball Federation (FIBA) Level 2 certification. Project was completed thanks to \$500,000 of funding from the John Leslie Foundation and \$335,000 from Wellington Shire Council.

Stratford Streetscape renewal project

Streetscape works to beautify Stratford main street were completed with a \$1.1 million project, fully funded by council revenue. Footpath, kerb and channel were replaced on Tyers Street Stratford between Raymond and Dixon streets and landscaping works were completed by councils' Park Services team.

Dundas Street, Sale upgrade project

Dundas Street South Special Charge Scheme between Cunninghame and Macarthur Streets in Sale was completed. Road section was fully constructed with underground drainage providing significant improvement for property owners and residents. This area formerly had unsealed road shoulders and unformed verges with open drains.

Merry Street, Maffra upgrade project

A section of Merry Street, west of Powerscourt Street in Maffra was upgraded as part of the Residential Road and Street Construction Program based on Special Charge Schemes.

Glebe/ Woondella Shared Path project

Final stage of this project was completed including the construction of a pedestrian bridge across Flooding Creek and lighting along the shared path. This multi-stage project connects new housing estates of the Glebe and Woondella in Sale to the Central Business District via a shared path.

2.3.2 Major Changes

- Cessation of Victorian Government funding of the Rural Access Program as part of National Disability Insurance Scheme roll out.
- Increase in staffing for delivery of funded capital projects and forward capital project planning in response to high level of external funding availability of large program of capital works projects for delivery.
- New and increased requirements for pool water supervision recommended by recent coroner's inquiry and resulting introduction of new rostering and 'Watch Around Water' campaign at Aqua Energy and seasonal pools.
- Introduction of personal training service at Aqua Energy and accreditation of Aqua Energy as a registered provider of personal training services under the National Disability Insurance Scheme.
- Extension of formal and social sports programming at Gippsland Regional Sports Complex, including the introduction of programs for young children, in response to completion of outdoor synthetic hockey pitch and pavilion and new 'sprung' timber floor in the stadium as a result of changing standards for sporting facilities.
- Introduction of direct debit payment method for Leisure Services memberships and Learn to Swim programs in response to customer requests for more affordable methods of payment resulting in significant increase in Learn to Swim enrolments.
- Cessation of the state libraries' Swift consortium to be replaced by a new resource-sharing consortium operating under the auspice of Public Libraries Victoria and subsequent changes to Wellington Libraries' processes.
- Significant increase in patronage in the first 18 months of operation of the Port of Sale Wellington Centre and resulting increased staffing for its operation.
- Introduction of The Wedge performing arts centre ticket sales from Council's Yarram Service Centre to improve accessibility of the performing arts in response to community suggestion and

popularity of theatre productions in more rural areas such as Opera Australia's performance of Madame Butterfly at Yarram's Regent Theatre.

- Restructure of Council's alternative structure during times of emergencies as a result of debriefing after deployment of Council's emergency management systems, processes and structure during the Summer 2019 bushfires at Rosedale, Walhalla and Licola/Dargo.

2.3.3 Major Achievements

- The Port of Sale Wellington Centre reached its one-year anniversary on 6 January 2019 recording a total of 203,993 visitors since opening including 41,208 visitors to the Gippsland Art Gallery.
- Transitioning into SES land management model including transfer of State Emergency Services building leases for Yarram, Maffra, Rosedale and Sale from Council leases to state government leases.
- Secured \$5.8 million from state and federal government for sporting facilities' capital redevelopment projects – Cameron Sporting Complex Stadium redevelopment; Stephenson's Park Changeroom redevelopment; Stratford Recreation Reserve Changeroom redevelopment; Pine Lodge Stratford Tennis Court redevelopment; and Briagolong Recreation Reserve Pavilion redevelopment.
- Completion of community consultation process for 'A Warmer Pool for Yarram' project resulting in an agreed project scope and concept and combined Council and community funding attraction advocacy.
- Delivery of comprehensive maintenance audit of all community management facilities providing data for informed decision-making by committees and Council regarding maintenance, capital works development and resourcing.
- Adoption of the Urban Paths Plan 2018 and Age-Friendly Community Strategy after extensive community consultation and research processes.
- Capital projects completed - Baldwin Recreation Reserve Female Friendly changerooms with positive growth in female participation achieved; Gordon Street Recreation Reserve – Cricket nets and oval lighting; Yarram Recreation Reserve Oval Lighting; Gormandale Recreation Reserve Oval and netball lighting; Maffra Recreation Reserve Drainage; GRSC Stage 2A sub regional synthetic field.
- Seaspray beach matting in place for the summer beach season for 2019/20 enabling, for the first time, those using mobility devices to access the water not just the beach.
- Wellington Access and Inclusion Advisory Group (WAIAG) moved positively into a more independently functioning group in preparation for the withdrawal of Rural Access funding at 31 December 2019.
- Highly successful Colours of the World – Colour Run event delivered by Council-supported youth groups in March 2019 for Harmony Week with more than 300 young people participating.

- Two Q&A sessions delivered by Wellington Shire Youth Council in October 2018 and May 2019 with election candidates prior to the state and federal government elections. From these sessions young people reported that they are more informed about who to vote for and candidates report feeling more cognisant of issues that are important to young people.
- A 'Meet the Makers' market was held on 5 December 2018 at the Port of Sale Wellington Centre with 583 visitors entering the building between 3.00 – 7.00 pm, and a total of 1,167 visitors for the whole day (compared to the usual 300-400 visitors), providing a platform for local artisans, creatives and small businesses to sell their wares and contributing to business development in Wellington.
- The Wedge hosted the bi-annual 'Esso Night at the Opera' on 6 December 2018 with a full house audience enjoying the show and a post-performance reception. A partnership between Esso, Opera Australia, Orchestra Victoria and Wellington Shire Council, this free community concert provided a wonderful opportunity for our community to experience first class opera locally. Opera Australia also staged Madame Butterfly at Yarram's Regent Theatre to an audience of over 400 people, further expanding the reach of performing arts into the shire's rural communities.
- Hosted by Kilmany Park Mansion, The Wedge presented the Australian Shakespeare Company's performance of Romeo and Juliet with 390 patrons attending on a windy night on the lawn of the beautiful, historic mansion.
- The first of three Jane Austen-themed events at Wellington Shire Libraries for 2019, 'Dining with Jane', was held in Yarram's Regent Theatre on 17 April 2019 which doubled as the library's annual participation in the local Tarra Festival.
- Following the Victorian Government announcement to establish a new \$25 million TAFE campus in Sale, Council has worked closely with TAFE Gippsland to ensure the needs of the community and industry are considered when preparing a new campus. Council has briefed TAFE on how the new campus can integrate into the broader Port of Sale precinct. Council has also partnered with TAFE Gippsland, Gippsland East Local Learning and Employment Network and Nexus Mutual to establish a Higher Education Study Hub in Sale to support local university students.
- Amendment C103 applies to 55 hectares of rural land immediately adjacent to the West Sale Airport. The amendment facilitates the future industrial use and development of the land. Following the completion of required statutory processes, the amendment was adopted by Council on 18 June 2019 as the next stage of activating this important economic precinct.
- The North Sale Development Plan (Development Plan) facilitates the coordinated and integrated urban growth of 294 hectares of land to the north of Sale over the next 15 – 20 years. While the Development Plan was previously adopted by Council, the final stage of the project, being the Infrastructure Contributions Mechanism is currently being finalised to support future implementation of the Development Plan.
- New Residential Road and Street Construction Plan was developed to provide an opportunity for both Council and residents to upgrade urban streets via a special charge scheme.

2.3.4 Economic Factors

Ongoing severe drought conditions had a significant impact on local economy causing financial challenges to Council during the 2018/19 year.

RAAF Base East Sale continued to expand during the year and the influx of personnel and their families balanced the negative impacts of the drought on the local economy to some degree.

3.0 Our Council

3.1 Municipality Profile

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

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

Wellington Shire provides the finest and best aspects of regional Victorian living from its kilometre upon kilometre of pristine coastline, dramatic vistas of the Victorian High Country, rich irrigated grazing and cropping land and internationally significant rainforest National Parks. 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 excellent public facilities for sports, health and regional shopping centres. The new Port of Sale precinct in Sale combines arts and culture with the Gippsland Art Gallery, Sale Library, community spaces and The Wedge performing arts centre. Outstanding sporting and health facilities including Aqua Energy and the Gippsland Regional Sports Complex are important, along with plentiful education options including outstanding public and private schools, TAFE campuses with a wide range of programs.

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. It is also soon to become a leading facility for aviation education with a recent runway extension and lighting upgrade providing the required standard for use by RAAF Air Academy for its new Pilot Training System, along with the Federation Training for its avionics training.

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. Esso Australia's Longford plant, 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).

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



Cr Alan Hall (Mayor)

Coastal Ward

Terms Elected: 2016

0476 000 159

alanh@wellington.vic.gov.au



Cr Malcolm Hole (Deputy Mayor)

Northern Ward

Terms Elected: 2000, 2003, 2005, 2008, 2012, 2016

0408 541 746

malcolmh@wellington.vic.gov.au



Cr Carolyn Crossley

Northern Ward

Terms Elected: 2012, 2016

0409 495 833

carolync@wellington.vic.gov.au



Cr Carmel Ripper

Northern Ward

Terms Elected: 2016

0418 875 523

carmelr@wellington.vic.gov.au



Cr Gayle Maher

Coastal Ward

Terms Elected: 2016

0476 000 162

gaylem@wellington.vic.gov.au



Cr Garry Stephens

Coastal Ward

Terms Elected: 2016

0476 000 157

garrys@wellington.vic.gov.au



Cr Ian Bye

Central Ward

Terms Elected: 2016

0476 000 146

ianb@wellington.vic.gov.au



Cr Darren McCubbin

Central Ward

Terms Elected: 2003, 2005, 2008, 2012, 2016

0458 006 486

darrenm@wellington.vic.gov.au



Cr Scott Rossetti

Central Ward

Terms Elected: 2008, 2012, 2016

0419 366 686

scottr@wellington.vic.gov.au

4.0 Our People

4.1 Organisational Structure

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



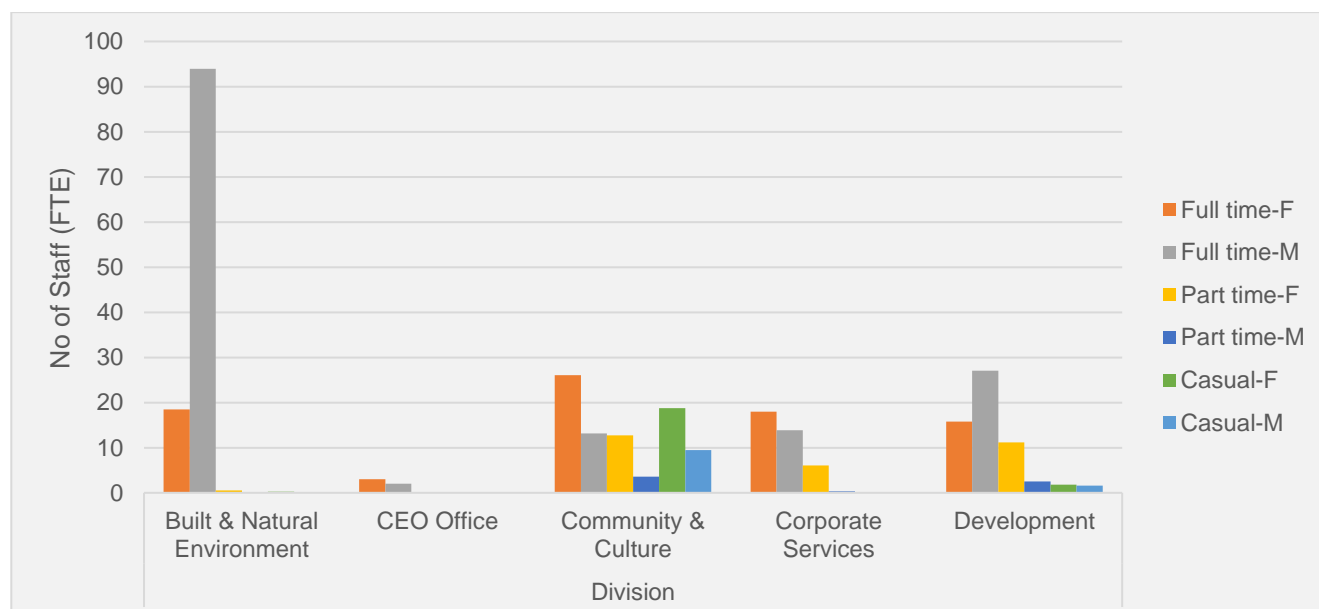
4.2 Senior Officers

As at 30 June 2019, senior officers as designated by the *Local Government Act, 1989* were David Morcom, Arthur Skipitaris, Chris Hastie, Sharon Houlihan, John Websdale, Phillip Phillipou and Ian Carroll.

4.3 Council Staff

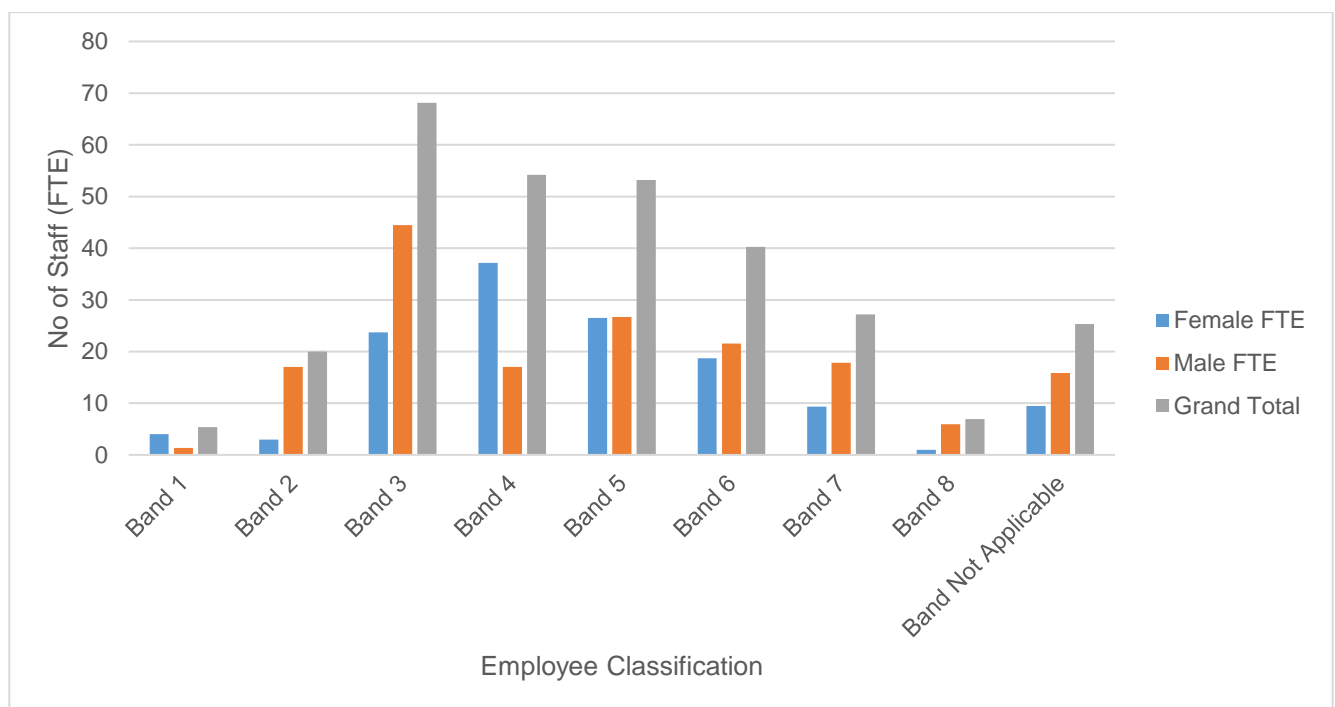
A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender

Division	Status	Gender		Total
		F	M	
CEO Unit	Full Time	3.00	2.00	5.00
Built & Natural Environment	Full Time	18.47	93.97	112.44
	Part Time	0.56	-	0.56
	Casual	0.26	-	0.26
Community & Culture	Full Time	26.09	13.16	39.25
	Part Time	12.74	3.62	16.36
	Casual	18.77	9.50	28.27
Corporate Services	Full Time	18.01	13.90	31.91
	Part Time	6.10	0.33	6.43
Development	Full Time	15.79	27.08	42.88
	Part Time	11.20	2.49	13.69
	Casual	1.82	1.63	3.45
Grand Total		132.81	167.69	300.50



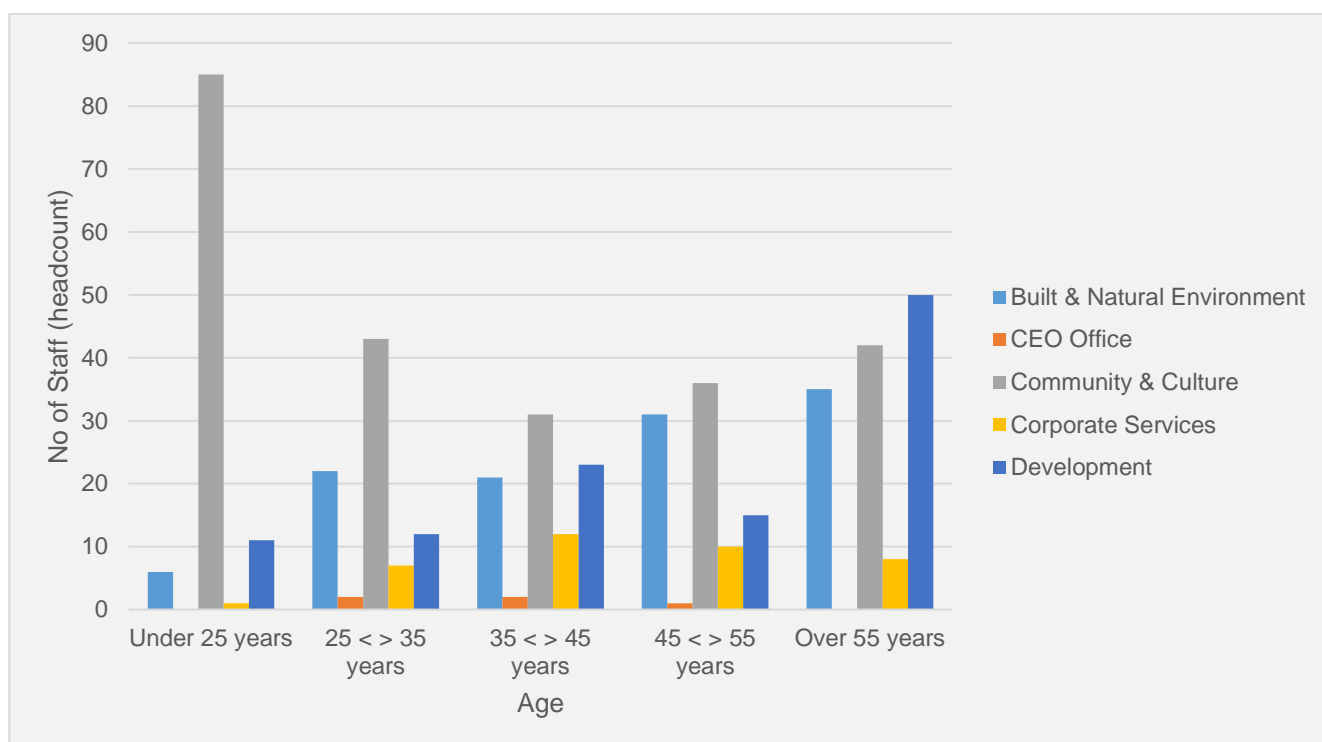
A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender

Employee Classification	Female FTE	Male FTE	Total FTE
Band 1	4.00	1.38	5.38
Band 2	2.95	17.04	19.99
Band 3	23.70	44.44	68.14
Band 4	37.15	17.02	54.16
Band 5	26.52	26.68	53.20
Band 6	18.70	21.53	40.22
Band 7	9.32	17.84	27.16
Band 8	1.01	5.91	6.92
Band not applicable	9.46	15.86	25.32
Total	132.81	167.69	300.50



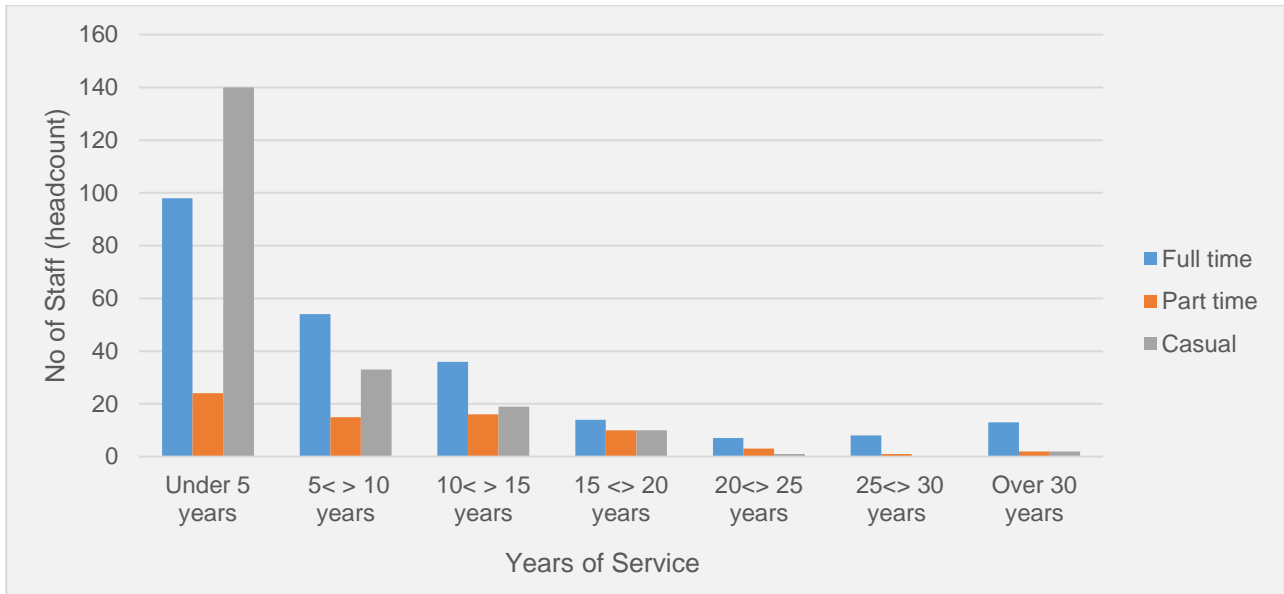
A summary of age spread of staff by headcount

	25 & Under	25<>35	35<>45	45<>55	55+
Built & Natural Environment	6	22	21	31	35
CEO	-	2	2	1	-
Community & Culture	85	43	31	36	42
Corporate Services	1	7	12	10	8
Development	11	12	23	15	50
Total	103	86	89	93	135



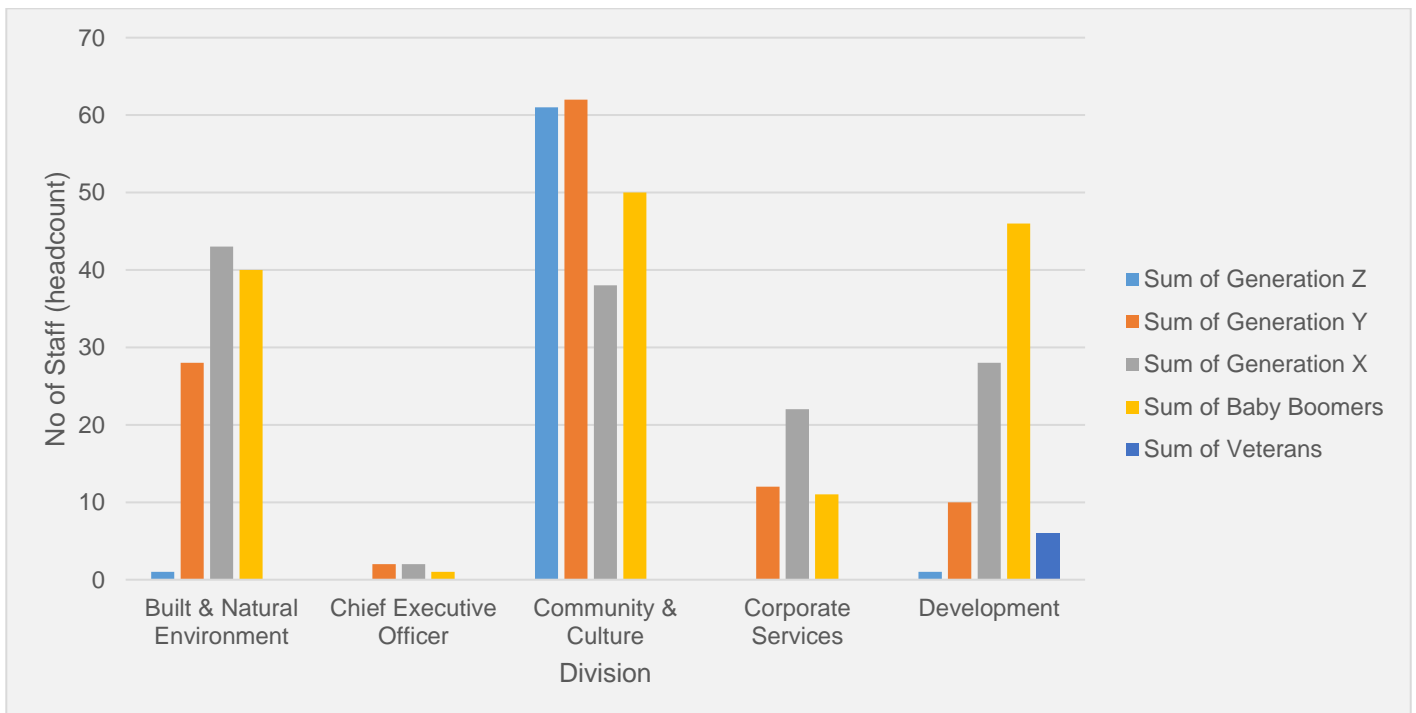
Years of service summary by headcount

	5 & under	between 5 & 10	between 10 & 15	between 15 & 20	between 20 & 25	between 25 & 30	Greater than 30
Full Time	98	54	36	14	7	8	13
Part Time	24	15	16	10	3	1	2
Casual	140	33	19	10	1	-	2
Total	262	102	71	34	11	9	17



Our workforce by generation

	Gen Z (born 1995 onwards)	Gen Y (born 1981- 1994)	Gen X (born 1965- 1980)	Baby Boomers (born 1945- 1964)	Veterans (born before 1944)
Built & Natural Environment	4	32	40	39	0
CEO	0	3	1	1	0
Community & Culture	81	60	52	44	0
Corporate Services	1	13	16	8	0
Development	10	25	25	49	2
Total	96	133	134	141	2



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.

