



Wellington Shire Council
ANNUAL REPORT

14 | 15



OUR VISION

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

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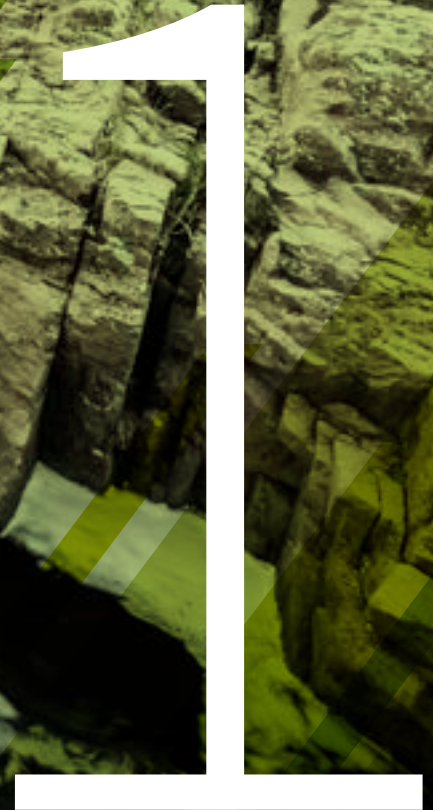
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Section 1

Report of Operations

Wellington Shire Council is committed to transparent reporting and accountability and the Report of Operations 2014/15 is the primary means of reporting back to the Wellington Shire community about Council's operations and performance during the previous financial year.



1.0 Introduction

1.1 Snapshot of Council

Location: Gippsland region in the State of Victoria, Australia

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

Population: 41,440 (2011 Census)



 **MELBOURNE**



1.2 Purpose

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

OUR VALUES:



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. Consider work-life balance, and balancing community needs against resources.



Professionalism

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

1.3 Fast Facts



- Received **\$547,000** in State Government funding through successful Council grant applications.
- Yarram Library attracted over **6,000** visits per month since opening within the new Hub.
- **19,743** tickets were sold for events staged at the Esso BHP Billiton Wellington Entertainment Centre.
- **192,008** visits to Wellington Shire Pools, a **44%** increase from the previous year.
- **14,902** people attended the Gippsland Art Gallery.
- **1,511** animal management requests (cats and dogs).
- **758** animals collected (cats and dogs).
- **227** Council resolutions.
- **362,228** library visits.
- **293,728** library collection loans.
- **24,500** square metres of sealed local roads reconstructed.
- **756,739** square metres of local roads resealed.
- **537** planning application decisions completed.
- **512** kerbside garbage and recycling bin collection requests received (missed or new bin requests).
- **1,467,935** scheduled kerbside garbage and recycling collection bin lifts.
- **10,958** tonnes of garbage, recyclables and green organics collected from kerbside bins.
- Wellington Shire was one of only **two** regional Councils in Australia to achieve 'e-Smart Library' accreditation.
- **43,138** customer service calls received.
- **4,512** Customer Action Requests received.
- **21,872** face-to-face customer enquiries received.

1.4 Highlights of the Year

1.4.1 Leadership and Engagement

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

1 Council continued to advocate to the State Government on behalf of the community to ensure that the moratorium on Onshore Natural Gas remains in place until concerns with the safety and integrity of Gippsland's aquifers can be resolved and that a detailed socioeconomic impact assessment is undertaken demonstrating a net community benefit.

2 Wellington Shire Council's Facebook page was launched, attracting over 1,500 likes within its first year. Council's quarterly newsletter, delivered to each residence, the Wellington Matters, was redesigned following a comprehensive review into layout, frequency and distribution methods, to ensure that the publication continues to meet the requirements of the community.

3 Around 40 delegates from south east Victoria and New South Wales met in Wellington for the 2015 South Eastern Australian Transport Strategy Inc (SEATS) conference and Annual General Meeting. Alongside local government, SEATS members include regional development organisations, government agencies, regional industry and academics who, together, aim to stimulate and facilitate transport infrastructure in eastern Victoria, the ACT and south eastern New South Wales.

4 Council supported community members from Rosedale and Golden Beach to develop Community Plans.



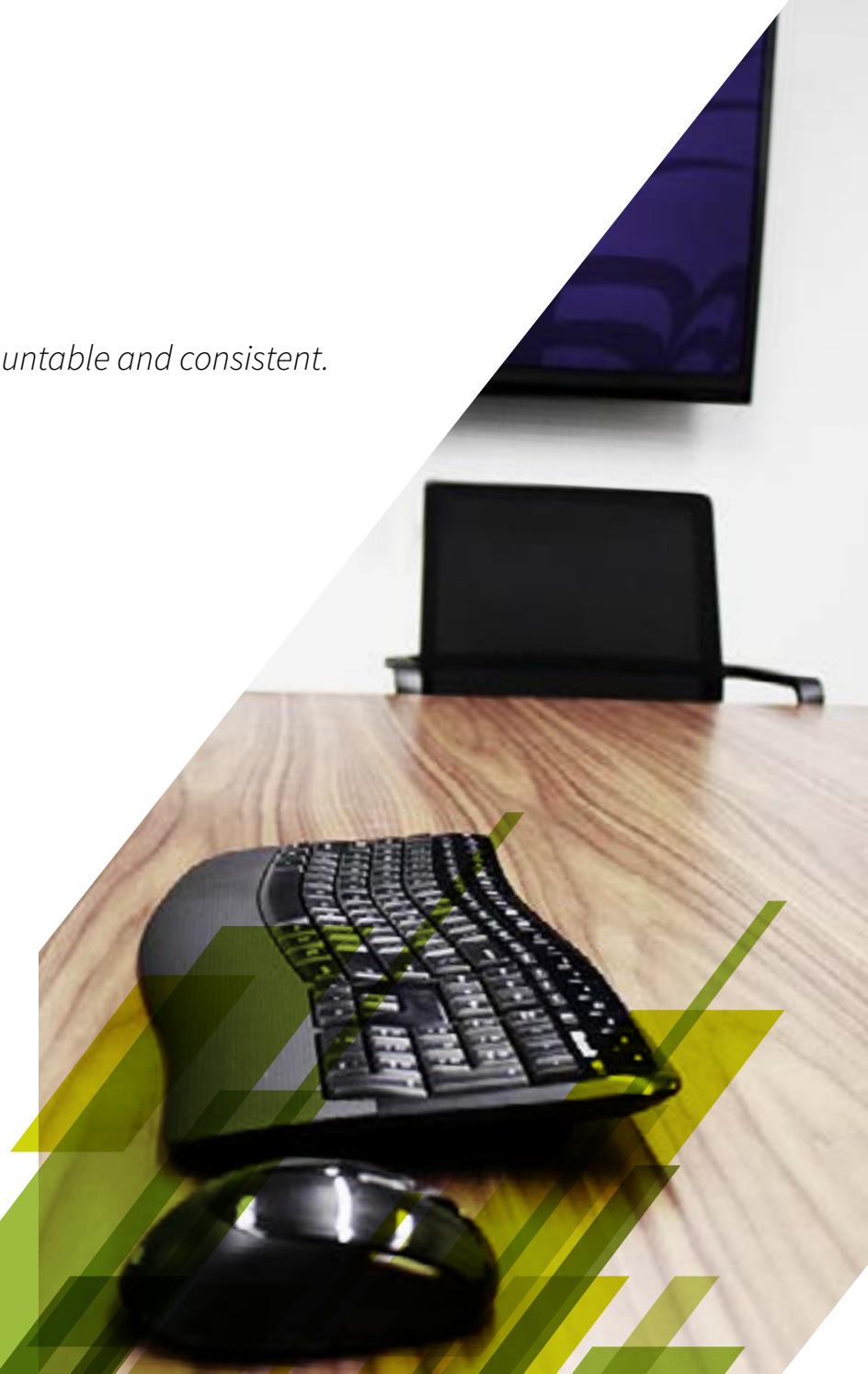
1.4 Highlights of the Year

1.4.2 Organisational

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

- 1 Gippsland Regional Sports Complex (GRSC) introduced the use of a smart phone app for sport court competitions providing greater communication and access for participants.
- 2 User friendly technology was introduced to streamline and improve fire prevention inspections. The integration of geographic information system (GIS) technology and subsequent automation of notices provides a more efficient way of collecting and processing information.
- 3 Desailly Street Information Communications Technology (ICT) solutions completed in 2015 include a new datacentre, ICT Infrastructure, meeting room technologies, Unified Communications Systems and a new communications tower which provides improved connectivity to Council's remote sites.

