

WELLINGTON SHIRE COUNCIL

ANNUAL report

2017/18



WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland





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

OUR VISION

Welcome...

Wellington Shire Council is proud to present the 2017/18 Annual Report which focuses on informing our community about how we've performed over the first year of reporting against the Council Plan 2017-21 and 2017/18 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 2017/18 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 2017/18.

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.



This Report has been compiled, designed and published by the Wellington Shire Council, in accordance with the Local Government Act 1989.

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COVER IMAGE: Port Albert anchor monument, 'Dedicated to the Settlers of Port Albert.'





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1

Report of Operations



1.1

Our Values

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



Cooperation

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



Integrity

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



Balance

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



Professionalism

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





43,747
population

WELLINGTON
SHIRE COUNCIL

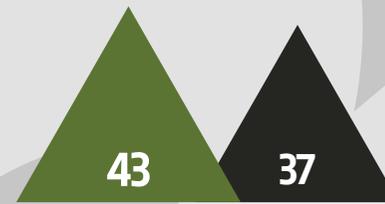


5.9%
unemployment

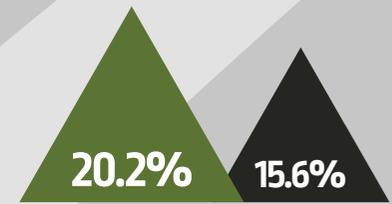
profile



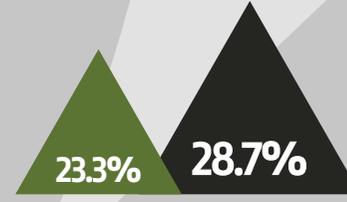
80.6%
born in Australia



Median age



People aged 65 and over



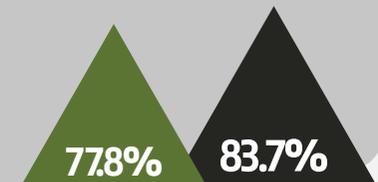
Rented properties



Average persons per house



Weekly household income



Homes with internet



\$513
Average personal
income per week

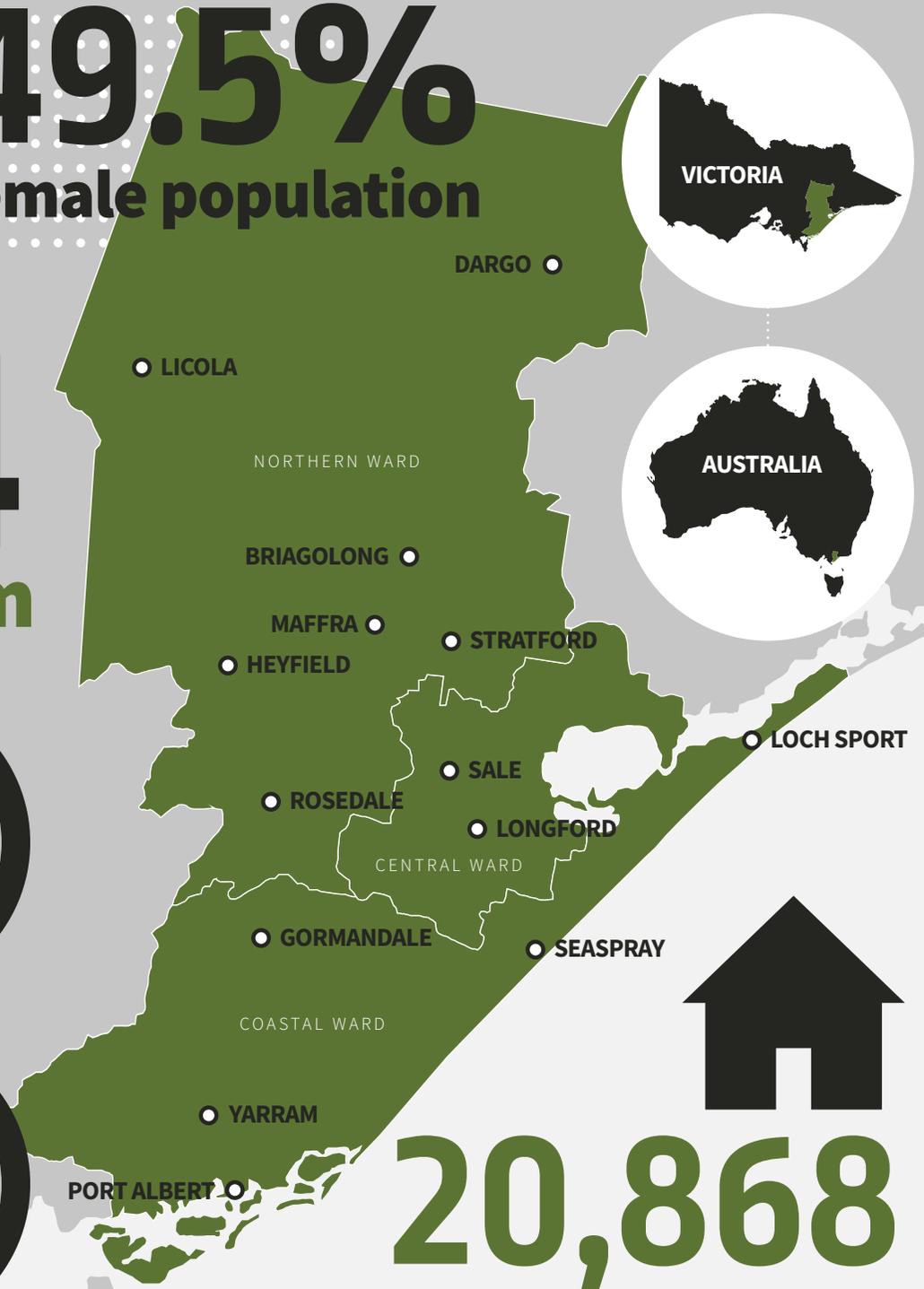
43% of employees in Wellington work over 40 h

♂ **50.5%**
male population

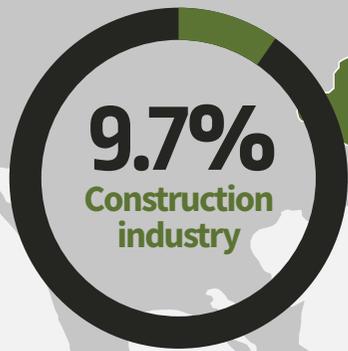
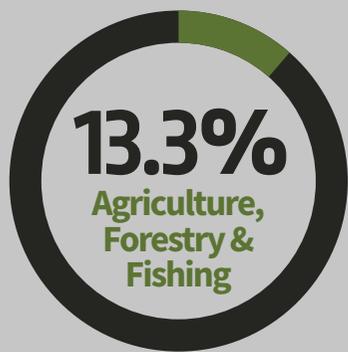
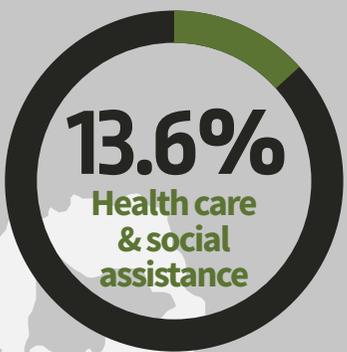
♀ **49.5%**
female population

Third largest municipality in Victoria

10,924
square km



Employment Industry



hours per week



20,868

Dwellings in Wellington Shire

1.3

Fast Facts

1,525,160 | Scheduled kerbside garbage and recycling collection bin lifts

785,240 | Square metres of local roads resealed

207,336 | Library visits

107,193 | Square metres of sealed local roads reconstructed

29,561 | Face-to-face customer enquiries received

19,775 | Visits to the Wedge

10,064 | Dogs and cats registered

7,354 | km of roadside slashed

3,541 | Tonnes of recyclables sent for re-processing

3,526 | Walk-ins at the Maffra Visitor Centre

2,513 | km of gravel road graded

2,172 | Urban drainage pits cleared

285,943 | Library collection loans

243,887 | Visits to Wellington Shire pools

39,384 | Customer service telephone calls received

31,230 | People attended the Gippsland Art Gallery

16,812 | Walk-ins to the Sale Visitor Information Centre

10,553 | Tonnes of garbage and recyclables collected from kerbside bins

6,818 | Walk-ins at the Yarram Visitor Centre

5,724 | Aircraft movements at West Sale Airport

3,440 | Aircraft movements at Yarram Aerodrome

3,083 | Culverts cleared

489 | Planning approvals in 2017/18 with an estimated value for development of \$106,229,148.

300 | Licenced food premises inspected

78 | Applicants successful in receiving Quick Response Grants

55 | Applicants successful in receiving Community Assistance Grants

1.4

Highlights of the Year



JULY

- Wellington Community Early Years Plan was adopted by Council. The plan was developed through a detailed community engagement process involving a wide range of community members and partner organisations.
- Celebrating the Aqua Energy gym refit with an 'Open Day' which included activities, demonstrations, competitions and give-aways enjoyed by approximately one thousand people.
- The Cameron Sporting Complex 'Demand Assessment & Feasibility Study' was presented to Council. Based on Council's feedback a full application for funding will be submitted which includes three multi-purpose courts and doubling the size of the expansion of the gymnastics facility.
- Funding applications submitted to Sport & Recreation Victoria for Briagolong Recreation Reserve Clubroom redevelopment (seeking \$100k under the Cricket Facilities Fund) and the Yarram lighting upgrade (seeking \$100k under Country Football & Netball Program).
- After extensive stakeholder engagement, Council resolved to adopt the West Sale Airport Master Plan Update 2017 in July 2017.
- Iconic heritage listed Swing Bridge at Longford was working once again, following a \$160,000 repair project. The Swing Bridge had been out of action since an act of vandalism in April 2016.
- Funding was announced for the Gippsland Regional Sporting Complex in Sale for a \$835,000 flooring upgrade with \$500,000 from the John Leslie Foundation and \$335,000 from Council.

● Mayor Cr Carolyn Crossley with winner of the Gippsland Art Gallery Print Award Jock Clutterbuck.





AUGUST

- Gippsland Art Gallery received a gift of 59 artworks donated by Lesley Duxbury through the Australian Government Cultural Gifts Program, worth \$38,000.
- A record 281 entries were received for the 2017 Gippsland Print Award, raising \$5,620 towards the acquisition of artworks for the Gallery collection.
- The Economic Development Strategy 2016-22 and Action Plan 2016-18 was adopted by Council on 16 August 2017.
- Library staff across six sites participated in staging 27 sessions for Children's Book Week. 374 people attended, 53 more attendees than previous years. The events resulted in more children joining the library and strengthened Council's relationship with local schools and students.
- Following extensive consultation with primary producers, Council adopted the Agriculture Position Paper.



SEPTEMBER

- Youth Council initiated the Year 9 Mental Health Day with over 500 Year 9 students attending.
- Tech Tasters programs at Sale, Yarram and Stratford libraries were at full capacity. The technology familiarisation program was funded through Council's Age-Friendly program.
- Council's Sustainability Officer organised and participated in the Open Garden Tour with a total of five community gardens involved. Feedback from participants was positive with prospective participants showing keen interest for the next year.
- Sale Football Netball Club Oval was used for two Gippsland Football League finals due to the excellent condition of the playing surface.
- A new ICT Service Desk App was introduced across the organisation to streamline ICT service requests and to provide staff with a searchable knowledge base for common questions and support information.



OCTOBER

- Aqua Energy hosted the Swimming Victoria, Sale Swim Camp with more than 200 participants receiving coaching and information sessions by some of Australia's top coaches and athletes.
- An Emergency Plan and Evacuation Diagram was designed for all community facilities. These documents were sent out with instructions for use to encourage better emergency practices and awareness among committees of management and community groups.
- Sexual Lives Respectful Relationships (SL&RR) program delivered a peer-led relationships and sexuality program for people with disabilities in local communities. Training for this program was held for Wellington service providers.
- Council adopted various Planning Scheme Amendments to facilitate growth across the municipality, including Amendment C96 (Heyfield Low Density Residential Growth Areas); Amendment C97 (Sale Sewerage Pump Station); Amendment C84 (Wurruk Growth Area rezoning); and Amendment C98 (West Sale Airport).
- The Domestic Animal Management Plan was endorsed by Council in October 2017, after extensive consultation with stakeholders, including the RSPCA and the Victorian Animal Aid Trust.

● Planning Scheme Amendment C98 relating to the West Sale Airport was adopted in October.



NOVEMBER

- A group of young people went to 'Face the Music' Contemporary Music Summit for information about entering the music industry. Regional Battle of the Bands / FReeZA Push Start competition was held at the Bundy Hall. This state-wide competition showcased young musicians from around Victoria, giving them the opportunity to perform, gain local exposure, and win their way to a spot on the grand final line up.
- State Emergency Service (SES) Audit Report and Audit Certificate for the Municipal Emergency Management Plan (MEMP) was received. The MEMP was assessed as being of a high standard and compliant.
- The outdoor regional pool season commenced with Free Swim Friday at all pools. Close to 700 attendances were recorded across the five pools, a great first day response.
- Wellington Shire hosted the Great Victorian Bike Ride with over 3000 cyclists and support staff staying overnight in Yarram, Seaspray and Maffra as part of the Gippsland tour.



DECEMBER

- The event 'Inspired by the Lakes' was held for Social Inclusion Week. This collaborative event between Wellington Shire Council, GippSport, Lions Club Sale, Sailability and Wellington Hockey Club provided people with the opportunity to experience a range of accessible events.
- The ESSO Board announced they would donate their collection of Australian Art, comprising 40 artworks dating from the 1950s-60s to Gippsland Art Gallery Sale.
- Funding application for the Cameron Sporting Complex redevelopment was submitted through the Federal Government's "Building Better Regions Fund".
- Funding for the Yarram Recreation Reserve Lighting Upgrade was officially announced.





JANUARY

- The new \$14.53M Port of Sale community hub which includes Gippsland Art Gallery, Sale library, Visitor Information Centre and community meeting spaces at the Port of Sale was officially opened. In the first three weeks, the building had 23,009 visitors.
- Expressions of interest were sought for women to participate in the Enabling Women in Gippsland Leadership Programs in Wellington, Latrobe and South Gippsland/Bass Coast. This leadership program provides the opportunity for women with disabilities to share their experience of disability, find solutions together to the problems they know of and experience and develop their leadership skills.
- Construction commenced on GRSC Stage 2A which includes the development of a synthetic hockey / multi-use pitch and pavilion and associated carparking extension.
- A new Geographic Information System (GIS), Georcortex was deployed across the organisation.



FEBRUARY

- Approximately 80 people attended the first Wellington Youth Summit. The event was facilitated by young people for young people and participants developed a list of actions to be implemented over the following 12 months. It was highly successful with guest speaker Laura Pintar, Young Victorian of the Year, providing a key note presentation.
- Funding for Briagolong Recreation Reserve Change Room Redevelopment was confirmed through the Community Sports Infrastructure Fund - Cricket Facilities.
- An emergency relief exercise was conducted aiming to establish an Emergency Relief Centre (ERC) in accordance with the ERC and Response to Recovery Standard Operating Procedures. This successful exercise contributed towards updating emergency management processes.
- Council teamed up with Small Business Victoria to present an interactive social media workshop for local business owners. “Facebook and your business - Everything you need to get started” workshop was attended by 17 businesses from a variety of sectors.



- The spectacular Port of Sale community hub was opened in January.



MARCH

- Aqua Energy hosted the Gippsland Swimming Championships with an estimated 396 competitors plus officials and spectators. The event was declared a success by Gippsland Swimming Association.
- The annual Parks Week celebrations were held throughout the shire. There were 24 separate events in 9 towns namely Sale, Stratford, Yarram, Maffra, Cowwarr, Heyfield, Rosedale, Longford and Port Albert. These events were attended by approximately 6,000 people with the most popular venues being Sale Botanic Gardens and Yarram Memorial Park.
- Wellington Shire Council's EduCloud project was awarded the Municipal Association of Victoria's Technology Award for Excellence. This project also won the Collaboration or Partnership of the Year award. EduCloud is a super-fast Wi-Fi platform that enables secondary school students and teachers to work, connect and collaborate across Wellington Shire to support and enhance learning, increase independence of learning, and offer opportunities previously not available to the youth in the region.



APRIL

- Council commenced direct operations of Gippsland Regional Livestock Exchange (GRLE).
- The Prime Minister announced over \$6 million in Commonwealth funding to businesses investing or expanding in Wellington Shire. Recipients of the Regional Jobs and Investment Package were: Bambach Wires and Cables, ASH Timber, Alberton Timber, Defendtex, Fabpro Group – Rosedale and Australian Southern Eels. This will result in a total investment of \$13,122,600 into Wellington and create an estimated 66 construction jobs and 165 ongoing jobs.
- Council adopted two key studies to facilitate future urban development, including the North Sale Development Plan and the West Sale and Wurruk Industrial Land Supply Strategy.
- A very successful Australian Society of Archivists, Australian Library and Information Association and Museums Australia Victoria joint regional event was held in the Wellington Centre at the Port of Sale on 21 April, a great opportunity to showcase the facility.
- Wellington EduCloud was made available at the Port of Sale precinct area including The Wedge. Students in years 10 – 12 from all five Wellington Secondary Schools now have access to the high speed, secure and filtered WiFi connection.



MAY

- Following extensive advocacy from Council, the State Government allocated \$25 million in the State Budget for the new Federation Training campus at the Port of Sale.
- Wellington Shire Council launched its new Bike Ed trailer which will be used by local school children. The Bike Ed program is funded by VicRoads and assists children aged nine to 13 develop the skills they need to ride safely on roads and paths. The Wellington Bike Ed Trailer was funded by a Traffic Accident Commission grant with Bicycle Network Victoria also funding \$5,000 towards purchasing bicycles for the trailer.
- The Food for the Mind program was very popular at both the Yarram and Heyfield Libraries. The program was run in partnership with the Community Wellbeing unit using Age-friendly funding. The program dealt with free public access to university and online information.
- The new 'Tiny Dribblers' basketball skills program was held at Gippsland Regional Sports Complex (GRSC) for pre-schoolers with 67 children enrolled across the two sessions offered. This surpassed the target enrolment numbers for the six-week trial program. Support for this program was provided by Coles in the form of fruit donations and awards were supplied by the Commonwealth Bank.
- Funding was announced for the Briagolong Recreation Reserve upgrade. The project will include a changeroom upgrade; renovated kitchen and public amenities; a new multipurpose meetings space; renovated unisex umpires change facilities; and storage. Wellington Shire Council will provide \$627,862 towards the redevelopment, the State Government's Community Sports and Infrastructure Fund providing \$100,000 and the Briagolong community contributing \$40,000.
- A new module was added to council's Corporate Planning & Reporting System, Pulse, to upload all Delegations of Authority across the organisation. The Delegations module is designed not only to act as a register for the organisation's delegations but also serve as a tool for acknowledgement and tracking delegation executions. To maintain legislative rigor, the built-in compliance register offers the ability to store compliances and link them to relevant delegations replacing the current manual process.





JUNE

- Council received \$40,000 funding from Gippsland Water to facilitate progress towards responsible wastewater management in the community, including septic tank inspections, aligned with the Domestic Wastewater Management Plan.
- Council adopted the Recreation Vehicle (RV) Strategy which sets out a balanced shire-wide approach towards supporting the RV market to continue to be an RV friendly municipality while not disadvantaging business operators.
- Funding was received for the Gordon Street Main Oval Lighting project as part of the Community Managed Places fund.
- The Wellington Flood Emergency Plan template was adopted as the state-wide (VICSES) Flood Emergency Plan template.

● Mayor Cr Carolyn Crossley, along with community representatives, celebrate the State Government's \$25m announcement towards a new Federation Training campus at the Port of Sale.

1.5

Our Challenges

- Explore a shared services operating model that aims to maintain service levels while reducing duplication, improving efficiency and increasing savings across councils in the region.
- Responding to significant State based planning reforms.
- Continue to manage the Gippsland Regional Livestock Exchange (GRLE) ensuring best value to the local livestock industry and ratepayers.
- Continue to work closely with stakeholders, including RSPCA and Victorian Animal Aid Trust, ensuring responsible pet ownership within the community.
- Ensuring compliance across the dynamic and changing nature of the building industry and its regulations.
- Finalising delivery of the floor upgrade at Gippsland Regional Sports Complex stadium to a sprung timber floor with minimal disruption to user groups.
- Investigations into heating the Yarram Pool.
- Successfully accessing the funding required for the redevelopment of the preferred 3 court option of Cameron Sporting Complex, Maffra.
- Undertake master planning process for The Wedge.
- Implementation of the new community facilities maintenance model.
- Planning for multiple community facilities projects including the management of complex stakeholder relationships and ensuring thorough community engagement.
- Determining Council's role in the delivery of aged care services due to the introduction of the Commonwealth Home Support Program and My Aged Care.
- Finalising contractual obligations and commissioning of the new Wellington Centre at the Port of Sale.
- Completion of landfill cell rehabilitation project and commissioning of new landfill cell at the Kilmany Resources Recovery Centre and Landfill.
- Progression of Council's 2018/19 capital works program.
- Continuation of community engagement regarding Maffra Streetscape Open Space Project and Street Scheme Development projects.
- Continuing community engagement regarding opportunities for street sealing and drainage improvements in Port Albert.
- Updating of Residential Roads and Street Construction Plan and Boating Infrastructure Plan including community engagement.
- Continuing to advocate for improvements to and support for improvements to recycling services.
- Completion of the Wellington Shire Council Service Planning model.
- Finalising implementation of new direct managed large facilities maintenance services.

The Future



- Continuing to work with the State Government on the Planning for the Economic Growth Zone initiative to help streamline the planning scheme and planning approval process to better attract investment.
- Construction of the \$6 million runway extension and associated upgrades at West Sale Airport.
- Working with Federation Training to ensure the new facility and associated training programs meet community needs.
- Clarification of Council's role in the provision of aged care services currently provided by Central Gippsland Health and Yarram and District Health Service.
- Clarification of the impact of the National Disability Insurance Scheme (NDIS) on the Wellington community.
- Success in obtaining funding for the redevelopment of Cameron Sporting Complex and project progressing as per time line and budget.
- Gippsland Regional Sports Complex stadium floor upgraded to a sprung timber floor and a range of senior level competitions and training opportunities conducted by Basketball Victoria, local associations and clubs.
- Completion of GRSC Stage 2A - new pavilion and multi-use synthetic field providing a range of participation options.
- Loch Sport Feasibility Study completed, and clarity provided on whether or not the establishment of a community hub will be pursued.
- The master plan for The Wedge completed and Council has agreed on a plan for future development.
- The Aqua Energy master plan completed and Council has agreed on a plan for future development.
- Successful delivery of a range of community infrastructure projects including: York Street Sale Redevelopment Works, Maffra Streetscape Redevelopment, Sale Tennis Club redevelopment, Sale Memorial Hall redevelopment, Gordon Street Recreation Reserve Heyfield upgrade, Gormandale Recreation Reserve Lighting upgrade, Briagolong Recreation Reserve Pavilion and the Yarram Recreation Reserve Lighting upgrade.

2.1

Mayor's Message

Wellington celebrated many fantastic success stories this year, right across our large and diverse Shire. So, it is with great pleasure that I present the Wellington Shire Council Annual Report 2017/18.

Our major event of the year was the opening of the \$14.53 million redeveloped Port of Sale precinct, which was a resounding success. Many years of planning, community engagement and general hard work culminated in this fantastic day.

People attended the official opening in their thousands, all keen to have a look at the new Wellington Centre that has been completely transformed from office building to architecturally designed community hub, new home of the Gippsland Art Gallery, Sale Library, Sale Visitor Centre, council chambers, café and community meeting spaces.

This initial excitement to see the finished precinct continued throughout the first three weeks of opening with a total of 23,009 visitors. This enthusiasm for the facility continues, with visitor numbers remaining strong throughout the year, a considerable increase in library visitor numbers and memberships and those visiting the gallery.

Wellington's EduCloud project, which was part of the Port of Sale redevelopment, was awarded the Municipal Association of Victoria's Technology Award for Excellence.

This project also won the Collaboration or Partnership of the Year award. EduCloud is a super-fast Wi-Fi platform that enables secondary school students and teachers to work, connect and collaborate across the shire. EduCloud was first set up in the Wellington Centre and is being expanded to all Wellington libraries.



- TOP LEFT: Mayor Cr Carolyn Crossley with representatives from the Heyfield Food and Wine Festival who were winners of the Community Event of the Year; TOP RIGHT: Inspecting redevelopment plans for Rosedale's Willow Park with Federal Member for Gippsland The Hon Darren Chester; and BOTTOM: With Cr Ian Bye and representatives from the John Leslie Foundation, and the Sale Basketball and Netball Associations, at the GRSC funding announcement.

Another highlight was the announcement by the ESSO Board that they would donate their collection of Australian Art, comprising 40 artworks dating from the 1950s-60s to Gippsland Art Gallery Sale.

The Gallery also received a gift of 59 artworks donated by Lesley Duxbury through the Australian Government Cultural Gifts Program.

Following persistent advocacy from Council over many years, the State Government allocated \$25 million in the State Budget for the new Federation Training campus at the Port of Sale. This was a much fought-for and celebrated announcement.

The addition of the TAFE to the Port of Sale precinct will be a real boon, bringing together education and the arts within the same precinct and close to the CBD. Council will continue to work Federation Training to ensure the new facility meets the needs of the business community and local students across the Shire.