Wellington Shire Council has appointed a new Equal Employment Opportunity Committee who will serve for the next three years. The purpose of the committee is to provide a forum for the promotion and discussion of equal employment opportunities, access and inclusion, anti-bullying/harassment, discrimination and human rights matters affecting current and potential employees of Wellington Shire Council. The elected representatives represent a diverse group of individuals from across the organisation and act as contacts for staff wanting to find information about reporting a grievance, or for advice on a workplace issue that breaches Equal Employment Opportunity.

4.5 Our Volunteers

Volunteers are vital to our organisation 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 following table, the economic value of volunteer services provided through council services equated to close to \$2 million for 2018/19. This is excluding the volunteering work offered by numerous service and volunteer organisations during various events, which was uncounted.

Volunteering in Wellington website (www.volunteeringinwellington.com.au) provides information for people looking for volunteer opportunities in Wellington and for community groups and service providers who are looking for volunteers.

Volunteer service	Main duties	Volunteer number	Volunteer hours	Estimated economic value of volunteering per year*
Visitor Information Centre (Sale, Maffra)	Provide customer service, tourism advice, directions, local business information and administration support	14	>127 hours per week	>\$249,169
Art Gallery Guides	Deliver education programs and workshops for kindergarten, primary and secondary schools and community groups	10	>19 hours per week	>\$37,277
Friends of Sale Botanic Gardens	<ul style="list-style-type: none"> Attend monthly gardening day in Sale Botanic Gardens Parks Week 2019 – Sale Botanical Gardens, Teddy Bears Picnic 	9 12	>25 hours per month 20 hours per year	>\$12,074
Wellington Shire Council Community Committees	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.	800+	>3,200 hours per month	>\$1,448,832
Wellington Bike Education Project	Provide training and assistance to schools to run the Bike Education project which is funded by TAC and VicRoads.	3	105 hours per year	\$3,962
Community Planning Groups	<ul style="list-style-type: none"> Coordinate development of Community Plan Support Community in implementing Plan Liaise with Shire and other agencies regarding Plan projects Plan and run events, markets and projects as part of the plan 	62	>2,480 hours per year	>\$93,570
Access and Inclusion Advisory Group	<ul style="list-style-type: none"> Assist communication on access and inclusion matters, to and from their local communities, through their contacts and networks. Identify and address access issues via the Access and Inclusion Policy and Action Planning process. Provide access and inclusion expertise and experience during the planning stages of Council projects and policy development. Promote Access and Inclusion throughout Wellington Shire. Act as a reference 	15	>360 hours per year	>\$13,583

	group for the Rural Access position located at Wellington Shire Council.			
Wellington Shire Youth groups:	<ul style="list-style-type: none"> • Provide opportunities for young people to have their voices heard, to act on issues and advocate for different youth needs. • To be a youth voice for the Council. • To put on events and activities that are inclusive of all young people and to engage them in community life. 	12	>1,872 hours per year	>\$98,173
<ul style="list-style-type: none"> • Youth Council • Propellor FReeZA group 	<ul style="list-style-type: none"> • Provide opportunities for young people to perform and experience music events. 	6 (+up to 10 casual volunteers for events)	>730 hours per year	
L2P Program (Council run program in partnership with Mission Australia)	<ul style="list-style-type: none"> • Support and mentor young people in Wellington Shire to get their probationary license 	30	936 hours per year	\$35,315
Total				>\$1,991,955*

*Using estimated projected gross opportunity cost wage rate for volunteer in 2018 - \$37.73 per hour (Source: Key Facts and Statistics about Volunteering in Victoria, January 2018 Report)

4.6 Other Staff Matters

4.6.1 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 workplace. 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 during the 2018/19 year.

Course	Target Audience	Number of staff
Child Safe Standards	All staff	306
Community Engagement Awareness	All staff	223
Contractor Safety	As needed	36
Fraud and Corruption Awareness	All staff	339

Human Resources	New starters	54
Human Rights	All staff	300
Interview Panellist Training	As needed	49
Occupational Health and Safety Awareness	All staff	75
Prevention of Workplace Bullying and Harassment	All staff	123
Prevention of Workplace Bullying and Harassment - for Managers and Supervisors	Supervisors only	36
Procurement Awareness	All staff	288
Procurement Delegations	Only staff with financial delegations	101
Record Keeping and Privacy	All staff	290

The table below highlights a sample of the instructor led training undertaken as of 30 June 2019:

Course	Target Audience
Prevention of drug and alcohol use in the workplace	All staff
Writing for the web	Human resources staff
Prepare work zone traffic management plan	Outdoor staff as needed
Fire warden training	Emergency wardens
Improving the customer experience	All staff
Speechcraft - Toastmasters	All staff
New Leader Mentoring	New supervisors
Looking after your mates	All staff
Manual handling	All staff in manual handling roles
Dispute settlement	All staff
First Aid & CPR	Designated first aiders
Elevated work platform	Outdoor staff as needed

4.6.2 Staff Recognition

Wellington Staff Achievement Awards Program seeks to recognise individuals who go 'above and beyond' in their roles, or in their service to the community. The Wellington Staff Achievement Awards include recognition at:

- The business unit level
- An annual awards presentation

The nomination categories of:

- Leadership
- Customer Focus
- Relationships
- Innovation

have been developed in line with Council values and staff are encouraged to nominate their peers for going 'above and beyond' in these categories.

Council also recognises employees for their ongoing contribution, commitment and service to the organisation by acknowledging their key service milestones. The following 81 staff members celebrated and received Service Awards for 2018/19 year.

Years of service	Staff members	
>40 years	Jennifer Young	
>35 years	Ricky Renooy	
>30 years	Peter Elston	Sheryl Saynor
>25 years	Phillip Brooks Bruce Jackson	Victor Cassidy Chris Hastie
>20 years	Michele Cowie	Lisa Lyndon
>15 years	Damian Allman Lynette Holmes Philip Medhurst Margaret Goddard Lisa Davey Janelle McLaren	Robyn Dewar Mark Bayly Kerri Brewer Joshua Last Sheryl McHugh Karen Edwards
>10 years	Ray Giddings Kristy Glover Tobias Leeds Ross McWhirter Melissa Glover Rozanne Leah Sharon Macgowan Simon Gregg Catherine Fogarty Pamela Lyndon Diane Devitt	Casey Bishop Mathew Goodwin Wayne Craft Mark Benfield Kerryn Bassett Neil Morrison Brian Gibson Glenda Amos Elizabeth McGuinness Debra Morgan Robyn Kerton
>5 years	Liam Cole Asela Kaluarachchi Jeremy Beatson Amie Stone Lindsay Roberts Melinda Hobbs Sarah Atkinson Melissa Wingate Wyatt Kilgower Sophie Jackson Cassandra Dyce James Christison Max Horvath Michael Kewish Catherine Vassiliou Amelia Taylor Sharon Houlihan Chantal Henderson Damian Norkus	Lucas De Kunder Phillip Phillipou Sharon Smith Sasha Standen Leanne Fountain Barbara Van Ette Kirby-Anne Boyle Rheanna Hammond Ashlyn Weston Jack Goodwin Christopher Pennycuick Dyanne Cox Debra Taylor Scott O'Shanassy John Websdale Benjamin Proctor Jessica Drane Michael Andrews

4.6.3 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 unlimited Family Violence Leave to attend medical appointments, legal proceedings and/or other preventative activities.

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. This year's morning tea, 'Cheese for Change' raised a sum of \$108.55 on behalf of White Ribbon Australia and these funds go to programs promoting respectful relationships and gender equality within the workplace and demonstrate a culture of zero tolerance of violence against women.

4.6.4 Health and Safety

Wellington Shire Council is committed to providing and maintaining a safe work environment, and protecting the health, safety and welfare of staff, labour hire personnel, volunteers, contractors, customers and visitors.

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.

The OHS Strategic Action Plan, which is reviewed annually, was used to monitor progress and identify new or increasing safety issues during the year. Sixty out of 76 strategic tasks in this plan scheduled for 2018/19 were successfully completed.

In 2018/19, several projects and improvements were undertaken to improve Council's OHS functions. These include:

- Developed new OH&S specific Corporate Performance Indicators for Supervisory Roles.
- Integrated Gippsland Regional Livestock Exchange safety systems to align with Council's OH&S vision and current OH&S Management System.
- Reviewed and implemented new volunteer OH&S inductions.
- Implemented revised staff health monitoring program.
- Developed short OH&S awareness courses for supervisory roles.
- Implemented online reoccurring review schedules.
- Reviewed OH&S Committee Terms of Reference to align with new technology advances.
- Investigate cost effectiveness of in field safety programs.
- Completed internal occupational noise sampling.

Below is a small snapshot of some data being closely monitored to proactively identify potential risks and hazards.

Measure	2015/16	2016/17	2017/18	2018/19
WorkCover claims	9	5	10	7
Days lost to WorkCover injury	276	136	187	73
Incidents reported	53	72	60	139
Near misses reported	13	22	14	17
Incidents resulting in injury	30	40	39	33
Worksafe notifiable incidents	6	4	4	2

4.6.5 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 2019/20 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.

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.
- World Mental Health Day: Council promotes World Mental Health day each year to shed a more positive light on mental health issues and initiate an open conversation within the organisation.

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.

4.6.6 Child Safe Standards

As an organisation providing child related services, Wellington Shire Council is committed to creating a culture of child safety and recognises that protecting children and preventing and responding to child abuse is an organisation wide responsibility.

Council is also committed to achieving compliance with the Child Safe Standards, the Reportable Conduct Scheme, recent criminal law reform and other practices to monitor and report child abuse related concerns.

In December 2018, the Child Safe Standards Policy was reviewed and approved by the CEO which applies to all employees, contractors and volunteers. This policy also meets Council's obligations under the *Child Wellbeing and Safety Amendment (Child Safe Standards) Act 2015*.

A total of 306 employees undertook online training on Child Safe Standards during 2018/19 year. All employees, contractors, and volunteers who have direct contact with children are required to have a current Working with Children Check.

4.6.7 Recruitment Trends

As an organisation, it is important to track recruitment statistics to identify market shortfalls and improvements. Wellington Shire Council is a remote rural council, and as such, faces a variety of recruitment constraints including difficulty attracting talent to the area, keeping remuneration competitive and offering competitive employee conditions. Within the next year, Council will be focused on attracting talent through improved media presence and diversifying our applicants to include more culturally diverse applicants and applicants of different ability levels.

- Total number of external recruitment campaigns for the year: 53
- Number of internal recruitment campaigns for the year: 12
- Total number of applications received for external recruitment campaigns: 978
- Employee turnover rate for permanent staff: 11.9%

5.0 Our Performance

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 provide comparative performance data for 2018/19 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).

5.1.2 Community Satisfaction Survey

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

Our 2019 survey results indicated that Wellington Shire Council is performing better than other large rural Councils. Council scored a rating of 63 out of 100 for overall council performance compared to 56 for other large rural councils and 60 state-wide.

The three areas that survey participants highlighted that Council performs particularly well in are, arts centres and libraries, the appearance of our public areas and emergency and disaster management.

Council also scored significantly higher results compared to other large rural councils in the areas of consultation and engagement, lobbying and local streets & footpaths.

The survey results also suggested that Council should make improvements to sealed and unsealed road maintenance and community consultation. 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.

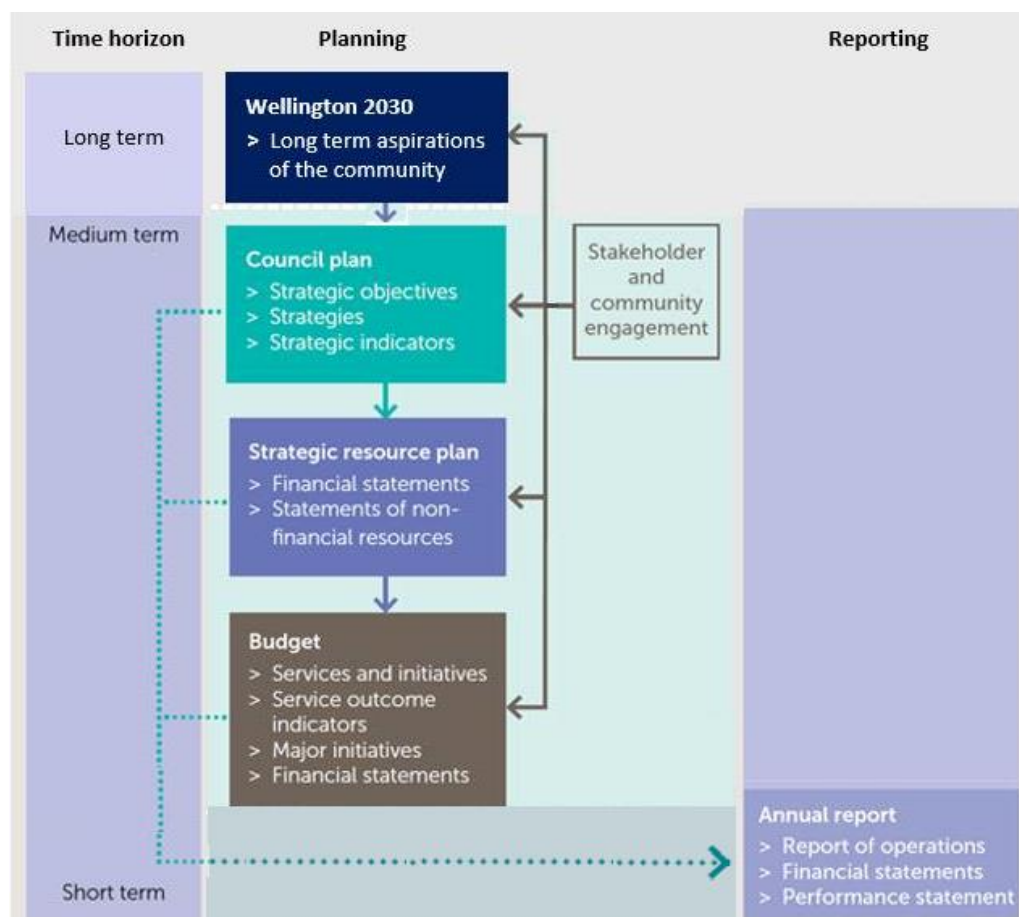
A summary of core Community Satisfaction Survey Results is included below with the detailed report available on Council's website.

Summary of core measures

Performance Measures	Wellington 2019	Wellington 2018	Large Rural 2019	State-wide 2019
Overall Performance	63	64	56	60
Community Consultation (Community consultation and engagement)	57	58	54	56
Advocacy (Lobbying on behalf of the community)	57	57	52	54
Making Community Decisions (Decisions made in the interest of the community)	58	58	52	55
Sealed Local Roads (Condition of sealed local roads)	56	56	47	56
Customer Service	71	73	69	71
Overall Council Direction	53	60	51	53

5.1.3 Reporting against the *Council Plan 2017-21 and Annual Budget 2018/19*

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



Council undertook an extensive community consultation program to review the ‘Wellington 2030-Community vision for the future’ document during 2016. The revised Wellington 2030 was used to develop and guide the key themes and strategic objectives of the new 2017-21 four year Strategic Plan, our Council Plan.

We continued to work throughout 2018/19 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.

Section 5.3 details how we performed during the year towards realising the various strategies identified in 2017-21 Council Plan, major initiatives and initiatives as identified in the 2018/19 Annual Budget and achieving the performance measures and targets related to each.

5.2 Council Plan

The Wellington Shire Council Plan 2017-21 includes six 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 2018/19 budget.

The following includes the six themes and corresponding strategic objectives as detailed in the Wellington Shire Council Plan 2017-21.

Theme	Strategic Objective
Communities We know and support each other and have a strong sense of community belonging. Diversity is respected and there are many social and community activities providing opportunities for all people to interact. We strive for good health, feel safe in our communities and are prepared for natural disasters.	1.1 Maintain friendly, safe communities providing opportunities for residents to lead healthy and active lifestyles. 1.2 Celebrate, recognise and acknowledge our diverse community and improve social connections among youth, aboriginal and aged communities. 1.3 Strengthen community identity by promoting our heritage and history and appreciation for small town rural living. 1.4 Enhance resilience in our towns and our communities.
Services & Infrastructure Wellington has a built environment that is sustainable, appropriate, accessible and responsive to the community. Transport connects people to communities and places. Events and services support our strong communities.	2.1 Council services and infrastructure are responsive to identified current and future community needs within budgeted parameters. 2.2 Council assets are responsibly, socially, economically and sustainably managed. 2.3 Wellington Shire is well planned, considering long term growth and sustainability. 2.4 Continued improvement to Wellington Shire's connectivity with further developed, accessible transport networks.
Natural Environment Wellington's natural environment and landscape is clean, diverse, beautiful, accessible and protected.	3.1 Conserve and protect our natural environment through responsible and sustainable management practices. 3.2 Demonstrate leadership in waste and water management, and energy efficiency. 3.3 Build resilience in our communities and landscapes to mitigate risks from a changing climate.
Lifelong Learning Wellington has a broad choice of local training, education and holistic learning and development options that lead to meaningful employment and personal fulfilment.	4.1 Improve people's access to opportunities to challenge and extend their thinking, promote independence, stimulate ideas, further develop leadership skills and lead meaningful lives. 4.2 Encourage innovation for and in the region.

Economy Wellington has a wealth of diverse industries providing employment opportunities for all. There is growth in the Wellington population and economy which is balanced with the preservation of our natural environment and connected communities.	5.1 Support and develop our existing businesses. 5.2 Use a targeted approach to attract new business investment to Wellington Shire, to support population growth. 5.3 Grow Wellington Shire's visitor economy.
Organisational Wellington is well led, managed and supported by best organisational practices to deliver services and infrastructure to the community. We do this by listening, advocating and responding to their needs.	6.1 Wellington Shire Council is a leader in best practice, innovation, and continuous improvement. 6.2 Community engagement and customer service excellence is central to Council's decision-making process. 6.3 Maintain a well governed, transparent, high performing, ethical and accountable organisation. 6.4 Act and lobby on behalf of the priorities of the community.

5.3 Performance

Council's performance for the 2018/19 year is reported against each theme and strategic objective to demonstrate how Council is performing in achieving the 2017-21 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.

5.3.1 Theme 1 – Communities

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result
Satisfaction with enforcement of Local Laws	Control	64%	66%
Community satisfaction with Emergency and Disaster Management	Influence	74%	74%

Percentage of annual Municipal Health and Wellbeing Action Plan items achieved	Control	>75%	Focused on action planning and negotiation within the Healthy Wellington Partnership on reporting of the Healthy Wellington Action Plan.
Percentage of annual Action Plan items achieved for the Wellington Youth Strategy.	Influence	>75%	80%
Monitor utilisation and diversity of usage of Council's community facilities	Monitor	Monitor numbers	Currently establishing a baseline for participation and usage of community facilities.
Total value of Community Assistance Grants distributed annually	Control	Monitor annual total	Assistance Grants \$242,290 Quick Response Grants \$102,867 Community Newsletter Grants \$8,000

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 budget for the year.