- 4 ICT Telecommunications decommission of the NEC PABX Phone System, Telstra ISDN and fibre services of Council's Foster Street offices was successfully completed.
- 5 Council introduced new technology which has reduced both IT consumable and software maintenance costs, resulting in operational savings of \$71,000.
- 6 New legislation has resulted in changes to caravan park registration requirements. As a result, Council has reviewed the way in which it engages with park owners to ensure compliance is undertaken in a consultative and supportive manner.



1.4 Highlights of the Year

1.4.3 Natural Environment

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

- 1 Wellington Shire Council and Fulham Correctional Services received a state-wide Corrections Victoria Community Partnership Award for bushfire recovery clean-up activities.
- 2 Extensive community consultation resulted in a street tree planting project in Briagolong, reflecting the community's desire to enhance the town's street appeal.
- 3 Wellington Shire Council replaced 2,250 residential street lights across the municipality with energy efficient, longer lasting LED lights. The new 18W lights use over 77% less energy, saving an estimated \$160,000 per year in electricity and maintenance costs and reducing greenhouse gas emissions by over 900 tonnes of carbon dioxide per year.



1.4 Highlights of the Year

1.4.4 Infrastructure

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

- 1 Capital works were completed to maintain the Sale Outdoor 50m pool as Gippsland's premier outdoor swimming pool. The construction and installation of a new headwall and diving blocks allows for the future provision of electronic time keeping infrastructure.
- 2 A Cultural Facilities Hierarchy Tool was developed which collects and records information on community facilities across the Shire, and which will guide the development of a Wellington Shire Council Cultural Facilities Strategy.
- 3 Ageing timber Lyons Bridge and Greigs Creek Bridge have been replaced with new concrete structures which will ensure continued access and reduced ongoing maintenance costs.
- 4 Loch Sport Skatepark and associated landscaping were completed. The Loch Sport community raised a contribution of \$10,000 to the construction costs and contributed to the design. The balance of the project's funding came from Sport and Recreation Victoria and Wellington Shire Council.
- 5 Streetscape works in George Street, Heyfield involved the replacement of footpaths, kerb and channel and an asphalt resheet of the road pavement. Car parking was reconfigured and pedestrian connectivity improved to the Reserve and Resource Centre.



1.4 Highlights of the Year

1.4.4 Infrastructure (CONT)

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

6 Two new shared paths were constructed in Maffra. A path now links McLean Street and Powerscourt Street to the Macalister Wetlands and the Maffra Recreation Reserve. A new subdivision at Hillcrest Drive is now connected via Boisdale Street from McLean Street.

7 Council worked in partnership with a local developer (who also contributed funding) to bring forward the installation of a play-space at the Maffra Hillcrest Reserve for the quickly expanding local community.

8 Council upgraded the Maffra Recreation Reserve Lighting. Additional funds were provided by the State Government, Maffra Community Sports Club and the Maffra Football and Netball Club.

9 The Sale taxi rank was relocated with funding from the State Government's Safer Taxi Rank Program to provide for greater levels of community safety, including better lighting and visibility as well as benefits for motorists including additional parking spaces and improved traffic flow.



1.4 Highlights of the Year

1.4.5 Land Use Planning

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

1

Planning Scheme Amendment C86 was finalised and will provide the foundation for future growth and development in Rosedale as a key gateway town.

2

Council continued to provide an efficient planning permit service in 2014/15, with 97% of applications decided within 60 days; this is compared to the rural Council average of 77%.



1.4 Highlights of the Year

1.4.6 Economy

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

- 1 Council worked with Heyfield Chamber of Commerce to support the State Government's Small Business Day in October.
- 2 Council attended the Victorian Government stand at the 2015 Avalon Airshow to promote the region as the natural choice for military aviation training and the use of West Sale as an auxiliary airfield for additional aviation development.
- 3 Council introduced an internal event coordination process to streamline support for event organisers.
- 4 Council sponsored and provided resources to assist with the first Dairy Australia and Southern Rural Water Irrigation Expo in Sale.
- 5 Council launched the Agricultural Industry Transformation Project - Gippsland at the Farm World Agribusiness lunch.
- 6 Wellington Regional Tourism's Annual People's Choice Awards once again recognised leaders in the tourism industry. Council is a long term supporter of this event.
- 7 Working closely with local businesses, Council launched an online food map at the Tinamba Food and Wine Festival.
- 8 Council introduced an online monthly Wellington Business Newsletter to better communicate events and opportunities with local businesses.
- 9 Council hosted and provided resources to support the inaugural Gippsland Bioenergy Forum in Heyfield.



1.4 Highlights of the Year

1.4.7 Community Wellbeing

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

- 1 Wellington Shire was one of only two regional Councils in Australia to achieve 'e-Smart Library' accreditation.
- 2 In partnership with GippsSport and Sale to Sea, Council provided two introductory kayaking sessions at Aqua Energy for people with disabilities.
- 3 Eighteen young people from Maffra, Stratford, Rosedale, Yarram and Sale aged between 12 and 24 have been actively involved in the 2014 and 2015 Youth Councils. Youth Council has had significant involvement in a number of projects including Youth Parliament, Anzac Day Centenary celebrations, Parks Week 2015, Wellington Youth Art Prize and Mental Health week.
- 4 Australian Shakespeare Company's production of Wind in the Willows was presented at the Sale Botanic Gardens. This was the first time in its 25 year history that the production has left the Melbourne Botanic Gardens.
- 5 Gippsland Regional Sports Complex (GRSC) and Sale Amateur Basketball Association (SABA) hosted an international coach from the USA, with over 60 participants attending from all over Gippsland.
- 6 Council supported Yarram Secondary College to hold an Emergency Expo. The Expo was funded by the Department of Health and Human Services as part of the recovery project for the Jack River Fire of February 2014.
- 7 Internationally acclaimed pianist David Helfgott performed to a capacity crowd at the Esso BHP Billiton Wellington Entertainment Centre.
- 8 Shannon Smiley won the \$20,000 2014 John Leslie Art Prize with his painting Untitled, Burnley.



1.4 Highlights of the Year

1.4.7 Community Wellbeing (CONT)

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

9 Council worked collaboratively alongside Gippsland Water to ensure Loch Sport residents were aware of the processes associated with the decommissioning of the septic tank system in the township.

10 Wellington Shire Council received an Organisation of the Year nomination at the Australian Sign Language Interpreters' Association (ASLIA) Victoria and Deaf Victoria (Community) Awards. This nomination recognised the importance Council has placed on ensuring the participation and inclusion of all residents within our community. Wellington was the only local government organisation to receive a nomination and was placed runner up.