Following months of work by our Economic Development team, Prime Minister Malcolm Turnbull announced more than \$6 million in Commonwealth funding to businesses investing or expanding in Wellington Shire. This will result in a total investment of \$13,122,600 into Wellington and create an estimated 66 construction jobs and 165 ongoing jobs in the communities of Rosedale, Longford, Sale, Alberton and Heyfield.



Those living in Rosedale and Maffra and visitors to the area would have noticed the street beautification works in those towns. Council spent considerable time engaging with the two communities to ensure the streetscape works met community expectations and enhanced the natural beauty of the two towns.

Boat enthusiasts have been enjoying the new Charlies Street boat ramp at Loch Sport, following a redevelopment. The new boat ramp has improved the safety of those accessing the lakes in their boats. The Loch Sport foreshore has also received a facelift, with a new contemporary Lions barbecue shelter with beautiful views to the lakes, along with the reinstatement of the damaged foreshore shared path and playground facilities.

Significant progress was also achieved on the Glebe/Woondella Shared Path in Sale, with the concrete path from Reeve Street to Saleyards Reserve complete, along with the level crossing.

The re-opening of our iconic Swing Bridge at Longford was a real highlight of the past year, with the event attracting hundreds to watch the spectacle of the bridge opening once again, after an act of vandalism in April 2016. The repair cost \$160,000 but was money well spent with the community holding the historic bridge dear to its heart, being the only operating swing bridge in Australia!

After a re-fit in the gymnasium, Aqua Energy held a community Open Day which attracted over 1000 people. Those who attended enjoyed demonstrations, activities, competitions and give-aways, all while the newly improved facility was showcased.

Council's outdoor pools and Aqua Energy experienced a successful summer season, beginning the outdoor regional pool season with Free Swim Friday. Almost 700 attendances people attended across all pools, enjoying a free swim to begin the season.



● TOP: Mayor Crossley with Kaitlin Francis who won the 15-18 year age category at the Wellington Youth Art Prize Awards; and BOTTOM: Visiting students and staff at Guthridge Primary School in Sale top mark Walk to School month during October.

● BELOW: Mayor Crossley inspects the solar panels atop Wellington Shire Council's Desailly Street headquarters in Sale; TOP RIGHT: Mayor Crossley and Cr Gayle Maher joined Member for Eastern Victoria Harriet Shing and representatives from the Yarram Football Netball Club to announce a \$100,000 lighting upgrade to the Yarram Recreation Reserve; and BOTTOM RIGHT: Preparing to fire the starting gun to commence a criterium circuit stage of the 2017 Tour of Gippsland cycling event at Sale's Victoria Park.





● TOP: John Leslie Foundation representative Brian Castles, Federal Member for Gippsland The Hon Darren Chester, Member for Eastern Victoria Harriet Shing and Mayor Crossley officially open the redeveloped Port of Sale precinct in January; BOTTOM: Officially launching the Bike Ed Trailer with students from St. Mary's Primary School in Sale; OPPOSITE TOP: Welcoming new Australian citizens during the Australia Day Citizenship Ceremony at the Sale Botanic Gardens along with Member for Gippsland South Danny O'Brien; and OPPOSITE BOTTOM: Mayor Carolyn Crossley with the Culture Connect Dance Group at the unveiling of restored message sticks at the Garden for Humanity in Stratford.

At the end of the swim season, Aqua Energy hosted the 2018 Gippsland Swimming Championships which not only attracted 396 competitors to the pool, but also their families, spectators and officials with many of them spending a few days in Wellington.

Council was thrilled about an announcement from the John Leslie Foundation that it would contribute \$500,000 to assist in the flooring update at Gippsland Regional Sports Complex (GRSC). In addition to Council's contribution of \$335,000 plans for the upgrade are underway.

Still at GRSC, construction began on Stage 2A of the overall development, which includes a synthetic hockey/multi-use pitch and pavilion. When complete, this development will open up GRSC to a wider community and multiple user groups as well as attracting state and even national competition events to our region.

Funding to upgrade facilities at Briagolong's Recreation Reserve was also announced in May, with the community coming together to raise \$40,000 towards the project. Council has committed \$627,862 and the State Government's Community Sports and Infrastructure Fund \$100,000 for a project that will benefit the entire Briagolong community and various user groups.

Council was pleased to finalise a number of important strategies and plans that will help guide future decisions over the next few years.

Some of these include:

- Wellington Community Early Years Plan – to assist Council to adequately plan for early years services into the future.
- Wellington Economic Development Strategy 2016-22 and Action Plan 2016-18
- Agriculture Position Paper, developed after extensive consultation with Wellington's primary producers.
- Domestic Animal Management Plan, developed after extensive consultation with stakeholders, including the RSPCA and the Victorian Animal Aid Trust.



- Amendment C96 (Heyfield Low Density Residential Growth Areas); Amendment C97 (Sale Sewerage Pump Station); Amendment C84 (Wurruk Growth Area rezoning); and Amendment C98 (West Sale Airport) – to facilitate growth across the municipality
- Sale North Development Plan and Wurruk Industrial Land Supply Strategy – to facilitate future urban development
- Recreational (RV) Strategy – providing a shire-wide approach to balance the needs of the RV market and business operators.

With the continuation of well below average rainfall for the first half of 2018, many in the agricultural sector began to feel the bite of the drought. This environmental challenge has been at the forefront of many of Council's decision making and advocacy to State and Federal Governments.

Council commenced direct operations of Gippsland Regional Livestock Exchange (GRLE) in March, with a smooth transition and much focus on strengthening relationships with the local agricultural sector.

Wellington was pleased to host the Great Victorian Bike Ride in November, with more than 3000 cyclists and support staff converging on our shire. All participants and supporters stayed overnight in Yarram, Seaspray and Maffra. It was a major economic boost, with many participants promising to return to the area for a holiday in the future.

I commend this annual report to everyone in the Wellington community. I thank my fellow Councillors and our staff for their hard work during the year, and particularly want to acknowledge some of our amazing community members and groups who continue to do so much positive work throughout our shire.



Cr Carolyn Crossley
Mayor



2.2

Financial Summary

This summary should be read in conjunction with the Performance Statement and Financial Statement contained in this Annual Report.

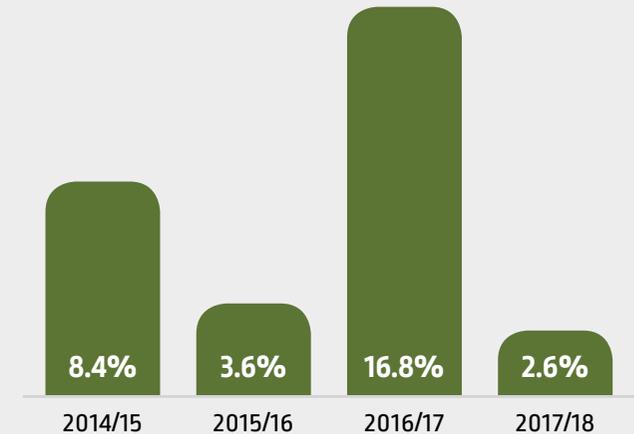
Performance to Budget

Council finished the year with a surplus of \$7.96 million (excludes asset revaluation increases), against a budgeted surplus of \$12.58 million, a variance loss of (\$4.62) million.

The following major factors influenced this result:

- Several capital projects, including West Sale Airport runway extension, Rosedale revitalisation and street reconstruction schemes were delayed in commencing, mainly due to extended stakeholder engagement and community consultation. These delays have resulted in \$7.0 million of capital grant funding not being received in 2017/18 as planned.
- An unbudgeted provision of \$10.5 million for landfill rehabilitation, aftercare and monitoring across all Council's landfill sites has been taken up in accordance with Accounting Standards, Local Government guidelines and environment risks assessments presently applying, in conjunction with estimated lives of these facilities.
- Council received fifty percent of its 2018/19 Victoria Grants Commission (VGC) allocation of \$6.9 million in June 2018, which will be carried forward into financial year 2018/19.
- Additional rate revenue of \$5.4 million raised during 2017/18 mainly due to the finalisation of supplementary valuations after the completion of the 2017/18 budget, reflecting capital improvements across the shire.
- New operating grant funding of \$1.1 million was received towards the upgrade of community facilities including Cowwarr Recreation Reserve development, Sale Memorial Hall and Gormandale oval lighting.

ADJUSTED UNDERLYING RESULT %



The adjusted underlying result, pictured above, excludes non-recurrent capital grants, other revenue received towards capital projects, non-monetary asset contributions (gifted assets and developer subdivision contributions) and the effects of asset revaluations.

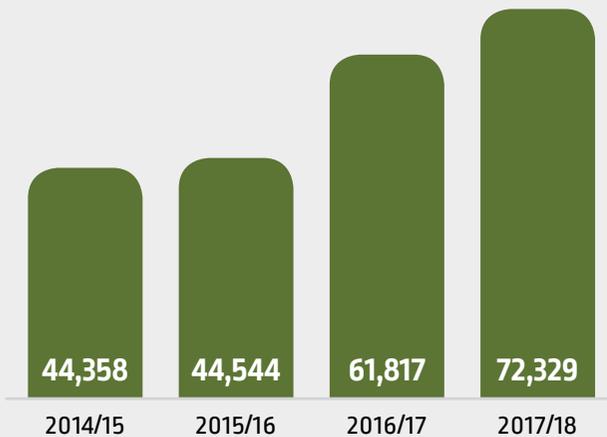
The adjusted underlying result of 2.6% is impacted by the advance payment of 2018/19 financial assistance grants received in 2017/18. Excluding the advance payment, the adjusted underlying result is (4.73%) which is still in the acceptable ranges (20% to 20%).

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.

WORKING CAPITAL RATIO %



CASH \$000's



2.2.1 Liquidity

Working capital at the end of the year was \$66.9 million or 594.7%, which is well above Council's budgeted position of 401.3%. 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 594.7% 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, the ratio reduces to 397.3%.

2.2.2 Cash

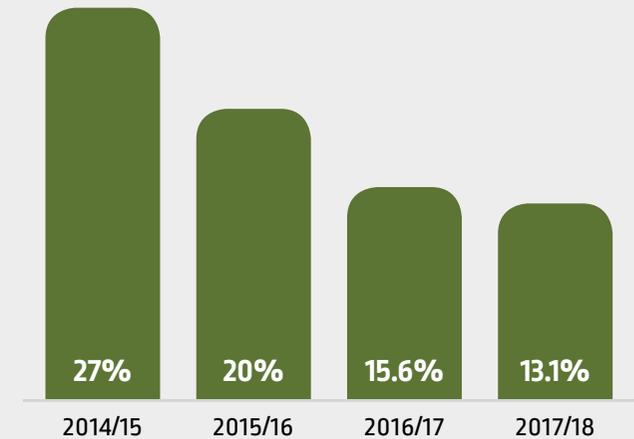
Council's cash including term deposits greater than 90 days' maturity (classified as other financial assets) finished at \$72.3 million against a budget of \$44.9 million, with \$26.7 million reserved for specific purposes in future years including completion of carried forward capital works, the Wellington coast subdivision strategy voluntary assistance scheme and future waste infrastructure projects.

2.2.3 Obligations

During the 2017/18 year \$0.8 million of existing debt was repaid. At the end of the year, Council's debt ratio was 13.1%, 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 \$3.3 million to partly fund the Maffra CBD streetscape development, West Sale Airport runway extension and aviation precinct, Gippsland Regional Sports Complex Stage 2A and residential street construction schemes were deferred to 2018/19.

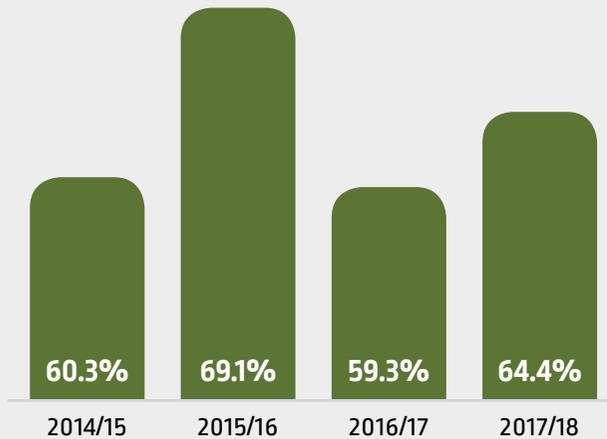
LOANS AND BORROWINGS RATIO %



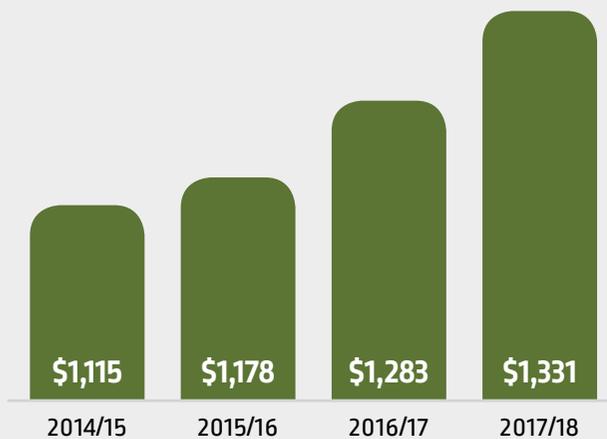
BORROWINGS \$000's



RATES CONCENTRATION RATIO %



AVERAGE RESIDENTIAL RATE



2.2.4 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 64.4% for the 2017/18 year.

Council has focussed on controlling costs and for the 2017/18 year, this resulted in an average residential rate per residential assessment of \$1,330.57, an increase of \$0.92 per week on the prior year.

2.2.5 Capital Expenditure

During the year, the Council spent \$30.84 million on capital works. Council invested \$10.8 million on improving our roads, bridges, and footpaths, including \$3.1 million to reseal and asphalt rural and urban roads.

Projects completed during the year include Port of Sale Cultural Hub and precinct redevelopment, Kilmany landfill cell construction, Pearson-Simpson Street scheme, Charles Street Loch Sport boat ramp and Port Albert boat ramp and jetty upgrade.

Works are progressing on the Rosedale revitalisation project with the streetscape renewal works completed and the Willow Park redevelopments expected to be completed by December 2018.

The Gippsland Regional Sports Complex Stage 2A is also progressing with an official opening expected in October 2018.

A further \$3.5 million was spent on our parks, gardens, and streetscapes around the Shire.

CAPITAL EXPENDITURE \$000's





2.3

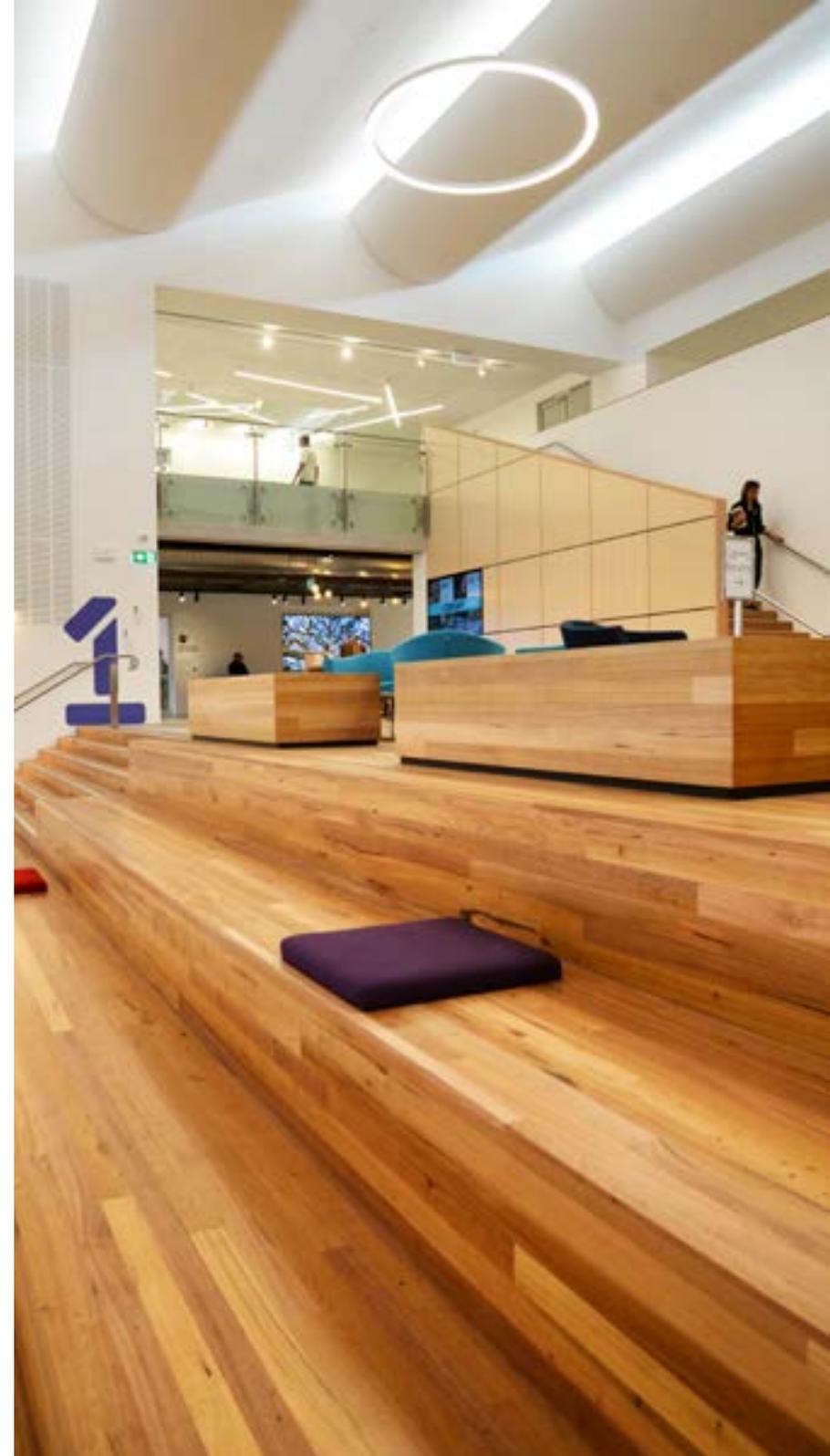
Description of Operations

Wellington Shire Council is responsible for delivering more than 100 services across the municipality.

These include 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 2017/18 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

Port of Sale Precinct and Wellington Centre

The \$14.53 million redevelopment was completed at the Port of Sale precinct and the new Wellington Centre building which is now home to the Gippsland Art Gallery, Sale Library, Sale Visitor Centre, the new Dock 70 Café, Council Chamber and community meeting spaces.

Official opening of these redevelopment works was held in January 2018 with overwhelming support and attendance from the community.

Between the new Wellington Centre and The Wedge entertainment centre, the former southern end of Desailly Street took shape as a new pedestrian promenade with Aboriginal cultural features, a highlight of the precinct project. The western section of the Port precinct consists of skatepark, barbeque shelters, climbing nets and a multi-age play space.

Several road improvement projects, funded through the Australian Government's Roads to Recovery Program, were undertaken concurrently with this project. Roadworks and improved pedestrian access works on Foster Street, Canal Road kerb works, and parking improvements were completed with shared pathway linkages. The single lane Park Street bridge was replaced with a dual lane and pedestrian lane bridge providing access to car parking and boating facilities on the southern side of the Sale Canal.

The Port of Sale redevelopment project was made possible by significant funding contributions from the Australian Government's National Stronger Regions Fund, the Victorian Government's Regional Growth Fund and Living Libraries Infrastructure Program, The John Leslie Foundation and Wellington Shire Council.

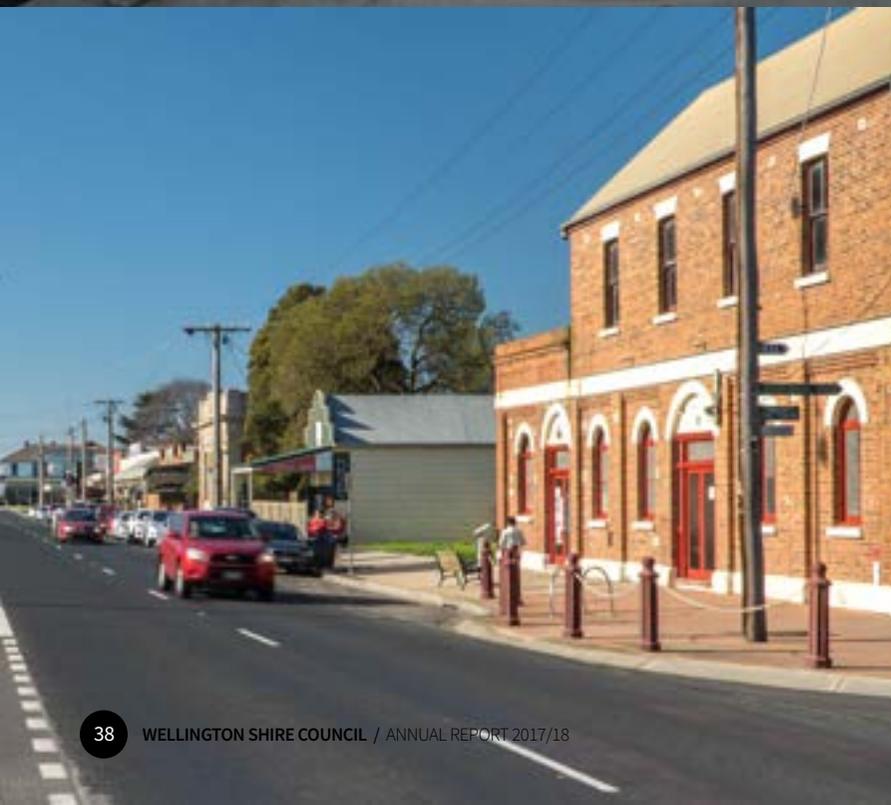
● TOP: The Port of Sale Skatepark, BOTTOM: The redeveloped Sale Library and OPPOSITE: The Port of Sale atrium.



Port Albert Boat Ramp Upgrade Projects

The Port Albert boating facility was updated with \$1 million worth of improvements to the boat ramp, traffic flow and parking facilities. These upgrades have improved the user experience and reduced waiting times, particularly at peak periods attracting visitors and tourists to the area. The upgrade of the boat ramp facilities has been completed while traffic and parking improvements will be undertaken under stage 2 prior to the end of 2018.

Council received funding from the State Government's Boating Safety and Facilities Program of \$640,000 towards the boat ramp upgrade works.



Rosedale Streetscape Project

Almost \$1M is being spent on rejuvenating the main shopping area of Rosedale on both the North and South sides of Prince Street, between Lyons Street and the west side of Hood Street.

The works involve the removal and replacement of existing kerb and channel, concrete footpaths, minor drainage modifications and associated works including new disabled parking bays and disabled access to bus stops.

The streetscape works form part of the \$1.5 million Rosedale Revitalisation project, that includes \$1 million from the Federal Government to revitalise the Rosedale township and upgrade the Willow Park campground. In addition, the Federal Government has allocated a further \$1 million to upgrade the Princes Highway roundabout in Rosedale under the Heavy Vehicle Safety and Productivity Program. Works at Willow Park are continuing and are expected to be primarily completed by the end of 2018.

● TOP: The redeveloped Port Albert boat ramp, BOTTOM: Rosedale's streetscape is set for an upgrade which will be completed by late 2018.

Charlies Street, Loch Sport Boat Ramp Upgrade

The Charlies Street boat ramp has been upgraded and included the construction of an additional boat ramp, the replacement of the fixed jetty, the construction of a floating jetty and additional overflow parking opportunity and access works.

Glebe / Woondella Shared Path - Sale

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

The first stages of the project are now complete including the construction of the path along Cemetery Road to Dawson Street. A new 'controlled' pedestrian crossing at the railway line has been constructed on the south side of Raglan Street, and path works traversing through the Saleyards Reserve are also in place.

The final stage includes the completion of a pedestrian bridge across Flooding Creek and lighting which is due for completion during 2018/19.



● TOP: The redeveloped boat ramp at Loch Sport, BOTTOM: Works continue on the Glebe/Woondella Shared Path.



2.3.2 Major Changes

- The introduction of a temperature trigger at Wellington's outdoor summer pools to improve resource allocation resulted in increased attendances and membership sales as well as reducing costs.
- The operation of Gippsland Art Gallery Sale, Sale Library and Visitor Information Centre from the new Port of Sale resulted in significant attendance increases.
- Response to State Government changes with the expanded application of the Bushfire Management Overlay
- The new Visitor Information Centre, directly managed by Council, was officially opened in the new Port of Sale building.
- Council commenced direct operations of Gippsland Regional Livestock Exchange (GRLE)

2.3.3 Economic Factors

There were no significant / unexpected financial challenges faced by Council during the 2017/18 year.

● OPPOSITE: The Gippsland Art Gallery has received record attendances since re-opening in the redeveloped Port of Sale space.