Major Initiatives	Progress	Status
Finalise detailed project brief for refurbishment of aquatic facilities at Aqua Energy.	Investigation of needs and redevelopment options for Council's Aqua Energy aquatic complex has been undertaken and concept plans produced and costed for a series of proposed future projects. The aims of the suite of redevelopment projects are to: address the need for improved access and inclusion; address structural integrity and increase design life of the facility; and modernisation of the facility to meet current community expectations.	Progressing (90%)

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Community Wellbeing	<p>Community Wellbeing Unit provides opportunities for communities to work in partnerships with local government to achieve identified priorities. The unit works to ensure all members of the community have equal opportunity to participate in community activities. Special focus is given to those who have traditionally remained marginalised such as the young, elderly, disabled and transport disadvantaged.</p> <ul style="list-style-type: none"> • Social Policy and Planning • Access and Inclusion • Youth Liaison • Community Engagement 	<p>2,548</p> <p><u>3,545</u></p> <p><u>997</u></p>
Initiatives		
	<ul style="list-style-type: none"> • <i>Report Council achievements in the delivery of the RuralAccess Work Plan and Outcomes for Wellington Shire Council. (Completed)</i> • <i>Implement two recommendations from the Age Friendly Position Statement 2018. (Progressing 10%)</i> 	
Leisure Services	<p>The Leisure Services 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. This Unit ensures Council owned recreation facilities are managed sustainably, are fully utilised and accessible to people of all abilities.</p>	<p>1,049</p> <p><u>738</u></p> <p><u>(311)</u></p>
Initiatives		
	<ul style="list-style-type: none"> • <i>Continue to implement recommendations and actions to support the 5-year work plan to reduce energy consumption by 5% per year at Aqua Energy and Gippsland Regional Sports Complex (Progressing 80%)</i> • <i>Undertake the implementation of a Workforce Management System across all Leisure Services managed facilities. (Progressing 55%)</i> 	
Municipal Services	<p>The Municipal Services Unit works with people to ensure the life, health and safety of the community is maintained through educating and enforcing the Environmental Health (including food safety support programs), Building and Local Laws regulations and animal management services.</p>	<p>996</p> <p><u>1,395</u></p> <p><u>399</u></p>
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>256</p> <p><u>265</u></p> <p><u>9</u></p>

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

Service Indicator/Measure	Result				Comments
	2015/16	2016/17	2017/18	2018/19	
Aquatic Facilities					
Service standard	1.0	1.0	1.0	1.0	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.
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]					
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	1	1	0	The safety and quality of all six aquatic facilities, one indoor all year and five outdoor seasonal, has been maintained throughout the year with no Worksafe reportable safety incidents occurring during this period.
Service cost					During 2018/19, Wellington Shire Council's only indoor aquatic, all-year facility in Sale (Aqua Energy) operated at a cost to Council of \$1,021,406 and recorded 228,689 visitors. This resulted in an average cost per visitation of \$4.47. The slight increase in subsidy per visit is attributable to additional maintenance works carried out at Aqua Energy.
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$5.16	\$4.84	\$4.32	\$4.47	
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$16.16	\$21.41	\$17.54	\$21.41	An increase in the number of operating days with temperatures over 25 degrees compared to previous year, and the subsequent requirement for additional pool lifeguard coverage, contributed to the increase in the cost of outdoor pools operations in Wellington Shire in season 2018/19.
Utilisation					The combined number of visits recorded at Council's indoor and outdoor aquatic facilities during 2018/19 was 251,892. This equates to an average of over 5.7 aquatic facility visits, per Wellington Shire resident,
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.75	5.01	5.57	5.72	

for the year. Improvements in promotion and advertising including a dedicated Aqua Energy website, improved Facebook profile have contributed to the steady increase in utilisation during last four years.

Food Safety

Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	1.00	4.50	Council only received eight food complaints in 2018. Even though Council endeavours to action all food complaints within one day, there were two instances where this service level was breached resulting in a significantly skewed result for the year.
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act, 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	94.0%	90.8%	84.5%	70.1%	Council recognises the importance of food safety and aims to provide an annual assessment of every registered food premises at least once during a year. During 2018 calendar year, Environmental Health team completed 70% of assessments of registered food premises. Staff attention was focused on high risk, high volume premises and businesses that have performed poorly in the past. Whilst figures are lower than the previous year, council will endeavour to improve its assessment processes using new and improved technology.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act, 1984</i>]	\$397	\$367	\$402	\$352	Direct cost of Council's food safety program per all registered and notifiable food premises is \$352. Cost decrease is mainly due to improved reporting of Temporary and Mobile premises accounts and consequent increase in number of food premises.
Health and safety <i>Critical and major non-compliance outcome</i>	100%	100%	57%	94%	During 2018 calendar year, Council recorded a total of thirty four critical and major non-compliance

<i>notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100					notifications for food premises and followed up thirty two of these which is a significant improvement from last year.
Animal Management					
Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.5	1.3	1.4	1.3	Local Laws officers responded to 1192 domestic animal management requests during the reporting period, with an average initial response time of 1.3 days. Animal management requests range from lost, wandering or nuisance pets to barking dogs, animal welfare concerns, dog attacks, reports of dangerous or menacing dogs and reports of illegal pet breeding activities.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	66%	58%	56%	68%	The reclaim rate for domestic animals collected by Council is currently 68%, however the collection/removal of feral cats from the environment is also included in this data and as such has reduced the reclaim rate from 74%. 67 feral cats were removed from the natural environment during the reporting period. Unclaimed animals are placed into the care of Victorian Animal Aid Trust and, if suitable, rehomed through their pet adoption program.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$50.09	\$57.65	\$56.26	\$65.83	Animal management costs have increased over the reporting period to \$65.83 per animal. The increase can be attributed to increased compliance and enforcement activities, particularly in the area of domestic animal businesses due to recent legislative changes.

					Animal registration fees are adjusted to reflect cost recovery. By doing so, the general ratepayers who may not own pets are protected from the financial impact of the increased activities.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	4	17	10	5	Wellington Shire Council undertook 5 direct animal management prosecutions during 2018/19. Of note was one illegal dog breeding prosecution involving 155 charges against the <i>Prevention of Cruelty to Animals Act</i> and <i>Domestic Animals Act</i> . The other matters related to serious dog attacks, mainly dog vs dog or dog vs livestock.

5.3.2 Theme 2 – Services & Infrastructure

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result
Community satisfaction with condition of local streets and Footpaths.	Control	55%	59%
Community satisfaction with planning permits	Control	58%	60%
Total annual value of municipal development	Influence	Monitor annual total	Wellington \$122,396,230 Victorian rural average \$4,971,100
Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal	Control	Monitor percentage	2017 Inspection - 99.68% 2019 Inspection – 99.89%

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 budget for the year.

Major Initiatives	Progress	Status
Complete Gippsland Regional Sports Complex Timber Floor Project.	Synthetic playing surface on the four indoor sports courts was replaced with a sprung timber sports floor with positive feedback from stakeholders.	Completed
Complete 1st year scheduled design and civil works for Maffra Streetscape upgrade.	<p>The streetscape works did not progress as expected due to the contractor overcommitting on various projects including the Marley Street project, in Sale. The site has been established and drainage works will commence in July followed by kerb and channel and footpath replacement in the south service road.</p> <p>Designs are being completed to allow the north service road works to be tendered following Gippsland Water replacing the water main along the full service road length.</p>	Progressing (15%)
Finalise design stage and begin civil works for the West Sale Airport Runway Extension Project.	The West Sale Runway extension was opened to air traffic prior to Easter and the pavement grooving occurred in May completing the project.	Completed
Complete a master plan for The Wedge as part of the broader Port of Sale cultural precinct	Community consultation and a needs and demand assessment was completed to investigate better integration of The Wedge performing arts centre into the new Port of Sale precinct addressing broader Gippsland investment in performing arts facilities and identifying potential future redevelopment options for The Wedge.	Progressing (80%)
Undertake a twelve-month review of the Wellington Centre operations (including structure, hours, etc.) with findings to Council prior to 30/6/2019.	An operational review covering the first 12 months of operation of the new Port of Sale Wellington Centre was completed in June. The report provides comparisons with service outcomes delivered during the prior 2017 calendar year and covers financial, procedural, communication, staffing and structures, programming, visitation, hours of operation, access and other factors that affect service delivery and support continuation as a highly functioning community facility.	Completed
Update flood overlay controls and policy in the Planning Scheme to minimise future risk to the community.	Following preparation of required background work and consultation with the West Gippsland Catchment Management Authority, Amendment C99 was presented to Council for consideration at the 18 June 2019 Council meeting. At this meeting, Council resolved to lay the item on the	Ongoing

	table. Further background work will be advanced prior to the matter being reconsidered by Council.	
Secure funding for the upgrade of Cameron Sporting Complex Maffra to ensure the facility meets growing demand.	Significant funding totalling \$4,000,000 from the Victorian Government was secured towards a major redevelopment of the Cameron Sporting Complex in Maffra. Together with the community user groups' combined contribution and Council funding, the total project budget of \$8,490,000 was fully funded during 2018/19 and design works were completed with construction works to commence in the second half of 2019.	Completed
Oversee upgrade of the Sale Memorial Hall.	Detailed design for the Sale Memorial Hall Refurbishment Project was completed early in 2019 and construction works will progress in the first half of the new financial year.	Progressing (60%)
Oversee upgrade of the Sale Tennis Club redevelopment.	The Sale Tennis Club Redevelopment Project design was completed, and construction works commenced late in 2018. The pavilion was completed in June 2019. Stage 1 of court construction works is well underway, (redevelopment of three existing courts and construction of two new courts). Stage 2 of the court construction works will commence in the second half of 2019 (redevelopment of seven existing courts).	Progressing (70%)

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Assets and Projects	The Assets and Projects Business Unit manages a diverse range of services for Council including the implementation and management of capital projects across the organisation in the order of \$28 million to \$46 million per annum: planning for new infrastructure development opportunities and providing asset management and information systems and support.	3,195 <u>3,418</u> <u>223</u>
Initiatives		
<ul style="list-style-type: none"> • <i>Prepare Special Charge Schemes for Council adoption and progress as required. (Ongoing)</i> • <i>Provide engineering input for the development of Strategic Land Use Plans in a timely manner. (Ongoing)</i> 		
Built	The Built Environment Unit manages the maintenance, renewal and	6,446

Environment	improvement of Council's road and boating infrastructure, in addition to various civic facilities and buildings, including roadways, paths, drainage, boat ramps and jetties etc. This includes managing Council's road maintenance teams and ensures that maintenance of Council's road and other infrastructure is performed in a coordinated way to maximise benefits to the community and other users.	<u>9,510</u> <u>3,064</u>
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Initiatives

- *Review the Residential Road and Street Construction Plan, including opportunity for community engagement, and present to Council for consideration. (Completed)*
- *Undertake holistic review of town centre and tourism feature signage for major townships and develop action plan. (Progressing 80%)*
- *Develop an implementation plan for the town entry improvement program and commence the development of initial priorities for Loch Sport, including opportunities for community engagement where appropriate. (Completed)*
- *Progress a review of the Boating Facilities Strategic Plan, including opportunity for community engagement, and present to Council for consideration. (Completed)*

Arts and Culture	The Wedge, as part of the Arts and Culture Unit seeks to assist 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.	726 <u>777</u> <u>51</u>
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Initiatives

- *Undertake an audit of the HVAC system at The Wedge, to identify best patron comfort and environmental savings. (Completed)*
- *Continue to implement recommendations and actions to support the 5-year work plan to reduce energy consumption by 5% per year at The Wedge performing arts centre and the Wellington Centre. (Completed)*

Land Use Planning	The Land Use Planning Unit through our statutory planning and strategic land use planning services, aims to develop and improve forward looking land use planning policies and plans that guide and support sustainable growth and appropriate land use and development. 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.	915 <u>1,121</u> <u>449</u>
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Initiatives

- *Advance the industrial rezoning of land in Wurruk/West Sale to support economic growth. (Completed)*

- *Implement the North Sale Development Plan into the Planning Scheme to support well planned housing growth. (Ongoing)*
- *Facilitate preparation of a development plan for the Wurruk Growth area (subject to a private request) to support well planned housing growth. (Not progressing)*
- *Implement Project 1 and 2 of a Planning Scheme Review (as part of the State Government's Planning in the Economic Growth Zone project) to ensure that the Planning Scheme is up to date/relevant. (Ongoing)*
- *Implement updated noise contour mapping for RAAF Base East Sale (subject to consultation with the Department of Defence) to support the ongoing operation of this airfield. (Ongoing)*

Community	The Community Facility Planning team provides services and	1,473
Facility Planning	functions directed at fostering a healthy, well serviced community with a primary focus on community infrastructure planning, priorities and projects; project funding attraction; management and governance of community facilities and administration of Council's community assistance grants scheme. The team plans for and supports recreation facilities that encourage the community to participate in physical and general wellbeing activities and the development of community infrastructure that addresses community service needs.	<u>1,669</u> <u>196</u>

Initiatives

- *Finalise the tools and data to inform annual reviews of the 10 Year Community Facilities Capital Program, making sure that the program incorporates all community facilities. (Progressing 70%)*
- *Review the logic of the placement of community managed facilities in the Facilities Hierarchy including operating subsidy amounts and make appropriate recommendations for any changes required to be considered by Council. (Completed)*
- *Review the processes, maintenance levels and responsibilities of community-managed facilities (particularly Crown land) and make appropriate recommendations for any changes required to be considered by Council. (Completed)*

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

Service Indicator/Measure		Result				Commentary
	2015/16	2016/17	2017/18	2018/19		
Roads						
Satisfaction of use						In 2018/19, Council received a total of 147
Sealed local road requests	16.1	15.7%	11.2%	9.6%		

[Number of sealed local road requests / Kilometres of sealed local roads] x100					Customer Action Requests (CARs) for local sealed roads, which is a significant decrease compared to last year. A range of factors influences the community contacting Council in relation to sealed roads, which may include impact of weather events. The reduced rainfall received across Wellington Shire in 2018/19 attributes to Council's improved sealed road maintenance performance.
Condition					Wellington Shire Council conducts inspections of local roads every three years, pursuant to the inspection frequencies within its Road Management Plan. Further to this, Council completed a seal condition inspection this financial year which included an update on the existing pavement condition. The percentage of roads below the set intervention level for the 2018/19 financial year is 99.9%, which is a slight improvement from last year. Council continued its focus on reconstruction of failed pavements in both rural and urban areas this financial year.
Sealed local roads below the intervention level	97.0%	97.0%	99.7%	99.9%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					The cost of sealed local road reconstruction has increased compared to last financial year. Council's reconstruction program has focused primarily on urban street construction in 2018/19, which resulted in increased project costs
Cost of sealed local road reconstruction	\$33.32	\$45.02	\$28.93	\$55.97	
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					

					compared to standard rural road reconstruction due to the use of asphalt and additional traffic management requirements. A number of our road reconstruction projects last year involved deep pavement rehabilitation which attributed to the increase in costs for particular jobs.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$3.71	\$3.09	\$3.42	\$3.89	Wellington Shire Council continues to procure road sealing services in a cost-effective manner in 2018/19, despite the cost per square metre being slightly higher than last year. The increased cost resulted from the type of treatments completed within the 2018/19 program, as well as a change in contractor through Council's procurement process.
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	53	56	56	56	Results from the 2019 Community Satisfaction Survey showed no change in residents' satisfaction rating for Wellington Shire's sealed local roads. This is 9 points higher than the average for similar large rural councils. Council is responsible for a road network of 3,115km, where 1,523km are sealed and 1,592km unsealed.
Statutory Planning					
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	48	58	42	39	Council achieved a result of 39 for the median number of days between receipt of a planning application and a decision being made, which is significantly better than the Rural Average of 67

days. (Source: Wellington-June 2019 Planning Permit Activity Monthly Report produced by Department of Environment, Land, Water and Planning)

Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	96.1%	93.5%	97.8%	97.6%	The statutory timeframe for issuing planning permits is 60 days for regular applications and 10 days for Vic Smart applications. Council has achieved strong results with 97% of regular applications and 100% of Vic Smart applications being decided within specified time frames, compared to the Rural Average of 67% and 83% respectively. (Source: Wellington-June 2019 Planning Permit Activity Monthly Report produced by Department of Environment, Land, Water and Planning)
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$1989.80	\$2,265.12	\$1752.56	\$1857.42	Council received 402 new planning permit applications in 2018/19. The cost to deliver the service was \$746,683, less than the cost incurred in the 2017/18 financial year. However, Council's cost per application has marginally increased in 2018/19, which can be attributed to a reduced number of new planning permit applications being received in 2018/19 (402) compared to 474 applications being received in 2017/18.
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set	100%	100%	50%	100%	Only one planning decision was appealed at VCAT during 2018/19, with Council's decision being upheld by VCAT. This is an

aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

improved result from 2017/18.

5.3.3 Theme 3 – Natural Environment

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 budget for the year.

Major Initiatives	Progress	Status
Partner with key industry bodies, regional and other stakeholders to ensure long term recycling remains a sustainable service in Wellington. Provide quarterly updates to Council, including early recommendations on pricing to the community.	Continuing to work with key industry bodies to ensure long term recycling remains a sustainable service in Wellington. Council has been provided quarterly updates on this and a range of other waste management issues.	Completed

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result
Community satisfaction with the appearance of public areas	Control	74%	76%
Community satisfaction with waste management	Control	67%	65%
Community satisfaction with Council's slashing and weed control activity	Control	53%	56%
Monitor participation rates of Council's Sustainable Living Education Program	Control	Monitor participation rates	262 sessions with 8301 participants

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement provides information in relation to the services funded in the 2018/19 annual budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost
		Actual Budget Variance \$000
Natural Environment and Parks	<p>The Natural Environment and Parks Unit covers a range of activities related to the operational management of public open space, which includes approximately 320 hectares of parkland and associated infrastructure, such as picnic shelters, BBQs, seating, boardwalks, fences and public toilets. The service also proactively manages 30,000 – 35,000 urban trees and is responsible for the management, design and development of parks and streetscapes in urban areas.</p> <p>The unit is also responsible for moving the Wellington community towards a more sustainable future. Key priority areas include biodiversity, water consumption and quality, waste management and energy use.</p> <p>Initiatives</p> <ul style="list-style-type: none"> • <i>Develop a consistent and practical internal land use planning process to ensure open space requirements are adequately considered. (Completed)</i> • <i>Complete a feasibility study on the benefits of changing sports turf over to more drought and disease tolerant turf species. (Completed)</i> • <i>Audit accessibility needs and complete required designs for retrofitting of all existing Regional & District level play spaces (Completed)</i> • <i>Build a network with other Gippsland based councils to share knowledge and learn from each other's experiences in Parks and Gardens. (Completed)</i> 	3,176 <u>5,361</u> <u>2,185</u>
Wellington Coast Subdivision Strategy	<p>The Wellington Coast Subdivision Strategy Project Manager is responsible for implementing the Ninety Mile Beach Plan Voluntary Assistance Scheme. Expenditure for 2017/18 is funded through unspent State Government grant funding carried forward.</p>	259 <u>318</u> <u>59</u>

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

Service Indicator/Measure	Result				Commentary
	2015/16	2016/17	2017/18	2018/19	
Waste Collection					

Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000					Council receives requests for damaged or stolen bins to be replaced, uncollected bins to be collected, and additional bins to be provided. In 2018/19, we received a total of approximately 39 requests per 1,000 households. 120I garbage bins are reaching the end of their useful life and may be the cause of the continued elevated number of bin requests.
30.6	29.6	36.8	38.8		
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					Over 1.55 million bin lifts were performed during 2018/19 as part of Wellington Shire's waste collection service which operates within a defined collection boundary within the 11,000km ² municipality. Only 251 bins were reported as missed during 2018/19.
2.5	1.6	1.6	1.6		
Service cost <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					Wellington Shire's kerbside collection includes the weekly garbage waste collection service of 19,545 bins across the municipality. Additional services for residents in Wellington Shire, not incorporated in this cost, include an annual hard waste collection service, and two no charge green waste disposal weekends and a fortnightly recycling bin collection service.
\$63.86	\$65.49	\$65.95	\$67.40		
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					China's 2018 ban on some recyclable material has resulted in increased costs for Australian waste collectors including the Wellington Shire Council. This increased cost is a direct cost to Council and the main contributor to the increase in cost per bin for
\$44.74	\$46.12	\$53.77	\$68.49		

					the kerbside recyclable collection service compared to previous years.
Waste Diversion	32.1%	32.9%	33.6%	35.7%	
<i>Kerbside collection waste diverted from landfill</i>					More than 3,800 tonnes of recyclable material diverted from landfill in 2018/19 which is a 10% increase compared to 2017/18. That's an average of 200kg of recyclables 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.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

5.3.4 Theme 4 – Lifelong Learning

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result
Maintain or increase the proportion of residents with post school qualifications of some sort relative to the Gippsland average	Monitor	>51.6%	Wellington - 57.7% Gippsland - 57.3%
Increase participation at Council's libraries	Influence	Monitor participation rates	Library visits – 282,728 Active library members – 6,212
Increase participation at Council's Arts and Culture facilities	Control	Monitor participation rates	Art Gallery - 32,290 The Wedge – 21,785

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual Budget
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		Variance \$000
Arts and Culture	The Art Gallery and Libraries as part of the Arts and Culture Unit, seek to assist 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.	1,532 <u>1,463</u> (69)

Initiatives

- Continue to implement recommendations and actions to support the 5-year work plan to reduce energy consumption by 5% per year at The Wedge performing arts centre and the Wellington Centre. (Completed)

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

Service Indicator/Measure	Result				Commentary
	2015/16	2016/17	2017/18	2018/19	
Libraries					
Utilisation					Wellington Shire’s library collection is available through six branches and four outreach sites at local Community Houses to cover the 11,000km² municipality. Collection use has improved overall, with increased proportion of newer items improving the collection, along with promotion of eResources. Other libraries of the SWIFT Library consortium can request items from every member library's collection without additional charge, and this enables resources sharing and reduced duplication of titles.
Library collection usage [Number of library collection item loans / Number of library collection items]	2.18	1.99	2.26	2.70	
Resource standard					Our book, audio-visual, and eResources stock is refreshed with contemporary material each year, and together with a
Standard of library collection	41.38%	47.76%	50.02%	54.46%	

[Number of library collection items purchased in the last 5 years / Number of library collection items] x 100]					weeding program of older titles, has again resulted in an improved standard of the library collection.
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$6.58	\$6.54	\$6.17	\$5.37	Wellington Shire's library facilities continue to provide value and service across the Shire, with a further cost reduction per visit in 2018/19. This was mainly due to significantly increased number of visits and activity with the new library facility in Wellington Centre and across the library system. 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 remote rural communities, with items from our collection and that of the Swift Library Consortium promptly delivered free of charge.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x 100	13.42%	13.62%	13.82%	14.11%	Wellington Shire 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 all residents within the Shire. The new Sale Library has proven very popular, with significant increases in visits, loans and new memberships. Council continues to actively promote library services to all sectors of the community, resulting in an

5.3.5 Theme 5 - Economy

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result Comments
Maintain or increase the total number of jobs in Wellington Shire relative to the Gippsland workforce	Influence	> 14,192 jobs (15.88% of Gippsland workforce)	18,111 jobs (17.18% of Gippsland workforce)
Maintain or increase number of businesses	Influence	> 3,889 businesses	4,012 businesses
Maintain or increase estimated resident population relative to Gippsland population	Influence	> 41,965 residents	44,019 residents
Maintain or increase Gross Regional Product (GRP) relative to Gippsland GRP	Influence	\$2.32b GRP	\$3.215b GRP (3.7% up from 2018 result)
Maintain or increase visitor numbers by type/duration	Influence	Monitor Destination Gippsland data	Domestic daytrips 808,000 Domestic overnight visitors 854,000
Maintain lower unemployment rate than the Gippsland Average.	Influence	Monitor ABS data	Gippsland average – 4.5% Wellington – 4.8%

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 budget for the year.