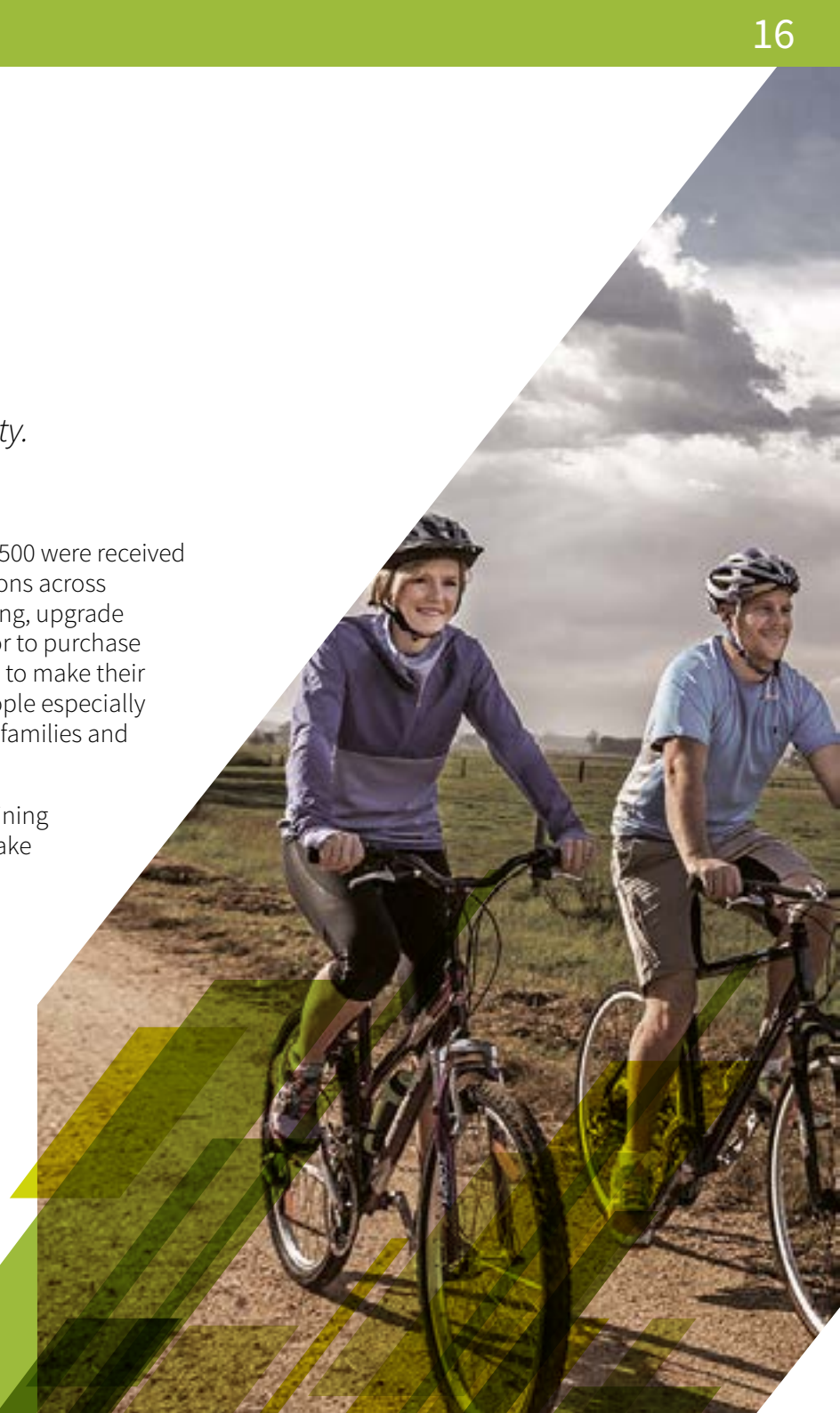
11 Social Media Savvy workshops were presented in Sale and Yarram and were very well attended by community groups and local business owners.

12 The Entertainment Centre launched its Engage Program, packaging community engagement workshops, accessible experiences and professional development programs for the Wellington Shire public.

13 Rural Access grants of up to \$500 were received by businesses and organisations across the Shire to undertake planning, upgrade buildings and infrastructure or to purchase equipment which would help to make their facilities accessible for all people especially people with a disability, their families and carers.

14 A range of outdoor fitness training equipment was installed at Lake Guthridge in Sale.

15 Central Gippsland Health Service and Council staff worked together to deliver a weight management program, gentle exercise programs and to increase access to fitness programs.



1.5 Challenges and Future Outlook

Challenges

- Implementation of rate capping in 2016/17 will require Council to ensure that its long term financial plan is premised on rate rises within expected Consumer Price Index (CPI) increases.
- Delivering the next stage of the Port of Sale Cultural Hub and Precinct project.
- Continuing to work with the Victorian government and Federation Training to improve tertiary study options, services and facilities in Wellington Shire.
- Opening of the refurbished Gippsland Livestock Exchange in October and the continued marketing and growth of that service.
- Continuing the development and commercial property management of West Sale Airport – Eastern Recreational Aviation Precinct.
- Managing relationships with other levels of government and key partners to enable positive outcomes in areas of capital investment and service delivery.
- Determining Levels of Service to inform Asset Management Plans.

Future Outlook

- Wellington Shire Council Aquatic Strategy 2015-2020 will provide Council with strategic direction for its aquatic facilities for the next 5 years.
- Works will commence on the redevelopment of the Gordon Street Recreation Reserve in Heyfield.
- Expansion of the Gippsland Regional Sporting Complex (GRSC) Stage 2.
- Masterplans for Loch Sport Lake Victoria Foreshore will be finalised.
- Sale Botanic Gardens Masterplan will be reviewed.
- Progression of key actions of the Wellington Shire Council Open Space Plan 2014-2020.
- Continuing to work with Gippsland councils on shared delivery service options.

2.1 Mayor's Message



I am pleased to present the Wellington Shire Council's Annual Report 2014/15, which demonstrates how we continue on our path toward delivering our community's vision, Wellington 2030.

I am pleased to present the Wellington Shire Council's Annual Report 2014/15, which demonstrates how we continue on our path toward delivering our community's vision, Wellington 2030.

These are exciting times for Wellington Shire. I am proud to lead Council at such a positive time for our region as we deliver, and work toward delivering, a wide range of projects of great significance.

This year we received the news of a successful grant application for \$4.5 million Federal Government National Stronger Region's Funding to further support our redevelopment project at the Port of Sale. This is in addition to the \$4.75 million State Government funding announced last year, a local contribution from the esteemed John Leslie Foundation of \$1.5 million and a Council contribution of \$2.95 million. Wellington Shire Council is excited about this \$13.7 million project, one which demonstrates what can be achieved through holistic collaboration with the community and all tiers of government.

The Port project aligns with so many of our Council Plan objectives. Regional recreation space and pedestrian walkways create opportunities for community health and wellbeing; redeveloped buildings provide repurposed community and civic space in keeping with current and future needs and feature accessible library, art gallery, visitor information and community meeting spaces; it will attract visitors to our region in addition to being a wonderful drawcard for our residents; the inclusion of a café brings the potential for long term job creation, in addition to the employment opportunities generated through the project's construction phase.

The first phase of the project has been completed this year, with the relocation of Council's administration offices. Around 250 staff were moved from one building to another with no impact to service delivery on our residents and ratepayers. This relocation has enabled our Port of Sale building to be vacated for its redevelopment and has provided opportunity to implement a number of new

2.0 The Year in Review

2.1 Mayor's Message

systems designed to significantly reduce ongoing operating expenditure. Toward the end of this financial year, we were already beginning to see results.

This year Council has continued to deliver a wide variety of over 100 services across our region. We have played a key role in delivering a broad range of programs for the improved health and wellbeing of our community and seen greater numbers than ever participate in a number of activities.

We have continued to support business growth and increased employment opportunities; and advocated on behalf of our community on a broad range of issues. Council has revised the way in which it communicates with our community, adding social media into our mix in recognition that whilst a significant proportion of our community continues to appreciate traditional methods of communication, an ever growing number were requesting a greater online presence.

Council's Land Use Planning activities remain exemplary in 2014/15; Wellington's Planners achieved a service standard a significant 21% higher than that of the rural council average, with 97% of

planning applications decided within 60 days. Just one of their decisions was referred to the Victorian Civil and Administrative Tribunal (VCAT), where it was upheld. Our residents and ratepayers can be confident in the expertise and capability demonstrated by such strong results.



2.1 Mayor's Message



We have undertaken a comprehensive capital works program that has included repurposing of a vacant Council facility for the Royal Flying Doctor Service which has subsequently increased jobs for our region; delivery of the Yarram and District Hub providing long awaited childcare.

Works have progressed well at the Sale Livestock Exchange, with this multi-year project on track for completion toward the end of 2015. Users have remain engaged throughout the project, and the local livestock industry looks forward to making full use of the significantly improved facilities. Even through the construction phase the numbers going through the facility are steadily increasing, demonstrating industry confidence in the redevelopment and Council's commitment to our agricultural sector.