2.3.3 Major Achievements

- Completion of several significant capital works projects including Wellington Centre which were part of Council's largest capital works program to date.
- Completion of the Charlies Street, Loch Sport and Port Albert Boat Ramp upgrade projects.
- Agreement to proceed with our 9th special charge scheme under the Residential Roads and Street Construction program
- High level of community engagement for the Maffra Streetscape Project.
- The following strategic documents were reviewed and approved by Council:
 - Wellington Youth Strategy 2017 - 2020
 - Wellington Access & Inclusion Strategy and Action Plan 2017 - 2022
 - Healthy Wellington Plan 2017 - 2021
- Implementation of the new operating model for the Gippsland Art Gallery Sale and Sale Library from the new Port of Sale building
- Adoption of the West Sale and Wurruk Industrial Land Supply Strategy and the North Sale Development Plan
- Adoption of various Planning Scheme Amendments including Amendment C96 (Heyfield Low Density Residential Growth Areas); Amendment C97 (Sale Sewerage Pump Station); Amendment C84 (Wurruk Growth Area rezoning); and Amendment C98 (West Sale Airport).
- Wellington Shire hosted the Great Victorian Bike Ride with over 3,000 cyclists and support staff staying overnight in Yarram, Seaspray and Maffra as part of the Gippsland tour.
- The new Visitor Information Centre, directly managed by Council, was officially opened in the new Port of Sale building.
- The following emergency management strategic documents were reviewed and updated: Municipal Emergency Management Plan, Wellington Municipal Heat Health Plan 2018, Municipal Pandemic Influenza Plan and the Bushfire Places of Last Resort Plan

Funding Announcements

The following project funding was announced during the 2017/18 financial year.

\$530,000,000 **Gippsland Rail Line Upgrade**

Following a Gippsland wide campaign to improve rail services to the Region, the Federal and State Governments allocated funds to the Gippsland Rail Line Upgrade. This includes \$95 million to construct a new rail bridge over the Avon River in Stratford.

\$25,000,000 **Federation Training Campus**

Following extensive advocacy from Council, the State Government allocated funding in the State Budget for a new Federation Training campus at the Port of Sale.

\$1,000,000 **Rosedale Revitalisation Project**

Council received funding from the Federal Government for the Rosedale Revitalisation project.

\$1,000,000 **Sale Tennis Club Redevelopment**

Funding received from the Latrobe Valley Authority.

\$486,538 **Sale Memorial Hall Redevelopment**

Funding received from the Latrobe Valley Authority.

\$450,000 **Cowwarr Recreation Reserve Changeroom Redevelopment**

Funding received from the Latrobe Valley Authority, Department of Environment, Water, Land and Planning (DELWP), Community Managed Places.

\$352,000 **Gormandale Recreation Reserve Oval/Netball Court Lighting Upgrade**

Funding received from the Latrobe Valley Authority, Department of Environment, Water, Land and Planning (DELWP), Community Managed Places.

\$306,126	Gordon Street Recreation Reserve Netball Court Redevelopment	Funding received from the Latrobe Valley Authority, Department of Environment, Water, Land and Planning (DELWP), Community Managed Places.
\$250,000	Gordon Street Recreation Reserve Main Oval Lighting Upgrade	Funding received from the Latrobe Valley Authority, Department of Environment, Water, Land and Planning (DELWP), Community Managed Places.
\$150,000	Staceys Bridge Works	Received a grant under the Federal Government Bridges Renewal Program as a contribution towards the widening of Stacey's Bridge.
\$123,050	Gordon Street Recreation Reserve Cricket Net Redevelopment	Funding received from the Latrobe Valley Authority, Department of Environment, Water, Land and Planning (DELWP), Community Managed Places.
\$100,000	Briagolong Recreation Reserve Pavilion Redevelopment	Received funding from Sport and Recreation Victoria, Cricket facilities.
\$100,000	Sale Botanic Gardens 'Garden for Life' Project	Secured funding from the Latrobe Valley Authority.
\$100,000	Yarram Recreation Reserve Lighting Upgrade	Received funding from Sport and Recreation Victoria, Country Football Netball program.
\$50,000	West Sale and Wurruk Industrial Land Supply Strategy	Received State Government funding support to undertake the Strategy.
\$40,000	North Sale Development Plan (Traffic Impact Assessment)	Received State Government funding support to undertake the Plan.
\$40,000	Facilitate ongoing inspections of Septic Tanks	Received funding from Gippsland Water to facilitate the ongoing inspections of septic tanks aligned with the Domestic Wastewater Management Plan.



3.1

Municipality Profile

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

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

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

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

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

Council is very active in planning to ensure there is a plentiful supply of new residential and industrial land to encourage this growth.

Attractive features of the Wellington region include the 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. 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 Plants, south of Sale, supply gas to Victoria, New South Wales and Tasmania. A number of local companies provide services to the Bass Strait oil and gas industry, operated by Exxon Mobil (Esso).





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

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.

3.2 Councillors

NAME	WARD	TERMS ELECTED	MOBILE	EMAIL
Cr Carolyn Crossley (Mayor)	 Northern	2012, 2016	0409 495 833	carolync@wellington.vic.gov.au
Cr Ian Bye (Deputy Mayor)	 Central	2016	0476 000 146	ianb@wellington.vic.gov.au
Cr Alan Hall	 Coastal	2016	0476 000 159	alanh@wellington.vic.gov.au
Cr Malcolm Hole	 Northern	2000, 2003, 2005, 2008, 2012, 2016	0408 541 746	malcolmh@wellington.vic.gov.au
Cr Gayle Maher	 Coastal	2016	0476 000 162	gaylem@wellington.vic.gov.au
Cr Darren McCubbin	 Central	2003, 2005, 2008, 2012, 2016	0458 006 486	darrenm@wellington.vic.gov.au
Cr Keith Mills	 Northern	2016	-	-
Cr Carmel Ripper	 Northern	2016	0418 875 523	carmelr@wellington.vic.gov.au
Cr Scott Rossetti	 Central	2008, 2012, 2016	0419 366 686	scottr@wellington.vic.gov.au
Cr Garry Stephens	 Coastal	2016	0476 000 157	garrys@wellington.vic.gov.au



Cr Carolyn Crossley
Mayor



Cr Ian Bye
Deputy Mayor



Cr Alan Hall



Cr Malcolm Hole



Cr Gayle Maher



Cr Darren McCubbin



Cr Keith Mills*
(1 July 2017 - 8 November 2017)



Cr Carmel Ripper
(21 November 2017 - present)



Cr Scott Rossetti



Cr Garry Stephens

*Keith Mills resigned as a Councillor on Wednesday 8 November, 2017. Following a countback, Carmel Ripper was sworn in as his replacement on Tuesday 21 November 2017.

4.1

Organisation Structure



Chief Executive Officer
David Morcom



Executive Manager Major Projects
Sharon Houlihan

CORPORATE SERVICES UNIT



General Manager Corporate Services
Arthur Skipitaris



Manager Corporate Finance
Ian Carroll



Manager Information Services
Phillip Phillipou



Manager People & Excellence
Vacant

BUILT & NATURAL ENVIRONMENT UNIT



General Manager Built & Natural Environment
Chris Hastie



Manager Built Environment
John Tatterson



Manager Natural Environment & Parks
Tim Rowe



Manager Assets & Projects
Dean Morahan

DEVELOPMENT UNIT



General Manager Development
John Websdale



Manager Business Development
Paul Johnson



Manager Land Use Planning
Josh Clydesdale



Manager Municipal Services
Vanessa Ebsworth

COMMUNITY & CULTURE UNIT



General Manager Community & Culture
Glenys Butler



Manager Arts & Culture
Stephen Dempsey



Manager Community Wellbeing
Karen McLennan



Manager Leisure Services
Nic Hall

4.2

Senior Officers

As at 30 June 2018 Senior officers as designated by the Local Government Act, 1989 were as follows:



David Morcom
Chief Executive Officer



Chris Hastie
General Manager
Built & Natural Environment



Arthur Skipitaris
General Manager
Corporate Services



Glenys Butler
General Manager
Community & Culture



John Websdale
General Manager
Development



Phillip Phillipou
Manager
Information Services



Ian Carroll
Manager
Corporate Finance

4.3

Council Staff

FULL TIME EQUIVALENT (FTE) STAFF BY ORGANISATIONAL STRUCTURE, EMPLOYMENT TYPE AND GENDER

Employee Type/Gender	CEO	Built & Natural Environment	Community & Culture	Corporate Services	Development	Total
Permanent Full Time						
Female	4	16	25	19	15	79
Male	2	93	11	13	26	145
Total Permanent Full Time	6	109	36	32	41	224
Permanent Part Time						
Female	-	1.16	14.45	4.38	10.46	30.45
Male	-	-	4.09	0.6	3.1	7.79
Total Permanent Part Time	-	1.16	18.54	4.98	13.56	38.24
Casual						
Female	-	-	10.64	-	1.52	12.16
Male	-	-	9.64	-	1.19	10.83
Total Casual	-	-	20.28	-	2.71	22.99
Total	6	110.16	74.82	36.98	57.27	285.23

FULL TIME EQUIVALENT (FTE) STAFF CATEGORISED BY EMPLOYMENT CLASSIFICATION AND GENDER

Employee Classification	Female FTE	Male FTE	Total FTE
Band 1	3.83	1.17	5.00
Band 2	3.01	22.23	25.24
Band 3	18.89	40.4	59.29
Band 4	36.27	15.33	51.60
Band 5	22.85	26.4	49.25
Band 6	17.7	21.1	38.80
Band 7	8	16	24.00
Band 8	1	6	7.00
Band Not Applicable	10.05	15	25.05
Total	121.61	163.62	285.23



AGE SPREAD OF STAFF

Employee Type/Gender	CEO	Built & Natural Environment	Community & Culture	Corporate Services	Development	Total
25 & Under	-	2	76	2	11	91
26 > 35	2	24	39	9	8	82
35 > 45	3	18	34	13	20	88
45 > 55	1	38	30	9	22	100
55 +	-	29	43	9	48	129
Total	6	111	222	42	109	490

YEARS OF SERVICE SUMMARY

Years of Service	Full Time	Part Time	Casual	Total
5 & Under	98	30	131	259
Between 5 & 10	55	17	29	101
Between 10 & 15	32	16	17	65
Between 15 & 20	13	8	7	28
Between 20 & 25	10	3	-	13
Between 25 & 30	7	1	-	8
Greater than 30	12	2	2	16
Total	227	77	186	490

OUR WORKFORCE BY GENERATION

Employee Type/Gender	CEO	Built & Natural Environment	Community & Culture	Corporate Services	Development	Total
GEN Z (Born 1995 onwards)	0	1	66	1	9	77
GEN Y (Born 1981 - 1994)	3	29	60	15	16	123
GEN X (Born 1965 - 1980)	2	44	47	17	30	140
Baby Boomers (Born 1945 - 1964)	1	37	49	9	52	148
Veterans (Born before 1944)	0	0	0	0	2	2
Total	6	111	222	42	109	490



4.4

Equal Employment Opportunity

Wellington Shire Council is committed to supporting a workplace culture that treats all people with dignity and respect.

Employees, contractors and volunteers of Council have the right to conduct their work in a safe environment unimpeded by bullying, harassment and/or discrimination. Council has an Equal Employment Opportunity program which is designed to eliminate discrimination, promote equal opportunity and provide a means for consultation in regard to employment matters which have the ability to adversely affect staff or the organisation.

The objective of Wellington Shire Council's Equal Employment Opportunity program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The provision of Equal Opportunity Awareness sessions for all new employees and managers ensures they are aware of their obligations and responsibilities in maintaining a workplace that is free of bullying and harassment and/or discrimination.





4.5

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 more than \$1.8 million for 2017/18. 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.

ECONOMIC VALUE OF VOLUNTEER WORK IN WELLINGTON SHIRE

Volunteer Service	Main Duties	Volunteer Number	Volunteer Hours	Estimated \$ Value of Volunteering per year
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	> \$1,394,304
Visitor Information Centre (Sale, Maffra)	Provide customer service, tourism advice, directions, local business information and administration support.	12	> 74 hours per week	> \$139,721
Youth Council	<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. 	15	> 3,268 hours per year	> \$118,661
Propellor FReeZA group	<ul style="list-style-type: none"> • To put on events and activities that are inclusive of all young people and to engage them in community life. • Provide opportunities for young people to perform and experience music events. 	12 (Up to 20 casual volunteers for events)		
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 	85+	> 3060 hours per year	> \$111,109
Art Gallery Guides	Deliver education programs and workshops for kindergarten, primary and secondary schools and community groups.	10	> 20 hours per week	> \$37,762

Volunteer Service	Main Duties	Volunteer Number	Volunteer Hours	Estimated \$ Value of Volunteering per year
L2P Program <i>(Council run program in partnership with Mission Australia)</i>	<ul style="list-style-type: none"> Support and mentor young people in Wellington Shire to get their probationary license. 	30	936 hours per year	\$34,095
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 group for the Rural Access position located at Wellington Shire Council. 	15	> 30 hours per month	> \$13,072
Friends of Sale Botanic Gardens	Attend monthly gardening day in Sale Botanic Gardens.	10	> 115 hours per year	> \$4,176
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	\$3,812
Student Volunteers for Parks and Gardens	Undertake vegetation works, maintenance works.	30	> 70 hours per year	> \$2,542
Total				> \$1,859,254*

*Using estimated projected gross opportunity cost wage rate for volunteer in 2017 - \$36.31 per hour (Source: Key Facts and Statistics about Volunteering in Victoria, 2015 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 work place. We take an integrated approach to learning, focusing on a mix of on-the-job experience, online and instructor lead training and formal education.

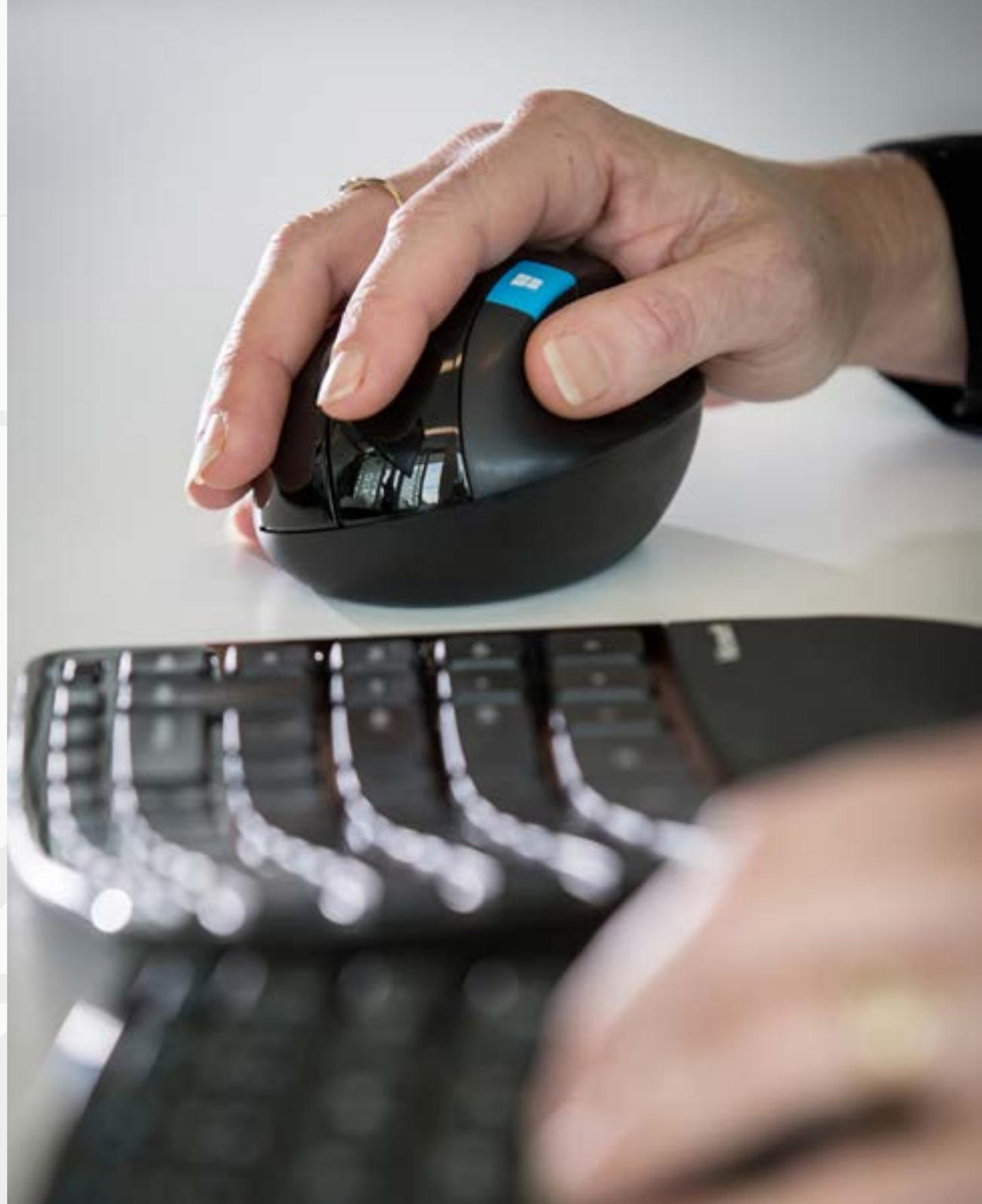
The table below shows the total number of employees who undertook online training during the 2017/18 year.

ONLINE TRAINING COURSES COMPLETED BY UNIT

Course	Built & Natural Environment	Community & Culture	Corporate Services	Development
Fraud and Corruption Awareness	10	19	5	19
Occupational Health & Safety	11	20	6	19
Prevention of Workplace Bullying and Harassment	11	17	8	17
Contractor Safety	7	6	3	3
Interview Panellist Training	9	13	4	10
Record Keeping and Privacy	7	12	3	16
Procurement Awareness	1	1	1	3
Introduction to Community Engagement	74	45	27	47

INSTRUCTOR LED TRAINING COURSES COMPLETED BY STAFF

Course	Attendees
Fraud, Corruption, and Cyber Awareness	114
Provide Cardiopulmonary Resuscitation (CPR)	51
Fire Warden	41
Implement a Traffic Management Plan	39
Situational Awareness Training	38
Improving the Customer Experience	35
Provide First Aid	24
Leader as Coach	23
Introduction to Emergency Management	15
New Leaders Group Mentoring	14
Responsible Service of Alcohol	14
Having Difficult Conversations	13
Negotiation Skills	12
Health & Safety Representative Refresher	6
Chemical Users	5



4.6.2 Staff Recognition

An updated Wellington Staff Achievement Awards Program was launched on 1 June 2018, based on feedback from the 2017 Staff Satisfaction Survey which called for a review of the way employees are recognised and rewarded. New awards program seeks to recognise individuals who go ‘above and beyond’ in their roles, or in their service to the community.

The new Wellington Staff Achievement Awards include recognition at:

- The Business Unit Level
- An Annual Awards Presentation

The nomination categories include:

- Leadership
- Customer Focus
- Relationships
- Innovation

The nomination categories 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 55 staff members celebrated and received Service Awards for 2017/18 year.

Staff Service Awards 2017/18

45 Years

Allan Kincaid

35 Years

Robert Jago

Jeanette Stone

30 Years

Jason Parry
David Tilley

Shane Wigg

25 Years

Sally Nowak
Chris Nock

15 Years

Grant Albert
Sharon Field
Glenn Joiner

Paul Miles
Ray Weber

10 Years

Luke Brayshaw
Janet Brown
Eileen Burge
Brian Camp
Jennifer Claxton
Josh Clydesdale
Sarah Cotterill

Geordie Cutler
Deborah Dowd
Steven Hill
Harold Johnston
Cynthia Lang
Trevor McKie
Helen McMillan

Nuleen Narayan
Benjamin Sargood
Andrew Smale
Mark Turvey
Robin Whitsed
Helen Wood
Kate Young

5 Years

Kimberly Aitken
Helen Bink
Callum Bourke
Trevor Brown
Meg Capurso
Leah Carubia
Theo Christopher

Kate Conway
Neville Cook
Barry Hearsey
Tina Heiberg
Alan Hill
Samuel Hogan
Vanessa Leahy

Colin LeBlanc
Samantha Maxfield
Cameron McGregor
Jasmin McMillan
Denis Murphy
Aprelle Randle
Peter Thompson



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.

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.

In 2017/18, an internal review of our OHS processes was conducted and a detailed OHS Strategic Action Plan was established. This plan will be reviewed annually to monitor progress and identify new or increasing safety issues.

In 2017/18, several projects and improvements were undertaken to improve Council's OHS functions.

These include:

- OHS Management System moved to an internally controlled platform
- Completion of new OHS Strategic Action Plan 2017-21 in line with current Council Plan
- Improvements to contractor inductions
- Installation of defibrillators in Council staffed buildings
- Update process and procedures to align with new technology
- Review and updating staff health monitoring program
- Completed further specific occupational noise assessments

POTENTIAL RISKS AND HAZARDS DATA

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

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 2017/18 to support these objectives.

Promoting physical health and fitness:

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

Promoting 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.

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.

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 May 2018, A Child Safe Policy was 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.

All employees, contractors, and volunteers who have direct contact with children are required to have a current Working with Children Check.



WILINMAN NJINDE WELCOME

Lake
Guyatt



CULTURAL
TRAIL

We acknowledge the traditional owners of this land the Gunaakurnai and pay our respects to elders past and present.

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 2017/18 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 additional means to compare with other similar councils as well as tracking our results over recent years.

Our 2018 survey results indicated that Wellington Shire Council is performing better than other large rural Councils. Council scored a rating of 64 out of 100 for overall council performance compared to 56 for other large rural councils and 59 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 our recreational facilities.

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 unsealed roads, slashing and sealed roads. 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 shown opposite below with the detailed report available on Council's website.

Summary of Core Measures

	Wellington Shire 2018	Wellington Shire 2017	Large Rural Shire Average 2018	Statewide Average 2018
Community Consultation Community consultation and engagement	58	59	54	55
Advocacy Lobbying on behalf of the community	57	61	52	54
Making Community Decisions Decisions made in the interest of the local community	58	59	52	54
Sealed Local Roads Condition of sealed local roads	56	56	45	53
Customer Service	73	70	67	70
Overall Council Direction	60	55	52	52

Overall Performance

64

Wellington Shire
2018

63

Wellington Shire
2017

56

Large Rural Shire
Average 2018

59

Statewide Average
2018

5.1.3 Reporting against the Council Plan 2017-21 and Annual Budget 2017/18

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.

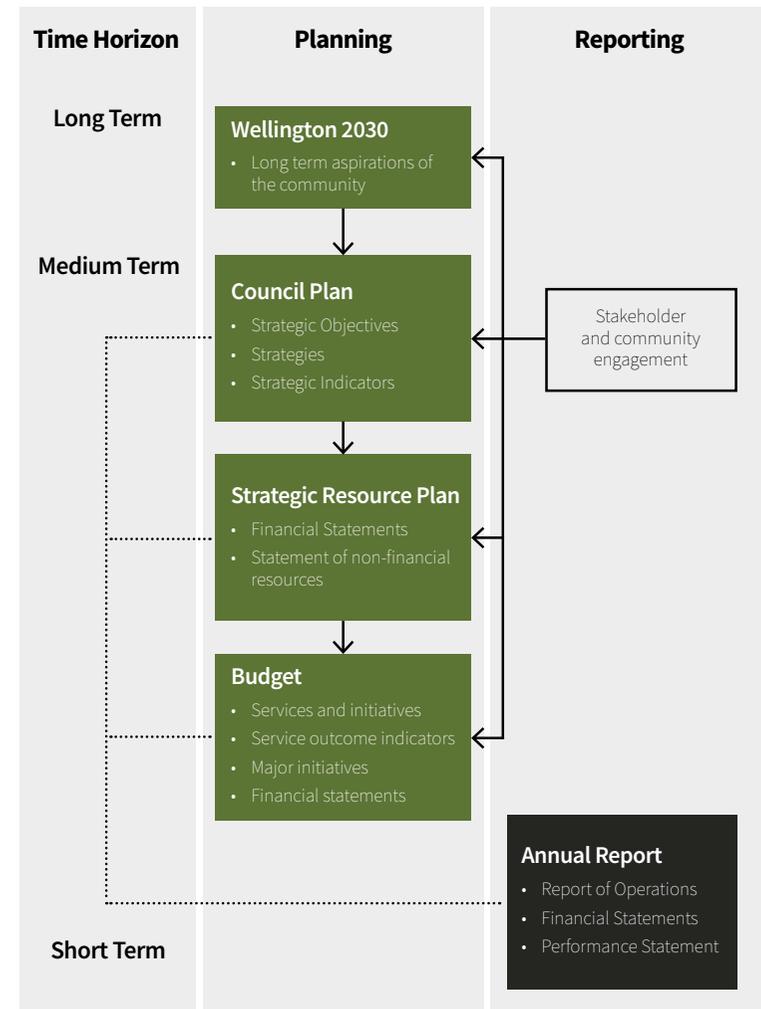
Council undertook an extensive community consultation program to review the 'Wellington 2030-Community vision for the future' document during 2016. Revised Wellington 2030 was used to develop and guide the key themes and strategic objectives of the new 2017-21 four year Strategic Plan, our Council Plan.

We continued to work throughout 2017/18 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 2017/18 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 2017/18 budget.



Communities

1

THEME 1 Communities

Our Vision

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.

Strategic Objectives

- 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

2

THEME 2 Services & Infrastructure

Our Vision

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.

Strategic Objectives

- 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

3

THEME 3 Natural Environment

Our Vision

Wellington's natural environment and landscape is clean, diverse, beautiful, accessible and protected.

Strategic Objectives

- 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

4

THEME 4 Lifelong Learning

Our Vision

Wellington has a broad choice of local training, education and holistic learning and development options that lead to meaningful employment and personal fulfilment.

Strategic Objectives

- 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

5

THEME 5 Economy

Our Vision

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.