Major Initiatives	Progress	Status
Progress West Sale Airport initiatives including future stages of the Eastern Recreation Aviation Precinct and the Infrastructure	The \$6M runway extension and lighting upgrade at West Sale Airport has been completed. Runway 09/27 has been lengthened to 1800 metres and further strengthens Wellington's aviation capability. The upgrade will support the needs of RAAF Base	Completed

Upgrades (Runway Extension) Project.	East Sale's Basic Pilot Training School. Detailed designs for the Eastern Recreation Aviation Precinct (ERAP) have been prepared.	
Strongly advocate for the relocation of the Federation Training's Fulham campus to Sale CBD and in doing so improve accessibility to education and training outcomes for the Wellington community.	Following the Victorian Government announcement to establish a new \$25 million TAFE campus in Sale, Council has worked closely with TAFE Gippsland to ensure the needs of the community and industry are considered when preparing a new campus. Council has briefed TAFE on how the new campus can integrate into the broader Port of Sale precinct. Council has also partnered with TAFE Gippsland, Gippsland East Local Learning and Employment Network and Nexus Mutual to establish a Higher Education Study Hub in Sale to support local university students.	Progressing (95%)

The following statement provides information in relation to the services funded in the 2018/19 annual budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Business Development	Council's Business Development service aims to support business growth and employment, lifestyle opportunities and a vibrant tourism sector.	670 <u>918</u> <u>248</u>

Initiatives

- *Implement the 2018-20 Action Plan associated with Wellington Shire Economic Development Strategy. (Completed)*
- *Seek funding for and develop a business case for the extension of the Great Southern Rail Trail through to Yarram to increase visitation and business opportunities in adjacent areas. (Progressing 50%)*
- *Implement year one actions emanating from the Recreation Vehicle (RV) Strategy. (Completed)*
- *Provide exceptional visitor information services through Council's Visitor Information Centre network and report to Council on key deliverables by June 2019. (Completed)*
- *Work with partners including Latrobe Valley Authority, RDV and AusIndustry to promote government funding opportunities to Wellington businesses to support expansion plans and job creation and report outcomes to Council. (Completed)*
- *Review Council's list of surplus land so that land value can be realised in accordance with policy and standards of best practice and develop a business case that supports the*

recommended process/timeframe. (Completed)

- *Engage with stakeholders to complete designs of the Port of Sale Mooring Access Project. (Completed)*

5.3.6 Theme 6 – Organisational

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2018/19 Result
Maintain or increase community satisfaction with Council's overall performance.	Influence	63%	63% (7 points higher than large rural average)
Increase satisfaction with community consultation and engagement.	Influence	58%	57% (3 points higher than large rural average)
Maintain or increase satisfaction with advocacy on behalf of the community to other organisations and levels of government	Control	57%	57% (5 points higher than large rural average)
Maintain or increase community satisfaction out of 100 with how Council has performed in making decisions in the best interests of the community	Influence	56%	58% (6 points higher than large rural average)
Maintain or increase overall staff satisfaction and engagement ratings	Influence	5.48 satisfaction 69% engagement	5.48 satisfaction 72.7% engagement

Definitions: Control: Council actions directly control the result. Influence: Council can influence the result, but other external factors may also have an impact. Monitor: Council has no influence on this result but monitors it to assist future planning

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 annual budget for the year.

Major Initiatives	Progress	Status
Effectively manage and operate the Gippsland Regional Livestock Exchange (GRLE) and develop a	Effectively managed and operated the Gippsland Regional Livestock Exchange and introduced a range of new initiatives to improve the communication and customer service for producers, agents and	Completed

business plan and associated governance structures to Council's satisfaction.	transporters including: -Securing Commonwealth funding to improve facilities and services at GRLE 2018 including perimeter fencing along the eastern boundary. -Launching the GRLE eNewsletter -Continuation of the GRLE fee freeze in 2019/20 -Introduction of 'Sutto's Market Summary' available on GRLE's Facebook page and website. -Expanding liveweight calf scales every Monday and Wednesday.
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The following statement provides information in relation to the services funded in the 2018/19 annual budget and the persons or sections of the community who are provided the service.

Business area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Councillors, Chief Executive and Executive Team	This area of corporate includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which covers service provision across the entire organisation.	(2,095) <u>3,458</u> <u>5,553</u>
	Initiatives <ul style="list-style-type: none"> Identify and facilitate shared services opportunities with participating GLGN Councils. (Ongoing) 	
Media and Public Relations	This area provides internal and external communication services and support and branding initiatives for Council. The team also seeks to proactively inform our community and our staff ensuring transparency, consistency and clarity of our message.	408 <u>437</u> <u>29</u>
	Initiatives <ul style="list-style-type: none"> Design and develop a new Wellington Shire Council website. (Deferred) 	
Information Services	The Information Services Business Unit provides centralised and integrated information services and new and emerging technologies to assist Council to reach the 2030 Vision.	2,548 <u>3,545</u> <u>997</u>
	Initiatives <ul style="list-style-type: none"> Complete improvement upgrades for the Microwave Communications Infrastructure across Wellington Shire Council and East Gippsland Shire. (Completed) Plan and manage the rollout requirements for the EduCloud Project across Wellington Shire Council's participating Schools and Wellington libraries. (Completed) 	

People and Excellence	The People and Excellence Unit provides responsive advice and services in the areas of Human Resources, Learning and Development, Occupational Health and Safety, Risk Management, Corporate Planning and Reporting and Business Improvement.	1,861 <u>2,233</u> <u>372</u>
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Initiatives

- *Develop a Workforce Management Plan to address the human resourcing requirements while meeting relevant Access and Inclusion plan outcomes to ensure that Council has the right employees, with the right skills, to deliver the Council Plan and services required by the community, both now and in the future. (Progressing 10%)*

Commercial Facilities	The Commercial Facilities team as part of the Business Development Unit, manages a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers.	(107) <u>77</u> <u>184</u>
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Municipal Services	The Customer Service team as part of the Municipal Services Business Unit provides responsive, quality customer service to all stakeholders.	486 <u>516</u> <u>30</u>
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Finance	The Finance 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. The unit also aims to provide a safe, reliable and sustainable fleet of vehicles to support the organisation in achieving its goals. The significant procurement goal is that of gaining good value from our purchasing.	1,862 <u>2,461</u> <u>599</u>
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Initiatives

- *Update finance business systems to meet governance requirements. (Completed)*
- *Establish a central Register for all contracts across the organisation to ensure consistency and good governance. (Not progressing)*

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

Service Indicator/Measure	Result				Commentary
	2015/16	2016/17	2017/18	2018/19	
Governance					

Transparency <i>Council resolutions at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	3.6%	2.6%	4.3%	3.8%	Wellington Shire Council made 290 resolutions during the 2018/19 financial year. Of those decisions, 279 or 96.21% 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]	55	59	58	57	As per Community Satisfaction Survey 2019 results, Wellington Shire Council is performing three points higher than the large rural council average for community engagement.
Attendance Councillor attendance at Council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100	88.4%	92.6%	88.9%	92.3%	Wellington Shire Councillor commitment to actively serve the community is reflected in its 92.27% attendance rate at the 22 ordinary Council meetings and one special Council meeting held in 2018/19.
Service cost Cost of governance	\$40,977	\$42,074	\$40,834	\$43,898	Although a Councillor's role is largely voluntary, they receive an allowance

[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					within the limits set by the Victorian Government. It is also appropriate that allowable expenses incurred are reimbursed whilst undertaking Council duties. This cost reflects both Councillor allowances and reimbursements for the period. Wellington Shire Councillor reimbursement is at the lower end of the scale for Victorian councillors.
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	56	59	58	58	Council's participation in the 2019 Community Satisfaction Survey showed no change in community satisfaction rating with the way Council has performed in making decisions in the interests of the community. Council has performed six points higher than large rural average and three points higher compared to state-wide average.

6.0 Governance, Management and Other Information

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 places a strong emphasis on good governance, ensuring that Council operates effectively, efficiently, impartially and with integrity. Council employs good governance principles by making decisions based on proper processes and systems, making sure Council officers carry out these decisions appropriately.

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

6.1.1 Meetings of Council

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

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

Wellington Shire Council streams live video and audio of 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 2018/19:

- 22 Ordinary Council Meetings
- One Special Council Meeting

6.1.2 Councillor Meeting Attendance 2018/19

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2018/19 financial year.

Councillor (3 July 2018 to 6 November 2018)	Ordinary Council Meeting	Special Council Meeting	Total
Cr Carolyn Crossley (Mayor)	8	0	8
Cr Ian Bye (Deputy Mayor)	7	0	7
Cr Alan Hall	8	0	8
Cr Malcolm Hole	8	0	8
Cr Gayle Maher	7	0	7
Cr Darren McCubbin	7	0	7
Cr Carmel Ripper	8	0	8
Cr Scott Rossetti	7	0	7
Cr Garry Stephens	6	0	6

Councillor (7 November 2018 to 18 June 2019)	Ordinary Council Meeting	Special Council Meeting	Total
Cr Alan Hall (Mayor)	11	1	12
Cr Malcolm Hole (Deputy Mayor)	14	1	15
Cr Carolyn Crossley	13	1	14
Cr Ian Bye	13	1	14
Cr Gayle Maher	12	1	13
Cr Darren McCubbin	11	1	12
Cr Carmel Ripper	14	1	15
Cr Scott Rossetti	14	1	15
Cr Garry Stephens	14	1	15

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 list provides all current Section 86 Committees of Wellington Shire Council with their purpose and Councillor Representation.

Special Committee	Councillors	Officers	Purpose
Briagolong Quarry Reserve Committee	Cr Carmel Ripper	1	To protect, promote and develop the Briagolong Quarry Reserve.
Briagolong Recreation Reserve Committee	Cr Carmel Ripper	1	To protect, promote and develop the Briagolong Recreation Reserve.
Cameron Sporting Complex Committee	Cr Malcolm Hole	1	To protect, promote and develop the Cameron Sporting Complex, Maffra.
Gordon Street Reserve Committee	Cr Malcolm Hole	1	To protect, promote and develop the Gordon Street Reserve, Heyfield.
Maffra Recreation Reserve Committee	Cr Carmel Ripper	1	To protect, promote and develop the Maffra Recreation Reserve.
Newry Recreation Reserve Committee	Cr Malcolm Hole	1	To protect, promote and develop the Newry Recreation Reserve.
Sale Performance Space Fundraising Committee	Cr Darren McCubbin	3	<p>To maintain a public fund into which the public may contribute towards the construction, maintenance, upgrade and expansion of Council-owned cultural spaces, facilities and equipment.</p> <p>To maintain a public fund into which the public may contribute towards cultural activities, programs and events conducted by Wellington Shire Council through Council-owned cultural spaces and facilities.</p> <p>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.</p>

- List of Advisory Committees

Audit & Risk Committee
CEO Performance Review Committee
Gippsland Art Gallery Advisory Group
Gippsland Regional Sports Complex User Group Committee
Place Names Committee
Remuneration Committee
Stephenson Park Advisory Committee
Strategic Land Use Planning Projects Review Group
The Wedge and Masterplan Advisory Group
Wellington Access & Inclusion Advisory Group
Wellington Youth Service Network (WYSN)

- Committees of Other Organisations (Delegates)

Australian Coastal Councils Association
Coastal Agencies Liaison Group
Gippsland Climate Change Network Incorporated
Gippsland Local Government Network (GLGN)
Gippsland Local Government Waste Forum
Municipal Association of Victoria (MAV)
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

6.1.4 Code of Conduct

Councillors are bound by a Code of Conduct. The Code describes the standards of ethical and moral behaviour expected of Councillors. The code covers relationships between Councillors and staff, the use of Council resources and dispute resolution procedures.

The Code was reviewed and revised on 20 December 2016 following the 2016 general election as provided for in the *Local Government Act 1989*, however due to a resignation and subsequent count back the Code was readopted on 21 November 2017.

Council's current Code of Conduct includes:

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

In addition, the Code also outlines:

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

6.1.5 Conflict of Interest

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

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

During 2018/19, 10 conflicts of interest were declared at Council and Special Committee meetings.

Date of Conflict of Interest Nominated	Councillor	Conflict of Interest - Council Meetings
17 July 2018	Cr McCubbin	Indirect - Section 78B - Quick Response Grants
21 August 2018	Cr McCubbin	Direct - Section 77B - The Wedge Masterplan Advisory Group Membership
16 October 2018	Cr Maher	Indirect - Section 78B - Community Assistance Grants
7 November 2018	Cr McCubbin	Direct - Section 77B - The Wedge Masterplan Advisory Group Membership
20 November 2018	Cr Bye	Direct - Section 77B - Quick Response Grants Scheme

19 February 2019	Cr Rossetti	Indirect - Section 78B - Sale of Road at the rear of 85 Fitzroy Street Sale
19 March 2019	Cr Bye	Indirect - Section 78B - Quick Response Grant Scheme
2 April 2019	Cr Bye	Indirect - Section 78B - Receipt of petition - Relocation of gaming machines from Lakeside Bowls Club to Sporting Legends
7 May 2019	Cr Bye	Indirect - Section 78B - Response to Petition - Relocation of gaming machines from Lakeside Bowls Club to Sporting Legends
21 May 2019	Cr Stephens	Indirect - Section 78B - Community Assistance Grants

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 2018 to 30 June 2019, the Councillor annual allowance upper limit for a category two Council (as defined by the *Local Government Act 1989*) was fixed at \$25,225 per annum and the allowance upper limit for the Mayor was \$78,051 per annum. The Minister for Local Government approved an annual adjustment of 2.0 per cent to take effect as from 1 December 2018. The annual allowances were adjusted for the period 1 December 2018 to 30 June 2019 at \$25,730 per annum for the councillor allowance and \$79,612 per annum for the Mayoral allowance.

This table contains a summary of the allowances paid to each Councillor during the 2018/19 year.

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

Councillor	Term of Office during the financial year	Allowance \$
Cr Carolyn Crossley	1 July 2018 to 30 June 2019 (Mayor, 1 July 2018 to 6 November 2018)	48,385
Cr Alan Hall	1 July 2018 - 30 June 2019 (Mayor, 7 November 2018 - 30 June 2019)	66,014
Cr Darren McCubbin	1 July 2018 to 30 June 2019	27,943
Cr Scott Rossetti	1 July 2018 to 30 June 2019	27,943
Cr Malcolm Hole	1 July 2018 to 30 June 2019	27,943

Cr Gayle Maher	1 July 2018 to 30 June 2019	27,943
Cr Garry Stephens	1 July 2018 to 30 June 2019	27,943
Cr Ian Bye	1 July 2018 to 30 June 2019	27,943
Cr Carmel Ripper	1 July 2018 to 30 June 2019	27,943
Total (\$)		310,000

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 2018/19 year are shown below.

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

Councillors	Travel	Car Mileage	Child Care	Info and Comm.	Conf. and Training	Total
	\$	\$	\$	\$	\$	\$
Cr Carolyn Crossley (Mayor to 6 November 2018) (01/07/18- 30/06/19)	4,104	2,671	0	1,095	1,528	9,398
Cr Alan Hall (Mayor from 7 November 2018) (01/07/18 - 30/06/19)	2,971	2,427	0	666	4,317	10,381
Cr Darren McCubbin) (01/07/18 - 30/06/19)	5,966	0	0	1,008	1,895	8,870
Cr Scott Rossetti (01/07/18 - 30/06/19)	0	0	0	908	600	1,508
Cr Malcolm Hole (01/07/18 - 30/06/19)	5,180	0	0	2,019	1,968	9,168
Cr Gayle Maher (01/07/18 - 30/06/19)	7,436	0	0	439	1,179	9,055
Cr Garry Stephens (01/07/18 - 30/06/19)	5,179	0	0	537	497	6,213

Cr Ian Bye (01/07/18 - 30/06/19)	0	0	0	455	426	881
Cr Carmel Ripper (01/07/18 - 30/06/19)	4,623	0	0	446	3,772	8,841

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 Chris Badger and Ms Michelle Dowsett and two Councillors. Independent members are appointed for a maximum term of three years. 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 2018/19, providing advice to Council on a wide range of issues including:

- quarterly legal and insurance reports,
- risk management updates
- financial reports
- updates on outstanding audit recommendations and
- updates on Information Services.

Other key outcomes for the 2018/19 year are summarised below.

In **August 2018** the Committee:

- Adopted in-principle the 2017/18 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 2018;

- Received and noted internal audit reports on Management of Leisure Services, Debts and Rates Collection (Debtor Management), Port of Sale Cultural Hub Development (Part A – Project Management) and Follow-up of Agreed Actions from Prior Year Internal Audit Reports;
- Received and noted the reports by the Victorian Auditor General (VAGO) on Local Government Insurance Risks and Local Government and Economic Development;
- Received advice that Wellington Shire Council will be participating in the VAGO Performance Audit on Fraud and Corruption Control;
- Noted the Chairman's report for the period ending 30 June 2018;
- Received and noted an annual update on the Road Management Act processes;
- Received a report on Related Party Transactions;
- Received a report on the Chief Executive Officer's credit card expenditure.

In **November 2018** the Committee:

- Considered a proposed Strategic Internal Audit Plan 2018 – 2019;
- Reviewed Council's Risk Strategy;
- Reviewed the introduction of new Council Policies;
- Considered and noted the VAGO report on Delivering Local Government Services;
- Noted the IBAC report on corruption and misconduct risk associated with employment practices in the Victorian public sector;
- Reviewed the Audit & Risk Committee Charter.

In **February 2019** the Committee:

- Received a presentation on the evaluation of the Port of Sale Redevelopment Project;
- Received the VAGO report on Results of 2017-18 Audits: Local Government;
- Noted a request from the Ombudsman for information on the Ninety Mile Beach Subdivision;
- Received a report on the Chief Executive Officer's credit card expenditure;
- Received a report on Related Party Transactions.

In **May 2019** the Committee:

- Received and reviewed the External Audit Strategy as provided by Crowe Horwath;
- Received the final Strategic Internal Audit Plan;
- Received a presentation on Council's process for dealing with under excess claims;
- Received and noted the internal audit reports on Building and Facilities Maintenance and Port of Sale Cultural Hub Development (Part B – Operational Management);
- Received and considered the proposed report from VAGO on Fraud and Corruption Control;
- Received the report from IBAC on Review of Integrity Frameworks in six Victorian Councils;
- Received a report on changes to Accounting policies/Accounting Standards;
- Received a report on the draft Council Budget 2019/20.

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 2018/19 was undertaken with the following reviews conducted:

- Debts and Rates Collection (Debtor Management) July 2018
- Management of Leisure Facilities July 2018
- Port of Sale Cultural Hub Development (Part A – Project Management) August 2018
- Buildings and Facilities Maintenance May 2019
- Port of Sale Cultural Hub Development (Part B – Operational Management) May 2019

6.2.3 External Audit

Council is externally audited by the Victorian Auditor-General's representatives to provide an assurance that financial statements reflect the financial position at the end of the financial year. These auditors conducted audits of Council's Financial Statements and Performance Statement for 2018/19 by testing a sample of Council's internal controls, observing processes being performed, making enquiries of key staff within Council and examining financial and accounting records and other relevant documents. The external auditors also attended 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 were also provided to the Audit & Risk Committee.

6.2.4 Risk Management

Council is committed to proactive risk management and has continued to maintain a Risk Management Framework 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 2018/19:

- Risk Management Policy was reviewed and approved by the CEO.
- Strategic and operational risk registers were reviewed with emerging risks identified and included in the risk register.
- Council has continued to review its insurance profile, policies and cover for 2018/19. Council worked with our insurance brokers and insurers to ensure that our insurance cover is consistent with Council's identified risk profile and requirements.

- Key compliance training modules were developed and delivered across Council including Fraud and Corruption, Procurement Delegations, Record Keeping and Privacy.

Council is actively using the Enterprise Risk Management Framework which details the approach and comprehensive actions Council will take in delivering best practice risk management and embedding a culture of risk awareness throughout the organisation. This tool also provides a risk management solution to assist officers with identifying, profiling and assessing risks within a combined monitoring and reporting framework. Controls and actions are documented to ensure where possible risks are being reduced or maintained at an acceptable level.

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
1. Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Date of adoption: 12 December 2018
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	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. Date of adoption: 6 September 2016
3. Strategic Resource Plan (plan under section 126 of the <i>Local Government Act, 1989</i> outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with Section 126 of the <i>Local Government Act, 1989</i> . Date of adoption: 4 June 2019
4. Annual budget (plan under section 130 of the <i>Local Government Act, 1989</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 130 of the <i>Local Government Act 1989</i> . Date of adoption: 4 June 2019
5. Asset management plans (plans that set out the asset maintenance and renewal need for key infrastructure asset classes for at least the next 10 years)	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 2019 Paths-January 2019 Bridges- January 2019 Drainage- January 2019 Property- January 2019

	Open Space- January 2019
6. Rating strategy (strategy setting out the rating structure of council to levy rates and charges)	Strategy adopted. Date of operation of current strategy: 18 December 2018
7. Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations)	Risk Management Policy included in Council Policy Manual. Date of operation of current policy: 18 December 2018
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Fraud Control Policy included in Council Policy Manual. Date of operation of current policy: 18 December 2018
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act, 1986</i> . Date of operation: 22 November 2018
10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the <i>Local Government Act, 1989</i> . Procurement policy included in Council Policy Manual. Date of operation of current policy: 18 December 2018
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Existing document is currently being reviewed. Date of operation: 4 December 2014
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Existing document is currently being reviewed. Date of operation: 4 December 2014
13. Risk management framework (framework outlining council's approach to managing risks to the council's operations)	Date of operation of current strategy: 20 February 2018
14. Audit & Risk Committee (advisory committee of council under section 139 of the <i>Local Government Act, 1989</i> whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with Section 139 of the <i>Local Government Act, 1989</i> . The Audit & Risk Committee has been in operation since February 1996 (based on available evidence) Date of establishment: February 1996

15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Date of engagement of current provider: 29 June 2017
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of <i>Local Government Act, 1989</i>)	Date of operation of current framework: 1 July 2017
17. Council Plan reporting (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	21 August 2018
18. Financial reporting (quarterly statements to council under section 138 <i>Local Government Act, 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to the Council in accordance with Section 138(1) of the <i>Local Government Act, 1989</i> . Date statements presented: 17 July 2018, 16 October 2018 5 February 2019, 16 April 2019
19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 17 July 2018 5 February 2019 Strategic risks, and controls are currently being reviewed.
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the <i>Local Government Act, 1989</i>)	Quarterly Reports. Date of reports: 17 July 2018, 16 October 2018 5 February 2019, 16 April 2019
21. Annual report (annual report under sections 131, 132 and 133 of the <i>Local Government Act, 1989</i> to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with Section 134 of the <i>Local Government Act, 1989</i> . Date statements presented: 16 October 2018
22. Councillor Code of Conduct (Code under section 76C of the <i>Local Government Act, 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Reviewed in accordance with Section 76C of the <i>Local Government Act, 1989</i> Date reviewed: 21 November 2017

<p>23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with Section 98(6) of the <i>Local Government Act, 1989</i> Date reviewed: 5 March 2019</p>
<p>24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)</p>	<p>Local law No 1, Meeting procedures made in accordance with Section 91(1) of the <i>Local Government Act, 1989</i> 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: 19 September 2019



Cr Alan Hall
Mayor
Dated: 19 September 2019

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 kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- A document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

In addition, there is other information that Council is obliged to have available for inspection. This includes:

- Local Law No 1 to 5
- Procurement Policy
- Record of Assembly of Councillors
- Register of Interests

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**
- Are **reported back regularly to its community** on how they measure up against the best value principles.

We also recognise continuous improvement as fundamental to improving community outcomes. We are 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 service delivery with **best possible quality and value** for money through linking the community vision- Wellington 2030 with the Council Plan 2017-21 and business planning, and measuring service performance by the means of Corporate Performance Indicators (CPIs)
- Ensuring 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, Council's 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.

6.4.3 Community Engagement

Wellington Shire Council adopted a Community Engagement Policy on 16 August 2017 to support Council's Community Engagement Strategy 2017-2020.

During 2018-19, the following has been undertaken within Wellington Shire Council to build on Council's current community engagement approach;

- An employee advisory group for Community Engagement known as WENDI (Wellington Engagement Network – Direction and Innovation) for colleague support in completing community engagement activities has been successfully embedded in Council's internal operations; and
- Fifty five Council projects have utilised Community Engagement plans to seek community feedback and participation.

During the year, Wellington Shire Council has continued improving community engagement practice to align with all recommendations from the Victorian Auditor General's Report (VAGO) 'Public Participation and Community Engagement Local Government Sector' (released May 2017), and subsequent legislation changes.

RECOMMENDATION	WSC STATUS	How:
That all Councils:		
1. Assess their public participation policies and associated resources against the International Association for Public Participation (IAP2) model, update them as necessary, and promote their use throughout the Council.	Completed	Wellington Engagement Strategy and Action Plan
2. Build monitoring, reporting and evaluation activities into their public participation activities.	Completed	WENDI Group
3. Develop and document comprehensive public participation plans and their outcomes.	Completed	Completing Community Engagement Plans for each project (Part A, B C documents)

6.4.4 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 Volunteers and Seniors Week.
- Participation on networks such as Sale and District Aged Care Network, Wellington Early Years Network and Wellington Access and Inclusion Advisory Group.