As a result of the organisation's existing practise of service excellence I am proud that ours is a Council which, in the same year it delivered its lowest rate rise in over 10 years,

also repaid \$2.85 million debt.

The Information Technology projects detailed within this report and inclusion of solar panels and organic response LED lighting to our new administration offices will lead to ongoing reductions in expenditure. Initiatives from previous years such as the closure of the Sale Transfer Station and reduction in staff numbers have provided further ongoing reductions that have greatly assisted our current position.

These are just some examples of a wide range of projects and services which demonstrate

As a result of the organisation's existing practise of service excellence I am proud that ours is a Council which, in the same year it delivered its lowest rate rise in over 10 years, also repaid \$2.85 million debt.

our existing and ongoing commitment to implementing the most appropriate, efficient and best value solutions for Council, our residents and ratepayers. Our trajectory remains solid as one of prudent expenditure in keeping with the current and future needs of the Wellington community.

2.0 The Year in Review

2.1 Mayor's Message

However, as we look toward the future we must seek further service efficiencies for Council. In addition to the impact of the freeze on Federal Assistance Grant Payments, we must begin preparing for the proposed addition of State Government Rate Capping in 2016/17. As our funding base reduces, we must identify yet more ways to reduce our expenditure.

We have maintained an open dialogue with the community regarding service delivery expectations; if, how and by whom they should be subsidised. These are not easy conversations, but they are responsible conversations for a Council committed to limiting the financial effect on our ratepayers.

Wellington Shire Council tackles and reduces waste as a matter of course through a broad range of service excellence and business improvement activities in order to continually deliver a fair go for our residents. It would be remiss not to be concerned about the levels of service we may be able to provide in coming years and so Council will continue to advocate for fair dispersal of funding and responsibility between the levels of government with the aim that important jobs and services are not put at risk.

Ours is a Council committed to listening to, and working with, our community and our partners to

achieve the positive results so clearly demonstrated within this report.

I thank my fellow Councillors for their continued commitment to Wellington Shire and Council officers for their efforts toward the betterment of our region. I would also like to thank Wellington's local businesses, community groups and vast plethora of dedicated volunteers for your contribution.

Cr Carolyn Crossley
Mayor



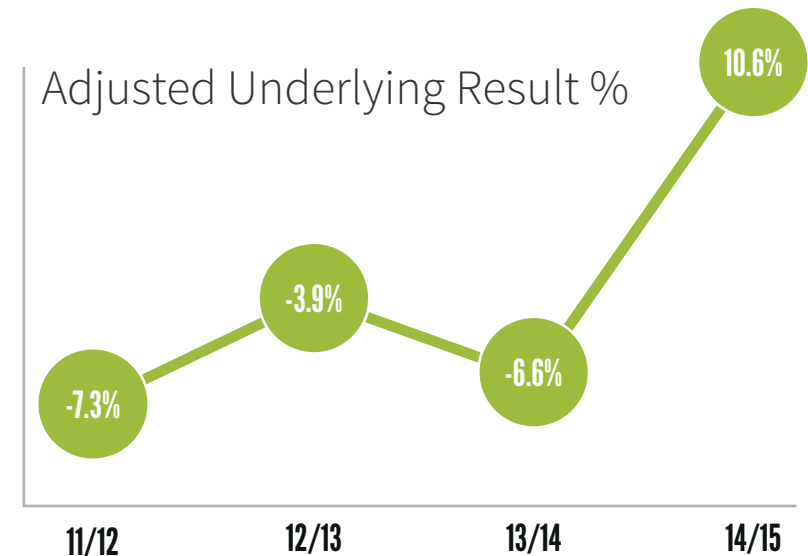
2.2 Financial Summary

This summary should be read in conjunction with the Financial Statement and Performance Statements which are included in Parts 2 and 3 of this report.

2.2.1 Operating Position

Council finished the year in a strong position, as evidenced by an operating surplus of \$12.0 million (excludes asset revaluation increments), against a budgeted deficit of \$1.1 million. The following major factors influenced this result:

- Advance payment by the Commonwealth Government of 50% of Council's 2015/16 Financial Assistance Grants allocation (\$6.07 million).
- Receipt of an unbudgeted donation of \$500,000 towards the Port of Sale redevelopment project, which will be spent in the coming year.
- During the year an extension of time was granted for landowners to submit their titles for the Wellington Coast Subdivision Strategy's Ninety Mile Beach Plan Voluntary Assistance Scheme, which resulted in \$3.17 million not being spent, and carried forward into 2015/16.
- Additional rates revenue of \$600,000
- as a result of supplementary rates assessments being finalised.
- Savings in utility costs and insurance premiums of \$395,000.
- Savings in employee costs resulting from vacancies throughout the year of \$500,000.
- \$1 million in Longford Landfill rehabilitation works were deferred until design approval has been obtained from the Environment Protection Authority.
- Additional interest in investments resulting from higher than expected cash balances, coupled with higher rates debtor balances incurring interest over expected levels \$315,000.

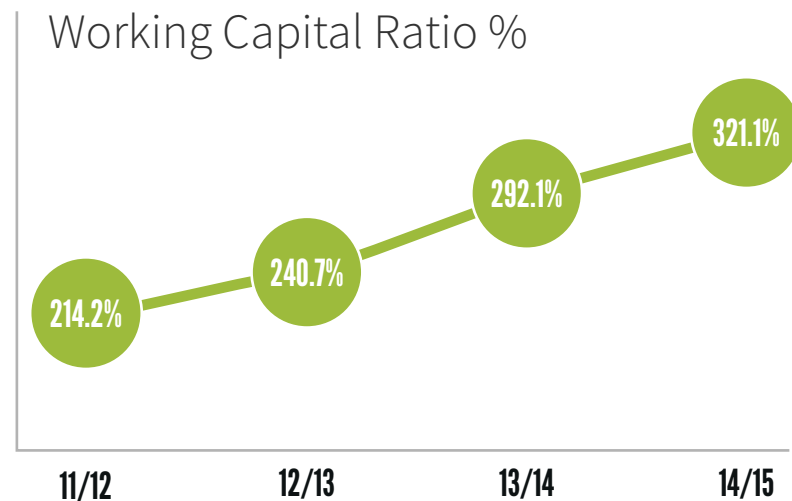


The adjusted underlying result (Graph 1) excludes non-recurrent capital grants, non-monetary asset contributions (gifted assets and developer subdivision contributions) and the effects of asset revaluations. Excluding the advance payment of Financial Assistance Grants, the adjusted underlying result is 3.7%, which still compares favourably to the expected target of >0%. Achieving an underlying surplus is a critical financial strategy that provides capacity to renew Council's assets. This is an ongoing challenge for councils with an extensive road network but lower population than metropolitan councils to pay for it.

2.2 Financial Summary

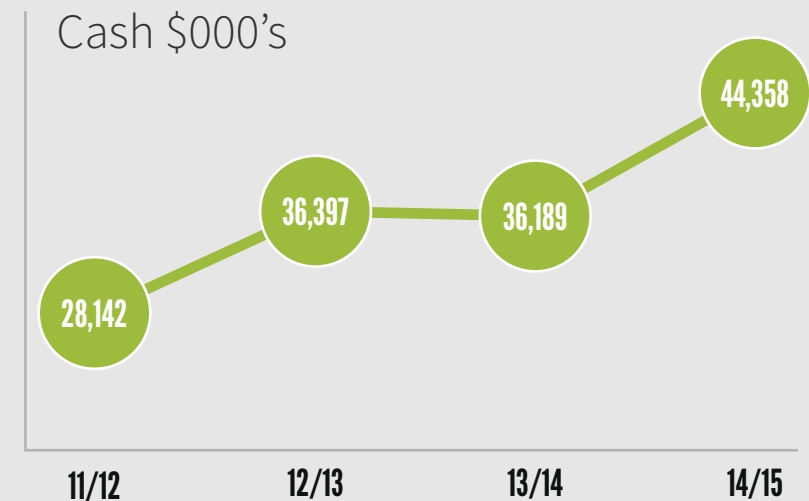
2.2.2 Liquidity

Working capital at the end of the year was \$36.3 million or 321.1%, which is well above Council's budgeted position of 186.3%. Cash has increased by \$8.2 million from the previous year, mainly due to the advance payment of \$6.07 million received from the Commonwealth Government, and the factors already detailed. 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 321.1% reflects our strong financial position, and is well above the expected target band of between 120% and 200%. This does not take into account the cash on hand which is restricted to specific uses which would reduce the ratio down to 169.5%.