Strategic Objectives

- 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

6

THEME 6 Organisational

Our Vision

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.

Strategic Objectives

- 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 2017/18 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.

Performance Report Navigation

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



Strategic Indicators



Major Initiatives



Description of Services Provided



Service Indicators and Measures

Council Responsibility Level



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.



5.3.1 Communities



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 Result
Satisfaction with enforcement of Local Laws	 Control	64%	66%
Community satisfaction with Emergency and Disaster Management.	 Influence	74%	73%
Percentage of annual Municipal Health and Wellbeing Action Plan items achieved.	 Control	>75%	90%
Percentage of annual Action Plan items achieved for the Wellington Youth Strategy.	 Influence	>75%	Action Plan just developed
Monitor utilisation and diversity of usage of Council's community facilities.	 Monitor	Monitor numbers	Monitoring process under development
Total value of Community Assistance Grants distributed annually.	 Control	Monitor annual total	Assistance Grants: \$234,856 Quick Response Grants: \$126,384



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
Continued implementation of Domestic Wastewater Management Plan (DWMP) to ensure the DWMP is adequately executed and commitments contained within the plan are achieved.	Progress continues under the Domestic Wastewater Management Plan as Council receives \$40,000 funding from Gippsland Water to facilitate ongoing inspections of septic tanks within the Shire.	Ongoing
Actively engage with the community and partners to redevelop the Domestic Animal Management Plan.	The Domestic Animal Management Plan was endorsed by Council in October 2017. Further work continues to promote and encourage responsible pet ownership within the community.	Completed
Adoption by Council of the Municipal Public Health and Wellbeing Plan 2017-21 by 31 October 2017.	Wellington Municipal Public Health and Wellbeing Plan, known as Healthy Wellington 2017 - 2021 integrates Municipal Public Health Planning with Health Services (Central Gippsland Health, Yarram and District Health Service, and Wellington Primary Care Partnership) Health Promotion Plan. It was formally adopted at a Council meeting on 3 October 2017.	Completed
Implement the 2017/18 Leisure Services Operational Business Plan for Aqua Energy, Gippsland Regional Sports Complex (GRSC) and Council's seasonal outdoor pools.	<ul style="list-style-type: none">• Participation levels at Aqua Energy and WSC's outdoor pools exceed those of the previous year.• New operating model for the outdoor pools was introduced providing improved service efficiencies, salaries savings and reduced visitor subsidisation cost.• Improvements in promotion and advertising were assisted by regular meetings with WSC Media and Public Relations team and included the launch of a dedicated Aqua Energy website, improved Facebook posting and profile.• Transition to the new Facility Maintenance model is going well. Facility presentation continues to be a high priority issue.• Leisure Services leadership continues to liaise with key stakeholder groups to maintain good collaborative working arrangements and deliver high quality shared events.	Progressing (90%)



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	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 • Art Development • Community Engagement • Community Facility Planning <p>Initiatives</p> <ul style="list-style-type: none"> • Ensure implementation of Council led responsibilities for 2017/18 in the Healthy Wellington Action Plan. (Progressing 50%) • Finalise the Wellington Access and Inclusion Plan and ensure implementation of Community Wellbeing led responsibilities for 2017/18. (Progressing 50%) • Facilitate delivery of two key outcomes in the Community Engagement Strategy Action Plan. (Completed) • Monitor the sustainability of the Wellington Early Years Network as it transitions to a new facilitation structure and supports the implementation of the Municipal Early Years Plan. (Ongoing) • Support the development of Yarram Early Learning Inc. to ensure that the service is financially sustainable. (Completed) • Finalise the Wellington Youth Strategy and achieve planned actions for 2017/18. (Completed) • Support Gumnuts Early Learning Centre Inc. to determine an appropriate management and governance structure by 31 Dec 2017. (Completed) • Develop a Wellington Age Friendly Plan. (Progressing 50%) 	1,561	1,830	269



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
	<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><i>Initiatives</i></p> <ul style="list-style-type: none"> • Implement recommendations and actions to support the five year work plan to reduce energy consumption by 5% per year at Aqua Energy and Gippsland Regional Sports Complex (GRSC) using Planet Footprint to track results. (Completed) • Complete a business case for the further development of aquatic facilities at Aqua Energy. (Progressing 50%) • Implement the 2017/18 priorities emanating from the 2015-20 Aquatic Strategy. (Progressing 95%) • Implement an outdoor pool operating model (temperature forecast related) to reduce cost to council while maintaining optimum service levels. (Completed) • Inform Aqua Energy's business decisions through the cost allocation model data. (Progressing 30%) 			
Leisure Services		1,750	1,459	(291)
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>	1,085	1,322	237
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>	263	306	43



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Aquatic Facilities					
Service Standard					
Health inspections of aquatic facilities (Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities)	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.
Service Standard					
Reportable safety incidents at aquatic facilities (Number of WorkSafe reportable aquatic facility safety incidents)	1.0	1.0	1.0	1.0	The safety and quality of one indoor all year facility and five outdoor seasonal facilities has been maintained throughout the year with only one incident due to non work related medical condition to a staff member which required reporting until reviewed by doctors.
Service Cost					
Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)	\$4.43	\$5.16	\$4.84	\$4.32	During 2017/18, Wellington Shire Council's only indoor aquatic, all-year facility in Sale (Aqua Energy) operated at a cost to Council of \$948,532 and recorded 219,390 visitors. This resulted in an average cost per visitation of \$4.32. The decrease in subsidy per visit is attributable to increased attendances at Aqua Energy.
Service Cost					
Cost of outdoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	\$17.73	\$16.16	\$21.41	\$17.54	Wellington Shire Council operates five outdoor seasonal aquatic facilities - at Heyfield, Maffra, Rosedale, Stratford, and Yarram. The combined cost to Council of operating these facilities during 2017-18 was \$429,639. The combined total visitations to the five pools was 24,497, an increase of over 2,000 attendances from the previous year. Improved operating efficiencies and increased attendances combined to result in a decreased cost to council when compared to season 2016/17.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Utilisation					
Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	4.55	4.75	5.01	5.57	The combined number of visits recorded at Council’s indoor and outdoor aquatic facilities during 2017/18 was 243,887. This equates to an average of over five and a half (5.5) 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.
Food Safety					
Timeliness					
Health inspections of aquatic facilities (Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities)	1.0	1.0	1.0	1.0	Council endeavors to action food complaints within 24 hours, including those received outside business hours including at weekends and public holidays. Council only received five food complaints in 2017. Lower number of food complaints could be due to continuing education for business owners and operators through our standard risk assessment inspection regime.
Service standard					
Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act, 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x100	87%	94%	91%	84%	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 2017 calendar year, Environmental Health team experienced significant difficulties recruiting qualified staff resulting in 84% of completed assessments of registered food premises. Staff attention was focused on high risk, high volume premises and businesses that have performed poorly in the past.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Aquatic Facilities					
Service cost					
Cost of food safety service					
(Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act, 1984)	\$491	\$397	\$367	\$402	<i>The direct cost of Council’s food safety program per all registered and notifiable food premises is \$402. Cost increase is mainly due to recruitment of an additional position during the year.</i>
Health and safety					
Critical and major non-compliance outcome notifications					
(Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises) x100	100%	100%	100%	57%	<i>During 2017 calendar year, Council recorded a total of fourteen critical and major non-compliance notifications for food premises and followed up eight of these due to significant resourcing challenges during the year.</i>



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Animal Management					
Timeliness					
Time taken to action animal requests (Number of days between receipt and first response action for all animal management requests / Number of animal management requests)	1.2	1.5	1.3	1.4	<i>Local Laws officers responded to 1,595 domestic animal management requests during the reporting period, with an average initial response time of 1.38 days. Response times continue to decline due to the recruitment of additional staff who now assist in this area. Animal management requests range from lost, wandering or nuisance pets, barking dogs, welfare concerns, dog attacks, reports of dangerous or menacing dogs and reports of illegal breeding activities.</i>
Service standard					
Animals reclaimed (Number of animals reclaimed / Number of animals collected)	43%	66%	58%	56%	<i>The reclaim rate for animals collected by Council is currently at 56%. The impoundment/removal of feral cats is included in the data and as such has reduced the reclaim rate from 66%. During the reporting period, 135 feral cats were removed from the natural environment. Unclaimed animals are placed into the care of Victorian Animal Aid Trust and, if suitable, rehomed through their pet adoption program. All animals reclaimed by their owners are required to be registered before release.</i>



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Service cost					
Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$33.75	\$50.09	\$57.65	\$56.26	Animal management costs remain fairly static at \$56.26 per animal. Annual registration fees are adjusted to reflect cost recovery. By doing so, general ratepayers are protected from the financial impact of increased monitoring and enforcement activities.
Health and safety					
Animal management prosecutions (Number of successful animal management prosecutions)	11	4	17	10	Wellington Shire Council undertook 10 animal management prosecutions during 2017/18. All were successful. The majority of prosecutions related to serious dog attacks, mainly dog vs dog or dog vs livestock.

5.3.2 Services & Infrastructure



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 Result
Community satisfaction with condition of local streets and footpaths.	Control	55%	58%
Community satisfaction with planning permits.	Control	58%	57%
Total annual value of municipal development.	Influence	Monitor Annual Total	Wellington \$106,229,148 Victorian Rural Average \$11,009,664
Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal.	Control	Monitor Percentage	2014 Inspection 97% 2017 Inspection 99%



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
Progress the Port of Sale Cultural Hub construction project in line with the project plan.	Building was opened to the public on 6 January and official opening was on 27 January. It has been well received by the public.	Completed
Progress the Port of Sale Precinct (The Port) redevelopment project in line with the project plan.	The Port was fully opened to the public on 27 January with the ministerial opening.	Completed
Progress West Sale Airport initiatives including Stage 3 of the Eastern Recreation Aviation Precinct and the Runway Extension Project.	All lots within Stage One of Eastern Recreation Aviation Precinct (ERAP) sold and settled. Design works for future stages progressing. The \$5 million funding agreement between Council and Regional Development Victoria has been executed. This funding will enable the runway to be extended.	Completed
Review and update the Boating Facilities Strategic Plan 2013-16 and provide a 4 year capital plan, taking into account any changes from Gippsland Coastal Board Boating Facilities Coastal Action Plan.	Review commenced. Updated plan to be released for public comment during 2018/19.	Progressing (60%)
Secure funding for the upgrade of Cameron Sporting Complex Maffra to ensure the facility meets growing demand.	This is a multi-year project. Funding applications have been submitted to the Federal and State Governments. Announcement is expected August 2018. Detailed Design contract has been awarded and design is underway.	Progressing (75%)



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Assets & Projects	<p>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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Progress the Residential Road and Street Construction Plan projects in line with the implementation plan. (Progressing 85%) • Progress the Cowwarr Recreation Reserve clubrooms redevelopment project in line with the project plan. (Completed) 	2,165	2,087	(78)
Built Environment	<p>The Built Environment Unit manages the maintenance, renewal and 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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Progress development of an Off-Street Car Parking Master Plan, considering the needs of central business areas within the six major townships, supported by a long term capital works program. (Completed) • Develop a 5 year implementation plan for residential street construction works and present to Council. (Completed) 	5,340	8,769	3,429



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Arts & Culture	<p>The Wedge, formerly known as Esso BHP Billiton Wellington Entertainment Centre (EBBWEC) 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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Implement the second stage of the 5 year work plan to reduce energy consumption by 5% per year at Entertainment Centre and Wellington Centre, and use Planet Footprint to track results. (Completed) 	979	796	(183)
Land Use Planning	<p>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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Develop a policy to guide decision making about rezoning of land to support consistent and equitable outcomes. (Progressing 95%) Facilitate a private rezoning/development plan for the Wurruk Growth area to support well planned housing growth. (Completed) Implement the Heyfield Low Density Residential Review into the Planning Scheme to support housing growth. (Completed) 	825	1,274	449



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Community Facility Planning	<p>The Community Facility Planning team provides services and 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.</p> <p>Initiatives</p> <ul style="list-style-type: none"> Utilise the Service Planning Model to expand the 10-year recreation facilities capital planning program to incorporate community facilities, to enable greater prioritisation of community facilities in alignment with the Community Facilities Framework. (Progressing 80%) Development of a Service Planning Model for community facilities that can be adapted for broad use across Council. (Completed) Utilise the Community Facilities Framework and Hierarchy tool to review funding and agreements of all community facilities – Council and community managed - and make appropriate recommendations for the development of a consistent approach to be considered by Council. (Ongoing) Facilitate consistent approach to emergency planning for all Community Committees of Management (CoM), owned and managed by Council, to ensure Council and the committees are adequately prepared and covered for incidents. (Ongoing) Facilitate the distribution of consistent insurance coverage information and advice for all Community Committees of Management in facilities on Council owned and/ or managed land to ensure CoM and volunteers are adequately covered in case of an incident. (Progressing 70%) 	1,247	1,896	649



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Roads					
Satisfaction of use					
Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x100	12%	16%	16%	11%	In 2017/18, Council received a total of 171 customer action requests 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 2017/18 may have attributed to lower maintenance requests regarding sealed roads.
Condition					
Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x100	97%	97%	97%	99%	Wellington Shire Council conducts inspections of local roads on a periodic basis, in addition to defect inspections throughout the year pursuant to the frequencies defined within its Road Management Plan. The percentage of roads below the set intervention level for the 2017/18 financial year is over 99%, which is an improvement on last years result. Council has had an increased focus on reconstruction of failed pavements during 2017/18.
Service cost					
Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$49.72	\$33.32	\$45.02	\$28.93	The cost of sealed local road reconstruction per square metre has reduced when compared to last year. The majority of sealed local road reconstruction works in 2017/18 were not complex and included a number with larger works areas. This reduced the rate per square metre and accounted for the decrease in cost compared to last year.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Service Cost					
Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$4.71	\$3.71	\$3.09	\$3.42	Wellington Shire Council continues to procure road sealing services in a cost-effective manner. Slightly higher cost resulted from the type of treatments completed within the 2017/18 program, relative to the previous year.
Satisfaction					
Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	52	53	56	56	Results from the 2018 Community Satisfaction Survey show no change in residents' satisfaction rating for Wellington Shire's sealed local roads. This is 11 points higher than the average for similar large rural councils. Council is responsible for a road network of 3,114km, where 1,522km are sealed and 1,592km unsealed.
Statutory Planning					
Timeliness					
Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application)	52	48	58	42	Council achieved a result of 42 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 57 days.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Service standard					
Planning applications decided within 60 days (Number of regular planning application decisions made within 60 days + Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made) x100	97%	96%	93%	98%	The statutory timeframe for issuing planning permits is 60 days for regular applications and 10 days for VicSmart applications. Council has achieved strong results with 97% of regular applications and 100% of VicSmart applications being decided in statutory timeframes, compared to the Rural Average of 73% and 90% respectively.
Service cost					
Cost of statutory planning service (Direct cost of statutory planning service / Number of planning applications received)	\$1,944.20	\$1,989.77	\$2,265.12	\$1,752.56	Council received 474 new planning permit applications in 2017/18. The cost to deliver the service was \$830,712 which equates to a cost of \$1,752.56 per new planning application received. Council's cost per application has been reduced from 2016/17 principally due to the receipt of a higher number of planning permit applications during 2017/18 and also in response to a reduced level of cost in delivering the statutory planning service.
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%	100%	50%	VCAT upheld one of Council's decisions in 2017/18, but overturned the other decision relating to a rural dwelling on Farming Zone land. Only two decisions were appealed at VCAT in 2017/18.

5.3.3 Natural Environment



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 Result
Community satisfaction with the appearance of public areas	Control	74%	77%
Community satisfaction with waste management	Control	67%	69%
Community satisfaction with Council's slashing and weed control activity	Control	53%	55%
Monitor participation rates of Council's Sustainable Living Education Program	Control	Monitor Participation Rates	60 sessions with 5,998 participants



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Natural Environment & 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><i>Initiatives</i></p> <ul style="list-style-type: none"> • Investigate and initiate composting trial of all green waste at Kilmany Landfill site. (Completed) • Develop a model for community engagement for promoting sustainability to an adult audience. (Completed) • Conduct plant species trials (Completed) 	4,899	4,505	(394)
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> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Implement year seven of the Ninety Mile Beach Plan. (Completed) 	393	380	(13)



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Waste Collection					
Satisfaction					
Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x1,000	28	31	30	37	<i>Council receives requests for damaged or stolen bins to be replaced, uncollected bins to be collected, and additional bins to be provided. In 2017/18, we received a total of approximately 37 requests per 1,000 households. 120l garbage bins are reaching the end of their useful life and this may have caused the spike in the number of bin requests.</i>
Service standard					
Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000	2.6	2.5	1.6	1.6	<i>Over 1.52 million bin lifts were performed during 2017/18 as part of Wellington Shire's waste collection service which operates within a defined collection boundary within the 11,000km² municipality. Only 246 bins were reported as missed during 2017/18.</i>
Service cost					
Cost of kerbside garbage collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$63.80	\$63.90	\$65.49	\$65.95	<i>Wellington Shire's kerbside collection includes the weekly garbage waste collection service of 19,268 bins across the municipality. Additional services for residents in Wellington Shire, not incorporated in this cost, include an annual hard waste collection service, a no charge green waste disposal weekend and a fortnightly recycling bin collection service.</i>



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Waste Collection					
Service cost					
Cost of kerbside recyclables collection service					
(Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$44.78	\$44.74	\$46.12	\$53.77	China's ban on imports of recyclable material in January resulted in increased costs for Australian waste collectors such as the Wellington Shire Council waste contractor. Previously, our contractor received a per tonne rebate when depositing comingled recycling. China's ban saw an increased requirement in sorting of the comingled recyclable material in an effort to reduce contamination, allowing them to continue to on-sell some specific commodities to China. To cover this increased sorting cost, our recyclers began charging the waste collectors a per tonne gate fee. This new cost is a direct cost to Council and the main contributor to the increase in cost per bin for the kerbside recyclable collection service compared to previous years.
Waste Diversion					
Kerbside collection waste diverted from landfill					
(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	35%	32%	33%	34%	More than 3,500 tonnes of recycling waste were diverted from landfill in 2017/18 which is a slight increase compared to 2016/17. That's an average of 189 kg of recycling waste per collection household in Wellington Shire. Wellington Shire Council does not currently have a kerbside green waste collection service in place limiting the diversion rate percentage under this category.

5.3.4 Lifelong Learning



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 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 238,596 Active library members 6,044
Increase participation at Council’s Arts and Culture facilities	 Control	Monitor Participation Rates	Art Gallery 31,230 The Wedge 19,775



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
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 extensive advocacy from Council, the State Government allocated \$25 million in the State Budget for the new Federation Training campus at the Port of Sale.	Ongoing



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Arts & Culture	<p>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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Relocate the Gippsland Art Gallery collection, exhibitions and staff offices to the new Wellington Centre, and enable successful ongoing cultural services from that site. (Completed) Relocate the Sale Library resources and equipment and headquarters facilities to the new Wellington Centre and enable successful ongoing cultural services from that site. (Completed) 	1,436	1,406	(30)



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Libraries					
Utilisation					
Library collection usage (Number of library collection item loans / Number of library collection items)	2.47	2.54	1.99	2.26	Wellington Shire Library's collection is available through six branches and four outreach sites at local Community Houses to cover the 11,000km2 municipality. Collection use has increased due to a new, larger library at Sale, promotion of eResources, and use by other members of the SWIFT Library consortium which enables users to request items from every member library's collection without additional charge.
Resource standard					
Standard of library collection (Number of library collection items purchased in the last 5 years / Number of library collection items) x 100]	35.79%	41.38%	47.76%	50.02%	Our book, audio-visual, and eResources stock is refreshed with contemporary material each year and increased weeding of older titles, which has resulted in the improved standard of the library collection.
Service cost					
Cost of library service (Direct cost of the library service / Number of visits)	\$6.50	\$6.58	\$6.54	\$6.17	Wellington Shire's library facilities continue to provide value and service across the Shire, with further cost reduction per visit in 2017/18. 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.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Participation Active library members (Number of active library members / Municipal population) x 100	15.4%	13.4%	13.6%	13.8%	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 increase in active library membership.

5.3.5 Economy



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 Result
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	3,883 businesses
Maintain or increase estimated resident population relative to Gippsland population.	 Influence	> 41,965 residents	43,747 residents
Maintain or increase Gross Regional Product (GRP) relative to Gippsland GRP.	 Influence	\$2.32b GRP	\$3.099b GRP (22% up from 2017 result)
Maintain or increase visitor numbers by type/duration.	 Influence	Monitor Destination Gippsland data	Domestic overnight 350,000 Domestic visitor nights 963,000
Maintain lower unemployment rate than the Gippsland Average.	 Influence	Monitor ABS data	Gippsland average 6.2% Wellington 5.9%



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
Implement the recommendations of the report and roadmap on further economic and social opportunities as a result of expansion of RAAF Base East Sale.	The “Economic and Social Opportunities Arising from Defence Capability Project AIR 5428” report was presented to Council in 2017 and key recommendations have been pursued. This includes the government funding to enhance the Gippsland rail corridor, industrial land study, relocation of Federation Training and advocating for continued duplication of the Traralgon/Sale Princes Highway duplication.	Ongoing
Facilitate the release of industrial land in Wurruk/West Sale to support economic growth.	The West Sale and Wurruk Industrial Land Supply Strategy was adopted by Council on 19 June 2018.	Completed



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
	<p>Council's Business Development service aims to support business growth and employment, lifestyle opportunities and a vibrant tourism sector.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Implement updated noise contour mapping for RAAF Base East Sale and West Sale aerodrome to support the ongoing operation of these airfields. (Completed) • Continue to promote the opportunities arising from the Macalister Irrigation District to prospective investors. (Ongoing) • Seek funding for and develop a business case for the extension of the Great Southern Rail Trail through to Yarram and Port Albert, to increase visitation and business opportunities in adjacent areas. (Progressing 50%) • Prepare a Recreational Vehicle Strategy for Wellington Shire. (Completed) 	880	910	30
Business Development				

5.3.6 Organisational



Strategic Indicators

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

Strategic Indicator in 2017-21 Council Plan	Council Responsibility Level	Target	2017/18 Result
Maintain or increase community satisfaction with Council's overall performance.	 Influence	63%	64% (8 points higher than large rural average)
Increase satisfaction with community consultation and engagement.	 Influence	58%	58% (4 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



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
Explore Shared Services opportunities for transactional, administrative and Information Communications Technology services.	Back office and ICT functions are currently being reviewed to seek potential opportunities for greater efficiencies across the Gippsland Local Government Network (GLGN) Councils.	Completed
Plan and implement an organisation wide electronic document and records and intranet management system (ongoing).	Wellington has completed all preliminary works to participate in any GLGN joint tender process for a new electronic document, records, and intranet management system. A finalised business case for a GLGN collaborative opportunity will be presented to participating Councils mid-year for final consideration.	Completed
Continue to implement Year 3 of the Information Communications Technology (ICT) Strategic Road Map 2015-17 to achieve organisation wide infrastructure and technology upgrades (ongoing).	The Information Communications Technology (ICT) Strategic Road Map 2015-17 action plan has been implemented.	Completed



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget for the year.

Major Initiatives	Progress	Status
<p>Manage the Information Communication Technology (ICT) and Audio Visual (AV) design, plan and installation for the Port of Sale Cultural Hub (PoSCH) Precinct Project (ongoing).</p>	<p>All ICT/AV requirements for the completion of the Port of Sale project have been successfully completed and delivered on time and on budget.</p>	<p>Completed</p>
<p>Progress West Sale Airport initiatives including Stage 3 of the Eastern Recreation Aviation Precinct and the Runway Extension Project.</p>	<p>All lots within Stage One of Eastern Recreation Aviation Precinct (ERAP) sold and settled. Design works for future stages progressing. The \$5 million funding agreement between Council and Regional Development Victoria has been executed. This funding will enable the runway to be extended.</p>	<p>Completed</p>



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	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.	2,508	3,113	605
Media and Public Relations	<p>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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Upgrade Council's abilities to produce high quality video messaging to improve our communications processes and enhance our social media channels. (Progressing 90%) Develop an External Communications Strategy that will establish a shared understanding of Council's external communications framework, tools and processes. (Progressing 10%) 	367	444	77



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
	<p>The Information Services Business Unit provides centralised and integrated information services and new and emerging technologies to assist Council to reach the 2030 Vision.</p>			
Information Services	<p>Initiatives</p> <ul style="list-style-type: none"> • Manage and deliver Information Communication Technology (ICT) services to East Gippsland Shire Council as per the Memorandum of Understanding for ICT shared services. (Completed) • Assist Baw Baw Shire Council with their ICT program by providing strategic advice and oversight. (Completed) 	2,316	3,274	958
	<p>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.</p>			
People and Excellence	<p>Initiatives</p> <ul style="list-style-type: none"> • Develop an organisation wide recruitment, selection and retention strategy for the organisation, including diversity and inclusion, to ensure recruitment aligns with Council's strategic vision, compliance with equal employment opportunity legislation and best practice recruitment methodology. (Progressing 90%) 	1,792	2,477	685



Description of Services Provided

The following statement provides information in relation to the services funded in the 2017/18 budget and the persons or sections of the community who are provided the service.