- Projects listed in Council's Access and Inclusion Plan, Wellington Rural Access Program, and Municipal Public Health and Wellbeing Plan, more specifically within the Social Connection and Inclusion Priority area.
- Wellington Shire Council's funding agreement with Central Gippsland Health and Yarram and District Health Service, who are the providers of Home and Community Care (HACC) services, outlines compliance with all legislation.

6.4.5 Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more for services of \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Act.

It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

6.4.6 Disability Action Plan

The *Victorian Disability Act 2006* aims to reaffirm and strengthen the rights and responsibilities of people with disability, which includes recognising the role that government and community support plays in achieving this. In accordance with section 38 of the *Disability Act 2006*, as council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

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 the Access and Inclusion Plan include:

- Accessibility audits of a large number of community managed facilities owned / managed through Council
 - All Level 2 and 3 Halls and Recreation Reserves
 - Childcare and Kindergartens
 - Senior Citizen's Centres
 - Neighbourhood Houses
- Council's capital works program has embedded accessibility audits on outdoor play space improvements.
- Council's interview panellist training for those involved in recruiting prospective Council employees addresses diversity and inclusion in the training.
- Reprinting of the Low Cost No Cost Activities guide for Wellington Shire residents.
- Aqua Energy facility is registered to provide services under the National Disability Insurance Scheme.

6.4.7 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.

DAMP 2017-21 was developed based on the key considerations for:

- Maintaining 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 October 2018, a review of the DAMP was conducted to evaluate the implementation of the plan. Highlights of the review included:

- A 7.7% increase in cat registrations and 8.75% increase in dog registrations
- Increased monitoring of registered domestic animal businesses
- A reduction in the number of serious dog attack incidents
- 39 Dogs and Puppies seized from an illegal breeding operation and a successful prosecution involving 155 *Prevention of Cruelty to Animals Act*, *Domestic Animals Act* and *Local Government Act* charges, all proven.
- Increased training of Local Laws officers.

6.4.8 Food Act Ministerial Directions

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

6.4.9 Freedom of Information

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

This general right of access to information is limited only by exceptions and exemptions which have been prescribed to protect essential public interests, and the private or business affairs of people about whom information is held by the Council.

To access documents 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 or evidence that the applicant qualifies for the application fee to be waived.

From 1 July 2018 to 30 June 2019, Wellington Shire Council received 13 “valid” Freedom of Information requests.

Total number of valid requests received	13
Outcomes of Requests	
Access granted in full (no exempt material)	5
Access granted in part (some exempt material)	5
Access denied in full (all material exempt)	0
Withdrawn	1
No documents	1
Not finalised in 2018/19 reporting period	1
Outcomes of requests outstanding from previous reporting period	
Released in full	1

A total of \$1143.80 was collected through application fees & access charges in 2018/19.

Complaint(s) received by the Commissioner Note: This complaint was withdrawn by the applicant – no further action	1
Applications for review to the Commissioner	0
Application to the Victorian Civil and Administrative Tribunal (VCAT)	0
Notices served on the agency under Section 12(1)	0
Disciplinary action taken out against any officer in respect of the administration of this Act.	0
Outcomes of requests outstanding from previous reporting period	1

Wellington Shire Council’s Freedom of Information Policy is published on Council’s website and for more information regarding freedom of information, please refer to Council’s website www.wellington.vic.gov.au or visit the Office of the Victorian Information Commissioner (OVIC) website www.ovic.vic.gov.au.

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.

6.4.10 Privacy and Data Protection

Wellington Shire Council is committed to protecting people's right to privacy and the responsible and fair handling of personal information, consistent with the *Privacy and Data Protection Act 2014* and *Health Records Act 2001*.

The *Privacy & Data Protection Act 2014* 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.

Council will only collect, use or disclose personal information where it is necessary to perform Council functions or when required by law.

Council's Privacy & Data Protection Policy is available on our website www.wellington.vic.gov.au.

No privacy breaches were recorded against Wellington Shire Council in 2018/19.

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

6.4.11 Protected Disclosure Procedures

The *Protected Disclosure Act 2012* 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.

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

Procedures on how to make a disclosure are publicly available on Council's website under Documents Available for Public Inspection.

During the 2018/19 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

6.4.12 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.

6.4.13 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 2018/19.

6.5 Other Operational Information

6.5.1 Grants Distributed

6.5.1.1 Community Assistance Grants 2018/19

Fifty four (54) applicants were successful in receiving Community Assistance Grants across the categories: Projects, Events and Facilities, totalling \$242,290 (details below).

Organisation	Project Title	Amount funded
Balook & District Residents Assn	Rainforest Rhythms	\$4,070.00
Binary Shift Inc	Binary Shift Conference	\$4,000.00
Briagolong Community House	Film, another piece of the thriving art community that is Briagolong	\$4,100.00
Briagolong Mechanics' Institute Hall CoM	Briagolong Film Festival 2019	\$3,000.00
Briagolong Quarry Reserve CoM	Purchase and Installation of 5 picnic tables and seats	\$3,554.00
Bundalaguah Myrtlebank Hall Committee	Bundalaguah Hall Storage Room	\$5,000.00
Bundalaguah Myrtlebank Public Hall Inc	The Gippsland Magical Mystery Tour	\$4,000.00
City of Sale Eisteddfod Society	City of Sale Eisteddfod 72nd year	\$5,000.00
Coongulla Reserves COM Inc	Community NYE in the Park	\$2,500.00
CWA Sale Branch	Make it tidier, make it safer, make it easier	\$3,815.00
East Gippsland Dog Obedience Club	Shed/club room extension	\$5,000.00
Glenmaggie & District Boat Club	Glenmaggie Cup Championships 2019	\$4,000.00
Glenmaggie Mechanic's Institute	2019 Glenmaggie Country Rock Festival	\$4,000.00
Golden Beach Golf Club Inc	Golden Beach Golf Club New Year's Eve Fireworks Display	\$5,000.00
Golden Paradise Beach Residents & Ratepayers Association	End of Summer Surf Festival 2019	\$4,800.00
Gormandale Football Netball Club	Improvement of club facilities - painting of clubrooms, change rooms and upstairs areas	\$5,000.00
Heyfield and District Vintage Machinery Group	Heyfield Vintage Machinery Rally	\$5,000.00
Heyfield Traders & Tourism Association	Heyfield Food and Wine Festival	\$4,000.00

Hockey Victoria	Gippsland Bulls Regional Development Program - Sale	\$5,000.00
Hyland Community Kindergarten	Nature Play at Hyland Kinder	\$5,000.00
Kath Foley Children's Centre & Kindergarten	Outdoor space improvement	\$5,000.00
Loch Sport Community House	Loch Sport New Year's Fireworks	\$5,000.00
Loch Sport Community House	Community Chairs and Tables and container storage	\$3,492.00
Loch Sport RSL	Keep the RSL Open and Cooking	\$5,000.00
Maffra Cricket Club	Scoring Hut-Sun Smart Project	\$5,000.00
Maffra Neighbourhood House	Christmas Movie in the Park	\$4,000.00
Maffra Neighbourhood House	Community Indoor Movie Night	\$3,070.00
Maffra Tennis Club	Asbestos removal from MLTC's old swimming hall	\$4,333.00
Port Albert Maritime Museum	Port Albert Maritime Museum information for all!	\$4,191.00
Port Albert Mechanics Institute CoM Inc	Port Albert Hall facility refurbishment and upgrade works	\$5,000.00
Port Albert Progress Association	Let's Celebrate Australia!	\$5,000.00
Rosedale Men's Shed	Rosedale Men's Shed storage container	\$4,465.00
Rotary Club of Sale Central	Monday Tucker	\$5,000.00
Sale & District Touch Association	20 th year Anniversary Sale Touch Knock-out	\$5,000.00
Sale Amateur Basketball Association	Sale Amateur Basketball Association Tournament 2019	\$5,000.00
Sale Baptist Church	FREE Community Fun Day	\$5,000.00
Sale Field and Game Association Inc	Range Upgrade Project 2019	\$5,000.00
Sale Fire Brigade	Peter Glover Training Complex upgrade	\$5,000.00
Sale Lions Club Inc	Kids Day 2019	\$4,921.00
Sale Music Festival Committee	The Sale Music Festival: Picnic on the Green 2019	\$5,000.00
Sale Polocrosse Club	Sale Polocrosse Carnival 2019	\$5,000.00
Sale Swimming Club	Gippsland Swimming Championships 2019	\$5,000.00

Sale-Maffra & District Kennel Club	Gippsland International Winter Festival - All Breeds Championship Dog Shows	\$4,000.00
Stratford on Avon Shakespeare Association	Shakespeare on the River Festival 2019	\$5,000.00
Tarra Festival Committee Inc	2019 Tarra Festival	\$5,000.00
Upper Maffra Mechanics Institute	Improving security and protecting our community asset	\$2,979.00
Veronica Maybury Memorial Rec Reserve Inc	Upgrade of power, solar, air conditioning	\$5,000.00
Wellington Hockey Club	Regional All Abilities Program	\$5,000.00
Wines of East Gippsland	Tinamba Food and Wine Festival	\$5,000.00
Woodside & District Football Netball Club	Woodside & District Football Netball Club Annual Family Fun Day & Show 'n' Shine Car Show	\$3,500.00
Woodside & District Football Netball Club	Netball and Tennis Club Room roof repairs and restoration	\$5,000.00
Woodside Playgroup	Playgroup outdoor play space revamp	\$3,500.00
Yarram Agricultural Society Inc	Yarram Agricultural Show	\$5,000.00
Yarram Eisteddfod Inc	Yarram Eisteddfod 2019	\$4,000.00

6.5.1.2 Quick Response Grants 2018/19

Seventy-five (75) applicants were successful in receiving Quick Response Grants, totalling \$102,867.

6.5.1.3 Support for community committees

Wellington Shire Council provided \$549,233 to support 101 community committees of management in 2018/19.

6.5.2 Citizenship

During the last year Wellington Shire Council conducted four Citizenship ceremonies, including a ceremony on Australia Day for new citizens. Throughout the last year we were able to welcome 35 new citizens to our community from 13 different countries. Some of the countries represented include India, China, Russia, Thailand, Germany, Philippines, Macau and Singapore. All of the new citizens were warmly welcomed into our community and we anticipate a similar number in 2019/20.

6.5.3 Civic Reception

The following Civic Receptions were held during the 2018/19 year.

Event/ Civic Reception	Brief Description	Date or Month
2019 Australia Day Awards Luncheon	A luncheon was held for approximately 95 guests to honour the winners of the 2019 Wellington Shire Council Citizen of the Year, Young Citizen of the Year, Community Event of the Year and Community Group of the Year. This is the seventh year that the winners, and those who nominated them, have been recognised with a special luncheon. Numerous communities and individuals were represented by the nominations which highlighted the outstanding achievements of all the volunteers in our community and the magnificent contributions that they make. In many instances, some events would not be possible without the help of all our great communities, big and small. To see the quiet achievers and humble people awarded was a rewarding experience for all those present.	11 December 2018
Stratfords of the World Sister Cities Reunion Civic Reception	Every 2 years the towns of Stratford from around the world hold a reunion and 2018 was an opportunity for Stratford, Victoria to host this wonderful event. Approximately 220 guests attended our Civic Reception with 67 of those attending from the Stratfords around the world. The overseas Stratfords represented included England, Ontario (Canada), Prince Edward Island (Canada), New Zealand and Connecticut (USA). The evening also included a market of stallholders showcasing local produce, the World Youth Theatre ensemble, a string quartet from a local secondary college, cultural dancers, host families and local indigenous representatives. This reception was a great example of being able to showcase our shire, tourist attractions, talented youth and local businesses, to our overseas guests. Multiple compliments were received indicating this was the best reunion held ever and we look forward to hosting another reunion in coming years.	5 September 2018
New Professionals Civic Reception	This year the civic reception for New Professionals attracted approximately 85 guests and was held at the Port of Sale. The guests are new to the Shire within the last year and tertiary qualified. Our guest speaker this year was the Managing Director of Bambach Cables who relocated the company from metropolitan Sydney to Rosedale in Wellington. Guests were interested to hear about the challenges, advantages and forward planning required when undertaking such a huge relocation and the reasons for choosing the smaller location of Rosedale. The evening was enjoyed by guests from a range of occupations such as teachers, doctors, accountants, aged care workers, real estate agents, forestry workers, engineers and numerous other occupations. Networking and meeting likeminded professionals was a big attraction for many attendees new to our area, who complimented us on a great evening.	29 May 2019

6.5.4. Awards received

- Port of Sale was the winner of two architecture awards at the 2019 Victorian Architecture Awards - 2019 Architecture Award and Public Architecture; and the 2019 Regional Prize. The judges said '...the support of an engaged client and collaborative community process, enabled the architect to transform a dark, interior focused building to one filled with light and connected to its local context. Major interventions largely retained and celebrated the existing late Modernist-Brutalist building, by Stephenson and Turner while improving its visual links to the port and its purposeful sense of community identity and ownership. Careful and efficient planning has resulted in a highly active civic hub with programmatically clear connections and a sense of spatial generosity. The Port of Sale demonstrates that the careful revitalisation of facilities, can uplift their value and contribute to better regional spaces.'
- Regional Roads Victoria Awards - Wellington Shire Council received the Local Government Initiatives Award for embedding road safety into Local Government operations, strategies and plans.
- Nic Hall, Manager Leisure Services, awarded Life Membership with Aquatics and Recreation Victoria (one of two peak bodies for aquatics) for his distinguished service to the industry.
- Wellington Access & Inclusion Advisory Group Chair, James Griffiths, was named as an Emerging Leader finalist for the Victorian Disability Sector Awards.
- Youth Councillor and Maffra Secondary student, Ivan Reyes, was selected as one of 36 Heywire Competition winners (for dance) from across Australia. Heywire Competition winners attend the Heywire Regional Youth Summit in Canberra to develop ideas to improve regional Australia for young people.

6.5.5 Advocacy

- I Love Kinder campaign supported pushing for Australian Government to pledge to continue its funding for 4-year-old kindergarten.
- Watch Around Water community awareness building campaign undertaken at Aqua Energy aquatic centre and outdoor pools.
- Sale Bus Route Review advocacy with Victorian Government to include redeveloped and future public infrastructure at the Port of Sale, growth areas and rural connections.
- Council and Youth Council advocated for funding towards a Headspace centre to be located in Wellington. Headspace centres act as a one-stop-shop for young people who need help with mental health, physical health, alcohol and other drugs or work and study support.
- Council advocated to the Victorian Government to renew its commitment to Victorians with disabilities and continue to fund the unique Building Inclusive Communities program until the impacts of the National Disability Insurance Scheme (NDIS) are known. Wellington shire is amongst the final set of areas to transition to the NDIS.
- Council advocated for the Victorian Government to urgently address the adverse findings contained in the Victorian Auditor General's Office report 'Follow Up of Oversight and

Accountability of Committees of Management' aiming to increase support to volunteer community committees of management for public land and buildings.

6.5.6 Youth Events and Achievements

Wellington Shire Council supports the Wellington Youth Services Network and three youth groups:

- Wellington Shire Youth Council (youth leadership);
- OPAL (an LGBTIQI+ youth group); and
- Propellor (music focus with the support of FReeZA which is a Victorian Government- funded program providing opportunities for drug and alcohol-free events for local young people)

2018/19 youth events run by these networks and groups included:

- Down the Alley battle of the bands
- Open Mic Nights
- FReeZA events
- On Board: Skate Deck Art competition and associated workshops in partnership with the Gippsland Art Gallery
- Upswing youth mental health festival
- Inaugural Wellington Youth Film Festival
- Q&A / Meet the Candidates sessions with candidates for the Victorian and Australian Government elections
- Colours of the World colour run cultural diversity event (Wellington's Youth Week opening event)
- Youth Week activities including a YMCA skate competition and Solve it in Sale speed cubing event which brought 100 entrants and their families from across the state to Sale for a weekend.
- Inaugural Wellington Youth Awards with 18 nominations across eight fields.

Council provided many opportunities for youth to improve their skills or otherwise benefit the growth and confidence of our young people:

- First Aid
- Tech for Good
- Project Management
- Young Change Agents social enterprise pilot program
- VicSRV student voice workshops
- Ask Izzy consultations.

Council assisted young people to deliver 20+ events across the shire. 86 young people have been directly involved in organising and presentation of these events and activities.

852 young people directly entered in Council-supported youth events, programs and activities and over 1500 additional people have enjoyed these events as attendees.

6.5.7 Bushfires and Emergency Management - January to April 2019

- Wellington Shire experienced bushfires from January to April 2019. During this time three major fires occurred: Rosedale South bushfire; Walhalla-Stoney Creek Track Bushfire; and several fires between Licola and Dargo which joined to become the Licola-Mt Margaret Track bushfire.
- The Rosedale South bushfire started on 4 January 2019 and burnt approximately 10,000 hectares of Holey Plains State Park and 2,000 ha of privately-owned plantation timber. The state park was extensively damaged with peat fires continuing to burn for some months after the fire was brought under control.

- Starting on 30 January 2019, the Walhalla-Stoney Creek Track bushfire burnt over 8,000 hectares east of Walhalla and approached Cowwarr before being brought under control. There were some buildings lost around the Walhalla township however most of the fire was in state forest or national park.
- Around 28 February 2019, dozens of lightning strikes started fires between Licola and Dargo. These fires eventually merged to become the Licola-Mt Margaret bushfire and the Hibernia-Black Snake Creek bushfire which covered over 80,000 ha coming within two kilometres of the Dargo township.
- During these fires, Wellington Shire Council opened its Emergency Relief Centre (ERC) on six occasions to support people who were advised to leave their homes as bushfires approached. Council supported community information meetings including provision of live streaming via social media to maximise communications of response agencies' messaging.
- Once fires were brought under control, Council was heavily involved in recovery activities including supporting a Victorian Government program to clean water tanks contaminated by ash from the fires. Council provided recovery information and support through a series of "Pop Up Recovery Centres" drop in sessions in the communities most affected by bushfires where Council recovery staff and other community support agencies were available to provide support, information and referrals.
- On-going recovery activities will continue into the second half of 2019 with a Recovery Officer employed to follow up any contacts with council during the fires to ensure that affected community members have access to appropriate advice and services as well as support improvements to emergency relief and recovery processes identified during the campaign.

6.5.8 Grants Received

- Local Government Victoria allocated a grant of \$4.5M from the Rural Councils Transformation Program, to four of the Gippsland Councils to begin work on planning for the shared services opportunity.
- Cameron Stadium Redevelopment (Victorian Government – \$3M Better Stadiums, \$1M Latrobe Valley Authority)
- Stephenson Park Changeroom Redevelopment (Victorian Government - \$800k Community Sports Infrastructure Fund Majors)
- Stratford Recreation Reserve Changeroom Redevelopment (Victorian Government - \$500k Female Friendly Facilities)
- Pine Lodge – Tennis Court Redevelopment (Victorian Government - \$250k Community Sports Infrastructure Fund Minors)
- Briagolong Recreation Reserve Pavilion Redevelopment (Federal Government - \$250k Community Sports Infrastructure Grant)
- Three years of FReeZA program funding, which is a Victorian Government- funded program providing opportunities for drug and alcohol-free events for local young people (Victorian Government)
- Safer Together program funding of \$50,350 for strategic, risk-based roadside vegetation management pilot project in Briagolong (Victorian Government)
- \$15,000 from Creative Victoria to bring the entire Gippsland Art Gallery collection of over 2,000 artworks online and searchable through the website.

- \$15,000 received from Creative Victoria's Engaging Audiences Program to fund a part-time Indigenous Engagement Officer at the Gippsland Art Gallery.
- Department of Environment Land, Water and Planning provided \$320,997 for the Public Libraries Funding Program.
- \$8,705 received from Department of Environment Land, Water and Planning for the Premier's Reading Challenge.
- Creative Victoria provided operational funding through the Regional Partnerships Program of \$95,000 to both the Wedge and the Gippsland Art Gallery.
- \$23,100 subsidy from Department of Education for Gippsland Art Gallery for the Education Officer.
- Received \$2,000 for the 2019 Victorian Youth Week to deliver the Coloured Up project.
- \$15,000 from VicHealth – This Girl Can promotion April to June 2019 (Gippy Girl Can).
- \$24,500 from Department of Health and Human Services – Youth Freeza events
- \$114,000 from VicRoads – L2P Learner Driver Mentor Program
- \$57,440 from Commonwealth Home Support Program – Senior Citizens Centres.
- \$137,034 from National Disability Insurance Scheme, Independent Living Centres Australia and Department of Health and Human Services for Rural Access.
- \$10,000 from VicHealth, Walk to School.
- \$27,415 from VicRoads, Community Road Safety Grant
- \$15,000 from Transport Accident Commission (TAC) for Road Safety Program.
- \$49,500 from Department of Justice and Community Safety, Bushfire Recovery.
- Fixing Country Roads Program – Johnsons Road - \$650,000
- Fixing Country Roads Program – Balloong Road - \$1,140,000.
- Federal Blackspot Program – Freestone Creek Road - \$121,031.
- Federal Blackspot Program – Sale – Toongabbie Road - \$620,201

6.5.9 Council Managed Recreational Facilities

6.5.9.1 The Wedge Performances

The Wedge entertainment centre is a contemporary hub for performing arts and entertainment complete with theatre, versatile meeting rooms and modern café. The following summary demonstrates the breadth and diversity of performing catered for at this facility during 2018/19.