2.2.3 Cash

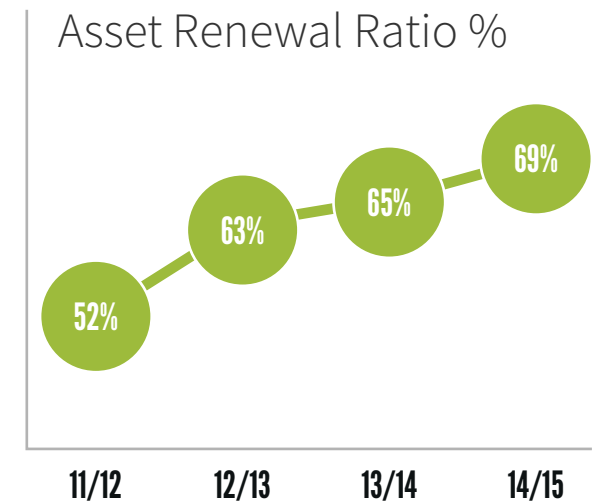
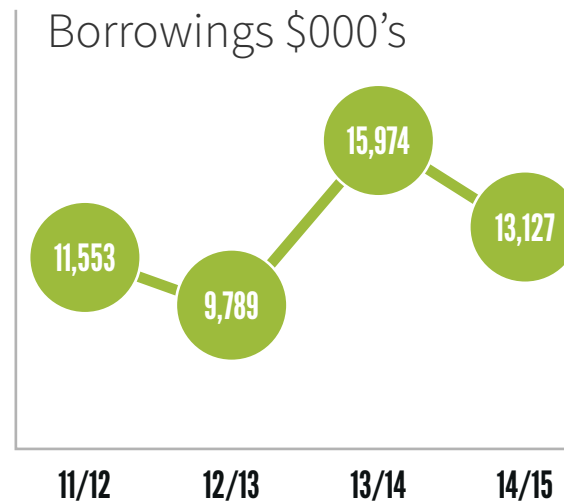
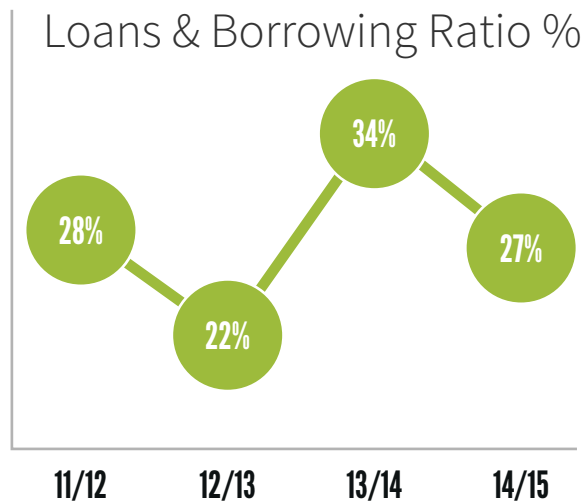
Cash holdings finished at a higher level than 2013/14 at \$44.4 million against a budget of \$23.3 million, with \$24.9 million already reserved for specific uses in future years including completion of carried forward capital works, the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme and future waste infrastructure projects.



2.2 Financial Summary

2.2.4 Obligations

During the 2014/15 year \$2.85 million of existing debt was repaid. At the end of the year, Council's debt ratio was 26.6% which was well within the expected target band of 20% - 60%, and is in line with Council's Borrowing Strategy of no more than 40% of annual rate revenue. Planned borrowings of \$1.3 million to fund the Princes Highway – Cobains Road intersection upgrade were deferred to 2015/16, as the works are now to be undertaken by the developer, with a contribution from Council, funded by borrowings, in 2015/16.



2.2 Financial Summary

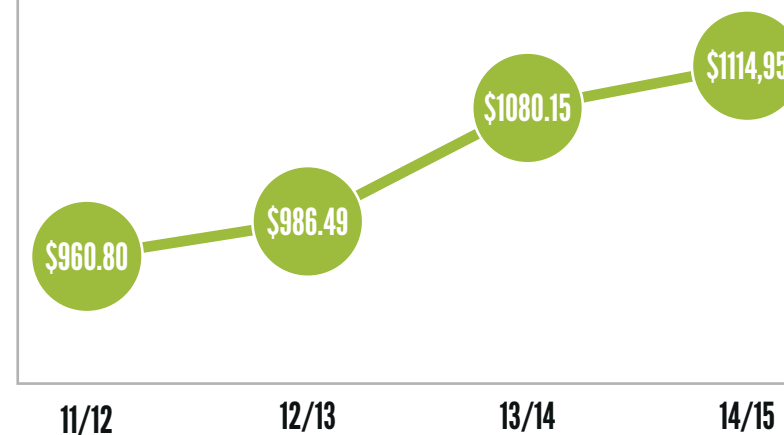
2.2.5 Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions.

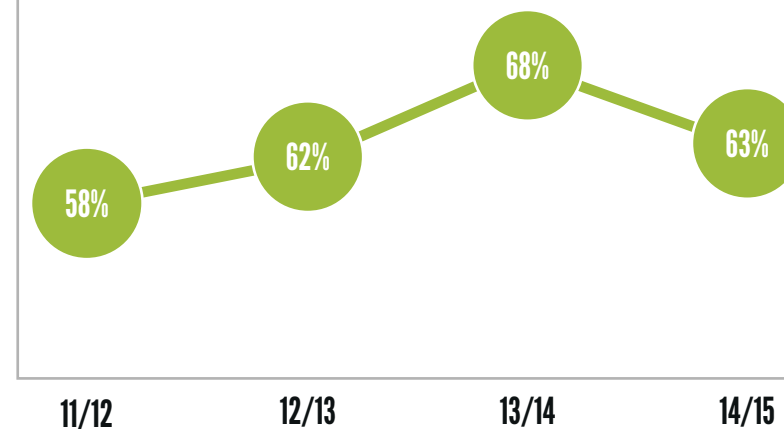
Council's rates concentration which compares rate revenue to adjusted underlying revenue was 63% for the 2014/15 year, but if the advance payment of 50% of the 2015/16 Financial Assistance Grant is excluded, the ratio would have been 69%, which is toward the top end of the expected target band of 40%-80%.

Council has focussed on controlling costs and for the 2014/15 year was able to keep its' rate increase to 3.8%. This resulted in an average residential rate per residential assessment of \$1,115 which is only a \$35 increase on the prior year and represents the lowest rate rise in over a decade.

Revenue Level



Rates Concentration %



2.2 Financial Summary

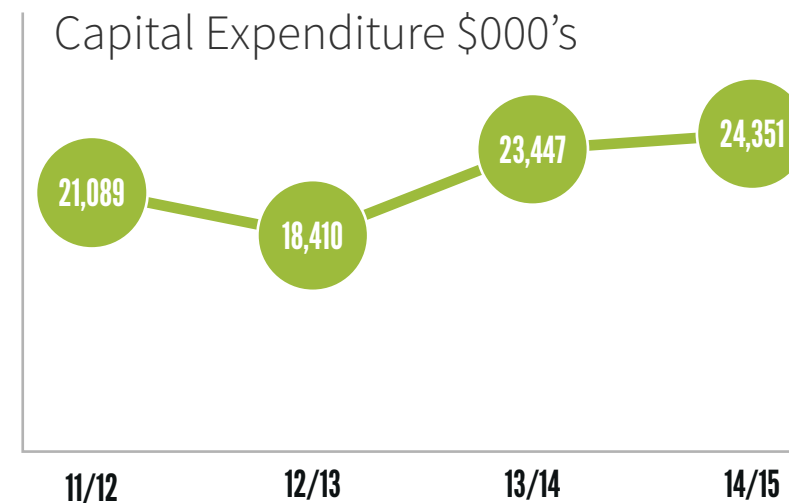
2.2.2 Capital Expenditure

During the year, Council spent \$24.4 million on capital works. Projects completed during the year include the Desailly Street Corporate Offices (\$2.6 million), building works at the Yarram District Hub (\$1.4 million) and improvements at the Sale Oval for the Royal Flying Doctor Service.