Business Area	Description of Services Provided	Actual (\$000)	Budget (\$000)	Variance (\$000)
Commercial Facilities	<p>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.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Review Council's list of surplus land so that land value can be realised in accordance with policy and standards of best practice. (Completed) 	(216)	(396)	(180)
Municipal Services	<p>The Customer Service team as part of the Municipal Services Business Unit provides responsive, quality customer service to all stakeholders.</p> <p><i>Initiatives</i></p> <ul style="list-style-type: none"> Develop and implement a Customer Service Strategy that defines the standards required to improve customer satisfaction across all Council services. (Progressing 80%) 	513	496	17
Finance	<p>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.</p> <p>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.</p>	1,992	2,528	536



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Governance					
Transparency					
<p>Council resolutions at meetings closed to the public</p> <p>(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</p>	2.2%	3.6%	2.6%	4.3%	Wellington Shire Council made 305 resolutions during the 2017/18 financial year. Of those decisions, 292 or 95.7% 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					
<p>Satisfaction with community consultation and engagement</p> <p>(Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement)</p>	59	55	59	58	As per Community Satisfaction Survey 2018 results, Wellington Shire Council is performing four points higher than the large rural council average and three points higher than the state wide average for community engagement.



Service Indicators and Measures

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

Service Indicator/Measure	2014/15	2015/16	2016/17	2017/18	Comments
Attendance Council attendance at Council meetings (The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election) x100					
	85.2%	88.4%	92.6%	88.9%	Wellington Shire Councillor commitment to actively serve the community is reflected in its 88.9% attendance rate at the 22 ordinary Council meetings and one special Council meeting held in 2017/18.
Service cost Cost of governance (Direct cost of the governance service / Number of Councillors elected at the last Council general election)					
	\$39,707	\$40,977	\$42,074	\$40,834	Although a Councillor's role is largely voluntary, they receive an allowance within the limits set by the Victorian Government. It is also appropriate that allowable expenses incurred are reimbursed whilst undertaking Council duties. This cost reflects both Councillor allowances and reimbursements for the period. Wellington Shire Councillor reimbursement is 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)					
	58	56	59	58	Council's participation in the 2018 Community Satisfaction Survey showed a 58% 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 five points higher compared to state wide average.

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 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.

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.



6.1.1 Meetings of Council

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

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

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

2017/18 Council Meetings

22

Ordinary Council Meetings

1

Special Council Meeting

6.1.2 Councillor Meeting Attendance 2017/18

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2017/18 financial year.

4 JULY 2017 - 8 NOVEMBER 2017

Councillor	Ordinary Meeting	Special Meeting	Total
 Cr Ian Bye	9	0	9
 Cr Alan Hall (Deputy Mayor)	9	0	9
 Cr Malcolm Hole	9	0	9
 Cr Keith Mills	8	0	8
 Cr Darren McCubbin	8	0	8
 Cr Carolyn Crossley (Mayor)	7	0	7
 Cr Gayle Maher	7	0	7
 Cr Scott Rossetti	7	0	7
 Cr Garry Stephens	7	0	7

21 NOVEMBER 2017 - 19 JUNE 2018

Councillor	Ordinary Meeting	Special Meeting	Total
 Cr Ian Bye (Deputy Mayor)	13	1	14
 Cr Carmel Ripper	13	1	14
 Cr Garry Stephens	13	1	14
 Cr Malcolm Hole	12	1	13
 Cr Gayle Maher	13	0	13
 Cr Scott Rossetti	12	1	13
 Cr Carolyn Crossley (Mayor)	11	1	12
 Cr Alan Hall	11	0	11
 Cr Darren McCubbin	11	0	11

6.1.3 Special Committees

The Local Government Act, 1989 allows for the establishment of one or more Special Committees consisting of Council staff, other persons or any combination of the these two. The following list provides all current Section 86 Committees of Wellington Shire Council with their purpose and Councillor Representation.

SPECIAL COMMITTEES 2017/18

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

- Aqua Energy User Group Committee
- Audit and 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 Performing Arts Committee Advisory Group
- Wellington Access & Inclusion Advisory Group

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.

Councils 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 2017/18, 18 conflicts of interest were declared at Council and Special Committee meetings.

SUMMARY OF CONFLICTS OF INTEREST 2017/18

Date of Conflict of Interest Nominated	Councillor	Conflict of Interest - Council Meetings
18 July 2017	Cr Malcolm Hole	Direct - Section 77B - Quarterly Strategic Land Use Planning Update
18 July 2017	Cr Keith Mills	Direct - Section 77B - Councillor Pre Briefing
5 September 2017	Cr Darren McCubbin	Indirect - Section 78B - Sale Elderly Citizens Village Request for Financial Assistance
3 October 2017	Cr Malcolm Hole	Direct - Section 77B - Heyfield Low Density Residential Areas
17 October 2017	Cr Gayle Maher	Indirect - Section 78B - Community Assistance Grants
17 October 2017	Cr Garry Stephens	Indirect - Section 78B - Community Assistance Grants
17 October 2017	Cr Darren McCubbin	Indirect - Section 78B - The Wedge Advisory Group Minutes
17 October 2017	Cr Darren McCubbin	Indirect - Section 78B - Land Sales Strategy
14 November 2017	Cr Scott Rossetti	Direct - Section 77B - Place Names Committee Meeting
21 November 2017	Cr Gayle Maher	Direct - Section 77B - Quick Response Grants
21 November 2017	Cr Garry Stephens	Direct - Section 77B - Quick Response Grants
5 December 2017	Cr Scott Rossetti	Direct - Section 77B - Place Names Committee
19 December 2017	Cr Darren McCubbin	Direct - Section 77B - The Wedge Performing Arts Centre Advisory Group Minutes
20 March 2018	Cr Gayle Maher	Indirect - Section 78B - Quick Response Grants
1 May 2018	Cr Darren McCubbin	Direct - Section 77B - Community Assistance Grants
8 May 2018	Cr Scott Rossetti	Direct - Section 77B - Place Names Committee
15 May 2018	Cr Garry Stephens	Indirect - Section 78B - Community Assistance Grants
15 May 2018	Cr Darren McCubbin	Direct - Section 77B - 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 2017 to 30 June 2018, the Councillor annual allowance upper limit for a category two Council (as defined by the Local Government Act 1989) was fixed at \$24,730 per annum and the allowance upper limit for the Mayor was \$76,521 per annum. The Minister for Local Government approved an annual adjustment of 2.0 per cent to take effect as from 1 December 2017.

The annual allowances were adjusted for the period 1 December 2017 to 30 June 2018 at \$25,225 per annum for the councillor allowance and \$78,051 per annum for the Mayoral allowance.

SUMMARY OF COUNCILLOR ALLOWANCES 2017/18

Councillor	Term of office during the financial year	Allowance \$
 Cr Carolyn Crossley	1 July 2017 to 30 June 2018 (Mayor, 1 July 2017 to 30 June 2018)	\$84,764
 Cr Ian Bye	1 July 2017 to 30 June 2018	\$27,394
 Cr Cr Malcolm Hole	1 July 2017 to 30 June 2018	\$27,394
 Cr Alan Hall	1 July 2017 to 30 June 2018	\$27,394
 Cr Gayle Maher	1 July 2017 to 30 June 2018	\$27,394
 Cr Darren McCubbin	1 July 2017 to 30 June 2018	\$27,394
 Cr Scott Rossetti	1 July 2017 to 30 June 2018	\$27,394
 Cr Garry Stephens	1 July 2017 to 30 June 2018	\$27,394
 Cr Carmel Ripper	21 November 2017 to 30 June 2018	\$16,711
 Cr Keith Mills	1 July 2017 2017 to 8 November 2017	\$9,719

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





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 2017/18 year are shown opposite.

SUMMARY OF COUNCILLOR EXPENSES 2017/18

Councillor	Term	Travel	Car Mileage	Childcare	Information and Communication	Conference and Training	Total
 Cr Gayle Maher	1 July 2017 - 30 June 2018	\$9,011	-	-	\$408	\$1,170	\$10,589
 Cr Malcolm Hole	1 July 2017 - 30 June 2018	\$5,123	-	-	\$2,040	\$2,777	\$9,940
 Cr Darren McCubbin	1 July 2017 - 30 June 2018	\$4,518	-	-	\$873	\$1,800	\$7,191
 Cr Carolyn Crossley (Mayor)	1 July 2017 - 30 June 2018	-	\$4,316	-	\$957	\$1,478	\$6,751
 Cr Garry Stephens	1 July 2017 - 30 June 2018	\$5,419	-	-	\$507	\$637	\$6,563
 Cr Alan Hall	1 July 2017 - 30 June 2018	\$4,556	-	-	\$423	\$73	\$5,052
 Cr Carmel Ripper	21 November 2017 - 30 June 2018	\$2,732	-	-	\$384	\$23	\$3,139
 Cr Scott Rossetti	1 July 2017 - 30 June 2018	-	-	-	\$706	\$348	\$1,054
 Cr Keith Mills	1 July 2017 - 8 November 2017	-	-	-	\$618	-	\$618
 Cr Ian Bye (Deputy Mayor)	1 July 2017 - 30 June 2018	-	-	-	\$396	\$73	\$469
Total							\$51,366

6.2 Management

Council has implemented a number of statutory and better practice items to strengthen its management framework.

Having strong governance and management frameworks leads to better decision making by Council. The Local Government Act, 1989 requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its Report of Operations.

Council's Governance and Management Checklist results are set out in section 6.3. The following items have been highlighted as important components of the management framework.

6.2.1 Audit and Risk Committee

The Audit & Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit & Risk Committee consists of three independent members, Mr Peter Craighead (Chair), Mr Joel Churchill and Mr Chris Badger, and two Councillors. Independent members are appointed for a maximum term of 3 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 2017/18, 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 2017/18 year are summarised over the page.

In **September 2017** the Committee:

- Adopted in-principle the 2016/17 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 2017;
- Received and noted Wellington Shire's National Framework Core Competency Report Card;
- Noted that HLB Mann Judd had been reappointed as Council's internal auditor;
- Received and noted the report by the Victorian Auditor-General (VAGO) on Public Participation and Community Engagement: Local Government Sector;
- Noted and received the report into the Central Goldfields Shire by the Local Government Investigations and Compliance Inspectorate;
- Noted the Chairman's report for the period ending 30 June 2017;
- Received and noted an annual update on the Road Management Act processes;
- Received a report on Related Party Transactions.

In **November 2017** the Committee:

- Considered and noted the final Management Letter – Year ending 30 June 2017;
- Received an update on the organisation's Enterprise Risk Management Framework;
- Received a report on Council's status against the issues identified in the report into Central Goldfields Shire by the Local Government Investigations and Compliance Inspectorate;
- Received a report of proposed actions against recommendations identified in the VAGO report on Audit Committee Governance;
- Reviewed the Audit & Risk Committee Charter;
- Considered the responses to the evaluation of Audit & Risk Committee performance;
- Considered and received the internal audit report on Procurement and Supplier Management;
- Received a report on the introduction of new credit card software;
- Received the VAGO audit of the financial statement of receipts and expenditure of the Roads to Recovery payments received by Council for the year ended 30 June 2017.

In **February 2018** the Committee:

- Considered a draft Strategic Internal Audit Plan;
- Received and considered the internal audit report on Follow up of Agreed Actions from prior year Internal Audit Reports;
- Received the VAGO report on Results of 2016/17 Audits: Local Government;
- Received and considered new Council policies on Declarable Associations, Mandatory Notifications and Corporate Credit Cards;
- Reviewed the Audit & Risk Committee Charter;
- Received a report on the Chief Executive Officer's credit card expenditure;
- Received a report on Related Party Transactions.

In **May 2018** the Committee:

- Received and reviewed the External Audit Strategy as provided by Crowe Horwath;
- Received the final Strategic Internal Audit Plan;
- Received and noted the VAGO report on Local Government and Economic Development;
- Considered the responses to the evaluation of Audit & Risk Committee performance;
- Received the draft 2018/19 Budget prior to adoption by Council.

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 2017/18 was undertaken with the following reviews conducted:

- Review of Procurement and Supplier Management (Oct 2017)
- Follow up of Agreed Actions from Prior Year Internal Audit Reports (Feb 2018)

6.2.3 External Audit

Council is externally audited by the Victorian Auditor-General.

For the 2017/18 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit & Risk Committee meetings to present the annual audit plan and Independent Audit Report.

The external audit management letter and responses are also provided to the Audit & Risk Committee.



6.2.4 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 2017/18, work has been completed in finalising the Risk Register and delivering training throughout the organisation on its use and updating. In addition to Operational Risks, Strategic risks have been devised and established for WSC.

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. Progresses on actions identified in the risk register are reported to both Corporate Management Team and the Audit and Risk Committee quarterly.

Insurance

Council has continued to review its insurance profile, policies and cover for 2017/18.

Council worked with our insurance brokers and insurers to ensure that our insurance cover is consistent with Council's identified risk profile and requirements.

Council has been part of a Compliance Review for the Municipal Association of Victoria (MAV) Liability Mutual Insurance scheme. Council was audited to assess the functions such as management of roads, shared pathways, footpaths, trees and sporting reserves, to identify areas of risks to Council.

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 CHECKLIST 2017/18

Governance and Management Items	Description	Assessment
1 Community Engagement Policy	Policy outlining council's commitment to engaging with the community on matters of public interest.	<i>Date of adoption: 20 February 2018</i>
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. <i>Date of adoption: 6 September 2016</i>
3 Strategic Resource Plan	Plan under section 126 of the Local Government Act, 1989 outlining the financial and non-financial resources required for at least the next 4 financial years.	Adopted in accordance with Section 126 of the Local Government Act, 1989. <i>Date of adoption: 19 June 2018</i>
4 Annual Budget	Plan under section 130 of the Local Government Act, 1989 setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required.	Adopted in accordance with Section 130 of the Local Government Act 1989. <i>Date of adoption: 19 June 2018</i>

Governance and Management Items	Description	Assessment
5 Asset Management Plans	Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.	Wellington Shire Council has documented Asset Management Plans for all major asset classes including Open Space, Properties and Roads, which includes Roads, Bridges and Paths. Date of operation of current plans: Roads: January 2016 Paths: January 2016 Bridges: January 2016 Drainage: January 2016 Property: January 2016 Open Space: January 2016
6 Rating Strategy	Strategy setting out the rating structure of council to levy rates and charges.	Strategy adopted. <i>Date of operation of current strategy: 17 March 2015</i>
7 Risk Policy	Policy outlining council's commitment and approach to minimising the risks to council's operations.	Risk Management Policy included in Council Policy Manual. <i>Date of operation of current policy: 20 February 2018</i>
8 Fraud Policy	Policy outlining council's commitment and approach to minimising the risk of fraud.	Fraud Control Policy included in Council Policy Manual. <i>Date of operation of current policy: 20 February 2018</i>
9 Municipal Emergency Management Plan	Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery.	Prepared and maintained in accordance with Section 20 of the Emergency Management Act, 1986. <i>Date of operation: 24 May 2018</i>
10 Procurement Policy	Policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works.	Prepared and approved in accordance with Section 186A of the Local Government Act, 1989. Procurement policy included in Council Policy Manual. <i>Date of operation of current policy: 20 February 2018</i>

Governance and Management Items	Description	Assessment
11 Business Continuity Plan	Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.	Existing document is currently being reviewed. <i>Date of operation: 4 December 2014</i>
12 Disaster Recovery Plan	Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.	Existing document is currently being reviewed. <i>Date of operation: 4 December 2014</i>
13 Risk Management Framework	Framework outlining council's approach to managing risks to the council's operations	Risk Management Policy included in Council Policy Manual. <i>Date of operation of current strategy: 20 February 2018</i>
14 Audit & Risk Committee	Advisory committee of council under section 139 of the Local Government Act, 1989 whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements.	Established in accordance with Section 139 of the Local Government Act, 1989. The Audit & Risk Committee has been in operation since February 1996 (based on available evidence) <i>Date of establishment: February 1996</i>
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.	<i>Date of engagement of current provider: 29 June 2017</i>
16 Performance Reporting Framework	A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of Local Government Act, 1989.	<i>Date of operation of current framework: 1 July 2017</i>

Governance and Management Items	Description	Assessment
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.	Quarterly reporting of Council Plan Highlights. <i>Date reports presented: 1 August 2017, 17 October 2017, 6 February 2018, 17 April 2018</i>
18 Financial Reporting	Quarterly statements to council under section 138 Local Government Act,1989 comparing budgeted revenue and expenditure with actual revenue and expenditure.	Statements presented to the Council in accordance with Section 138(1) of the Local Government Act, 1989. <i>Date statements presented: 1 August 2017, 17 October 2017, 6 February 2018, 17 April 2018</i>
19 Risk Reporting	Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	<i>Date reports presented: 1 August 2017, 17 October 2017, 6 February 2018.</i> Operational and 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 Local Government Act,1989	Quarterly reports. <i>Date of reports: 1 August 2017, 17 October 2017, 6 February 2018, 17 April 2018</i>
21 Annual Report	Annual report under sections 131, 132 and 133 of the Local Government Act,1989 to the community containing a report of operations and audited financial and performance statements.	Considered at a meeting of Council in accordance with Section 134 of the Local Government Act, 1989. <i>Date statements presented: 17 October 2017.</i>

Governance and Management Items	Description	Assessment
22 Councillor Code of Conduct	Code under section 76C of the Local Government Act, 1989 setting out the conduct principles and the dispute resolution processes to be followed by councillors.	Reviewed in accordance with Section 76C of the Local Government Act, 1989. <i>Date reviewed: 21 November 2017</i>
23 Delegations	A document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff.	Reviewed in accordance with Section 98(6) of the Local Government Act, 1989. <i>Date reviewed: 4 May 2018</i>
24 Meeting Procedures	A local law governing the conduct of meetings of council and special committees.	Local law No 1, Meeting procedures made in accordance with Section 91(1) of the Local Government Act, 1989. <i>Date local law made: 6 November 2014</i>

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



David Morcom
Chief Executive Officer
14 September 2018



Cr Carolyn Crossley
Mayor
14 September 2018

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

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
- Council reports regularly to its community on how the council's services measure up against the best value principles.

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

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

- Identifying the community needs in terms of Council services and creating strategic objectives to identify the services to be offered and their intended outcomes, as voiced in our Strategic Vision Wellington 2030
- Identifying the best possible quality and value for money service delivery through linking the community vision-Wellington 2030 with the Council Plan 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-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

As of June 2018, the Local Government Bill 2018, stipulates that Councils must adopt and maintain a Community Engagement Policy (Part 3 section 54); and incorporate community engagement principles (part 3 section 55).

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

During 2017-18, the following has been undertaken within Wellington Shire Council to improve community engagement practice;

- Thirty two Council staff in supervisory roles have been trained in Leadership for Community Engagement, to ensure consistent practice in community engagement across the organisation. Over the next twelve months similar training will be provided to council officers.
- An advisory group to staff for Community Engagement was established – WENDI (Wellington Engagement Network – Direction and Innovation). WENDI is made up of staff experienced and with an interest in improving community engagement practice who are willing to provide support to colleagues.
- Nineteen Council projects have utilised Community Engagement plans to seek community feedback and participation.
- The standard templates for reports to Council and Councillor workshops include referencing whether a community engagement plan has been developed and implemented.

In the 2018 Community Satisfaction Survey, Wellington Shire Council performed well above the large rural Councils and state-wide averages for community consultation and engagement.

During the year, Wellington Shire Council has been working towards meeting the recommendations from the Victorian Auditor General's Report (VAGO) 'Public Participation and Community Engagement Local Government Sector' (released May 2017), which also align with above mentioned legislation changes.

Victorian Auditor General's 'Public Participation and Community Engagement Local Government Sector' Recommendations

1 Recommendation (That all Councils):
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.

How we are implementing this:

Wellington Community Engagement Strategy and Action Plan

Status: ●●●
Completed

2 Recommendation (That all Councils):
Build monitoring, reporting and evaluation activities into their public participation activities.

How we are implementing this:

WENDI Group

Status: ●●○
In Progress

3 Recommendation (That all Councils):
Develop and document comprehensive public participation plans and their outcomes.

How we are implementing this:

Completing Community Engagement Plans for each project (Part A, B, C documents)

Status: ●●○
In Progress



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 Volunteer Week, Seniors Week and Social Inclusion Week.
- Participation on networks such as Sale and District Aged Care Network, Wellington Community Service Network, Wellington Early Years Network and Wellington Access and Inclusion Advisory Group.
- Projects listed in Council's Access and Inclusion Plan, Wellington Rural Access Program, and Municipal Public Health and Wellbeing Plan, more specifically within the Social Connection and Inclusion Priority area.
- Funding of community lead / developed projects associated Age Friendly Communities Grant
- Wellington Shire Council's funding agreement with Central Gippsland Health and Yarram and District Health Service, who are the providers of Home and Community Care (HACC) services, outlines compliance with all legislation.

6.4.5 Disability Action Plan

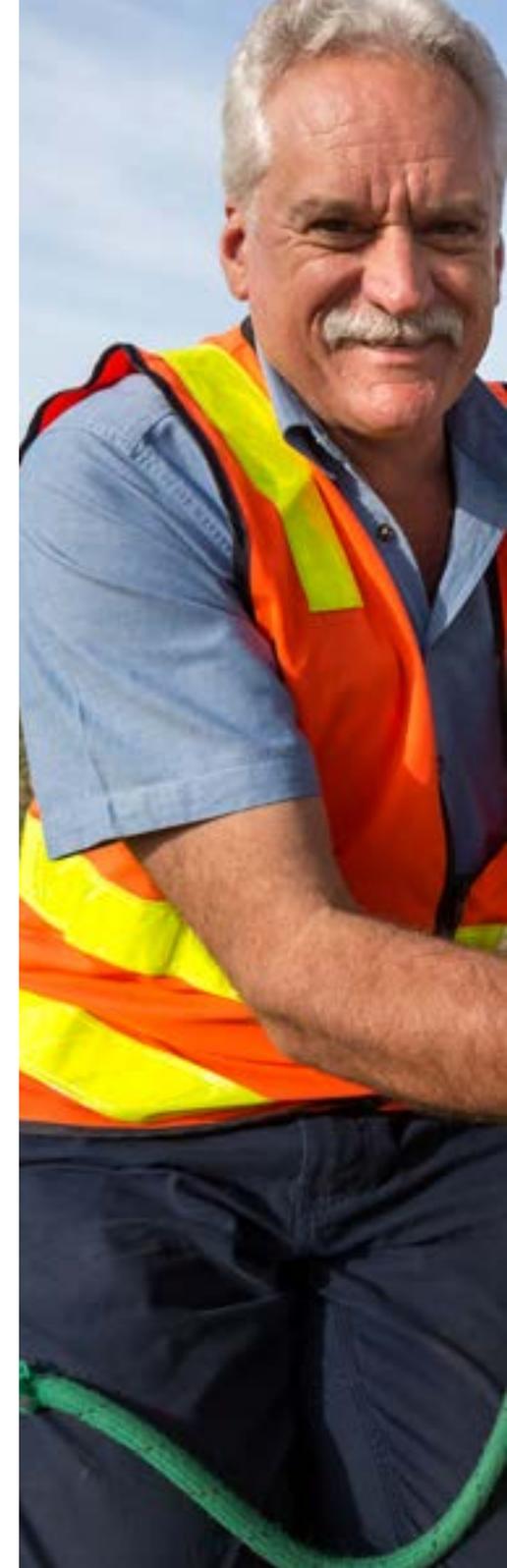
Wellington Shire Council has reviewed and developed the Wellington Access and Inclusion Plan 2017 – 2022 and accompanying action plan which incorporates a Disability Action Plan.

The focus of the strategy and action plans is:

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

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

- Communication boards for people with limited or no speech have been developed for use in emergency relief centres, Aqua Energy, Gippsland Regional Sports Complex, The Wedge Entertainment Centre and Council's Customer Service Centres.
- The Wellington Access and Inclusion Advisory Group (WAIAG) is providing input on access and inclusion issues as part of the Port of Sale Cultural Hub redevelopment project which opened January 2018.
- Software has been purchased and made available to Council staff to be able to convert written documents into audio format for those with limited or no vision.
- Wellington Shire Libraries, Gippsland Art Gallery and The Wedge all completed an Access and Inclusion Audit of their current facilities using the relevant Institute of Access Training Australia handbooks for cultural venues.
- Aqua Energy (Council owned Fitness Centre) has a changing places accessible toilet. Plans for new Wellington Centre, which incorporates Sale Library, Gippsland Art Gallery and Council Chambers, to include a changing places accessible toilet.
- Wellington Shire Library staff have undertaken online training via REAL (Resource for Equitable Access to Libraries) which is a collaborative state-wide initiative of the State Library of Victoria, Public Libraries Victoria Network and Vision Australia. REAL training improves awareness and develops strategies to improve accessibility and inclusion.





6.4.6 Domestic Animal Management Plan

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

DAMP 2017-2021 was developed based on the following key considerations by Council to:

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

In December 2017, the State Government introduced the Domestic Animals Amendment (Puppy Farms and Pet Shops) Bill 2016 into Parliament. This amendment to the Domestic Animal Act 1994 will regulate the number of fertile female dogs to be kept by breeding domestic animal businesses. This will further control the breeding of dogs and cats and the sale of dogs and cats in pet shops.

Key changes included:

- Definition of domestic animal business (DAB)
- Upper limit on fertile female dogs
- Applicable organisation members
- Working dogs
- Animal sale permits
- Source numbers and information register

6.4.7 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.

The Act gives the community the right to access recorded information (documents) in the possession of Council.

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.