Type	Event Name
Musical Theatre	Marina Prior in Concert with David Cameron
Comedy	Melbourne International Comedy Festival Roadshow 2018
Opera	Madame Butterfly Opera Australia
Musical Theatre	'Showstoppers' Sale Theatre Company
Tribute	Return of the Brits
Contemporary Music	A Taste of Tamworth
Tribute	Echoes of Pink Floyd
Play	Hell Ship The Journey of the Ticonderoga
Tribute	'One Night With You' An Intimate Evening with Elvis & Tom
Play	Always Patsy Cline

Classical Music	Catalano Memorial Concert Stratford Sister Cities Event
Childrens/Family Theatre	Yo Diddle Diddle!
Play	Nursery Rhyme Lane Maffra Primary School
Contemporary Music	Music & More
Play	Sale College George Orwell's Animal Farm
Film	Loving Vincent Friends of the Gallery Event
Comedy	Kevin Bloody Wilson The Almost Awesome Tour
Play	Macbeth Australian Shakespeare Company
Children's/Family Theatre	The Gruffalo
Contemporary Music	Rock Through the Ages Volume II
Classical Music	Gippsland Grammar Spring Concert
External Event	Sale College Gala
Tribute	Sinatra at The Sands Tom Burlinson
Tribute	Roy Orbison & Johnny Cash In Concert
Classical Music	The Last Night of the Proms 2018 Sale City Band
Contemporary Music	Ian Moss National Theatre Tour
Tribute	The Songs & Tales of Angry Old Men
Tribute	Olivia - Magic!
Comedy	Menopause the Musical Women on Fire
Classical Music	Gippsland Symphony Orchestra Peter & the Wolf
Tribute	The Robbie Williams Story with Kylie Minogue
Contemporary Music	Paul Grabowsky & Vince Jones Provenance
Play	On Our Selection Sale Theatre Company
Opera	Esso Night at the Opera Free Community Concert
Comedy	Peter Rowsthorn & Fiona O'Laughlin Ron & Brenda Go Country
Dance	Leaps and Bounds 2018 FASHION
Contemporary Music	Christmas & All That Jazz
Comedy	Melbourne Comedy Festival - Yarram
Tribute	Sam Cooke
Special Event	Season Launch 2019
Play	Macbeth

Play	Romeo & Juliet Presented by Kilmany Park
Contemporary Music	Boys in the Band Jukebox Revolution
Musical Theatre	Marina Prior & David Hobson The 2 of Us
Children's/Family Theatre	Room on the Broom
Musical Theatre	The Complete Works of Gilbert & Sullivan
Classical Music	Gippsland Symphony Orchestra Brahms, Bruch & Beethoven
Dance	A Taste of Ireland The Irish Music & Dance Sensation
Physical Theatre	By a Thread
Children's/Family Theatre	The Real Dinosaurs
Tribute	Robertson Brothers 60's Variety Show
External Event	Glory Days The Boss Experience
Tribute	The Neil Diamond Super Hits Show 25th year Anniversary Tour
Circus	Circus Oz Workshop
External Event	Gippsland Grammar Autumn Concert 2019
Classical Music	Celtic Reflections Through the Ages
External Event	Roman Rudnytsky Pianistic Kaleidoscope
Circus	Circus Oz Precarious
Play	Much Ado About... Beatrice & Benedick
Contemporary Music	Canned Heat On the Road Again
Contemporary Music	Foster & Allen
External Event	Celtic Reflections Through the Ages
Contemporary Music	Michael Waugh Dairy Farmers Son
External Event	Mac & Cheese Catholic College Sale
Tribute	The Bob Dylan & Tom Petty Show True Confessions Revisited
Dance	Alice in Wonderland Melbourne City Ballet
Tribute	Across the Universe The Complete Beatles
Contemporary Music	Toni Childs Retrospective
Musical Theatre	Puttin' On The Ritz
Play	Hallowed Ground
Tribute	Johnny Cash Live Daniel Thompson San Quentin 50 years on
Classical Music	Grigoryan Brothers Songs Without Words

External Event	Central Gippsland Tourism Business Awards
External Event	Latrobe Chorale 'Tutti' Opera for All

6.5.9.2 Gippsland Art Gallery Exhibition program

Gippsland Art Gallery is home to Gippsland's most comprehensive collection of art and hosts a diverse and dynamic range of exhibitions and visitor programs. The following summary demonstrates the breadth and diversity of visual arts offered at this venue during 2018/19.

Type	Exhibition Name
Painting, Printmaking, Drawing, sculpture, textiles, ceramics, woodwork, craft and design	The Gippsland Collection
Painting and Drawing	The Esso Collection of Australian Art
Photography	The Dreamers: Palliative Care Victoria
Textile, Drawing, Craft and Design	The Art of Annemieke Mein (exhibition 1)
Installation	Leonie Ryan: Invisible Tendrils
Painting	Pat Waters: The Infinite Well - A Retrospective
Painting	Frank Mesaric: The Ashes of Children
Children's art	Hyland Kinder & St Thomas's Primary
Painting, Drawing, Sculpture, Jewellery	Call of the Wild (group exhibition)
Youth art	2018 Wellington Youth Art Prize
Painting, Sculpture	The Art of the George Gray Centre
Painting, Sculpture	Michelle Molinari: Posthumous Tableaux
Children's art	St Columbus Kinder & East Sale Kinder
Sculpture	Jacque Savage
Painting, Drawing	Peter Gardiner: Event Horizon
Painting, Sculpture	Steaphan Paton: Gunailand
Painting, mixed media	Guiding Lights: Gippsland Art Gallery Guides
Children's art	Queen Street Kinder & Longford Kinder
Painting, Sculpture	On Board: Skateboard Art Exhibition
Painting	Emma Hearn
Children's art	Gippsland Grammar School - St Anne's
Painting, Drawing	Kevin Lincoln: Impressions of Gippsland

Painting	Dr Aunty Eileen Harrison: Connections to Country
Painting	2018 John Leslie Art Prize
Children's art	Boisdale Consolidated School
Textile, Drawing, Craft and Design	The Art of Annemieke Mein (exhibition 2)
Painting, Craft, Sculpture, Photography	Homeground: Kurec Family Exhibition
Children's art	Maffra Primary School
Sculpture, Drawing	Cameron Robbins: Solar Loggerheads
Textile	Ann Greenwood: The Peacock's Garden
Children's art	St Mary's Primary School
Painting, Drawing, Sculpture, Multimedia	Kevin Mortensen: The Alchemist
Painting, Sculpture	A Fine Romance (Realism Group Exhibition)
Photography	Jeff Carter: Kilmany Park Boys Home
Children's art	Gallery Geckos Summer Holidays program
Painting, Sculpture	The John Leslie Gift
Painting	Matthew Thomas: On Edge
Textile, Drawing, Craft and Design	The Art of Annemieke Mein (exhibition 3)
Photography	Jeff Carter: Kilmany Park Boys Home
Sculpture	Anthea Williams
Photography, Printmaking, Painting	Echo: Lesley Duxbury - A Survey
Printmaking	The Enchanted: Odilon Redon, Master Prints
Painting	Matthew Thomas: On Edge
Children's art	Gwenfa Hampton Kinder
Sculpture	Christopher Miller
Photography, Installation	Joanne Scicluna: Where the Land Lies
Children's art	Guthridge Primary School
Painting	Allan Fox: Good Vibrations
Printmaking	Heather Shimmen: The Ladies of the Pleiades
Ceramics and Painting	Margret Booth & Angela Thomas: Insight
Painting, Sculpture	The Art of the George Gray Centre
Painting, Craft, Sculpture, Photography	Baw Baw Arts Alliance

Painting, Sculpture, Printmaking, Photography	Stories from the Collection
Children's art	Gumnuts Kinder

6.5.9.3 Aqua Energy

Aqua Energy Leisure Centre offers a variety of dynamic fitness options and leisure facilities for users of all ages and abilities. The following programs were held at Aqua Energy during 2018/19:

- 30 in 30 Group Fitness Challenge – 437 participants, 8 completed the challenge.
- 20 Workouts in 30 Days Challenge – 4500 attendances, 45 registered participants, 34 completed the challenge.
- Teen Gym sessions – 362 sessions with 1275 attendances, providing fun, age-appropriate fitness training to young people.
- Living Longer Living Stronger sessions – 723 sessions with 6102 attendances, supporting older community members to remain physically active.
- Premier's Active April - 60 additional participation visits recorded for the month facilitating physical activities for improved community wellbeing.
- Gippy Girls Can – 23 participants in Group Fitness classes offered promoting female physical activity.
- Christmas Group Fitness Challenge – 310 participants, 16 registered. Of the 16 registered, 6 were confirmed winners, of the 310 participants 6 were drawn in raffle style for participation prizes.

6.5.9.4 Gippsland Regional Sports Complex (GRSC)

A wide range of team sports and social programs were held at the Gippsland Regional Sports Complex (GRSC) in Sale during 2018/19.

- 'Tiny Dribblers' basketball program (age 3-6)
- 'Tiny Stars' soccer program (age 4-6)
- Futsal (social soccer) – juniors, men's and mixed adults
- Social mixed netball
- Social hockey – juniors and mixed adults
- Social basketball – men's and women's
- Jumping castles – school holidays

7.0 Performance Statement



WELLINGTON SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2019

Performance Statement

For the year ended 30 June 2019

Description of municipality

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

With an estimated population of 44,019* Wellington Shire Council comprises a wide variety of industry and business contributing to the local economy including mining, offshore oil and gas extraction, primary production and agriculture, tourism and service industries, manufacturing and construction, retail, healthcare, education, arts and recreation and community services. In addition, RAAF Base East Sale is a major air and ground training base and home to the famous Roulettes, Central Flying School, the Officers' Training School and the schools of Air Warfare and Air Traffic Control.

Between January to April 2019, council experienced three major bushfires and several small fires across the municipality. Extensive emergency management works were required to bring fires under control and council was heavily involved in recovery and support activities.

*Australian Bureau of Statistics- Catalogue 3218.0 Population Estimates by Local Government Area
– Released 27 March 2019

Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator measure</i>	Results				Material Variations
	2016	2017	2018	2019	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,717.79	\$1,814.75	\$2,082.52	\$1,859.74	A one-off adjustment for landfill rehabilitation spiked the 2017/18 result, with 2018/19 result returning to the longer-term trend.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,099.08	\$17,929.49	\$17,486.48	\$17,137.94	Wellington Shire Council's infrastructure was valued at \$754 million during the 2018/19 financial year. That equates to a total value of \$17,137.94 infrastructure per head of the municipality's population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13.52	13.83	14.05	14.13	There are 3,115km of sealed and unsealed local roads for an estimated municipal population of 44,019 within Wellington Shire.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,475.59	\$1,563.36	\$1,665.30	\$1,680.64	Additional own source revenue received in 2018/19 included revenue from supplementary rates and a full year operations of the Gippsland Regional Livestock Exchange.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$293.24	\$605.65	\$424.28	\$444.29	Additional Financial Assistance Grants for 2018/19 was received, resulting in a minor increase in the indicator.

Indicator measure	Results				Material Variations
	2016	2017	2018	2019	
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	4	4	5	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 within Victoria. Reported index in 2017/18 was five within Australia and four within Victoria which is identical to 2018/19 result.

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.

Service Performance Indicators

For the year ended 30 June 2019

Service/indicator Measure	Results				Material Variations
	2016	2017	2018	2019	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.75	5.01	5.57	5.72	The combined number of visits recorded at Council's indoor and outdoor aquatic facilities during 2018/19 was 251,892. This equates to an average of over 5.7 aquatic facility visits, per Wellington Shire resident, for the year. Improvements in promotion and advertising including a dedicated Aqua Energy website, improved Facebook profile have contributed to the steady increase in utilisation during last four years.
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	4	17	10	5	Wellington Shire Council undertook 5 direct animal management prosecutions during 2018/19. Of note was one illegal dog breeding prosecution involving 155 charges against the Prevention of Cruelty to Animals Act and Domestic Animals Act. The other matters related to serious dog attacks, mainly dog vs dog or dog vs livestock.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	57.1%	94.1%	During 2018 calendar year, Council recorded a total of thirty four critical and major non-compliance notifications for food premises and followed up thirty two of these which is a significant improvement from last year.

Service/indicator Measure	Results				Material Variations
	2016	2017	2018	2019	
Governance					
Satisfaction					
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56	59	58	58	Council's participation in the 2019 Community Satisfaction Survey showed no change in community satisfaction rating with the way Council has performed in making decisions in the interests of the community. Council has performed six points higher than large rural average and three points higher compared to state-wide average.
Home and community care					
Participation					
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	N/A	N/A	N/A	N/A	The Wellington Shire council is not directly responsible for the delivery of Home and community care service, so there is no performance data available for these indicators.
Participation					
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	N/A	N/A	N/A	N/A	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.
Libraries					
Participation					
Active library members [Number of active library members / Municipal population] x100	13.42%	13.62%	13.82%	14.11%	Libraries are also one of our top performing service areas according to the 2019 Community Satisfaction Survey. Wellington Shire Libraries offer a broad range of popular programs including author talks, baby rhyme times, toddler Storytime and school holiday programs. These are well attended and open to all residents within the Shire. Council continues to actively promote Library services to all sectors of the community, resulting in an increase in active library membership.

Service/indicator Measure	Results				Material Variations
	2016	2017	2018	2019	
Maternal and child health					
Participation					
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	N/A	N/A	N/A	N/A	The Wellington Shire council is not directly responsible for the delivery of Home and community care service, so there is no performance data available for these indicators.
Participation Participation in 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	N/A	N/A	N/A	N/A	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.
Roads					
Satisfaction					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	53	56	56	56	Results from the 2019 Community Satisfaction Survey show no change in residents' satisfaction rating for Wellington Shire's sealed local roads. This is 9 points higher than the average for similar large rural councils. Council is responsible for a road network of 3,115km, where 1,523km are sealed and 1,592km unsealed.

Service/indicator Measure	Results				Material Variations
	2016	2017	2018	2019	
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	100%	50%	100%	Only one planning decision was appealed at VCAT during 2018/19, with Council's decision being upheld by VCAT.
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	32.10%	32.93%	33.55%	35.71%	More than 3,800 tonnes of recyclable material diverted from landfill in 2018/19 which is a 10% increase compared to 2017/18. That's an average of 200kg of recyclables 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.

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*.

Financial Performance Indicators

For the year ended 30 June 2019

Dimension/indicator Measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,177.97	\$1,278.23	\$1,330.57	\$1,371.08	\$ 1,436.67	\$ 1,457.99	\$ 1,479.60	\$ 1,497.14	There has been a small increase in residential assessment in 2018/19 compared to 2017/18 resulting in additional rates and charges. Future years are impacted by the increase in charges for 2020/21 and rate capping.
Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$2,103.93	\$2,344.22	\$2,746.91	\$2,468.31	\$ 2,784.68	\$ 2,763.94	\$ 2,758.45	\$ 2,729.49	2017/18 included several large one-off accounting entries associated with partial asset write offs and additional landfill rehabilitation expense resulting in a higher measure. Future years expenditure is impacted by provision of landfill expense to meet EPA requirements and increased depreciation.
Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.14%	9.92%	13.86%	11.88%	10.96%	11.00%	11.00%	11.00%	There was a spike in resignations and terminations in 2017/18 due to higher number of planned retirements and long serving staff moving on to seek other opportunities. But 2018/19 figure is more comparable with long term average for this measure

Dimension/ <i>indicator Measure</i>	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
									which is approximately 11%. No significant change in staff numbers are anticipated based on current organisational structure.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	382.82%	416.15%	594.69%	520.21%	440.09%	375.15%	369.86%	371.83%	Councils liquidity in 2018/19 and 2019/20 is impacted by Victoria Grants Commission advance payments being received. The measure from 2020/21 will remain relatively stable with Council maintaining a healthy cash balance.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-71.49%	169.41%	230.96%	164.94%	250.59%	197.18%	176.36%	179.87%	The reduction in the measure in 2018/19 is mainly due to a higher level of grant funding (restricted funds) received in late 2018/19 which will be expended in 2019/20. Council level of unrestricted cash will peak in 2019/20 and gradually reduce over the next three years as Council continues to fund an extensive capital works program with minimal borrowings.
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	80.21%	94.65%	93.26%	96.48%	97.95%	105.02%	99.48%	96.61%	The slight increase in this measure for 2018/19 is mainly due to significant projects completed in 2018/19 such as the West

Dimension/ <i>indicator Measure</i>	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
									Sale Airport Runway Extension. Planned renewal works in future years will remain steady except for 2020/21 where some major renewal projects will be completed.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	19.61%	15.62%	13.10%	12.43%	12.45%	14.06%	14.72%	14.36%	The minor reduction in this measure results from the deferral of 2018/19 proposed borrowings. The measure after 2019/20 will increase slightly due to the expected increase in rate revenue, while future years borrowings are expected to remain relatively stable.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	7.05%	3.60%	1.84%	1.05%	10.44%	1.89%	2.21%	2.43%	The measure in 2019/20 will spike as Council repays an interest only loan. During the remaining years, the measure will increase marginally as future loan borrowings are repaid.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17.40%	18.79%	33.68%	25.80%	28.49%	25.79%	27.11%	24.92%	The reduction in the measure results from the reclassification of non-current borrowings to current borrowings associated with the planned repayment of a \$6 million loan in 2019/20. In future

Dimension/ <i>indicator Measure</i>	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
									this measure will vary as Council continues to complete landfill rehabilitation works which will impact on non- current landfill provision balance
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	3.63%	16.82%	2.61%	18.64%	3.15%	3.02%	5.79%	8.27%	The increase in this measure is basically due to the impact of early receipt of 2019/20 funds in 2018/19 including 2019/20 Victoria Grants Commission advance and funding for the Gippsland Shared Services project and lower expenditure compared to 2017/18. The early receipt of 2018/19 funds will also impact on the 2019/20 results.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	69.10%	59.25%	64.39%	60.79%	66.99%	68.40%	67.39%	67.12%	Compared to 2017/18, additional grant income has been received, resulting in a decrease in this measure. In future the measure is expected to increase slightly due to projected increase in rate revenue.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.56%	0.54%	0.52%	0.56%	0.55%	0.55%	0.56%	0.57%	This measure is forecasted to remain steady over the next four years, consistent with past trends.

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.

Other Information

For the year ended 30 June 2019

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 4 June 2019 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.



WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland

Certification of the Performance Statement

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

Ian Carroll CPA
Principal Accounting Officer
Dated: 19/09/2019

In our opinion, the accompanying performance statement of the Wellington Shire Council for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Alan Hall
Mayor
Dated: 19/09/2019

Garry Stephens
Councillor
Dated: 19/09/2019

David Morcom
Chief Executive Officer
Dated: 19/09/2019



Independent Auditor's Report

To the Councillors of Wellington Shire Council

Opinion	<p>I have audited the accompanying performance statement of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards 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>. 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 performance statement in Victoria. 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>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are 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 determine 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>
Auditor's responsibilities for the audit of the performance statement	<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</p>


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 decisions of users taken on the basis of this performance statement.

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:

- identify and assess the risks of material misstatement of the 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 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 overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results 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
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

8.0 Financial Report



Wellington Shire Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2019

Wellington Shire Council

Financial Report

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WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Ian Carroll (CPA)
Principal Accounting Officer

Dated : 19/09/19
Sale

In our opinion the accompanying financial statements present fairly the financial transactions of Wellington Shire Council for the year ended 30 June 2019 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.

Alan Hall
Councillor

Dated : 19/09/19
Sale

Garry Stephens
Councillor

Dated : 19/09/19
Sale

David Morcom
Chief Executive Officer

Dated : 19/09/19
Sale



Independent Auditor's Report

To the Councillors of Wellington Shire Council

Opinion	<p>I have audited the financial report of Wellington Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards 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 Victoria. 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>
Councillors' responsibilities for the financial report	<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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**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
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	61,916	60,823
Statutory fees and fines	3.2	775	888
User fees	3.3	7,369	6,911
Grants - operating	3.4	22,594	15,966
Grants - capital	3.4	16,739	8,514
Contributions - monetary	3.5	1,615	939
Contributions - non monetary	3.5	611	790
Other income	3.6	3,920	4,231
Total income		115,539	99,062
Expenses			
Employee costs	4.1	25,690	24,551
Materials and services	4.2	30,802	28,994
Depreciation and amortisation	4.3	21,600	22,256
Bad and doubtful debts	4.4	110	88
Borrowing costs	4.5	355	341
Net loss on disposal of property, infrastructure, plant and equipment	4.7	1,120	3,163
Other expenses	4.6	2,187	11,712
Total expenses		81,864	91,105
Surplus for the year		33,675	7,957
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	(21,728)	32,459
Total comprehensive result		11,947	40,416

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

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	60,612	51,546
Trade and other receivables	5.1	8,119	6,506
Other financial assets	5.1	36,219	20,783
Inventories	5.2	20	9
Other assets	5.2	877	1,617
Total current assets		105,847	80,461
Non-current assets			
Trade and other receivables	5.1	1,064	2,221
Property, infrastructure, plant and equipment	6.1	881,050	891,818
Intangible assets	5.2	2,138	2,289
Total non-current assets		884,252	896,328
Total assets		990,099	976,789
Liabilities			
Current liabilities			
Trade and other payables	5.3	5,802	6,362
Trust funds and deposits	5.3	2,148	996
Provisions	5.5	6,108	5,883
Interest-bearing liabilities	5.4	6,289	289
Total current liabilities		20,347	13,530
Non-current liabilities			
Provisions	5.5	17,770	16,936
Interest-bearing liabilities	5.4	1,315	7,603
Total non-current liabilities		19,085	24,539
Total liabilities		39,432	38,069
Net assets		950,667	938,720
Equity			
Accumulated surplus		389,170	356,603
Reserves	9.1	561,497	582,117
Total Equity		950,667	938,720

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

Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		938,720	356,603	574,111	8,006
Surplus/(deficit) for the year		33,675	33,675	-	-
Net asset revaluation increment/(decrement)	9.1	(21,728)	-	(21,728)	-
Transfer from asset revaluation reserve to accumulated surplus	6.1	-	775	(775)	-
Transfers to other reserves	9.1	-	(2,814)	-	2,814
Transfers from other reserves	9.1	-	931	-	(931)
Balance at end of the financial year		950,667	389,170	551,608	9,889

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at beginning of the financial year		898,074	350,051	541,517	6,506
Effects of correction of errors		230	456	(226)	-
Surplus/(deficit) for the year		7,957	7,957	-	-
Net asset revaluation increment/(decrement)	9.1	32,459	-	32,459	-
Transfer from asset revaluation reserve to accumulated surplus	6.1	-	(361)	361	-
Transfers to other reserves	9.1	-	(3,446)	-	3,446
Transfers from other reserves	9.1	-	1,946	-	(1,946)
Balance at end of the financial year		938,720	356,603	574,111	8,006

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		62,075	60,778
Statutory fees and fines		787	888
User fees		7,787	6,970
Grants - operating		22,775	15,856
Grants - capital		16,167	9,545
Contributions - monetary		1,615	939
Interest received		2,027	1,542
Trust funds and deposits taken		2,658	1,182
Other receipts		1,285	1,902
Goods and Services Tax Collected		944	923
Goods and Services Tax Refunds from the Australian Taxation Office		5,119	5,058
Employee costs		(25,450)	(24,449)
Materials and services		(31,439)	(32,170)
Trust funds and deposits repaid		(1,506)	(1,177)
Other payments		(728)	(768)
Goods and Services Tax Paid to Suppliers		(6,063)	(5,980)
Net cash provided by operating activities		58,053	41,039
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment (including intangibles)		(33,604)	(30,866)
Proceeds from sale of property, infrastructure, plant and equipment		634	1,445
Payments for investments		(154,346)	(107,379)
Proceeds from sale of investments		138,972	103,027
Net cash used in investing activities		(48,344)	(33,773)
Cash flows from financing activities			
Finance costs		(355)	(342)
Repayment of borrowings		(288)	(764)
Net cash used in financing activities		(643)	(1,106)
Net increase in cash and cash equivalents		9,066	6,160
Cash and cash equivalents at the beginning of the financial year		51,546	45,386
Cash and cash equivalents at the end of the financial year		60,612	51,546
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land improvements	126	1,119
Total land	126	1,119
Buildings	4,241	7,986
Total buildings	4,241	7,986
Total property	4,367	9,105
Plant and equipment		
Plant, machinery and equipment	1,576	1,932
Fixtures, fittings and furniture	377	498
Computers and telecommunications	258	155
Library books	246	248
Total plant and equipment	2,457	2,833
Infrastructure		
Roads	10,863	8,886
Bridges	633	898
Footpaths and cycleways	2,433	1,012
Drainage	68	158
Recreational, leisure and community facilities	1,945	1,971
Waste management	344	160
Parks, open space and streetscapes	3,616	3,485
Aerodromes	6,297	492
Off street car parks	385	-
Other infrastructure	136	1,838
Total infrastructure	26,720	18,900
Total Capital Works expenditure	33,544	30,838
Represented by:		
New asset expenditure	2,446	1,755
Asset renewal expenditure	20,303	19,553
Asset expansion expenditure	2,691	3,149
Asset upgrade expenditure	8,104	6,381
Total capital works expenditure	33,544	30,838

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 2019

OVERVIEW

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, Victoria 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 the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, *the Local Government Act 1989*, and the Local Government (Planning and Reporting) Regulations 2014.

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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

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.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$600,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 19 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income 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*.