In addition, \$240,000 was spent on new books and other resources for our libraries and \$190,000 on the completion of the skate park at Loch Sport.

Council invested \$8.8 million on improving our roads, bridges and footpaths, including \$2.7 million to reseal rural and urban roads, and \$600,000 on Lyons Bridge and Greigs Creek Bridge.

A further \$2 million was spent on progressing the upgrade to the Sale Livestock Exchange, due for completion in 2015/16, and a further \$1.8 million on our parks, gardens and streetscapes.



2.3 Description of Operations



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

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community.

Council's vision, strategic objectives and strategies to further improve services and facilities are described in our 2013-17 Council Plan and the associated Budget 2014/15 and are reported upon in this document. Refer to the section on Our Performance for more information about Council services.

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

2.3.1 Economic Factors

There were no significant / unexpected financial challenges faced by Council during the 2014/15 year.

2.3 Description of Operations

2.3.2 Major Capital Works

Yarram Hub

The new Yarram Library and Wellington Shire Council Customer Service Centre was opened in October.

The Hub incorporates an integrated children's centre; maternal and child health services; family services; a library, including toy library; customer service centre; community meeting space complete with kitchen; dedicated storage for the facility's key user groups; new change rooms and an outdoor pool reception and kiosk; consulting suites and increased car parking space.

This \$5.25 million project was completed a month ahead of schedule. Council contributed \$3.3 million of that total, with the remainder coming from Victorian Government funding including a \$500,000 Putting Locals First grant, \$1,107,605 from Integrated Children's Centre Funding and \$350,000 from the Living Libraries Infrastructure Program 2011/12.

Rosedale Recreation Reserve Pavilion

Redevelopment of the Rosedale Recreation Reserve Pavilion was completed in February 2015. Identified

as a priority in the 2011 Rosedale Recreation Reserve Master Plan, the redeveloped change rooms and new clubroom/social pavilion provide upgraded facilities for the Rosedale Football Netball Club, Rosedale Kilmany Cricket Club and other community groups including the Rosedale Men's Shed.

Works to the Recreation Reserve Pavilion took place in two stages, starting with the full construction of a new clubhouse, and once complete, the existing clubhouse was modified into change rooms.

At a total cost of \$912,340, the Victorian State Government granted \$327,032 through their Community Funding Facility Program (Sport and Recreation Victoria), with \$535,308 contributed by Wellington Shire Council, and \$50,000 raised by the local community.

Wellington Street Lights Replacement

Wellington Shire Council replaced 2,250 residential street lights across the municipality with energy efficient, longer lasting LED lights between November 2014 and April 2015.

The new 18W lights use over 77 percent less energy, saving an estimated \$160,000 per year in electricity and maintenance costs. Greenhouse gas emissions will also be reduced by over 900 tonnes of carbon dioxide per year.

Old street lights accounted for more than a third of Council's electricity use. The newly installed LED lights are one of the most energy efficient options currently available and will drastically reduce this expense. They'll last much longer, reduce service requirements and provide better lighting across the street.

Council was awarded \$390,094 in funding by the Australian Government towards the \$1,033,412 total cost to upgrade its street lights.

With an estimated cost saving of \$160,000 per year in electricity and maintenance costs, Council's contribution will be paid back in just over four years

2.3 Description of Operations

2.3.3 Major Changes

- Council relocated approximately 250 administration office staff from the Port of Sale Civic Centre to new premises in April 2015 to allow for the Port of Sale's redevelopment as a Cultural Hub and Precinct.
- Council's Liveability division was re-named Community and Culture to more accurately reflect its role within the organisation, aligned to the community vision.
- New Local Government (Planning and Reporting) Regulations came into operation on 18 April 2014 and prescribe a range of information that must be included in Councils' key planning and reporting documents, including giving effect to the Local Government Performance Reporting Framework.

2.3.4 Major Achievements

- During 2014/15, Council secured an additional \$4.5 million in Australian Government funding and an additional \$0.5 million contribution from the John Leslie Foundation towards the redevelopment of the Port of Sale Cultural Hub and Precinct project bringing the overall project budget to \$13.7 million for delivery over 2014/15, 2015/16 and 2016/17.
- During the 2014/15 year \$2.85 million of Council's existing debt was repaid.
- The lowest rate increase in more than ten years, at 3.8%, was achieved in 2014/15.



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 less than two hours.

Wellington Shire is ideally placed for enjoying all that Gippsland has to offer, whether as a resident, visitor or tourist. It 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.

Located at the heart of Gippsland, Wellington Shire is ideally located to provide the finest and best aspects of regional Victorian living. Boasting mile upon mile of pristine coastline, dramatic vistas of the Victorian High Country, rich irrigated grazing and cropping land,

internationally significant wetlands and rainforest National Parkland, with a variety of communities and residential options 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 40,079 in 2006 to 41,440 in 2011. Council is very active in planning to ensure there is plentiful supply of new residential and industrial land to encourage this growth. Attractive features of the Wellington

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

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

3.0 Our Council

3.1 Municipality Profile

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. A \$180M redevelopment of the RAAF Base commenced in 2013 and will help secure the Base as part of our community for many years to come.

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.

The ESSO gas plant, south of Sale, supplies Victoria and New South Wales with natural gas. A number of local companies provide services to the Bass Strait oil and gas industry, operated by Exxon Mobil (Esso). Esso is currently undertaking the construction of a \$1b gas reconditioning plant confirming our place as one of Victoria's major energy regions.

Agricultural land in Wellington Shire offers some of the best conditions in the state, with Gippsland fast developing

a name as Victoria's Food Bowl. The Macalister Irrigation District, with its centre at Maffra, supports Wellington's strong dairy, beef and vegetable growing industries comprising award winning businesses providing goods Australia wide.

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

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



3.2 Our Councillors



Cr Carolyn Crossley
Mayor

Elected: 2012
T: 0409 495 833
E: carolyn.crossley@
wellington.vic.gov.au



Cr John Duncan
Deputy Mayor

Elected: 2012
T: 0409 606 809
E: john.duncan@
wellington.vic.gov.au



Cr Emilie Davine

Elected: 2012
T: 0409 500 366
E: emilie.davine@
wellington.vic.gov.au



Cr Darren McCubbin

Elected: 2003, 2005, 2008, 2012
T: 0458 006 486
E: darren.mccubbin@
wellington.vic.gov.au



Cr Scott Rossetti

Elected: 2008, 2012
T: 0427 052 394
E: scott.rossetti@
wellington.vic.gov.au



Cr Peter Cleary

Elected: 2005, 2008, 2012
T: 0408 317 308
E: peter.cleary@
wellington.vic.gov.au



Cr Malcolm Hole

Elected: 2000, 2003, 2005, 2008, 2012
T: 0408 541 746
E: malcolm.hole@
wellington.vic.gov.au