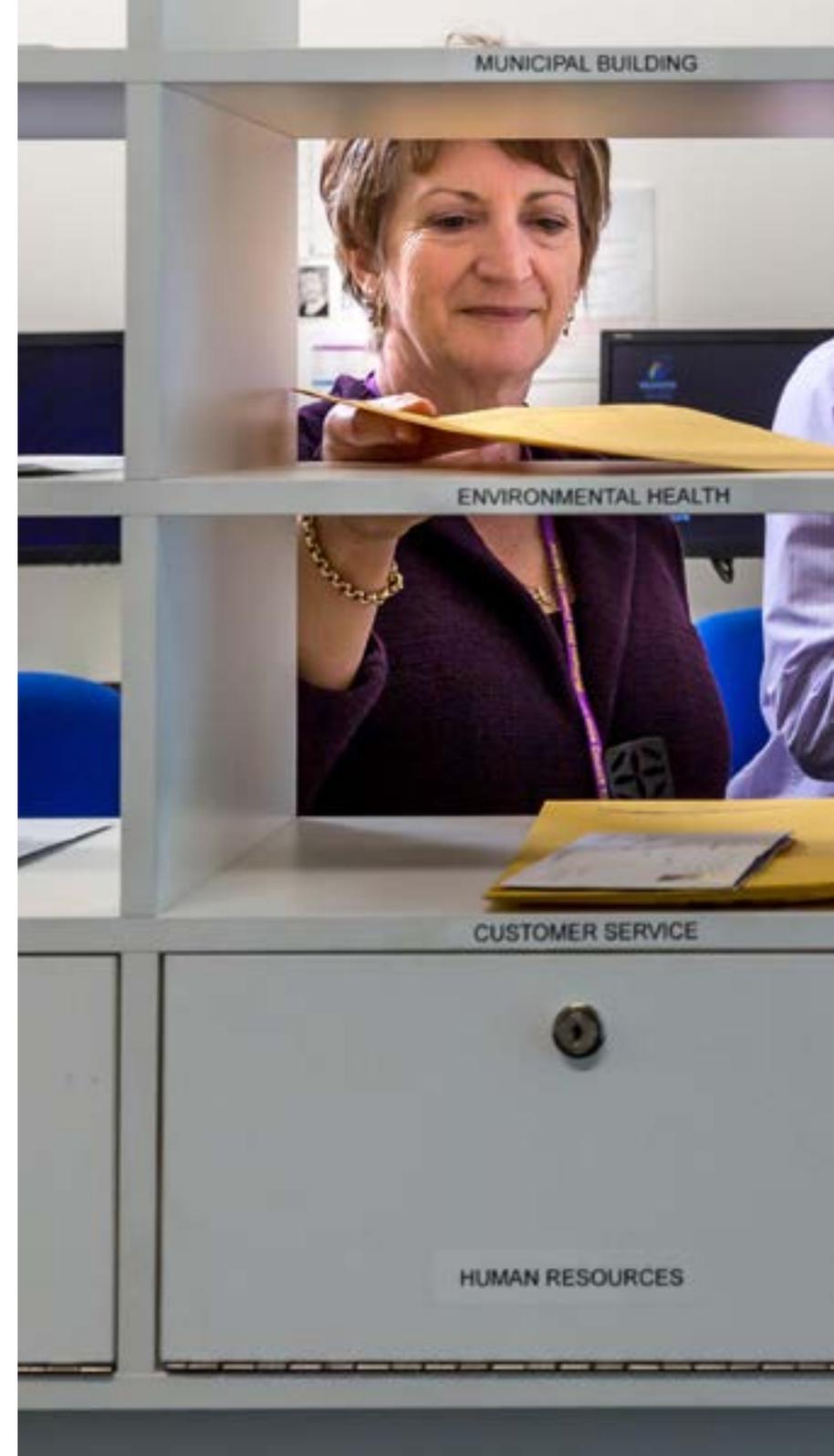
To access documents under the *Freedom of Information Act 1982*, a request must be 'valid'. A valid request is a request which is in writing, clearly describes the documents to which access is requested and includes an application fee or evidence that the applicant qualifies for the application fee to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

In keeping with the spirit of the legislation, Wellington Shire Council, as far as possible, facilitates and promotes the disclosure of information promptly.

For more information regarding freedom of information, please refer to the Council's website www.wellington.vic.gov.au or visit the Office of the Victorian Information Commissioner (OVIC) website www.ovic.vic.gov.au

Changes to the Act which were introduced on 1 September 2017 have impacted on the workload for processing requests due to the mandatory consultation requirements and shorter time frames in which to make FOI decisions.

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.





SUMMARY OF 2017/18 FOI DECISIONS RELEASED

Type of Request	No. of Requests
Access to documents granted in full (no exempt material)	4
Access to documents granted in part (some exempt material)	2
Access to documents provided outside of the Act	3
Access denied in full (all material exempt)	0
Requests not proceeded with	0
Requests not finalised in the reporting period (2017/18)	1

From 1 July 2017 to 30 June 2018, Wellington Shire Council received seven (7) “valid” Freedom of Information requests. One (1) request was transferred by our agency to another agency.

As at the 30 June 2018, Council was in receipt of three (3) non-valid requests, where the requests remained unclear in their terms.

A total of \$1,039.74 was collected through application fees & access charges in 2017/18.

A total of \$477.08 remains outstanding for access charges payable. Decisions were released on four (4) requests but the processed documents won't be provided to the applicants until access charges are paid.

Access Charges are payable for searching and photocopying applicable to each FOI request. Charges are not applied for document processing time.

SUMMARY OF 2017/18 FOI APPEALS

Type of Request	No. of Requests
Applications for review to the Freedom of Information 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

6.4.8 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.

Council's Privacy & Data Protection Policy is available on our website.

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.

Privacy & Data Protection training is provided at induction via an e-learning course, at corporate group training sessions and general information is regularly distributed via newsletters and email to staff. All enquiries regarding the handling of personal information are promptly actioned and advice provided where applicable.

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

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

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

6.4.9 Contracts

During 2017/18, council incurred expenditure on one contract that was greater than the \$150,000 threshold without re-engaging in a new tender. The consultant, Deloitte, had been chosen in 2016 through a competitive process to develop a business case. This business case required updating and the additional work totalling \$217k was undertaken on behalf of 4 Councils, with each council meeting their share of the expense.





6.4.10 Protected Disclosure Procedures

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

During the 2017/18 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

6.4.11 Road Management Act Ministerial Direction

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

6.4.12 Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in council's annual report. There were no such reports in 2017/18.

6.4.13 Food Act Ministerial Directions

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

6.5

Other Information

6.5.1 Grants Distributed

Fifty five (55) applicants were successful in receiving Community Assistance Grants across the categories: Projects, Events and Facilities, totalling \$234,855.91 (details below).

Seventy-eight (78) applicants were successful in receiving Quick Response Grants, totalling \$108,294.

COMMUNITY ASSISTANCE GRANTS 2017/18

Organisation	Project Title	Amount Funded
Barrier Breakers	Art for Mental Health	\$5,000.00
Boisdale Community Playgroup	Playgroup Area Development	\$5,000.00
Bug Blitz Trust	Bush kinder - Cultivating Curious Minds	\$5,000.00
City of Sale Eisteddfod Society	City of Sale Eisteddfod 71st year	\$5,000.00
Foothills Music Association Inc.	Foothills Music and Arts Festival 2018	\$5,000.00
Gippsland East Local Learning Employment Network	NextGen Challenge	\$5,000.00

Organisation	Project Title	Amount Funded
Gippsland Swimming Inc	Gippsland Swimming Championships 2018	\$5,000.00
Gormandale Recreation Reserve	Fabulous Facility Flooring	\$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	\$5,000.00
Loch Sport Business & Tourism Association	Cox's Bridge to Cox's Place bike ride	\$5,000.00
Loch Sport Community House	Loch Sport New Year's Fireworks	\$5,000.00
Maffra Cricket Club	Equipment storage upgrade	\$5,000.00
Maffra Neighbourhood House	Maffra Neighbourhood House Family Day 2018	\$5,000.00
Meerlieu Public Hall COM Inc	Meerlieu Cricket Club Room extension	\$5,000.00
Mirridong Services Inc	Mirridong Services Inc 2018 Production	\$5,000.00
Rotary Club of Sale Central	Monday Tucker	\$5,000.00
Sale Baptist Church	FREE Community Fun Day	\$5,000.00
Sale Cricket Club	Security upgrade Stead Street	\$5,000.00
Sale Golf Club	A 21st century kitchen	\$5,000.00
Sale-Maffra & District Kennel Club Inc and Macalister All Breeds Kennel & Obedience Club Inc	Gippsland International Winter Festival	\$5,000.00
Sale Music Festival Committee	The Sale Music Festival: Picnic on the Green	\$5,000.00
Seaspray Reserve Committee of Management Inc	Great Victorian Bike Ride	\$5,000.00

Organisation	Project Title	Amount Funded
Stand Initiatives Ltd	Community Automotive Workshop	\$5,000.00
Stratford on Avon Shakespeare Association	Shakespeare on the River Festival	\$5,000.00
Tarra Festival Committee Inc	2018 Tarra Festival	\$5,000.00
Upper Maffra Mechanics Institute	Reinstall the water bore	\$5,000.00
West Sale Bowls Club	West Sale Bowls Club new green surrounds	\$5,000.00
Wines of East Gippsland	Tinamba Food and Wine Festival	\$5,000.00
Yarram Agricultural Society Inc	Yarram Agricultural Show	\$5,000.00
Youth Insearch Foundation	Empower Gippsland Youth	\$5,000.00
Rotary Club of Maffra Inc	Rotary Club of Maffra Mardi Gras	\$4,950.00
Stratford Victoria Sister Cities Inc	Stratford's of the World Reunion 2018	\$4,407.55
Woodside & District Football Netball Club	Safety barrier netting	\$4,400.00
Yarram Recreation Reserve Inc	Football goal nets	\$4,400.00
Carers Victoria	Carers Victoria Sale Mingle	\$4,300.00
Carrajung Community Group	Grand Ridge Harvest Festival	\$4,120.00
Longford Family Fun Day Sub Committee	Longford Good Friday Family Fun Day	\$4,000.00
Yarram Eisteddfod Inc	Yarram Eisteddfod 2018	\$4,000.00
Heyfield Tennis Club	Heyfield Community Bingo Upgrade	\$3,850.00

Organisation	Project Title	Amount Funded
Port Albert Mechanics Institute	Upgrade and beautification of Port Albert Mechanics Institute	\$3,818.00
Gormandale Community House	Make the Gormandale Community House Woodwork Shed Great Again!	\$3,618.06
Ramahyuck District Aboriginal Corporation	NAIDOC Week Celebrations	\$3,500.00
Airly-Clydebank Public Hall Inc	Ramp it up, access for all	\$3,000.00
Briagolong Mechanics' Institute Hall Committee of Management	Briagolong Film Festival	\$2,657.00
Gormandale Community House	Maintenance of access ramp	\$2,631.00
Lake Wellington Yacht Club Inc	Rubber duck replacement	\$2,599.00
Gormandale Community House	Keep the kitchen cooking	\$2,598.00
Coongulla Reserve COM Inc	Community NYE in the Park	\$2,500.00
Woodside & District Football Netball Club	Woodside & District Football Netball Club Annual Family Fun Day & Show 'n Shine Car Show	\$2,500.00
Sale RSL & Community Club	2018 Commemorative Armistice Ball	\$2,400.00
Yarram Combined Churches Committee	Yarram Churches and Service Clubs Christmas Hamper 2017 Appeal	\$2,300.00
Balook and District Residents Association	Rainforest Rhythms	\$2,980.00
Dargo Bush Nursing Centre Inc	Dargo Winter Christmas Lunch	\$2,290.00
Loch Sport Community House Inc	Keep Loch Sport Mobile	\$2,037.30
Total		\$234,855.91



6.5.2 Citizenship

During the last year Wellington Shire Council conducted four Citizenship Ceremonies, including a very popular event on Australia Day. We were able to welcome a total of 37 new citizens to our community from 12 different countries.

We look forward to welcoming more new citizens to our community in the coming year.

6.5.3 Civic Reception

The following Civic Receptions were held during the 2017/18 year (see next page).

- Mayor Carolyn Crossley with Young Citizen of the Year Thomas Crosbie and Citizen of the Year Stephen Pendrick at the 2018 Australia Day Awards.

CIVIC RECEPTIONS 2017/18

Event/Civic Reception	Date	Brief Description
2018 Australia Day Awards Luncheon	12 December 2017	A luncheon was held for approximately 80 guests to honour the winners of the 2018 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 sixth 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 those present. It is always wonderful to see the reaction of those who are not always aware that they are nominated until the announcements are made in each category.
Rotary District 9820 Annual Conference	16 February 2018	The Rotary District 9820 Annual Conference Civic Reception was the very first Civic Reception to be held in the new Wellington Centre at the Port of Sale building, after it officially opened in January 2018. Approximately 100 Rotarians and guests attended this event, including Rotary Youth Exchange guests from Germany, Italy, Netherlands, Switzerland and Brazil. The Rotarians came from various districts between Lakes Entrance and Mornington, with the Conference being preceded by up to 50 riders participating in the Ride to Conference, over 6 days, which raised money for Life Education, Gippsland Rotary Centenary House and EndTrachoma by 2020. It was an honour to celebrate the wonderful work of such a longstanding organisation.
New Professionals Civic Reception	31 May 2018	This year our annual reception for New Professionals was held at the new Port of Sale facility which incorporates the Art Gallery, Sale Visitors Centre and Library. This Civic Reception catered for approximately 80 guests who are new to the Shire within the last 12 months, and tertiary qualified. The guest speaker was a New Professional from the RAAF. The event was enjoyed by guests from a range of occupations such as teachers, doctors, accountants, aged care workers, bank employees, engineers and several different medical occupations. The evening is a great opportunity for networking and meeting likeminded professionals.



2

Performance Statement



7.1.1 Sustainable Capacity Indicators

For the year ended 30 June 2018.

Indicator/Measure	2015	2016	2017	2018	Material Variations
Population					
Expenses per head of municipal population (Total expenses / Municipal population)	\$1,776.84	\$1,717.79	\$1,814.75	\$2,082.52	Increase is due to reassessment of landfill rehabilitation provision and material and services.
Infrastructure per head of municipal population (Value of infrastructure / Municipal population)	\$18,726.79	\$19,099.08	\$17,929.49	\$17,486.48	Wellington Shire Council's infrastructure was valued at \$765 million during the 2017/18 financial year. That equates to a total value of \$17,486.48 infrastructure per head of the municipality's population.
Population density per length of road (Municipal population / Kilometres of local roads)	13.61	13.52	13.83	14.05	There are 3,114km of sealed and unsealed local roads for an estimated municipal population of 43,747 within Wellington Shire.
Own-Source Revenue					
Own-source revenue per head of municipal population (Own-source revenue / Municipal population)	\$1,394.98	\$1,475.59	\$1,563.36	\$1,665.30	Own source revenue has increased over the four-year period due to supplementary rates raised each year.

Indicator/Measure	2015	2016	2017	2018	Material Variations
Recurrent Grants					
Recurrent grants per head of municipal population (Recurrent grants / Municipal population)	\$503.46	\$293.24	\$605.65	\$424.28	The variation over the four years is due to Council receiving Financial Assistance Grants advance payments in June 2015 for 2015/16, June 2017 for 2017/18 and June 2018 for 2018/19. Council also received an additional Roads to Recovery allocation in 2016/17 which has resulted in a spike in 2016/17 compared to other years.

Disadvantage					
Relative socio-economic disadvantage (Index of Relative Socio-economic Disadvantage by decile)	4	4	4	5	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 five.

Definitions

“Adjusted underlying revenue” means total income other than:

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

“**Infrastructure**” means non-current property, plant and equipment excluding land

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

“**Population**” means the resident population estimated by council

“**Own-source revenue**” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

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

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

“**Unrestricted cash**” means all cash and cash equivalents other than restricted cash.

7.1.2 Service Performance Indicators

For the year ended 30 June 2018.

Service/Indicator	2015	2016	2017	2018	Material Variations
Aquatic Facilities					
Utilisation					
Expenses per head of municipal population (Total expenses / Municipal population)	4.55	4.75	5.01	5.57	The combined number of visits recorded at Council's indoor and outdoor aquatic facilities during 2017/18 was 243,887. This equates to an average of over five and a half (5.5) 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					
Animal management prosecutions (Number of successful animal management prosecutions)	11	4	17	10	Wellington Shire Council undertook 10 animal management prosecutions during 2017-18. All were successful. The majority of prosecutions related to serious dog attacks, mainly dog vs dog or dog vs livestock.
Food Safety					
Health and Safety					
Critical and major non-compliance notifications (Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises) x100	100%	100%	100%	57.1%	During 2017 calendar year, Council recorded a total of fourteen critical and major non-compliance notifications for food premises and followed up eight of these due to significant resourcing challenges during the year.

Service/Indicator	2015	2016	2017	2018	Material Variations
Governance					
<p>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)</p>	58	56	59	58	Council's participation in the 2018 Community Satisfaction Survey showed a 58% 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 five points higher compared to state wide average.
Home and Community Care					
<p>Participation Participation in HACC service (Number of people that received a HACC service / Municipal target population for HACC services) x100</p>	-	-	-	-	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.
<p>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</p>	-	-	-	-	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					
<p>Participation Active library members (Number of active library members / Municipal population) x100</p>	15.41%	13.42%	13.62%	13.82%	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. 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 a increase in active library membership.

Service/Indicator	2015	2016	2017	2018	Material Variations
Maternal and Child Health					
Participation in the MCH service					
Expenses per head of municipal population					
(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100	-	-	-	-	<i>The Wellington Shire council is not directly responsible for the delivery of Maternal and child health service, so there is no performance data available for these indicators.</i>
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	-	-	-	-	<i>The Wellington Shire council is not directly responsible for the delivery of Maternal and child health service, so there is no performance data available for these indicators.</i>
Roads					
Satisfaction					
Satisfaction with sealed local roads					
(Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	52	53	56	56	<i>Results from the Community Satisfaction Survey shown no change in residents' satisfaction rating for Wellington Shire's sealed local roads. Council is responsible for a road network of 3,114km, where 1,522km are sealed and 1,592km unsealed.</i>
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%	100%	50%	<i>VCAT upheld one of Council's decisions in 2017/18, but overturned the other decision relating to a rural dwelling on Farming Zone land. Only two decisions were appealed at VCAT in 2017/18.</i>

Service/Indicator	2015	2016	2017	2018	Material Variations
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Waste Collection

Waste Diversion

Kerbside collection waste diverted from landfill

(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100

34.61% 32.10% 32.93% 33.55%

More than 3,500 tonnes of recycling waste were diverted from landfill in 2017/18 which is a slight increase compared to 2016/17. That's an average of 189 kg of recycling waste per collection household in Wellington Shire. Wellington Shire Council does not currently have a kerbside green waste collection service in place limiting the diversion rate percentage under this category.

Definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006

“Active library member” means a member of a library who has borrowed a book from the library

“Annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Act

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

“Class 1 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

“Class 2 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

“Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

“Critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

“Food premises” has the same meaning as in the Food Act 1984

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

“HACC service” means home help, personal care or community respite provided under the HACC program

“Local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

“Major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

“MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

“Population” means the resident population estimated by council

“Target population” has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

“WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

7.1.3 Financial Performance Indicators

For the year ended 30 June 2018.

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
<p>Revenue Level Average residential rate per residential property assessment (Residential rate revenue / Number of residential property assessments)</p>	\$1,114.99	\$1,177.97	\$1,278.23	\$1,330.57	\$1,368.10	\$1,425.92	\$1,481.11	\$1,543.45	<p><i>There has been a small increase in residential assessment in 2017/18 compared to 2016/17 resulting in additional rates and charges. Future years increase reflects impact of rate capping and expected increase in recycling costs which impacts on the annual garbage rate.</i></p>
<p>Expenditure Level Expenses per property assessment (Total expenses / Number of property assessments)</p>	\$2,181.39	\$2,103.93	\$2,344.22	\$2,746.91	\$2,629.33	\$2,630.19	\$2,676.81	\$2,622.27	<p><i>The 2017/18 measure is impacted by some large one-off accounting entries associated with the partial asset written down of asset replaced e.g. Port of Sale Civic Centre for the new library/Art Gallery and landfill rehabilitation provision adjustments. Future years expenditure allows for constant allocated landfill rehabilitation over the next four years.</i></p>

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<p>Workforce Turnover Resignations and terminations compared to average staff</p> <p>(Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100</p>	9.39%	13.14%	9.92%	13.86%	10.93%	11.00%	11.00%	11.00%	The increase in resignations and terminations in 2017/18 is mainly due to higher number of planned retirements and long serving staff moving on to seek other opportunities. Long term average for number of resignations and terminations is approximately 33 per year or 11%. No increase in staff numbers are anticipated based on current organisational structure.
Liquidity									
<p>Working Capital Current assets compared to current liabilities</p> <p>(Current assets / Current liabilities) x100</p>	321.14%	382.82%	416.15%	594.69%	298.51%	376.75%	413.96%	478.86%	Council's liquidity has continued to improve and also includes the receipt of 2018/19 Victoria Grants Commission advance of \$6.5 million. The measure in 2018/19 will dip as Council plans to repay an interest only loan in 2019/20. Improvement in the remaining future years relates to increases in cash balances.
<p>Asset Renewal Asset renewal compared to depreciation</p> <p>(Asset renewal expenses / Asset depreciation) x100</p>	69.40%	80.21%	94.65%	93.26%	113.18%	94.65%	93.38%	96.91%	The reduction in this measure for 2017/18 is mainly due to the delay in the commencement of a number of 2017/18 major renewal projects such as the West Sale Airport runway extension, street construction schemes renewal projects and road reconstructions. Planned renewal works in future years indicate that this measure will remain steady.

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<p>Unrestricted Cash Unrestricted cash compared to current liabilities (Unrestricted cash / Current liabilities) x100</p>	156.80%	-71.49%	169.41%	230.96%	170.52%	206.61%	223.99%	278.79%	<p>The improvement in 2017/18 unrestricted cash is due to the restructuring of term deposits to cover future commitments. Current liabilities will increase as Council plans to repay an interest only loan in 2019/20. The future availability of unrestricted cash in the remaining years is expected to increase as Council's cash position improves and current liabilities remain steady. The forecasts differ from the 2018/19 budget as the 2018/19 budget includes financial assets as well as cash and cash equivalents as unrestricted cash.</p>
<p>Loans and Borrowings Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) x100</p>	26.58%	19.61%	15.62%	13.10%	20.75%	11.70%	13.07%	13.45%	<p>The reduction in this measure relates to Council deferring proposed 2016/17 and 2017/18 loan borrowing to 2018/19. During 2018/19 Council is expecting to borrow for a number of sporting infrastructure redevelopments and residential street schemes. The measure after 2018/19 will increase slightly due to the expected increase in rate revenue, while future years borrowings are expected to remain relatively stable.</p>

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Loans and Borrowings Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	7.33%	7.05%	3.60%	1.84%	1.12%	11.34%	1.84%	2.11%	<i>The measure in 2019/20 will spike as Council repays an interest only loan. During the remaining years, measure increases as future loan borrowings are repaid. Over the last four years Council has finalised a number of long- term loans with minimal loan borrowings during this period.</i>
Indebtedness Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x100	20.36%	17.40%	18.79%	33.68%	16.44%	18.45%	22.61%	25.16%	<i>The increase in 2017/18 mainly results from an increase adjustment to non- current landfill provision along with an increase in own source revenue associated with increased rates and charges, statutory fees and commercial tipping fees. In future years, this measure will vary as Council continues to complete landfill rehabilitation works which will impact on non-current landfill provision balance.</i>

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Operating Position									
Adjusted underlying result Adjusted underlying surplus (or deficit) (Adjusted underlying surplus (deficit)/ Adjusted underlying revenue) x100	8.46%	3.63%	16.82%	2.61%	-4.33%	6.52%	7.14%	9.12%	<p>The decrease in this measure is basically due to impact of early receipt of 2017/18 funds in 2016/17 in addition to the expected 2016/17 allocation. The 2017/18 measure was impacted by this reduction but was partly offset by the early receipt of 2018/19 funds in 2017/18. The 2017/18 result has also been impacted by additional expenditure for landfills rehabilitation. The early receipt of funds in 2017/18 also impacts the 2018/19 result. There are immaterial differences between forecasts and 2018/19 budget due to reclassification of income.</p>
Rates Concentration Rates compared to adjusted underlying revenue (Rate revenue / Adjusted underlying revenue) x100	60.27%	69.10%	59.25%	64.39%	73.43%	67.77%	67.99%	69.99%	<p>Compared to 2016/17, additional supplementary rate income has been generated, along with reduced Financial Assistance grants in 2017/18 resulting in an increase in this measure. The result in 2018/19 will also be impacted by the early receipt of 2018/19 Financial Assistance Grant funds in 2017/18. From 2019/20 the measure is expected to increase slightly due to expected increase in rate revenue. There are immaterial differences between forecasts and 2018/19 budget due to reclassification of income.</p>

Dimension/Indicator	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates Effort Rates compared to property values (Rate revenue / Capital improved value of rateable properties in the municipality) x100	0.54%	0.56%	0.54%	0.52%	0.56%	0.58%	0.59%	0.60%	<i>This measure is forecasted to remain steady over the next four years, as has been in the past four years. There are immaterial differences between forecasts and 2018/19 budget due to reclassification of income.</i>

Definitions

“Adjusted underlying revenue” means total income other than:

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

“Adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure

“Asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

“Current assets” has the same meaning as in the Australian Account Standards (AAS)

“Current liabilities” has the same meaning as in the AAS

“Non-current assets” means all assets other than current assets

“Non-current liabilities” means all liabilities other than current liabilities

“Non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan

“Own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

“Population” means the resident population estimated by council

“Rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“Recurrent grant” means a grant other than a non-recurrent grant

“Residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

“Unrestricted cash” means all cash and cash equivalents other than restricted cash.