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
Income					
Rates and charges	61,411	61,916	505	1	
Statutory fees and fines	811	775	(36)	(4)	
User fees	7,525	7,369	(156)	(2)	
Grants - operating	8,580	22,594	14,014	163	1
Grants - capital	13,836	16,739	2,903	21	2
Contributions - monetary	1,546	1,615	69	4	
Contributions - non monetary	-	611	611	100	3
Other income	2,288	3,920	1,632	71	4
Total income	95,997	115,539	19,542	20	
Expenses					
Employee costs	26,927	25,690	1,237	5	5
Materials and services	32,297	30,802	1,495	5	6
Depreciation and amortisation	24,130	21,600	2,530	10	7
Bad and doubtful debts	86	110	(24)	(28)	8
Borrowing costs	391	355	36	9	
Net loss (gain) on disposal of property, infrastructure, plant and equi	(151)	1,120	(1,271)	842	9
Other expenses	2,453	2,187	266	11	10
Total expenses	86,133	81,864	4,269	5	
Surplus for the year	9,864	33,675	23,811	241	

(i) Explanation of material variations - Income and Expenditure

Variance Ref	Item	Explanation
1	Grants - operating	Operating grants variance mainly relates to 50% of Council's 2019/20 Victoria Grants Commission (VGC) allocation of \$7.4 million and \$4.5 million associated with the Gippsland Shared Services initiative being received in June 2019, which will be carried forward to 2019/20. New grant funding of \$0.7 million has been received for drought community resilience and support programs and \$0.2 million for Stratford Recreation Reserve. Additional funding of \$0.8 million has also been received against the 2018/19 Victoria Grants Commission allocation in our budget.
2	Grants - capital	Capital grant variance mainly represents the final invoices raised for the Port of Sale Redevelopment project of \$2.2 million for the work completed in 2017/18. The conclusion of the current five year Roads to Recovery program has resulted in additional \$1.9 million being received. This is offset by unsuccessful funding applications of \$1.3 million for road and bridge upgrades.
3	Contributions - non monetary	Donations and asset contributions (non monetary) associated with new subdivisions have been recognised through the year.
4	Other Income	Other income primarily represents higher than projected interest on investments of \$0.8 million due to advance funds being received and expenditure trend being lower than budgeted. New assets of \$0.6 million (non cash) have been recognised during the year.
5	Employee costs	Savings in employee costs resulted from staff vacancies (some long term) but slightly offset by use of casuals and agency staff. Lower than expected annual workcover premium will generate overall savings of approximately \$0.3 million for the year.
6	Materials and Services	The Sale Memorial Hall Upgrade project has been deferred and is expected to commence in July 2019, resulting in a \$0.6 million underspend in 18/19. The commencement of the Gippsland Shared Service's initiative was delayed until 2019/20 awaiting finalisation of a government funding application resulting in a \$0.6 million underspend in 2018/19. Savings in utilities charges of \$0.1 million is mainly due to energy efficiency initiatives implemented throughout Council facilities.
7	Depreciation and amortisation	Written down value of assets replaced, budgeted in depreciation was reclassified to Net gain(loss) on disposal of property, infrastructure, plant and equipment after adoption of the budget. Excluding this reclassification, there was a savings of \$1.5 million mainly in buildings depreciation.
8	Bad and doubtful debts	The provision for inappropriate subdivision outstanding rates was higher than budgeted.
9	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Since the 2018/19 budget was adopted, assets written down and replaced was reclassified from depreciation to Net gain (loss) on disposal of property, infrastructure, plant and equipment.
10	Other expenses	During the year, Council wrote off assets of \$0.3 million found to be the property of an external party. In addition, \$0.4 million of assets were derecognised as they were no longer maintained by Council. This additional expenditure was offset by \$1.2 million for landfill rehabilitation provision not required this financial year as it was previously recognised in 2017/18 financial statements.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (continued)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
Property					
Landfill Improvements	30	126	96	320	1
Total Land	30	126	96	320	
Buildings	6,877	4,241	(2,636)	(38)	2
Total Buildings	6,877	4,241	(2,636)	(38)	
Total Property	6,907	4,367	(2,540)	(37)	
Plant and Equipment					
Plant, machinery and equipment	2,201	1,576	(625)	(28)	3
Fixtures, fittings and furniture	196	377	181	92	4
Computers and telecommunications*	165	258	93	56	5
Library books	259	246	(13)	(5)	
Total Plant and Equipment	2,821	2,457	(364)	(13)	
Infrastructure					
Roads	12,083	10,863	(1,220)	(10)	6
Bridges	412	633	221	54	7
Footpaths and cycleways	6,718	2,433	(4,285)	(64)	8
Drainage	150	68	(82)	(55)	9
Recreational, leisure and community facilities	3,442	1,945	(1,497)	(43)	10
Waste management	250	344	94	38	11
Parks, open space and streetscapes	3,161	3,616	455	14	12
Aerodromes	6,238	6,297	59	1	
Off street car parks	85	385	300	353	13
Other infrastructure	745	136	(609)	(82)	14
Total Infrastructure	33,284	26,720	(6,564)	(20)	
Total Capital Works Expenditure	43,012	33,544	(9,468)	(22)	
Represented by:					
New asset expenditure	335	2,446	2,111	630	
Asset renewal expenditure	26,518	20,303	(6,215)	(23)	
Asset expansion expenditure	3,961	2,691	(1,270)	(32)	
Asset upgrade expenditure	12,198	8,104	(4,094)	(34)	
Total Capital Works Expenditure	43,012	33,544	(9,468)	(22)	

* This budget comparison excludes intangibles of \$664k.

(i) Explanation of material variations - Capital Works

Variance Ref	Item	Explanation
1	Land improvements	Planned cell construction for Rosedale landfill (\$30k) was cancelled due to the closure of Rosedale landfill in early 2018/19. Unbudgeted works have been completed on Kilmany for \$0.1 million.
2	Buildings	Due to delays in funding confirmation and community consultation construction on the Cameron Sporting Complex Redevelopment will not commence until early 2019/20 financial year resulting in a variance of \$4.0 million. Commencement of the construction of the Briagolong Recreation Reserve pavilion redevelopment and Stephenson Park Sale changeroom redevelopment were also delayed awaiting confirmation of funding announcements, resulting in a underspend in 2018/19 of \$0.3 million. Expenditure of \$0.2 million at Aqua Energy was also delayed while options were evaluated. All these projects are anticipated to be completed in 2019/20. Rescoping of GRSC Stage 2A delayed commencement of the project with \$1.9 million spent in 2018/19 and completion occurred in October 2018.
3	Plant, machinery and equipment	The replacement of some fleet vehicles has been deferred because of lower than expected kilometres and some vehicles are being kept longer as an economy measure.
4	Fixtures, fittings and furniture	A number of miscellaneous unbudgeted furniture and fittings were purchased during the year including additional artworks for the Gippsland Art Gallery. New funding was received to improve public safety in the Sale CBD by installing CCTV with the majority of works completed in 2018/19. As the project was delivered under budget, additional works are planned for 2019/20 to expend the remaining funds.
5	Computers and telecommunications	Business systems upgrades have been delayed due to the outcome of the shared services submission to Local Government Victoria.
6	Roads	The annual reseal and asphalt program delivered \$1.5 million savings after completion of programmed works. Some projects were cancelled due to unsuccessful funding.
7	Bridges	Final works of \$0.14 million on Boodyarn, Napier and Toms Cap bridges were completed in early 2018/19. Works on Staceys Bridge has commenced following delays in sourcing government funding with works to be completed in August 2019.
8	Footpaths and cycleways	Works on the Sale CBD renewal program (Foster St Sale) were completed but expenditure for the majority of the remaining \$2.2 million will be delayed until 2020/21 awaiting the installation of underground power by SP Ausnet on York St Sale. Expenditure of \$2.1 million on the Maffra CBD Streetscape multi-year project was delayed due to an unscheduled watermain replacement and then contractor delays in mobilising to site. Commencement of works on the Tarra Trail Stage 2 of \$0.3 million has been delayed awaiting issuing of permits. The final works of \$0.3 million on the 2017/18 Glebe Woondella shared path project (boardwalk/bridge and lighting) was completed in 2018/19.
9	Drainage	Savings were achieved in the construction of minor drainage works.
10	Recreational, leisure and community facilities	The Sale Tennis Club pavilion upgrade is complete with court works progressing with the remaining budget of \$1.0 million to spent by late 2019. The outdoor pool plant room replacement project of \$0.7 million was rescoped and re-tendered during 2018/19 with a decision to be made in 2019/20.
11	Waste management	New funding has been received in 2018/19 to construct E-Waste Storages at landfill facilities within the Shire.
12	Parks, open space and streetscapes	The multi- year Rosedale Civic Renewal project continued in 2018/19 with the redevelopment of Willow Park, including new toilet and BBQ facilities completed. Maffra Cameron Sporting Complex Water Bore & Irrigation project required retendering hence delaying the completion of the project from 2017/18 to 2018/19.
13	Off street car parks	Works on the Port Albert off street carpark were delayed to avoid works disruption to the boat ramp project.
14	Other infrastructure	Boating facilities upgrades have not proceeded due to deferral of boating facilities grants funding.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Built & Natural Environment

Built & Natural Environment division promotes, plans and implements a range of strategies that make a significant contribution to the responsible care and sustainable management of our municipality's diverse natural environment and built environment. Services delivered by this division include Capital works, Asset Management, Infrastructure Development, Road Planning and Maintenance, Built Environment Facilities, Parks Services, Open Space Planning and Waste & Sustainability.

Chief Executive Officer

CEO Office ensures leadership and engagement with our community to ensure our residents feel engaged and informed by Council through services including Media and Communication.

Community and Culture

Community & Culture division promotes, supports and advocates for the social and cultural wellbeing of our community by providing essential and innovative amenities, services and facilities through the creation of beneficial partnerships with key stakeholders. The division is comprised of service areas including Social Planning & Policy, Community Engagement, Youth Services, Rural Access, Emergency Management, Community Facilities Planning and Community Committees. This division also manages our Art Gallery, Library Services, 'The Wedge' Entertainment Centre and Leisure Services which includes our pools and Gippsland Regional Sporting Complex in Sale.

Corporate Services

Corporate Services division provides support services across council to enable the delivery of council's vision and strategic objectives. The provision of these services includes Human Resources, Occupational Health & Safety, Risk Management, Corporate Planning, Accounting & Payroll, Rates & Valuations, Procurement, Records Management, Information Technology and Business Systems. This division also ensures the legislative compliance by conducting our affairs openly and with integrity, reflecting the highest level of good management and governance.

Development

Development division supports sustainable growth and development in appropriate locations supported by levels of infrastructure in keeping with the needs of the community while retaining the amenity valued by the community. This includes services such as Strategic Planning, Statutory Planning, Economic Development, Tourism and Visitor Economy. The division is responsible for managing a number of customer focussed, responsive services such as Local Laws, Environmental Health, Municipal Building Services and Customer Service. It also manages a range of commercial property portfolios including the Gippsland Regional Livestock Exchange.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 2.1 Analysis of Council results by program

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Built & Natural Environment	30,449	53,046	(22,597)	19,173	873,939
Chief Executive Officer	-	1,328	(1,328)	-	-
Community and Culture	5,618	11,964	(6,346)	4,855	5,100
Corporate Services	67,073	8,028	59,045	14,066	111,060
Development	12,399	7,498	4,901	1,239	-
	115,539	81,864	33,675	39,333	990,099

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2018	\$'000	\$'000	\$'000	\$'000	\$'000
Built & Natural Environment	23,093	61,966	(38,873)	11,981	884,866
Chief Executive Officer	-	1,415	(1,415)	-	-
Community and Culture	6,186	12,919	(6,733)	3,510	5,021
Corporate Services	65,733	8,196	57,537	8,666	86,901
Development	4,050	6,609	(2,559)	323	-
	99,062	91,105	7,957	24,480	976,788

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services	2019	2018
3.1 Rates and charges	\$'000	\$'000

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 2018/19 was \$10,789 million (2017/18 \$9,647 million).

General rates	54,551	50,141
Waste management charge	4,167	3,533
Service rates and charges	2,005	1,826
Supplementary rates and rate adjustments	448	4,730
Special rates and charges	388	244
Interest on rates and charges	357	349
Total rates and charges	61,916	60,823

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

Planning fees	395	559
Infringements and costs	99	95
Land and building information certificates	147	134
Permits	134	100
Total statutory fees and fines	775	888

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.

3.3 User fees

Waste management services	2,550	2,563
Leisure centres	2,152	2,150
Registration and other permits	795	722
Other fees and charges	732	792
Saleyards	569	175
Entertainment centre	401	344
Emergency management works	91	97
Animal services	79	68
Total user fees	7,369	6,911

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services

	2019 \$'000	2018 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	21,138	19,130
State funded grants	18,195	5,350
Total grants received	39,333	24,480
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	14,490	13,002
Roads to Recovery	93	-
<i>Recurrent - State Government</i>		
Libraries	323	315
Rural Access and Transport connection	251	271
Cultural Services	229	214
Municipal emergency	174	155
School crossing supervisors	133	109
Parks and Environmental services	106	115
Environmental health	94	54
Fire Service Property Levy	59	58
Senior citizens	57	57
Community support programs	44	34
Other	14	10
Total recurrent operating grants	16,067	14,394
	2019 \$'000	2018 \$'000
<i>Non-recurrent - Commonwealth Government</i>		
Drought Community Program	428	-
<i>Non-recurrent - State Government</i>		
Shared Services	4,500	-
Community and Recreation facilities upgrade	404	1,337
Roads	261	-
Drought Communities Program	250	-
Other	216	50
Economic Development and Tourism	173	5
Planning	110	-
Community support programs	79	26
Property Valuation	61	154
Municipal emergency	45	-
Total non-recurrent operating grants	6,527	1,572
Total operating grants	22,594	15,966

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services

	2019 \$'000	2018 \$'000
3.4 Funding from other levels of government (continued)		
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	3,490	4,013
Total recurrent capital grants	3,490	4,013
<i>Non-recurrent - Commonwealth Government</i>		
Parks, open space and streetscapes	1,000	-
Buildings	675	2,025
Drought Community Program	472	-
Recreation and leisure community facilities	490	90
<i>Non-recurrent - State Government</i>		
Aerodrome	5,000	-
Recreation and leisure community facilities	2,800	1,097
Buildings	1,500	-
Roads	877	394
Footpaths and Cycleways	242	-
Waste Management	150	-
Parks, open space and streetscapes	34	563
Library Books	9	9
Other Infrastructure	-	307
Plant, machinery and equipment	-	16
Total non-recurrent capital grants	13,249	4,501
Total capital grants	16,739	8,514
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	4,537	4,509
Received during the financial year and remained unspent at balance date	8,303	1,743
Received in prior years and spent during the financial year	(2,022)	(1,715)
Balance at year end	10,818	4,537

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

3.5 Contributions

Monetary	1,615	939
Non-monetary	611	790
Total contributions	2,226	1,729
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Infrastructure	560	625
Land	48	160
Land under roads	3	5
Total non-monetary contributions	611	790

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

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services

	2019	2018
	\$'000	\$'000
3.5 Contributions (continued)		
Unspent monetary contributions received on condition that they be spent in a specific manner		
Balance at start of year	529	74
Received during the financial year and remained unspent at balance sheet date	599	492
Received in prior years and spent during the financial year	(501)	(37)
Balance at year end	<u>627</u>	<u>529</u>

3.6 Other income

Interest on investments	2,027	1,542
Other rent	862	933
Recognition of assets	608	787
Donations	310	774
Miscellaneous income	80	102
Insurance	21	76
Interest on debtors	12	17
Total other income	<u>3,920</u>	<u>4,231</u>

Interest is recognised as it is earned.

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.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 4 The cost of delivering services

	2019 \$'000	2018 \$'000
4.1 Employee costs		
Wages and salaries	20,625	19,618
Superannuation	2,148	2,012
Casual staff	2,118	1,821
Other	402	496
WorkCover	202	392
Fringe benefits tax	195	212
Total employee costs	25,690	24,551

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	184	154
Employer contributions - other funds	-	-
	184	154
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,147	1,059
Employer contributions - other funds	814	759
	1,961	1,818
Employer contributions payable at reporting date.	-	-

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Infrastructure & parks maintenance	7,387	7,213
Contractors	6,104	5,666
Waste management services	4,570	4,364
Materials	3,705	3,976
Contributions	2,836	2,668
Utility payments	2,518	2,141
Insurances	1,035	975
Building maintenance	1,204	637
Authority fees	941	939
Consultants	502	415
Total materials and services	30,802	28,994

Notes to the Financial Report For the Year Ended 30 June 2019

Note 4 The cost of delivering services

	2019 \$'000	2018 \$'000
4.3 Depreciation and amortisation		
Infrastructure	15,110	14,473
Property	4,030	4,037
Plant and equipment	1,904	2,456
Total depreciation	21,044	20,966
Intangible assets	556	1,290
Total depreciation and amortisation	21,600	22,256

Refer to note 5.2 (c) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Bad and doubtful debts

Rates debtors	110	86
Infringements	-	2
Total bad and doubtful debts	110	88

Movement in provisions for doubtful debts

Balance at the beginning of the year	1,486	1,460
New Provisions recognised during the year	21	26
Balance at end of year	1,507	1,486

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

4.5 Borrowing costs

Interest - Borrowings	391	424
Changes to net present value due to interest rate movements	(36)	(83)
Total borrowing costs	355	341

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.

4.6 Other expenses

Landfill Rehabilitation Expenses (refer to note 5.5)	597	10,477
Derecognition of assets	560	246
Work in progress assets written off	412	309
Councillors' allowances	310	303
Operating lease rentals	223	270
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	60	67
Auditors' remuneration - Internal	25	40
Total other expenses	2,187	11,712

4.7 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	634	1,445
Written down value of assets disposed/replaced	(1,754)	(4,608)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,120)	(3,163)

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

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position	2019 \$'000	2018 \$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	5	6
Cash at bank	896	320
Term deposits	59,711	51,220
Total cash and cash equivalents	60,612	51,546
(b) Other financial assets		
Term deposits - current	36,219	20,783
Term deposits - non-current	-	-
Total other financial assets	36,219	20,783
Total financial assets	96,831	72,329
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 5.3)	2,148	996
Other non discretionary reserves (Note 9.1)	1,927	1,596
Total restricted funds	4,075	2,592
Total unrestricted cash and cash equivalents	56,537	48,954
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works/operating projects	4,122	6,080
- Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	7,409	6,560
- Unexpended grants and contributions (Note 3.4 & 3.5)	11,445	5,066
- Discretionary reserve	7,962	6,410
Total funds subject to intended allocations	30,938	24,116

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.

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

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position

5.1 Financial assets (continued)

	2019	2018
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	4,294	3,350
Special charge schemes	83	156
Infringement and fire hazards	51	37
Net GST receivable	680	697
<i>Non statutory receivables</i>		
Government grants	2,099	956
Other debtors	473	837
Waste management	439	473
Total current trade and other receivables	8,119	6,506
Non-current		
<i>Statutory receivables</i>		
Rates debtors	2,125	3,397
Provision for doubtful debts	(1,502)	(1,470)
Special charge schemes	369	214
Provision for doubtful debts - special charge scheme	(2)	(2)
Infringements and fire hazards	77	96
Provision for doubtful debts - infringements	(3)	(14)
Total non-current trade and other receivables	1,064	2,221
Total trade and other receivables	9,183	8,727

Short term receivables are carried at invoice amount. 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.

Included in the provision for doubtful debts is an amount relating to land in inappropriate subdivisions mainly in the 90 Mile Beach area. Council has a significant number of rateable properties in these areas for which provision has been made for a total amount outstanding of \$1,501,737 (2018: \$1,470,261). A provision has been established as these properties are unable to be sold in order for Council to recover the debt.

(d) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	2,863	2,161
Past due by up to 30 days	37	27
Past due between 31 and 180 days	111	77
Past due between 181 and 365 days	-	1
Total trade & other receivables	3,011	2,266

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of nil (2018: nil) were impaired.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position

5.2 Non-financial assets	2019	2018
(a) Inventories	\$'000	\$'000
Inventories held for sale	20	9
Total inventories	20	9

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

(b) Other assets

Prepayments	414	400
Accrued income	463	1,217
Total other assets	877	1,617

(c) Intangible assets

Water rights	18	-
Software	137	93
Landfill air space	1,983	2,196
Total intangible assets	2,138	2,289

	Water Right \$'000	Software \$'000	Landfill \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2018	17	1,461	4,543	6,021
Additions	-	75	-	75
Transfers/Recognitions	18	-	312	330
Derecognition of Asset	-	(1,306)	-	(1,306)
Balance at 30 June 2019	35	230	4,855	5,120
Accumulated amortisation and impairment				
Balance at 1 July 2018	17	1,368	2,347	3,732
Amortisation expense	-	31	525	556
Write off of assets	-	(1,306)	-	(1,306)
Balance at 30 June 2019	17	93	2,872	2,982
Net book value at 30 June 2018	-	93	2,196	2,289
Net book value at 30 June 2019	18	137	1,983	2,138

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 Our financial position

	2019 \$'000	2018 \$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	4,781	5,393
Accrued expenses	1,021	969
Total trade and other payables	5,802	6,362
(b) Trust funds and deposits		
Overpaid rates (special charge schemes)	771	-
Refundable deposits	333	270
Fire services levy	574	157
Retention amounts	315	370
Other refundable deposits	155	199
Total trust funds and deposits	2,148	996

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. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Overpaid Rates - Overpaid rates received from ratepayers which are offset when financial year's rates are raised.

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

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

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 Our financial position

5.4 Interest-bearing liabilities

	2019	2018
	\$'000	\$'000
Current		
Borrowings - secured	6,289	289
	<u>6,289</u>	<u>289</u>
Non-current		
Borrowings - secured	1,315	7,603
	<u>1,315</u>	<u>7,603</u>
Total	<u>7,604</u>	<u>7,892</u>

Borrowings are secured by Council rate income.

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

Not later than one year	6,289	289
Later than one year and not later than five years	1,155	7,154
Later than five years	160	449
	<u>7,604</u>	<u>7,892</u>

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.

5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2019			
Balance at beginning of the financial year	6,301	16,518	22,819
Additional provisions	2,177	-	2,177
Amounts used	(1,995)	(142)	(2,137)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	5	1,014	1,019
Balance at the end of the financial year	<u>6,488</u>	<u>17,390</u>	<u>23,878</u>
2018			
Balance at beginning of the financial year	6,175	4,069	10,244
Additional provisions	2,371	13,385	15,756
Amounts used	(2,244)	(853)	(3,097)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	(83)	(84)
Balance at the end of the financial year	<u>6,301</u>	<u>16,518</u>	<u>22,819</u>

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 Our financial position

5.5 Provisions (continued)

	2019 \$'000	2018 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,418	1,358
Long service leave	483	576
	1,901	1,934
Current provisions expected to be wholly settled after 12 months		
Annual leave	462	501
Long service leave	3,745	3,448
	4,207	3,949
Total current employee provisions	6,108	5,883
Non-current		
Long service leave	379	417
Sick Leave Gratuity	1	1
Total non-current employee provisions	380	418
Aggregate carrying amount of employee provisions:		
Current	6,108	5,883
Non-current	380	418
Total aggregate carrying amount of employee provisions	6,488	6,301

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the 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. LSL is measured at present value. Unconditional LSL is disclosed as a 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.

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.

Key assumptions:	2019	2018
- discount rate %	1.138%	2.647%
- index rate %	2.700%	3.875%

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 Our financial position

5.5 Provisions (continued)

	2019	2018
(b) Landfill Restoration	\$'000	\$'000
Current	-	-
Non-current	17,390	16,518
	17,390	16,518

Council is obligated to restore the Kilmany, Longford, Maffra, Rosedale, Stratford and Yarram sites to a particular standard. The forecast life of each site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, derived from current contractual works undertaken in 2017/18. It has also been estimated based on current understanding of work required to reinstate the site to a suitable standard.

Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs of ongoing monitoring.