Cr Patrick McIvor

Elected: 2012
T: 0409 592 244
E: patrick.mcivor@
wellington.vic.gov.au



Cr Bob Wenger

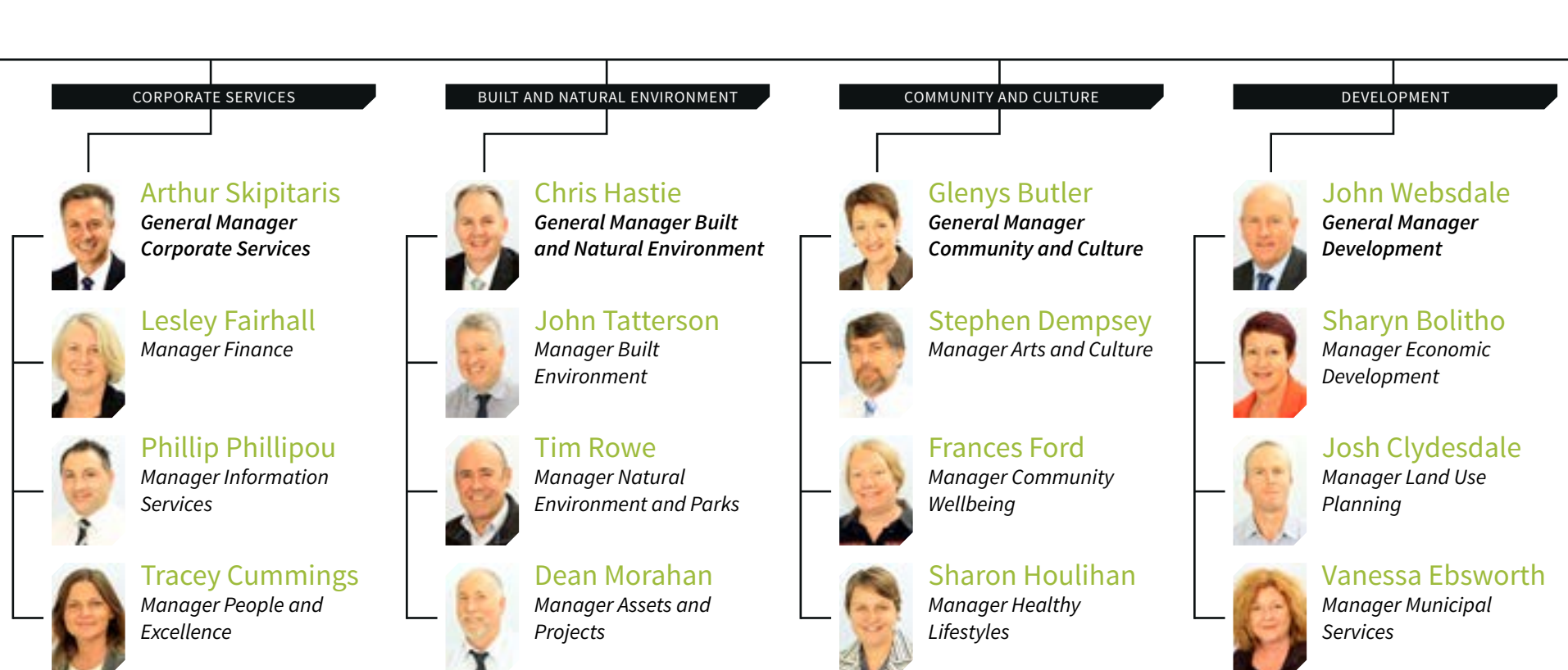
Elected: 2005, 2012
T: 0409 685 522
E: bob.wenger@
wellington.vic.gov.au

4.0 Our People

4.1 Organisational Structure



David Morcom
Chief Executive Officer



4.0 Our People

4.2 Senior Officers

As at 30 June 2015 Senior officers as designated by the *Local Government Act, 1989* were:
David Morcom, Arthur Skipitaris, Chris Hastie, Glenys Butler, John Websdale and Phillip Phillipou.



David Morcom
Chief Executive Officer



Arthur Skipitaris
*General Manager
Corporate Services*



Chris Hastie
*General Manager Built and
Natural Environment*



Glenys Butler
*General Manager
Community and Culture*



John Websdale
*General Manager
Development*



Phillip Phillipou
*Manager Information
Services*



4.0 Our People

4.3 Council Staff

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

Employee Type/Gender	CEO	Built and Natural Environment	Development	Corporate Services	Community and Culture	Total
Permanent Full Time						
Female	4	14	18	22	19	77
Male	2	97	21	11	18	149
Permanent Part Time						
Female	0	1.4	6.59	2.78	14.91	25.68
Male	0	1.67	2.33	0.6	6.8	11.4
Casual						
Female	0	0	0.68	0	6.27	6.95
Male	0	0.53	0.03	0	2.72	3.28
Total	6	114.6	48.63	36.38	67.7	273.31

273.31
FULL-TIME EQUIVALENT

37.08
Permanent
Part-Time



226
Permanent
Full-Time

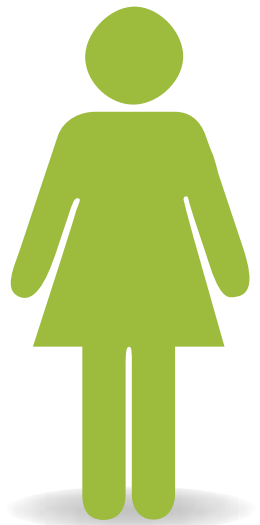
10.23
Casual

4.0 Our People

4.3 Council Staff

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

Employment Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band Not Applicable	Total
 Female (Full Time Equivalent)	3.32	2.51	11.79	31.29	23.6	15.4	9	2.6	10.13	109.64
 Male (Full Time Equivalent)	1.91	24.5	39.13	12.53	27.6	24	16	5	13	163.67
Total	5.23	27.01	50.92	43.82	51.2	39.4	25	7.6	23.13	273.31



FEMALE STAFF
109.64
 FULL-TIME EQUIVALENT



MALE STAFF
163.67
 FULL-TIME EQUIVALENT

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 regards to employment matters which have the ability to adversely affect staff or the organisation.

The objective of Wellington Shire Council's Equal Employment Opportunity program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act, 2010 such as race, colour, sex, marital status, parenthood, physical or mental

impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment. The provision of Equal Opportunity Awareness sessions for all new employees and managers ensures they are aware of their obligations and responsibilities in maintaining a workplace that is free of bullying and harassment and/or discrimination.

4.5 Other Staff Matters

4.5.1 Enterprise Bargaining Agreement

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

4.5.2 Professional Development

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

4.5.3 Prevention of Violence Against Women

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

Family violence can include physical, sexual, financial, verbal or emotional abuse by a family member or partner

and Wellington Shire Council has in place a Family Violence Leave Policy to support staff who are experiencing family violence through the provision of an additional twenty days of Family Violence Leave to attend medical appointments, attendance at legal proceedings and/or other preventative activities.

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



4.5 Other Staff Matters

4.5.4 Health and Safety

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

In addition, Wellington Shire Council's Occupational Health Safety (OHS) committee meets each quarter to review safety issues including incidents and

prevention strategies and is responsible for the development of remedial actions to address any identified gaps or opportunities for improvement.

In partnership with four other Victorian Councils, Council led an initiative in 2014/15 to develop occupation 'task analysis' cards to assist with both the prevention and management of workplace injuries