7.1.4 Other Information

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 19 June 2018 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.

The document is a 'Certification of the Performance Statement' from Wellington Shire Council. It features the council's logo at the top, which includes a stylized sun and the text 'WELLINGTON SHIRE COUNCIL The Heart of Gippsland'. The main title is 'Certification of the Performance Statement'. The text states: '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.' This is followed by a signature and the name 'Ian Carroll (CPA) PRINCIPAL ACCOUNTING OFFICER'. Below this, it says 'Dated: 25/09/2018 Safe'. The next section states: 'In our opinion, the accompanying performance statement of the Wellington Shire Council for the year ended 30 June 2018 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.' This is followed by another signature and the name 'Alan Hall COUNCILLOR'. Below this, it says 'Dated: 25/09/2018 Safe'. The next section states: '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.' This is followed by two more signatures and names: 'Alan Hall COUNCILLOR' and 'Ian Ilye COUNCILLOR', both dated '25/09/2018 Safe'. The final signature is 'David Morcom CHIEF EXECUTIVE OFFICER', dated '25/09/2018 Safe'. At the bottom, there are three columns of contact information: 'Sale Service Centre' (11 Donny Street, PO Box 520, Sale Victoria 3850, Telephone 1300 366 244), 'Tarragon Service Centre' (151 Grant Street, Tarragon Victoria 3871, Telephone 03 5162 5100), and 'Contact Us Online' (Web: www.wellington.vic.gov.au, Email: enquiries@wellington.vic.gov.au). The footer includes the council's logo and the slogan 'The Heart of Gippsland'.

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 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Wellington Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
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>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors 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 determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
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 Engagements will always detect a material misstatement when it exists.</p>

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 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 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
26 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria



3

Financial Report





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: 25/09/18
Sale

In our opinion the accompanying financial statements present fairly the financial transactions of Wellington Shire Council for the year ended 30 June 2018 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: 25/09/18
Sale

Ian Bye
COUNCILLOR

Dated: 25/09/18
Sale

David Morcom
CHIEF EXECUTIVE OFFICER

Dated: 25/09/18
Sale

Sale Service Centre
11 Devally Street (PO Box 500), Sale, Victoria 3850
Telephone 1300 366 234

Yarmon Service Centre
118 Coast Street, Yarmon, Victoria 3871
Telephone 03 5462 5132

Contact Us Online
Web www.wellington.vic.gov.au
Email enquiries@wellington.vic.gov.au

The Heart of Gippsland

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 2018 • 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 • notes to the financial statements, including significant accounting policies • certification of the financial statements.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

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>
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My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

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

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>
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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.

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p>
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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
26 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

**Comprehensive Income Statement
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	60,823	55,826
Statutory fees and fines	2.2	888	692
User fees	2.3	6,911	6,610
Grants - operating	2.4	15,966	19,619
Grants - capital	2.4	8,514	11,170
Contributions - monetary	2.5	939	381
Contributions - non monetary	2.5	790	5,714
Net gain on disposal of property, infrastructure, plant and equipment	2.6	-	169
Other income	2.7	4,231	3,725
Total income		99,062	103,906
Expenses			
Employee costs	3.1	24,551	24,605
Materials and services	3.2	28,994	26,916
Depreciation and amortisation	3.3	22,256	22,849
Bad and doubtful debts	3.4	88	83
Borrowing costs	3.5	341	570
Net loss on disposal of property, infrastructure, plant and equipment	2.6	3,163	-
Other expenses	3.6	1,235	2,093
Landfill rehabilitation provision movement	4.5	10,477	684
Total expenses		91,105	77,800
Surplus for the year		7,957	26,106
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	8.1	32,459	(62,825)
Total comprehensive result		40,416	(36,719)

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

**Balance Sheet
As at 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	51,546	45,386
Trade and other receivables	4.1	6,506	6,756
Other financial assets	4.1	20,783	16,431
Inventories	4.2	10	-
Other assets	4.2	1,617	2,380
Total current assets		80,462	70,953
Non-current assets			
Trade and other receivables	4.1	2,221	2,184
Property, infrastructure, plant and equipment	5.1	891,588	852,809
Intangible assets	4.2	2,289	1,529
Total non-current assets		896,098	856,522
Total assets		976,560	927,475
Liabilities			
Current liabilities			
Trade and other payables	4.3	6,362	9,509
Trust funds and deposits	4.3	996	991
Provisions	4.5	5,883	5,786
Interest-bearing liabilities	4.4	289	764
Total current liabilities		13,530	17,050
Non-current liabilities			
Provisions	4.5	16,936	4,458
Interest-bearing liabilities	4.4	7,603	7,892
Total non-current liabilities		24,539	12,350
Total liabilities		38,069	29,400
Net assets		938,491	898,075
Equity			
Accumulated surplus		356,147	350,469
Reserves	8.1	582,344	547,606
Total Equity		938,491	898,075

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

**Statement of Changes in Equity
For the Year Ended 30 June 2018**

2018	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		898,075	350,469	541,100	6,506
Surplus/(deficit) for the year		7,957	7,957	-	-
Net asset revaluation increment/(decrement)	8.1	32,459	-	32,459	-
Transfer from asset revaluation reserve to accumulated surplus		-	(778)	778	-
Transfers to other reserves		-	(3,447)	-	3,447
Transfers from other reserves		-	1,946	-	(1,946)
Balance at end of the financial year		938,491	356,147	574,337	8,007

2017	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		929,929	315,988	607,242	6,699
Effects of correction of errors		4,865	6,295	(1,430)	-
Surplus/(deficit) for the year		26,106	26,106	-	-
Net asset revaluation increment/(decrement)		(62,825)	-	(62,825)	-
Transfer from asset revaluation reserve to accumulated surplus		-	1,887	(1,887)	-
Transfers to other reserves		-	(2,865)	-	2,865
Transfers from other reserves		-	3,058	-	(3,058)
Balance at end of the financial year		898,075	350,469	541,100	6,506

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 2018**

2018	2017	Note	Inflows/ (Outflows)	Inflows/ (Outflows)
			\$'000	\$'000
Cash flows from operating activities				
			60,927	54,010
Rates and charges			888	692
Statutory fees and fines			6,970	6,135
User fees			15,856	20,308
Grants - operating			9,545	9,563
Grants - capital			790	471
Contributions - monetary			1,542	1,357
Interest received			1,182	1,002
Trust funds and deposits taken			1,902	2,164
Other receipts			923	902
Goods and Services Tax Collected			5,058	4,033
Goods and Services Tax Refunds from the Australian Taxation Office			(24,449)	(23,993)
Employee costs			(32,170)	(22,929)
Materials and services			(1,177)	(640)
Trust funds and deposits repaid			(768)	(747)
Other payments			(5,980)	(4,935)
Goods and Services Tax Paid to Suppliers			41,039	47,393
Net cash provided by operating activities				
Cash flows from investing activities				
			(30,866)	(29,286)
Payments for property, infrastructure, plant and equipment			1,445	1,078
Proceeds from sale of property, infrastructure, plant and equipment			(107,379)	(102,003)
Payments for investments			103,027	126,099
Proceeds from sale of investments			(33,773)	(4,112)
Net cash used in investing activities				
Cash flows from financing activities				
			(342)	(516)
Finance costs			(764)	(1,481)
Repayment of borrowings			(1,106)	(1,997)
Net cash used in financing activities				
			6,160	41,284
Net increase in cash and cash equivalents			45,386	4,102
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				
Financing arrangements	4.6			
Restrictions on cash assets	4.1			

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 2018**

**Notes to the Financial Report
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Property			
Land		-	-
Land improvements		1,119	952
Total land		<u>1,119</u>	<u>952</u>
Buildings		7,986	7,765
Total buildings		<u>7,986</u>	<u>7,765</u>
Total property		<u>9,105</u>	<u>8,717</u>
Plant and equipment			
Plant, machinery and equipment		1,932	2,111
Fixtures, fittings and furniture		498	134
Computers and telecommunications		155	74
Library books		248	266
Total plant and equipment		<u>2,833</u>	<u>2,585</u>
Infrastructure			
Roads		8,886	10,546
Bridges		898	2,851
Footpaths and cycleways		1,012	792
Drainage		158	187
Recreational, leisure and community facilities		1,971	679
Waste management		160	40
Parks, open space and streetscapes		3,485	2,434
Aerodromes		492	147
Off street car parks		-	143
Other infrastructure		1,838	122
Total infrastructure		<u>18,900</u>	<u>17,941</u>
Total Capital Works expenditure		<u>30,838</u>	<u>29,243</u>
Represented by:			
New asset expenditure		1,755	296
Asset renewal expenditure		19,553	21,396
Asset expansion expenditure		3,149	2,150
Asset upgrade expenditure		6,381	5,401
Total capital works expenditure		<u>30,838</u>	<u>29,243</u>

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

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 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)

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 2018**

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 6 June 2017. 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 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	55,500	60,823	5,323	1
Statutory fees and fines	729	888	159	2
User fees	6,533	6,911	378	
Grants - operating	7,746	15,966	8,220	3
Grants - capital	15,987	8,514	(7,473)	4
Contributions - monetary	1,135	939	(196)	5
Contributions - non monetary	-	790	790	6
Net gain on disposal of property, infrastructure, plant and equipment	151	-	(151)	7
Other income	3,157	4,231	1,074	8
Total income	90,938	99,062	8,124	
Expenses				
Employee costs	25,928	24,551	1,377	9
Materials and services	29,493	28,994	499	
Depreciation and amortisation	21,676	22,256	(580)	
Bad and doubtful debts	86	88	(2)	
Borrowing costs	505	341	164	10
Net loss on disposal of property, infrastructure, plant and equipment	-	3,163	(3,163)	7
Other expenses	667	1,235	(568)	11
Landfill rehabilitation provision movement	-	10,477	(10,477)	12
Total expenses	78,355	91,105	(12,750)	
Surplus for the year	12,583	7,957	(4,626)	

(i) Explanation of material variations - Income and Expenditure

Variance Ref	Item	Explanation
1	Rates and charges	Additional rates and charges have been raised through supplementary valuations since the adoption of the 2017/18 budget. This reflects capital improvements across the shire.
2	Statutory Fees & Fines	Planning application fees received were higher than expected due to increased number of applications processed during the year. Infringements were lower for the year mainly due to higher write offs for fire notice infringements.
3	Grants - operating	Council received 50% of its 2018/19 Financial Assistance Grants allocation of \$6.9 million in June 2018, which will be carried forward to 2018/19. New grant funding of \$0.4 million was received towards the Cowwarr Recreation Reserve Clubroom Development, \$0.4 million for the upgrade of Sale Memorial Hall and \$0.3 million for Gormandale Lighting.
4	Grants - capital	Funding for the West Sale Airport Runway Extension project of \$3.5 million and Rosedale-Revitalisation project of \$1.0 million will now be received in 2018/19 along with Roads to Recovery funding towards street reconstruction special charge schemes as the projects were delayed in commencing, mainly due to extended stakeholder engagement and community consultation. Final claims for the Port of Sale Cultural Hub will be completed in 2018/19. Funding applications for \$0.8 million for various projects were not successful. This is partly offset by \$0.8 million of new grants for community facilities.
5	Contributions - monetary	The budget included \$0.9 million ratepayer's contributions towards special charge schemes which didn't occur due to delays in the commencement of the road constructions. This has been offset by additional monetary contributions of \$0.7 million received towards Sale Tennis Club, Botanic Garden development, GRSC floor resurfacing, public open spaces and various minor capital projects.
6	Contributions - non monetary	Asset contributions (non monetary) associated with new subdivisions have been recognised throughout the year.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The replacement of a number of infrastructure assets realised a net loss of \$4.5 million on disposal, which was partly offset by a net gain of \$0.4 million on asset sales and trade-in of vehicles and plant as part of Council's planned cyclical replacement program.
8	Other Income	Other income primarily represents recognition of new roads of \$0.8 million (non cash adjustments) associated with a review of Council's road management plan. Interest earned on investments has exceeded the budget by \$0.4 million as cash holdings are higher due to the receipt of grants in advance and the timing of expenditure.
9	Employee costs	Savings in employee costs relate to a number of staff vacancies (some long-term). Management decisions to minimise casuals and agency staff to where customer's demands were evident assisted to preserve this saving. Lower than projected annual Workcover premium and corporate training will generate overall savings of approximately \$0.4 million for the year.
10	Borrowing Costs	Interest on borrowings paid during the year was lower than expected due to the deferral of 2017/18 borrowings.
11	Other Expenses	During the year, Council wrote off assets of \$0.3 million found to be the property of an external party. In addition, \$0.2 million of assets were derecognised as they were no longer maintained by Council.
12	Landfill rehabilitation provision movement	Council has taken up a present value provision of \$10.5 million for landfill rehabilitation, aftercare and monitoring across all its sites (licenced or not) in accordance with the Accounting Standards, Local Government guidelines and environmental risk assessments presently applying, in conjunction with estimated lives of these facilities.

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 1 Performance against budget (continued)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	150	-	(150)	
Land improvements	922	1,119	197	1
Total Land	1,072	1,119	47	
Buildings	6,908	7,986	1,078	2
Total Buildings	6,908	7,986	1,078	
Total Property	7,980	9,105	1,125	
Plant and Equipment				
Plant, machinery and equipment	2,408	1,932	(476)	3
Fixtures, fittings and furniture	295	498	203	4
Computers and telecommunications*	915	155	(760)	5
Library books	245	248	3	
Total Plant and Equipment	3,863	2,833	(1,030)	
Infrastructure				
Roads	12,748	8,886	(3,862)	6
Bridges	1,377	898	(479)	7
Footpaths and cycleways	2,467	1,012	(1,455)	8
Drainage	380	158	(222)	9
Recreational, leisure and community facilities	4,263	1,971	(2,292)	10
Waste management	270	160	(110)	11
Parks, open space and streetscapes	7,344	3,485	(3,859)	12
Aerodromes	4,760	492	(4,268)	13
Off street car parks	150	-	(150)	14
Other infrastructure	1,119	1,838	719	15
Total Infrastructure	34,878	18,900	(15,978)	
Total Capital Works Expenditure	46,721	30,838	(15,883)	
Represented by:				
New asset expenditure	3,148	1,755	(1,393)	
Asset renewal expenditure	28,699	19,553	(9,146)	
Asset expansion expenditure	4,697	3,149	(1,548)	
Asset upgrade expenditure	10,177	6,381	(3,796)	
Total Capital Works Expenditure	46,721	30,838	(15,883)	

* This budget comparison excludes intangibles.

(i) Explanation of material variations - Capital Works

Variance Ref	Item	Explanation
1	Land improvements	The new Kilmany landfill cell is complete but additional costs were incurred due to a number of revised contractual conditions.
2	Buildings	The Port of Sale Cultural Hub and Precinct Project was completed with part of the variance relating to expenditure on some sub components allocated to the building but budgeted in other areas. There was some additional approved items above the initial Budget.
3	Plant, machinery and equipment	The replacement of some 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 some additional furniture for the Port of Sale Cultural Hub.
5	Computers and telecommunications	Major changes to the available vendors for telecommunications has delayed major projects and some software upgrades which either commenced later in the year or were deferred to 2018/19.
6	Roads	Following extensive community consultation prior to advertising of the schemes and finalising the designs, three contracts were awarded to one contractor due to favourable pricing. The projects are being progressively completed and will be finished in the first half of 2018/19. Pearson-Simpson street scheme was completed. The annual reseal program delivered \$1.0 million savings after completion of programmed works. Design works have been completed for various roads, including Cairnbrook Road and Cansick Street Rosedale with reconstruction to occur in 2018/19.
7	Bridges	Works on Boodyam, Napier and Toms Cap bridges were delayed in commencing with final works of \$0.2 million to be completed in early 2018/19. A funding application for \$0.3 million was unsuccessful.
8	Footpaths and cycleways	Initial funding for Tarra Trail Stage 2 was not received, new funding is currently being sourced with works expected to commence in 2018/19. The majority of the works on the Glebe Woondella shared path have been completed with the boardwalk/bridge currently under construction.
9	Drainage	The Gordon Street Recreation Reserve Dam remediation has been rescoped to meet the reporting requirements and also meet the needs of the Committee of Management for irrigation purposes.
10	Recreational, leisure and community facilities	Rescoping of GRSC Stage 2A delayed commencement with completion expected by October 2018. The outdoor pool plant room replacement is currently being rescoped and retendered to fit within budget. Baldwin Reserve changeroom project was postponed until 2018/19 to the end of the current playing season to avoid disruption to the club.
11	Waste management	Savings were achieved in the construction of Stratford Transfer Station access road.
12	Parks, open space and streetscapes	Streetscape renewals in Sale and Maffra of \$2.5 million were delayed awaiting other government authorities and community feedback. Works on the Rosedale streetscape renewal as part of the Rosedale Revitalisation project is complete, with Willow Park redevelopments of \$0.6 million expected to be completed by December 2018.
13	Aerodromes	Delays in receiving a permit to remove native grasses have delayed the commencement of the West Sale Runway extension project. Detailed design and specifications for works are expected to be completed in July 2018 and construction undertaken in 2018/19.
14	Off street car parks	Work on the Port Albert off street carpark was delayed until 2018/19 to avoid works disruption to the boat ramp project being completed under a separate contract.
15	Other infrastructure	The Loch Sport boat ramp commenced in late 2016/17 after notification of a successful grant and the Port Albert boat ramp was constructed in 2017/18.

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 2	Funding for the delivery of our services	2018	2017
2.1	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 2017/18 was \$9,647 million (2016/17 \$9,550 million).

General Rates	50,141	48,474
Waste management charge	3,533	3,388
Service rates and charges	1,826	1,660
Supplementary rates and rate adjustments	4,730	1,895
Special rates and charges	244	72
Interest on rates and charges	349	337
Total rates and charges	60,823	55,826

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation will be first applied in the rating year commencing 1 July 2018.

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

2.2	Statutory fees and fines		
Planning fees	559	361	
Infringements and costs	95	146	
Land and building information certificates	134	131	
Permits	100	54	
Total statutory fees and fines	888	692	

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.

2.3	User fees		
Waste management services	2,563	2,549	
Leisure centres	2,150	2,053	
Other fees and charges	967	756	
Registration and other permits	722	702	
Entertainment centre	344	395	
Emergency management works	97	83	
Animal services	68	72	
Total user fees	6,911	6,610	

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 2018**

Note 2	Funding for the delivery of our services	2018	2017
2.4	Funding from other levels of government	\$'000	\$'000

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	17,015	24,767
State funded grants	7,465	6,022
Total grants received	24,480	30,789

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	13,002	18,236
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Recurrent - State Government

Libraries	315	311
Rural Access and Transport connection	271	263
Cultural Services	214	214
Municipal emergency	155	90
Property Valuation	154	(110)
Parks and Environmental services	115	108
School crossing supervisors	109	75
Fire Service Property Levy	58	56
Senior citizens	57	55
Environmental health	54	88
Community support programs	34	39
Other	10	10
Total recurrent operating grants	14,548	19,435

Non-recurrent - State Government

Community and Recreation facilities upgrade	1,337	13
Community support programs	26	16
Economic Development and Tourism	5	67
Planning	-	90
Natural disaster funding	-	(2)
Other	50	-
Total non-recurrent operating grants	1,418	184

Total operating grants	15,966	19,619
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Notes to the Financial Report
For the Year Ended 30 June 2018

Note 2	Funding for the delivery of our services		
		2018	2017
2.4	Funding from other levels of government (continued)	\$'000	\$'000
	(b) Capital Grants		
	<i>Recurrent - Commonwealth Government</i>		
	Roads to recovery	4,013	6,531
	Total recurrent capital grants	4,013	6,531
	<i>Non-recurrent - State Government</i>		
	Buildings	2,025	3,300
	Recreation and leisure community facilities	1,187	484
	Roads	394	-
	Other Infrastructure	307	460
	Parks, open space and streetscapes	563	334
	Plant, machinery and equipment	16	52
	Library Books	9	9
	Total non-recurrent capital grants	4,501	4,639
	Total capital grants	8,514	11,170
	(c) Unspent grants received on condition that they be spent in a specific manner		
	Balance at start of year	4,509	5,919
	Received during the financial year and remained unspent at balance date	1,743	1,186
	Received in prior years and spent during the financial year	(1,715)	(2,596)
	Balance at year end	4,537	4,509
	Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.		
2.5	Contributions	2018	2017
		\$'000	\$'000
	Monetary	939	381
	Non-monetary	790	5,714
	Total contributions	1,729	6,095
	<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
	Infrastructure	625	5,409
	Land	160	244
	Land under roads	5	61
	Total non-monetary contributions	790	5,714
	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 2018

Note 2	Funding for the delivery of our services		
		2018	2017
		\$'000	\$'000
2.5	Contributions (continued)		
	Unspent monetary contributions received on condition that they be spent in a specific manner		
	Balance at start of year	74	117
	Received during the financial year and remained unspent at balance sheet date	492	47
	Received in prior years and spent during the financial year	(37)	(90)
	Balance at year end	529	74
2.6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds of sale	1,445	1,078
	Written down value of assets disposed	(4,608)	(909)
	Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(3,163)	169
	The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		
2.7	Other income		
	Interest on Investments	1,542	1,357
	Other rent	933	1,010
	Recognition of Assets	787	507
	Donations	774	725
	Miscellaneous Income	102	91
	Insurance	76	35
	Interest on Debtors	17	-
	Total other income	4,231	3,725
	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 2018

Note 3	The cost of delivering services	2018	2017
3.1	Employee costs	\$'000	\$'000
	Wages and salaries	19,618	19,874
	Superannuation	2,012	2,060
	Casual staff	1,821	1,621
	Other	496	429
	WorkCover	392	392
	Fringe benefits tax	212	229
	Total employee costs	24,551	24,605
	(b) Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	154	211
	Employer contributions - other funds	-	-
		154	211
	Employer contributions payable at reporting date.	-	-
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,059	1,163
	Employer contributions - other funds	759	625
		1,818	1,788
	Employer contributions payable at reporting date.	-	-
	Refer to note 8.3 for further information relating to Council's superannuation obligations.		
3.2	Materials and services		
	Contractors	14,240	13,224
	Materials	7,502	6,851
	Contributions	2,668	2,555
	Utility Payments	2,141	1,907
	Insurances	975	862
	Authority Fees	939	936
	Consultants	415	431
	Legal Expenses	114	150
	Total materials and services	28,994	26,916

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 3	The cost of delivering services	2018	2017
3.3	Depreciation and amortisation	\$'000	\$'000
	Infrastructure	14,473	16,611
	Property	4,037	3,660
	Plant and Equipment	2,456	2,334
	Total depreciation	20,966	22,605
	Intangible assets	1,290	244
	Total depreciation and amortisation	22,256	22,849
	Refer to note 4.2(c) and 5.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
3.4	Bad and doubtful debts		
	Rates debtors	86	76
	Infringements	2	7
	Total bad and doubtful debts	88	83
	Movement in provisions for doubtful debts		
	Balance at the beginning of the year	1,460	2,196
	New Provisions recognised during the year	26	-
	Amounts already provided for and written off as uncollectible	-	(736)
	Amounts provided for but recovered during the year	-	-
	Balance at end of year	1,486	1,460
	Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.		
3.5	Borrowing costs		
	Interest - Borrowings	424	513
	Changes to Net Present Value due to interest rate movements	(83)	57
	Total borrowing costs	341	570
	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.		
3.6	Other expenses		
	Work in progress assets written off	309	197
	Councillors' allowances	303	288
	Operating lease rentals	270	278
	Derecognition of assets	246	1,231
	Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	67	56
	Auditors' remuneration - Internal	40	43
	Total other expenses	1,235	2,093

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 4	Our financial position	2018	2017
		\$'000	\$'000
4.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash on hand	6	5
	Cash at bank	320	464
	Term deposits	51,220	44,917
	Total cash and cash equivalents	<u>51,546</u>	<u>45,386</u>
	(b) Other financial assets		
	Term deposits - current	20,783	16,431
	Term deposits - non-current	-	-
	Total other financial assets	<u>20,783</u>	<u>16,431</u>
	Total financial assets	<u>72,329</u>	<u>61,817</u>
	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 4.3)	996	991
	- Other non discretionary reserves (Note 8.1)	1,596	1,245
	Total restricted funds	<u>2,592</u>	<u>2,236</u>
	Total unrestricted cash and cash equivalents	<u>48,954</u>	<u>43,150</u>
	Intended allocations		
	Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
	-Cash held to fund carried forward capital works/operating projects	6,080	9,683
	-Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	6,560	6,219
	-Unexpended grants and contributions (Note 2.4 & 2.5)	5,066	4,584
	-Discretionary reserve	6,410	5,261
	Total funds subject to intended allocations	<u>24,116</u>	<u>25,747</u>

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 2018**

Note 4	Our financial position	2018	2017
		\$'000	\$'000
4.1	Financial assets (continued)		
	(c) Trade and other receivables		
	Current		
	<i>Statutory receivables</i>		
	Rates debtors	3,350	3,532
	Special charge schemes	156	41
	Infringement and fire hazards	37	31
	Net GST receivable	697	1,062
	<i>Non statutory receivables</i>		
	Government grants	956	1,051
	Other debtors	837	550
	Waste management	473	489
	Provision for doubtful debts - other debtors	-	-
	Total current trade and other receivables	<u>6,506</u>	<u>6,756</u>
	Non-current		
	<i>Statutory receivables</i>		
	Rates debtors	3,397	3,374
	Provision for doubtful debts	(1,470)	(1,446)
	Special charge schemes	214	180
	Provision for doubtful debts - special charge scheme	(2)	(2)
	Infringements and Fire Hazards	96	90
	Provision for doubtful debts - infringements	(14)	(12)
	Total non-current trade and other receivables	<u>2,221</u>	<u>2,184</u>
	Total trade and other receivables	<u>8,727</u>	<u>8,940</u>

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 \$1,470,261 (2017: \$1,446,433). A provision has been established as these properties are unable to be sold in order for Council to recover the debt.