Key assumptions:

- discount rate %	1.31%	2.58%
- index rate %	2.50%	2.30%
- inflation rate %	2.50%	3.00%
- settlement rate	10 years	27 years
- estimates cost to rehabilitate	\$15.9 million	\$15.8 million

Summary of Provisions	2019	2018
	\$'000	\$'000
Current		
Employee	6,108	5,883
Landfill Restoration	-	-
Total Current Provisions	6,108	5,883
Non Current		
Employee	380	418
Landfill Restoration	17,390	16,518
Total Non Current Provisions	17,770	16,936
Total Provisions	23,878	22,819

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

Bank overdraft	200	200
Credit card facilities	130	130
Total facilities	330	330
Used facilities	34	33
Unused facilities	296	297

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2019	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
Operating					
Waste management	4,708	-	-	-	4,708
Health Services	988	-	-	-	988
Animal pound and shelter service	253	-	-	-	253
Valuation contract	110	110	-	-	220
Software maintenance	360	-	-	-	360
Litter bins	228	238	-	-	466
L to P project	132	132	264	-	528
Total	6,779	480	264	-	7,523
Capital					
Parks, open space and streetscapes	667	-	-	-	667
Roads	241	-	-	-	241
Footpaths and cycleways	1,304	-	-	-	1,304
Buildings	92	-	-	-	92
Computers and telecommunications	64	-	-	-	64
Bridges	623	-	-	-	623
Waste management	152	-	-	-	152
Plant, machinery and equipment	108	-	-	-	108
Total	3,251	-	-	-	3,251

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 5 Our financial position

5.7 Commitments (continued)

2018	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
Operating					
Waste management	4,506	4,506	-	-	9,012
Health services	988	1,005	-	-	1,993
Animal pound and shelter service	253	275	-	-	528
Valuation contract	110	121	-	-	231
Software maintenance	312	-	-	-	312
Litter bins	206	-	-	-	206
L to P project	125	-	-	-	125
Total	6,500	5,907	-	-	12,407
Capital					
Parks, open space and streetscapes	2,050	-	-	-	2,050
Roads	1,571	-	-	-	1,571
Footpaths and cycleways	1,029	-	-	-	1,029
Buildings	777	-	-	-	777
Recreational leisure and community facilities	470	-	-	-	470
Bridges	137	-	-	-	137
Aerodromes	103	-	-	-	103
Waste management	24	-	-	-	24
Total	6,161	-	-	-	6,161

	2019	2018
	\$'000	\$'000
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	232	262
Later than one year and not later than five years	147	450
Later than five years	-	16
	379	728

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 6 Assets we manage

**6.1 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment**

	At Fair Value 30 June 2018	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	204,992	3,092	572	1,144	(4,030)	(420)	-	850	206,200
Plant and equipment	13,285	2,362	-	-	(1,904)	(423)	-	11	13,331
Infrastructure	666,568	23,064	647	(22,872)	(15,110)	(1,471)	(412)	5,268	655,682
Work in progress	6,973	5,011	-	-	-	-	-	(6,147)	5,837
	891,818	33,529	1,219	(21,728)	(21,044)	(2,314)	(412)	(18)	881,050

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	353	518	-	(269)	602
Plant and equipment	11	131	-	(11)	131
Infrastructure	6,609	4,362	-	(5,868)	5,104
Total	6,973	5,011	-	(6,147)	5,837

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

(a) Property

	Land - specialised \$'000	Land improvements \$'000	Land Under Roads \$'000	Total Land & Land Improvements \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2018	85,399	1,917	39,379	126,695	146,680	146,680	353	273,728
Accumulated depreciation at 1 July 2018	-	(88)	-	(88)	(67,980)	(67,980)	-	(68,068)
Found/Derecognised Assets - Prior Year	-	25	-	25	(514)	(514)	-	(489)
Accum Depn Found/Derecognised Asset - Prior Year	-	-	-	-	174	174	-	174
At fair value 1 July 2018	85,399	1,854	39,379	126,632	78,360	78,360	353	205,345
Movements in fair value								
Additions	230	126	-	356	2,736	2,736	518	3,610
Contributions	241	-	17	258	314	314	-	572
Revaluation	-	-	-	-	8,296	8,296	-	8,296
Disposal	-	(139)	(14)	(153)	(777)	(777)	-	(930)
Transfers	(1)	-	1	-	853	853	(269)	584
	470	(13)	4	461	11,422	11,422	249	12,132
Movements in accumulated depreciation								
Depreciation and amortisation	-	(479)	-	(479)	(3,551)	(3,551)	-	(4,030)
Accumulated depreciation of disposals	-	41	-	41	469	469	-	510
Accumulated depreciation at revaluation	-	-	-	-	(7,152)	(7,152)	-	(7,152)
Transfers	-	-	-	-	(3)	(3)	-	(3)
	-	(438)	-	(438)	(10,237)	(10,237)	-	(10,675)
At fair value 30 June 2019	85,869	1,929	39,383	127,181	157,588	157,588	602	285,371
Accumulated depreciation at 30 June 2019	-	(526)	-	(526)	(78,043)	(78,043)	-	(78,569)
	85,869	1,403	39,383	126,655	79,545	79,545	602	206,802

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Art Works	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	11,573	4,047	4,552	3,232	3,540	11	26,955
Accumulated depreciation at 1 July 2018	(5,628)	(2,030)	(4,290)	(1,760)	-	-	(13,708)
Found/Derecognised Assets - Prior Year	19	-	46	-	-	-	65
Accum Depn Found/Derecognised Asset - Prior Year	(3)	-	(13)	-	-	-	(16)
	5,961	2,017	295	1,472	3,540	11	13,296
Movements in fair value							
Additions	1,566	197	284	246	69	131	2,493
Disposal	(1,768)	(1,303)	(4,028)	(619)	-	-	(7,718)
Transfers	-	-	11	-	-	(11)	-
	(202)	(1,106)	(3,733)	(373)	69	120	(5,225)
Movements in accumulated depreciation							
Depreciation and amortisation	(1,263)	(292)	(102)	(247)	-	-	(1,904)
Accumulated depreciation of disposals	1,363	1,291	4,022	619	-	-	7,295
Transfers	-	(171)	171	-	-	-	-
	100	828	4,091	372	-	-	5,391
At fair value 30 June 2019	11,390	2,941	865	2,859	3,609	131	21,795
Accumulated depreciation at 30 June 2019	(5,531)	(1,202)	(212)	(1,388)	-	-	(8,333)
	5,859	1,739	653	1,471	3,609	131	13,462

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Other infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	647,195	108,805	30,988	112,959	25,226	5,192	27,716	15,930	3,799	20,500	6,609	1,004,919
Accumulated depreciation at 1 July 2018	(204,640)	(40,014)	(10,160)	(38,267)	(12,692)	(1,509)	(9,048)	(6,136)	(1,283)	(8,489)	-	(332,238)
Found/Derecognised Assets - Prior Year	(1)	257	8	611	(20)	-	-	-	-	-	-	855
Accum Depn Found/Derecognised Asset - Prior Year	2	(118)	(3)	(247)	7	-	-	-	-	-	-	(359)
	442,556	68,930	20,833	75,056	12,521	3,683	18,668	9,794	2,516	12,011	6,609	673,177
Movements in fair value												
Additions	9,481	506	1,630	1,181	973	78	3,302	5,550	280	83	4,362	27,426
Contributions	110	-	50	86	-	-	-	-	-	-	-	246
Recognised	392	-	-	9	-	-	-	-	-	-	-	401
Revaluation	-	-	-	(17,134)	2,388	(414)	990	(5,526)	(255)	(1,229)	-	(21,180)
Disposal	(3,867)	(410)	(478)	(143)	(149)	(22)	(818)	(123)	(16)	(26)	-	(6,052)
Write-off	188	-	168	-	-	-	50	-	-	6	(412)	0
Transfers	1,117	243	1,026	259	540	41	1,042	196	2	(25)	(5,455)	(1,014)
	7,421	339	2,396	(15,742)	3,752	(317)	4,566	97	11	(1,191)	(1,505)	(173)
Movements in accumulated depreciation												
Depreciation and amortisation	(9,678)	(1,108)	(717)	(1,138)	(631)	(131)	(924)	(262)	(72)	(449)	-	(15,110)
Accumulated depreciation of disposals	3,136	382	252	51	92	15	578	45	7	23	-	4,581
Accumulated depreciation at revaluation	-	-	-	5,216	(2,963)	(289)	(2,184)	(1,908)	(221)	657	-	(1,692)
Transfers	-	-	-	-	2	-	-	-	-	1	-	3
	(6,542)	(726)	(465)	4,129	(3,500)	(405)	(2,530)	(2,125)	(286)	232	-	(12,218)
At fair value 30 June 2019	654,615	109,401	33,392	97,828	28,958	4,875	32,282	16,027	3,810	19,309	5,104	1,005,601
Accumulated depreciation at 30 June 2019	(211,180)	(40,858)	(10,628)	(34,385)	(16,185)	(1,914)	(11,578)	(8,261)	(1,569)	(8,257)	-	(344,815)
	443,435	68,543	22,764	63,443	12,773	2,961	20,704	7,766	2,241	11,052	5,104	660,786

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods

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

ASSET TYPE	Depreciation Period	Threshold Limit \$
Property		
Land	-	All
Land Improvements	4 years	All
Buildings	20 - 100 years	>\$10,000
Plant and Equipment		
Motor Vehicles	3 - 10 years	All
*Plant	3 - 10 years	>\$5,000
*Furniture, Equipment & Information Technology	3 - 10 years	>\$5,000
Art Gallery Works	-	All
Library Books	3 - 10 years	All
Infrastructure		
Roads		
Pavement - Concrete	100 Years	All
Pavement - Sealed	100 Years	All
Pavement Gravel (Local Access A & Above)	15 Years	All
Pavement Gravel (Local Access B & C)	20 Years	All
Subgrade	Indefinite	All
Kerb & Channel	70 Years	All
Road Drainage - Minor Culverts	100 Years	All
Bridges		
Bridges - Concrete	100 Years	All
Bridges - Timber	60 Years	All
Floodways & Major Culverts	100 Years	All
Footpaths and cycleways		
Asphalt/Bitumen	15 Years	All
Concrete/Paved	60 Years	All
Gravel/Sand	10 Years	All
Drainage		
Pits	100 Years	All
Pipes	100 Years	All
Pump Wells	20 Years	All
Other Drainage	20 - 100 Years	All
Open Drain - Earth/Retention Basin	Indefinite	All
Structures		
Off Street Car Parks	30 - 100 years	>\$5,000
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
Aerodromes	20 - 120 years	>\$5,000
Other infrastructure	10 - 120 years	>\$5,000
Intangible Assets		
Landfill Airspace	4 - 38 Years	All
*Software	3 - 10 years	>\$5,000

Change in Thresholds

A review of capitalisation thresholds for Plant, Furniture, Equipment & Information Technology and Intangible Software was undertaken and the following changes made effective 1 July 2018:

*Plant (minor and major assets classes now combined) -Threshold increased from > \$3,000 to > \$5,000

*Furniture, Equipment & Information Technology - Threshold increased from >\$1,000 to >\$5,000

*Software - Threshold increased from > \$1,000 to > \$5,000

The estimated impact on annual depreciation is a reduction of \$40,000.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

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 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.

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 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Prior Year Newly Recognised/Derecognised Adjustments

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

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

	Actual	Prior year adjustments		Restated Actual
	2018	Newly recognised	Derecognised	2019
	\$'000	\$'000	\$'000	\$'000
Property				
Land- Specialised	85,399	-	-	85,399
Landfill improvements	1,829	25	-	1,854
Land under roads	39,379	-	-	39,379
Buildings- specialised	78,700	-	(340)	78,360
Work in Progress	353	-	-	353
Total Property	205,660	25	(340)	205,345
Plant & Equipment				
Plant, machinery and equipment	5,945	16	-	5,961
Fixtures, fittings and furniture	2,017	-	-	2,017
Computers and telecommunications	262	33	-	295
Library books	1,472	-	-	1,472
Art gallery	3,540	-	-	3,540
Work in progress	11	-	-	11
Subtotal Plant & Equipment	13,247	49	-	13,296
Infrastructure				
Roads	442,555	5	(4)	442,556
Bridges	68,791	139	-	68,930
Footpaths and cycleways	20,828	7	(2)	20,833
Drainage	74,692	388	(24)	75,056
Recreational, leisure and community	12,534	-	(13)	12,521
Waste management	3,683	-	-	3,683
Parks, open space and streetscapes	18,668	-	-	18,668
Aerodromes	9,794	-	-	9,794
Off street car parks	2,516	-	-	2,516
Other infrastructure	12,011	-	-	12,011
Work in progress	6,609	-	-	6,609
Subtotal Infrastructure	672,681	539	(43)	673,177
Property, Infrastructure, Plant and Equipment	891,588	613	(383)	891,818

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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.

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.

Repairs and maintenance

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.

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, Dan Atherton Registered Valuer No 2962 and Ryan Collier Registered Valuer No 4090.

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 engloba (undeveloped and/or unserved) 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.

The replacement cost apportionment applied to building components was modified. This change reflects the higher cost of essential services (fire, security, lighting, heating/cooling) in Council facilities that have specialised service components of high value.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - Specialised	-	-	85,869	30/06/2018
Land improvements	-	-	1,403	30/06/2016
Land under roads	-	-	39,383	30/06/2018
Buildings - Specialised	-	1,766	77,779	30/06/2019
Total	-	1,766	204,434	

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

Valuation of infrastructure

Valuation of infrastructure assets (roads, bridges, footpaths 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, Dan Atherton Registered Valuer No 2962 and Ryan Collier Registered Valuer No 4090.

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

Drainage

Drainage assets were revalued with valuation data collated April 2019 and the valuation applied at 30 June 2019, resulting in a debit to the Asset Revaluation Reserve of \$11,918 million and a corresponding decrease of \$11,918 million to the Drainage assets. As a result of this decrease future depreciation will decrease by approximately \$166k per annum.

Buildings

Building and Infrastructure assets were revalued, assets were inspected from 22 October 2018 - 2 November 2018 and the valuation applied at 30 June 2019, resulting in a debit to the Asset Revaluation Reserve of \$9,810 million and a corresponding decrease of \$9,810 million to the Building and Infrastructure assets. As a result of this decrease future depreciation will decrease by approximately \$379k per annum.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	443,435	1/07/2017
Bridges	-	-	68,543	31/12/2017
Footpaths and cycleways	-	-	22,764	1/07/2017
Drainage	-	-	63,443	30/06/2019
Recreational, leisure and community	-	722	12,051	30/06/2019
Waste management	-	32	2,929	30/06/2019
Parks, open space and streetscapes	-	3,636	17,068	30/06/2019
Aerodromes	-	42	7,724	30/06/2019
Off street car parking	-	196	2,045	30/06/2019
Other infrastructure	-	48	11,004	30/06/2019
Total	-	4,676	651,006	

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 \$0.16 and \$3.12 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 \$370 to \$8,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 4 years to 87 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 an indefinite life. 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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (continued)

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Parks, open space and streetscapes	46,842	46,612
Recreation, leisure and community facilities	27,650	27,603
Off-street car parks	5,752	5,559
Aerodromes	1,635	1,635
Waste management	1,873	1,873
Other infrastructure - Piers/Jetties/Caravan parks/Markets/Saleyard	1,356	1,356
Drainage	761	761
Total specialised land	85,869	85,399

ADJUSTMENTS DIRECTLY TO EQUITY

Reversal of revalued components of assets disposed or written off (transfer from asset revaluation reserve to accumulated surplus).

Roads, Streets, Drainage, Bridges & Culverts	(350)	(990)
Buildings & Structures	(425)	1,812
Land	-	(44)
	(775)	778

Notes to the Financial Report For the Year Ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Key Management Personnel (KMP)

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

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Carolyn Crossley - Mayor (1/07/18 - 6/11/18)

Councillor Carolyn Crossley - (6/11/18 - 30/06/19)

Councillor Darren McCubbin (1/07/18 - 30/06/19)

Councillor Scott Rossetti (1/7/18 - 30/06/19)

Councillor Malcolm Hole (1/7/18 - 30/06/19)

Councillor Ian Bye (1/7/18 - 30/06/19)

Councillor Alan Hall (1/7/18 - 6/11/18)

Councillor Alan Hall - Mayor (7/11/18 - 30/06/19)

Councillor Gayle Maher (1/7/18 - 30/06/19)

Councillor Garry Stephens (1/7/18 - 30/06/19)

Councillor Carmel Ripper (01/07/18 - 30/06/19)

Chief Executive Officer - David Morcom (1/7/18 - 30/6/19)

General Manager Built and Natural Environment - Chris Hastie (1/7/18 - 30/6/19)

General Manager Community & Culture - Glenys Butler (1/7/18-13/7/18)

General Manager Community & Culture - Sharon Houlihan (16/7/18 - 30/6/19)

General Manager Corporate Services - Arthur Skipitaris (1/7/18 - 30/6/19)

General Manager Development - John Websdale (1/7/18 - 30/6/19)

	2019	2018
	No.	No.
Total Number of Councillors	9	10
Chief Executive Officer and other Key Management Personnel	6	5
Total Key Management Personnel	15	15

(b) Remuneration of Key Management Personnel

	2019	2018
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,500	1,451
Long-term benefits	366	290
Termination benefits	-	-
Total	1,866	1,741

Notes to the Financial Report For the Year Ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration (continued)

	2019 No.	2018 No.
The number of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	-	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	7	7
\$40,000 - \$49,999	2	-
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	-	1
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	-	3
\$210,000 - \$219,999	2	1
\$220,000 - \$229,999	1	-
\$300,000 - \$309,999	1	1
	15	15

(c) Senior Officer 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; or
- b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

	2019 No.	2018 No.
Income Range:		
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	-	-
\$170,000 - \$179,999	1	1
	2	2
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	336	333

7.2 Related party disclosure

(a) 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 \$86,000 to the Municipal Association of Victoria for membership and other services. Payments of \$63,000 for production of shows at The Wedge and \$9,000 for various other minor transactions with a number of suppliers. Council also contributed a total of \$55,000 for community grants, operating subsidies to various community groups where KMP's or close family members held positions on the board or committee.

(b) Outstanding balances with related parties

The balance outstanding at the end of the reporting period in relation to transactions with related parties was Nil (2017/18 Nil).

(c) 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 (2017/18 Nil).

(d) 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 (2017/18 Nil).

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

	2019	2018
	\$'000	\$'000
(a) Contingent assets		
Non cash contributions expected to be received in respect of subdivision and gifted assets are as follows:		
Developer contributions	476	425
Total Contingent Assets	<u>476</u>	<u>425</u>

(b) Contingent liabilities

Superannuation

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Wellington Shire Council has paid unfunded liability payments to Vision Super totalling \$Nil during 2018/19 (2017/18 \$Nil). There were \$Nil contributions outstanding and \$Nil loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$189,031.

90 Mile Beach inappropriate subdivisions

Following the Ombudsman's investigation into undevelopable blocks contained within inappropriate subdivisions along the 90 Mile Beach, Wellington Shire as a gesture of goodwill to some identified ratepayers will undertake a number of actions to implement the Ombudsman's recommendations once legal advice has been obtained. The dollar impact is not anticipated to exceed \$300,000.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

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 the right will be exercised.

Council has 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:

	2019	2018
	\$'000	\$'000
Bank Guarantees	934	934
Loan Guarantees	10	20
Total Bank Guarantees	<u>944</u>	<u>954</u>

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties (continued)

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 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.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

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.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial 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 on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$651,252 in lease related assets and an equivalent liability.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties (continued)

8.3 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 the Notes 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 council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- 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 Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deal with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in council's 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 Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1.

The maximum exposure to credit risk at the reporting date to recognise 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 2019

Note 8 Managing uncertainties (continued)

8.3 Financial instruments (continued)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or 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 on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, 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 5.4.

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

(e) 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 0.5% and 0.5% in market interest rates (AUD) from year-end rates of 2.1%.

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.

8.4 Fair value measurement

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.

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 8 Managing uncertainties (continued)

8.4 Fair value measurement (continued)

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 of an asset result in changes to the permissible or practical highest and best use of the asset. 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.

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 of disposal and value in use, is compared to the asset's 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.

8.5 Events occurring after balance date

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

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Prior Year Adjustment \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves				
(a) Asset revaluation reserves				
2019				
Property				
Land & land improvements	75,242	-	-	75,242
Land under roads	22,124	-	-	22,124
Buildings	71,408	-	(10,235)	61,173
	168,774	-	(10,235)	158,539
Infrastructure				
Roads	326,912	-	(167)	326,745
Bridges	25,871	-	(243)	25,628
Footpaths	14,321	-	116	14,437
Drainage	35,732	-	(11,974)	23,758
	402,836	-	(12,268)	390,568
Other				
Art Gallery Stock	2,501	-	-	2,501
Total asset revaluation reserves	574,111	-	(22,503)	551,608
2018				
Property				
Land & land improvements	73,499	-	1,743	75,242
Land under roads	-	-	22,124	22,124
Buildings	70,807	(225)	826	71,408
	144,306	(225)	24,693	168,774
Infrastructure				
Roads	326,870	3	39	326,912
Bridges	17,781	-	8,090	25,871
Footpaths	14,272	-	49	14,321
Drainage	35,787	(4)	(51)	35,732
	394,710	(1)	8,127	402,836
Other				
Art Gallery Stock	2,501	-	-	2,501
Total asset revaluation reserves	541,517	(226)	32,820	574,111

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
9.1 Reserves (continued)			
(b) Other reserves			
2019			
Discretionary reserves			
Asset improvement	1,050	(207)	843
Plant replacement	654	345	999
Waste management	4,706	1,414	6,120
Total discretionary reserves	6,410	1,552	7,962
Non discretionary reserves			
Recreational land	529	99	628
Infrastructure contributions	56	4	60
Art gallery acquisition	1	11	12
Art gallery contribution	32	(31)	1
Leased property improvements	978	248	1,226
Total Non Discretionary reserves	1,596	331	1,927
Total Other reserves	8,006	1,883	9,889
2018			
Discretionary Reserves			
Asset Improvement	357	693	1,050
Plant Replacement	605	49	654
Waste Management	4,299	407	4,706
Total Discretionary Reserves	5,261	1,149	6,410
Non discretionary reserves			
Recreational land	486	43	529
Infrastructure contributions	13	43	56
Art gallery acquisition	4	(3)	1
Art gallery contribution	-	32	32
Leased property improvements	742	236	978
Total Non Discretionary reserves	1,245	351	1,596
Total Other reserves	6,506	1,500	8,006

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 9 Other matters

9.1 Reserves (continued)

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 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 an 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*.

	2019 \$'000	2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	33,675	7,957
Depreciation/amortisation	21,600	22,256
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,120	3,163
Contributions - Non-monetary assets	(611)	(790)
Borrowing costs	355	342
Other	(11)	(2,289)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(456)	213
Decrease in other assets	740	763
(Decrease) in trade and other payables	(560)	(3,147)
Increase in other liabilities	1,152	5
(Increase) in inventories	(11)	(10)
Increase in provisions	1,059	12,576
Net cash provided by operating activities	58,053	41,039

Notes to the Financial Report For the Year Ended 30 June 2019

Note 9 Other matters

9.3 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.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive 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 2019, 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.

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. For the year ended 30 June 2019, this rate was 9.5% of members salaries (9.5% in 2017/18).

As at 30 June 2018, 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 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa
Salary information 3.5% pa
Price inflation (CPI) 2.0% pa.

Vision Super has advised that the actual VBI at end of June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 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.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted at 30 June 2017.

	2018 \$m	2017 \$m
A VBI surplus	\$131.9	\$69.8
A total service liability surplus	\$218.3	\$193.5
A discounted accrued benefits surplus	\$249.1	\$228.8

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 2018.