(a) Ageing of Receivables

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

Current (not yet due)	2,161	1,141
Past due by up to 30 days	27	24
Past due between 31 and 180 days	77	924
Past due between 181 and 365 days	1	-
Total trade & other receivables	<u>2,266</u>	<u>2,089</u>

(b) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of Nil (2017: Nil) were impaired.

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 4 Our financial position

4.2 Non-financial assets	2018	2017
(a) Inventories	\$'000	\$'000
Inventories held for sale	10	-
Total inventories	10	-

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	400	353
Accrued income	1,217	2,027
Total other assets	1,617	2,380

(c) Intangible assets

Water rights	-	3
Software	93	115
Landfill air space	2,196	1,411
Total intangible assets	2,289	1,529

Gross carrying amount

	Water Right \$'000	Software \$'000	Landfill \$'000	Total \$'000
Balance at 1 July 2017	17	1,433	2,521	3,971
Other Additions	-	28	2,056	2,084
Derecognition of Asset	-	-	(34)	(34)
Balance at 30 June 2018	17	1,461	4,543	6,021

Accumulated amortisation and impairment

Balance at 1 July 2017	14	1,318	1,110	2,442
Amortisation expense	3	50	1,237	1,290
Balance at 30 June 2018	17	1,368	2,347	3,732
Net book value at 30 June 2017	3	115	1,411	1,529
Net book value at 30 June 2018	-	93	2,196	2,289

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 2018

Note 4 Our financial position

4.3 Payables	2018	2017
(a) Trade and other payables	\$'000	\$'000
Trade payables	5,393	8,514
Accrued expenses	969	995
Total trade and other payables	6,362	9,509

(b) Trust funds and deposits

Refundable deposits	270	415
Fire services levy	157	189
Retention amounts	370	267
Other refundable deposits	199	120
Total trust funds and deposits	996	991

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

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

Fire Service Levy - Council is the collection agent for 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 2018**

Note 4 Our financial position

	2018 \$'000	2017 \$'000
4.4 Interest-bearing liabilities		
Current		
Borrowings - secured	289	764
	<u>289</u>	<u>764</u>
Non-current		
Borrowings - secured	7,603	7,892
	<u>7,603</u>	<u>7,892</u>
Total	<u>7,892</u>	<u>8,656</u>

Borrowings are secured by Council rate income

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

	2018	2017
Not later than one year	289	764
Later than one year and not later than five years	7,154	7,155
Later than five years	449	737
	<u>7,892</u>	<u>8,656</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.

4.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
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>
2017			
Balance at beginning of the financial year	6,413	2,489	8,902
Additional provisions	2,451	1,765	4,216
Amounts used	(2,384)	(243)	(2,627)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(305)	58	(247)
Balance at the end of the financial year	<u>6,175</u>	<u>4,069</u>	<u>10,244</u>

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 4 Our financial position

4.5 Provisions (continued)

	2018 \$'000	2017 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	1,358	1,347
Long service leave	576	576
	<u>1,934</u>	<u>1,923</u>
Current provisions expected to be wholly settled after 12		
Annual leave	501	412
Long service leave	3,448	3,451
	<u>3,949</u>	<u>3,863</u>
Total current employee provisions	<u>5,883</u>	<u>5,786</u>
Non-current		
Long service leave	417	387
Sick Leave Gratuity	1	1
	<u>418</u>	<u>388</u>
Total non-current employee provisions	<u>418</u>	<u>388</u>
Aggregate carrying amount of employee provisions:		
Current	5,883	5,786
Non-current	418	388
Total aggregate carrying amount of employee provisions	<u>6,301</u>	<u>6,174</u>

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:

- discount rate %	2.647%	2.216%
- index rate %	3.875%	3.813%
- inflation rate %	2.30%	1.80%
- settlement rate	25 years	25 years

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 4 Our financial position

4.5 Provisions (continued)

	2018	2017
	\$'000	\$'000
(b) Landfill Restoration		
Current	-	-
Non-current	16,518	4,069
	<u>16,518</u>	<u>4,069</u>

Council is obligated to restore the Kilmory, 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.

The provision for the Longford landfill is based on the current maximum expected costs as currently determined by the Environment Protection Authority (EPA). Risk level negotiations continue with the EPA and are anticipated to be resolved in late 2018,

Key assumptions:

- discount rate %	2.58%	2.55%
- index rate	2.30%	1.80%
- inflation rate %	3.00%	3.00%
- settlement rate	27 years	26 years
- estimated cost to rehabilitate	15.8 million	4.1 million

Summary of Provisions

	2018	2017
	\$'000	\$'000
Current		
Employee	5,883	5,786
Landfill Restoration	-	-
Total Current Provisions	<u>5,883</u>	<u>5,786</u>
Non Current		
Employee	418	388
Landfill Restoration	16,518	4,069
Total Non Current Provisions	<u>16,936</u>	<u>4,457</u>
Total Provisions	<u>22,819</u>	<u>10,243</u>

4.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2018.

Bank overdraft	200	200
Credit card facilities	130	130
Total facilities	<u>330</u>	<u>330</u>
Used facilities	33	42
Unused facilities	<u>297</u>	<u>288</u>

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 4 Our financial position

4.7 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.

2018

Operating

	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
Waste management	4,506	4,506	-	-	9,012
Health Services	988	1,005	-	-	1,993
Animal pound & 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	<u>6,500</u>	<u>5,907</u>	<u>-</u>	<u>-</u>	<u>12,407</u>

Capital

Parks, open space and streetscapes	2,050	-	-	-	2,050
Roads	1,571	-	-	-	1,571
Footpaths & 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	<u>6,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,161</u>

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 4 Our financial position

4.7 Commitments (continued)

	Later than 1 year		Later than 2 years and not		Later than 5 years	Total
	Not later than 1 year	and not later than 2 years	later than 5 years	years		
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating						
Waste management	4,518	4,518	-	-	-	9,036
Valuation contract	430	211	473	-	-	1,114
Kilmany landfill remedial works	1,025	-	-	-	-	1,025
Animal pound & shelter service	253	253	253	-	-	759
V-Line pedestrian crossing (Raglan Street)	484	-	-	-	-	484
Litter bins	206	206	-	-	-	412
Software maintenance	279	-	-	-	-	279
L to P project	125	125	-	-	-	250
Tourist information centre	88	-	-	-	-	88
West Sale and Wurruk industrial land supply strategy	78	-	-	-	-	78
North Sale outline development plan	39	-	-	-	-	39
Total	7,525	5,313	726	-	-	13,564
Capital						
Roads	5,354	-	-	-	-	5,354
Buildings	3,948	-	-	-	-	3,948
Landfill improvements	1,649	-	-	-	-	1,649
Parks, open space and streetscapes	478	-	-	-	-	478
Bridges	394	-	-	-	-	394
Plant, machinery & equipment	229	-	-	-	-	229
Waste management	41	-	-	-	-	41
Total	12,093	-	-	-	-	12,093

	2018	2017
	\$'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	262	254
Later than one year and not later than five years	450	690
Later than five years	16	-
	<u>728</u>	<u>944</u>

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 2018**

Note 5 Assets WSC manage

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	173,363	6,409	165	24,206	(4,037)	(3,368)	-	8,569	205,307
Plant and equipment	12,693	3,510	-	-	(2,456)	(639)	-	128	13,236
Infrastructure	650,336	15,353	625	8,549	(14,473)	(1,109)	-	6,791	666,072
Work in progress	16,417	6,353	-	-	-	-	(309)	(15,488)	6,973
	852,809	31,625	790	32,755	(20,966)	(5,116)	(309)	-	891,588

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	10,274	353	-	(10,274)	353
Plant and equipment	196	10	(16)	(179)	11
Infrastructure	5,947	5,990	(293)	(5,035)	6,609
Total	16,417	6,353	(309)	(15,488)	6,973

Note 5 Assets WSC manage

5.1 Property, infrastructure, plant and equipment (continued)

(a) Property

	Land - specialised	Land improvements	Land Under Roads	Total Land & Land Improvements	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	83,770	1,172	17,239	102,181	140,586	140,586	10,274	253,041
Accumulated depreciation at 1 July 2017	-	(785)	-	(785)	(68,619)	(68,619)	-	(69,404)
	83,770	387	17,239	101,396	71,967	71,967	10,274	183,637
Movements in fair value								
Additions	-	1,048	11	1,059	5,350	5,350	353	6,762
Contributions	160	-	5	165	-	-	-	165
Revaluation	2,082	-	22,124	24,206	-	-	-	24,206
Disposal	(613)	(1,172)	-	(1,785)	(6,956)	(6,956)	-	(8,741)
Transfers	-	869	-	869	7,700	7,700	(10,274)	(1,705)
	1,629	745	22,140	24,514	6,094	6,094	(9,921)	20,687
Movements in accumulated depreciation								
Depreciation and amortisation	-	(189)	-	(189)	(3,848)	(3,848)	-	(4,037)
Accumulated depreciation of disposals	-	886	-	886	4,487	4,487	-	5,373
	-	697	-	697	639	639	-	1,336
At fair value 30 June 2018	85,399	1,917	39,379	126,695	146,680	146,680	353	273,728
Accumulated depreciation at 30 June 2018	-	(88)	-	(88)	(67,980)	(67,980)	-	(68,068)
	85,399	1,829	39,379	126,607	78,700	78,700	353	205,660

Note 5 Assets WSC manage

5.1 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 2017	11,492	2,756	4,458	3,278	3,478	196	25,658
Accumulated depreciation at 1 July 2017	(5,268)	(1,687)	(4,017)	(1,797)	-	-	(12,769)
	6,224	1,069	441	1,481	3,478	196	12,889
Movements in fair value							
Additions	1,947	1,171	94	236	62	10	3,520
Disposal	(1,874)	-	-	(282)	-	-	(2,156)
Write-off	-	-	-	-	-	(16)	(16)
Transfers	8	120	-	-	-	(179)	(51)
	81	1,291	94	(46)	62	(185)	1,297
Movements in accumulated depreciation							
Depreciation and amortisation	(1,595)	(343)	(273)	(245)	-	-	(2,456)
Accumulated depreciation of disposals	1,235	-	-	282	-	-	1,517
	(360)	(343)	(273)	37	-	-	(939)
At fair value 30 June 2018	11,573	4,047	4,552	3,232	3,540	11	26,955
Accumulated depreciation at 30 June 2018	(5,628)	(2,030)	(4,290)	(1,760)	-	-	(13,708)
	5,945	2,017	262	1,472	3,540	11	13,247

Note 5 Assets WSC manage

5.1 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 2017	639,597	91,989	27,544	112,076	25,550	4,691	26,185	15,664	4,054	20,552	5,947	973,849
Accumulated depreciation at 1 July 2017	(197,438)	(34,385)	(9,683)	(37,197)	(12,304)	(1,382)	(8,317)	(5,885)	(1,412)	(9,564)	-	(317,567)
	442,159	57,604	17,861	74,879	13,246	3,309	17,868	9,779	2,642	10,988	5,947	656,282
Movements in fair value												
Additions	8,416	905	1,806	363	291	198	1,111	266	182	1,816	5,990	21,344
Contributions	204	-	269	129	23	-	-	-	-	-	-	625
Revaluation	19	15,201	-	-	-	-	-	-	-	(1,999)	-	13,221
Disposal	(2,720)	(1,508)	(386)	(132)	(243)	-	(150)	-	-	(444)	-	(5,583)
Write-off	-	-	-	-	-	-	-	-	-	-	(293)	(293)
Transfers	1,679	2,218	1,755	523	17	303	228	-	-	68	(5,035)	1,756
Reclassification	-	-	-	-	(412)	-	342	-	(437)	507	-	-
	7,598	16,816	3,444	883	(324)	501	1,531	266	(255)	(52)	662	31,070
Movements in accumulated depreciation												
Depreciation and amortisation	(9,456)	(1,004)	(670)	(1,119)	(606)	(127)	(763)	(251)	(66)	(411)	-	(14,473)
Accumulated depreciation of disposals	2,271	1,458	193	49	111	-	93	-	-	299	-	4,474
Accumulated depreciation at Revaluation	(17)	(6,083)	-	-	-	-	-	-	-	1,428	-	(4,672)
Reclassification	-	-	-	-	107	-	(61)	-	195	(241)	-	-
	(7,202)	(5,629)	(477)	(1,070)	(388)	(127)	(731)	(251)	129	1,075	-	(14,671)
At fair value 30 June 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 30 June 2018	(204,640)	(40,014)	(10,160)	(38,267)	(12,692)	(1,509)	(9,048)	(6,136)	(1,283)	(8,489)	-	(332,238)
	442,555	68,791	20,828	74,692	12,534	3,683	18,668	9,794	2,516	12,011	6,609	672,681

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 5 Assets WSC manage

5.1 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		
Buildings	20 - 100 years	>\$10,000
Plant and Equipment		
Plant, Machinery and Equipment	3 - 10 years	>\$3,000
IT, Furniture & Equipment	3 - 10 years	>\$1,000
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	101 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	>\$1,000

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 5 Assets WSC manage

5.1 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.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 5.1 Property, infrastructure, plant and equipment.

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

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

Land and Land Under Roads

As at 30 June 2018 Land and Land Under Road assets were revalued, resulting in a credit to the Asset Revaluation Reserve of \$23.9 million.

Bridges

Bridge, major culvert and floodway assets were subject to a full revaluation at 31 December 2017, resulting in a credit to the Asset Revaluation Reserve of \$9.1 million and a corresponding increase of \$9.1 million to the Bridge assets. As a result of this increase, future depreciation will increase by approximately \$0.2 million per annum.

Notes to the Financial Report
For the Year Ended 30 June 2018

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 5 Assets WSC manage

5.1 Property, infrastructure, plant and equipment (continued)

Prior Year Newly Recognised/Derecognised Adjustments

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

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

	Actual	Prior year adjustments	Reclassified	Restated Actual
	2017	Newly Derecognised recognised		2017
	\$'000	\$'000	\$'000	\$'000
Property				
Land- Specialised	79,532	4,238	-	83,770
Landfill Improvements	387	-	-	387
Land under Roads	17,239	-	-	17,239
Buildings- specialised	71,967	-	-	71,967
Work in Progress	10,274	-	-	10,274
Total Property	179,399	4,238	-	183,637
Plant & Equipment				
Plant, Machinery and Equipment	6,224	-	-	6,224
Fixtures, Fittings and Furniture	1,069	-	-	1,069
Computers and Telecommunications	441	-	-	441
Library Books	1,481	-	-	1,481
Art Gallery	3,478	-	-	3,478
Work in Progress	196	-	-	196
Subtotal Plant & Equipment	12,889	-	-	12,889
Infrastructure				
Roads	442,159	-	-	442,159
Bridges	57,472	132	-	57,604
Footpaths and Cycleways	17,788	73	-	17,861
Drainage	74,700	180	-	74,880
Recreational, Leisure and Community	13,246	-	-	13,246
Waste Management	3,309	-	-	3,309
Parks Open Space and Streetscapes	17,868	-	-	17,868
Aerodromes	9,779	-	-	9,779
Off Street Car Parks	2,642	-	-	2,642
Other Infrastructure	10,988	-	-	10,988
Work in Progress	5,947	-	-	5,947
Subtotal Infrastructure	655,898	385	-	656,283
Property, Infrastructure, Plant and Equipment	848,186	4,623	-	852,809

Note 5 Assets WSC manage

5.1 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

The general rates revaluation was undertaken by a qualified independent valuer Jonathan Barnett Registered Valuer No 63207, the valuation of land was derived from the data supplied from the general rates revaluation and applied at 30 June 2018. Valuation of buildings were undertaken by a qualified independent valuer APV Valuers & Asset Management - Lachlan Black Registered Valuer No 2913. 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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Specialised land	-	-	85,399	30/06/2018
Land under roads	-	-	39,379	30/06/2018
Land Improvements	-	-	1,829	06/2016
Specialised buildings	-	-	78,700	07/2015
Total	-	-	205,307	

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 5 Assets WSC manage

5.1 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 and Damon Griggs Registered Valuer No 3204.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	442,555	1/07/2017
Bridges	-	-	68,791	31/12/2017
Footpaths and cycleways	-	-	20,828	1/07/2017
Drainage	-	-	74,692	30/06/2015
Off street car parking	-	-	2,516	1/07/2015
Aerodromes	-	-	9,794	1/07/2015
Parks, open space and streetscapes	-	1,056	17,612	1/07/2015
Recreational leisure and community	-	183	12,351	1/07/2015
Waste Management	-	355	3,328	1/07/2015
Other infrastructure	-	1,122	10,889	1/07/2015
Total	-	2,716	663,356	

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 \$357 to \$4,437 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to indefinite. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 5 Assets WSC manage

5.1 Property, infrastructure, plant and equipment (continued)

	2018 \$'000	2017 \$'000
Reconciliation of specialised land		
Parks/Open space/Streetscapes	46,612	44,956
Recreation, leisure & community facilities	27,603	27,908
Off-street car parks	5,559	5,559
Aerodromes	1,635	1,915
Waste management	1,873	1,606
Other infrastructure - Piers/Jetties/Caravan parks/Markets/Saleyard	1,356	1,033
Drainage	761	793
Total specialised land	85,399	83,770

	2018 \$'000	2017 \$'000
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	(990)	1,750
Buildings & Structures	1812	137
Land	(44)	-
	778	1,887

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 6 People and relationships

6.1 Council and key management remuneration

(a) Key Management Personnel (KMP)

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

Councillor Keith Mills resigned in November 2017 and was replaced by Councillor Carmel Ripper following a count back conducted by the Victorian Electoral Commission.

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

Councillors being 9 at the beginning of the year and 1 newly elected during the year as detailed below.
Non- Councillors - 1

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 (1/07/17 - 30/06/18)
- Councillor Darren McCubbin (1/07/17 - 30/06/18)
- Councillor Scott Rossetti (1/7/17 - 30/06/18)
- Councillor Malcolm Hole (1/7/17 - 30/06/18)
- Councillor Ian Bye (1/7/17 - 30/06/18)
- Councillor Alan Hall (1/7/17 - 30/06/18)
- Councillor Gayle Maher (1/7/17 - 30/06/18)
- Councillor Garry Stephens (1/7/17 - 30/06/18)
- Councillor Keith Mills (1/7/17 - 8/11/17) - resigned
- Councillor Carmel Ripper (21/11/17 - 30/06/18)

	2018	2017
	No.	No.
Total Number of Councillors	10	14
Chief Executive Officer and other Key Management Personnel	5	5
Total Key Management Personnel	<u>15</u>	<u>19</u>
	2018	2017
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,451	1,393
Long-term benefits	290	279
Termination benefits	-	-
Total	<u>1,741</u>	<u>1,672</u>

(b) Remuneration of Key Management Personnel

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 6 People and relationships

6.1 Council and key management remuneration (continued)

	2018	2017
	No.	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	6
\$10,000 - \$19,999	1	4
\$20,000 - \$29,999	7	2
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$200,000 - \$209,999	3	4
\$210,000 - \$219,999	1	-
\$300,000 - \$309,999	1	1
	<u>15</u>	<u>19</u>

(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 \$145,000

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

	2018	2017
	No.	No.
Income Range:		
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	-	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	1
	<u>2</u>	<u>2</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	333	334

6.2 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 \$77,000 to the Municipal Association of Victoria for membership and other services. Payments of \$28,000 for production of shows at The Wedge and \$47,000 for various other minor transactions with a number of suppliers. Council also contributed a total of \$77,000 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 (2016/17 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 (2016/17 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 (2016/17 Nil).

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 7 Managing uncertainties

7.1 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.

	2018	2017
	\$'000	\$'000
(a) Contingent assets		
Non cash contributions expected to be received in respect of subdivision and gifted assets are as follows:		
Developer contributions	425	1039
Total Contingent Assets	425	1039

**(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 in Note 8.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Future superannuation contributions

In addition to the disclosed contributions, Wellington Shire Council has paid unfunded liability payments to Vision Super totalling \$Nil during 2017/18 (2016/17 \$Nil). There were \$Nil contributions outstanding and \$Nil loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$311,191.

(c) Guarantees for loans to other entities

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

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

	2018	2017
	\$'000	\$'000
Bank Guarantees	934	934
Loan Guarantees	20	25
Total Bank Guarantees	954	959

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 7 Managing uncertainties

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 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.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

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.

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

This standard replaces 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 to not-for-profit entity to further its objectives.

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 7 Managing uncertainties

7.3 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 has exposure to credit risk on some financial assets included in the balance sheet. 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 7.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 7 Managing uncertainties

7.3 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 7.1(c), 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 4.4.

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% and +0.5% in market interest rates (AUD) from year-end rates of 2.5%.

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.

7.4 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 2018**

Note 7 Managing uncertainties

7.4 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.

7.5 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 2018**

Note 8 Other matters

	Balance at beginning of reporting period \$'000	Prior Year Adjustment \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
8.1 Reserves				
(a) Asset revaluation reserves 2018				
Property				
Land & land improvements	73,499	-	1,743	75,242
Land under roads	-	-	22,124	22,124
Buildings	70,390	417	826	71,633
	<u>143,889</u>	<u>417</u>	<u>24,693</u>	<u>168,999</u>
Infrastructure				
Roads	326,870	-	39	326,909
Bridges	17,781	-	8,090	25,871
Footpaths	14,272	-	49	14,321
Drainage	35,787	-	(51)	35,736
	<u>394,710</u>	<u>-</u>	<u>8,127</u>	<u>402,837</u>
Other				
Art Gallery Stock	2,501	-	-	2,501
Total asset revaluation reserves	<u>541,100</u>	<u>417</u>	<u>32,820</u>	<u>574,337</u>
2017				
Property				
Land & land improvements	74,202	-	(703)	73,499
Buildings	71,955	(1,430)	(135)	70,390
	<u>146,157</u>	<u>(1,430)</u>	<u>(838)</u>	<u>143,889</u>
Infrastructure				
Roads	381,338	-	(54,468)	326,870
Bridges	18,166	-	(385)	17,781
Footpaths	22,981	-	(8,709)	14,272
Drainage	36,099	-	(312)	35,787
	<u>458,584</u>	<u>-</u>	<u>(63,874)</u>	<u>394,710</u>
Other				
Art Gallery Stock	2,501	-	-	2,501
Total asset revaluation reserves	<u>607,242</u>	<u>(1,430)</u>	<u>(64,712)</u>	<u>541,100</u>

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 2018

Note 8 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
8.1 Reserves (continued)			
2018			
(b) Other reserves			
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
2017			
Discretionary Reserves			
Asset Improvement	45	312	357
Plant Replacement	743	(138)	605
Waste Management	4,870	(571)	4,299
Total Discretionary Reserves	5,658	(397)	5,261
Non discretionary reserves			
Recreational land	355	131	486
Infrastructure contributions	-	13	13
Art gallery acquisition	2	2	4
Art gallery contribution	35	(35)	-
Leased property improvements	649	93	742
Total Non Discretionary reserves	1,041	204	1,245
Total Other reserves	6,699	(193)	6,506

Notes to the Financial Report
For the Year Ended 30 June 2018

Note 8 Other matters

8.1 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*.

	2018 \$'000	2017 \$'000
8.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	7,957	26,106
Depreciation/amortisation	22,256	22,849
(Profit)/loss on disposal of property, infrastructure, plant and equipment	3,163	(169)
Contributions - Non-monetary assets	(790)	(5,714)
Borrowing costs	342	516
Other	(2,289)	(278)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	213	(1,290)
Decrease/(increase) in other assets	763	(1,405)
(Decrease)/increase in trade and other payables	(3,147)	4,831
Increase in other liabilities	5	362
(Increase) in inventories	(10)	-
Increase in provisions	12,576	1,585
Net cash provided by operating activities	41,039	47,393

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 8 Other matters

8.3 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. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, 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 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Wellington Shire Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Wellington Shire Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa
Salary information 3.5% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the actual VBI at end of June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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.

**Notes to the Financial Report
For the Year Ended 30 June 2018**

Note 8 Other matters

8.3 Superannuation (continued)

Employer contributions

Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

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

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

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$69.8 million
A total service liability surplus of \$193.5 million.
A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.



WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland

Sale Service Centre - Council Headquarters

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Telephone: 1300 366 244

Email: enquiries@wellington.vic.gov.au

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