5.0 Our Performance

5.1 Planning and Accountability Framework

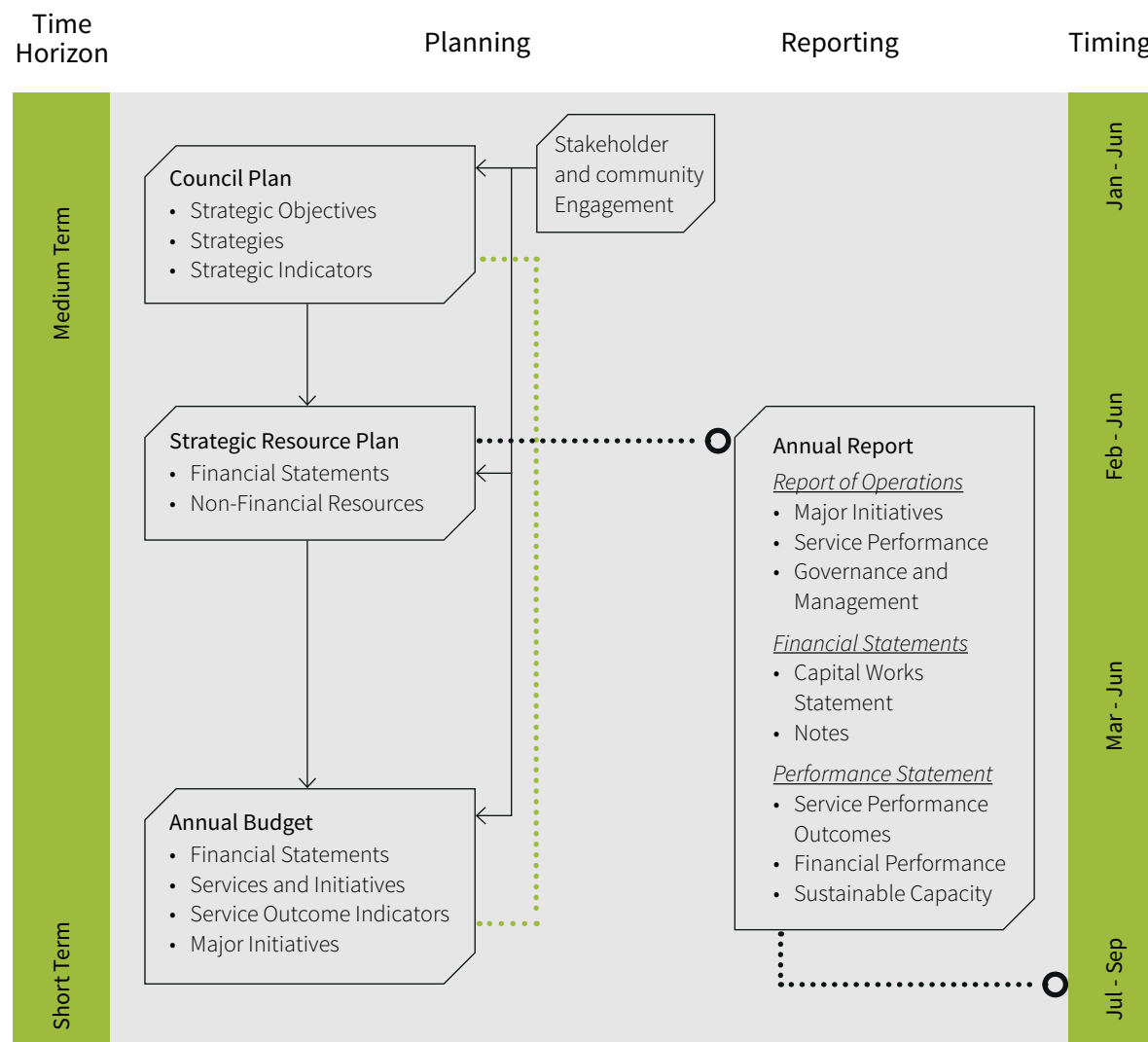
The *Local Government Act, 1989* requires councils to prepare the following planning and reporting documents:

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

The following diagram shows the relationships between the key planning and reporting documents that comprise the planning and accountability framework for local government in Victoria.

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

The process resulted in the development of our long term community vision, Wellington 2030. Wellington 2030 was used to develop and guide our key themes and strategic objectives for the 2013- 17 four year Strategic Plan, our Council Plan.



5.2 Council Plan

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

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

5.3 Performance

Council's performance for the 2014/15 year is reported against each theme and strategic objective to demonstrate how Council is performing in achieving the 2013-17 Council Plan. Performance is measured as follows:

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

Performance Report Navigation

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



Strategic Indicators



Major Initiatives



Description of Services
provided by Business Unit



Prescribed Service Performance
Indicator Results and Material
Variations

5.3 Performance

Theme 1 - Leadership and Engagement

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

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



Leadership and Engagement - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Increased community satisfaction rating for Council's interaction and responsiveness in dealing with the public.	71	4 points higher than Large Rural average and 1 point higher than statewide average.
Increased community satisfaction rating with community engagement.	59	5 points higher than Large Rural average and 3 points higher than statewide average.
Increased community satisfaction rating with Council's advocacy and community representation on key local issues.	58	5 points higher than Large Rural average and 3 points higher than statewide average.
Increased community satisfaction rating with overall performance.	63	7 points higher than Large Rural average and 3 points higher than statewide average.

5.3 Performance

Theme 1 - Leadership and Engagement

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Leadership and Engagement - Major Initiatives

Major Initiatives	Progress
Undertake a review of Council's quarterly newsletter, Wellington Matters, both in terms of timing and content as well as its effectiveness as a communication agent.	Wellington Matters was reviewed and changes to its format and distribution methods made. The first of the new format was distributed in September 2014, accompanied by a refreshed Wellington News weekly advertisement and the addition of social media into our suite of communication tools. So far, these changes have been very well received by the community.

5.3 Performance

Theme 1 - Leadership and Engagement

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Leadership and Engagement - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Councillors, Chief Executive and Executive Team	<p>This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.</p> <p>Our governance activities include provision of statutory services such as Council elections, meetings, agendas, minutes and provision of other public documents; and to help the Council administer and meet various legislative responsibilities - State, Federal and Local.</p>	2,308	2,289	(19)
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 identify trends in public opinion and ensure that Council adapts and responds in a timely manner.</p> <p>Initiatives: Commence development of a Communications Strategy to enhance the flow of information to and from the Wellington Shire community.</p>	398	427	29

5.3 Performance

Theme 1 - Leadership and Engagement

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



Leadership and Engagement - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
GOVERNANCE		
Transparency Council resolutions at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100.	2%	Total number of resolutions made 227.
Consultation and Engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement].	59	5 points higher than Large Rural Council average and 1 point lower than 2014 result.
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%	There were 22 ordinary Council meetings and 2 special Council meetings in 2014/15.

5.3 Performance

Theme 1 - Leadership and Engagement



Leadership and Engagement - Prescribed Service Performance Indicator (CONT)

Service Indicator Measure	Result	Commentary
Service Cost (Cost of Governance) [Direct cost of the governance service / Number of Councillors elected at the last Council general election].	\$39,707	No material variations.
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	6 points higher than Large Rural Council average and 1 point higher than 2014 result.

5.3 Performance

Theme 2 - Organisational

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

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



Organisational - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Long term Financial Plan produces improvements in Council's annual underlying financial result.	Achieved	<i>The underlying financial result of -1.5% improves to 1.2% by 2019. For further information please refer 'Adjusted Underlying Result' indicator in Performance Statement.</i>
Increased community satisfaction rating with overall performance.	63	<i>7 points higher than Large Rural average and 3 points higher than state wide average.</i>
Increased staff satisfaction and engagement.	68.3	<i>1.5 % increase compared to 2014 result.</i>
External financial audits of Council reflect compliance with legislation.	Achieved	<i>An unqualified audit opinion was signed by VAGO on 18/09/2014 for the 2013/14 financial year.</i>
Increased percentage of current assets compared with current liabilities.	321%	<i>2013/14 result was 292%.</i>

5.3 Performance

Theme 2 - Organisational

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Organisational - Major Initiatives

Major Initiatives	Progress
Ensure input and reporting of data to meet the requirements of the Local Government Performance Reporting Framework is completed within regulatory guidelines.	This document includes Council's report against each of the mandatory Local Government Performance Reporting Indicators as per the regulatory guidelines.
Manage the project planning and delivery of the information technology requirements for the Desailly Street office relocation.	Successfully delivered; New Datacentre, New ICT Infrastructure, New Unified Communications Systems (voice/video), New Technology at Desailly Street Offices, Completed Review of Records Management System, ECM.
Develop a Rating Strategy to guide future rating decisions for Council's consideration.	The Rating Strategy 2015-2018 was adopted by Council on 17 March 2015.

5.3 Performance

Theme 2 - Organisational

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Organisational - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Information Services	The Information Services Business Unit provides reliable systems and infrastructure to support business activities of the Council. It consists of Information Technology and Information Management teams.			
	The Information Technology team provides day to day IT support to all users and runs network operations. The Information Management team provides electronic document management services; freedom of information legislation services, services associated with the privacy legislation and general records services.	2,433	2,417	(16)
	Initiatives: <i>Undertake a review of Council's corporate records management system and its fit for purpose.</i>			

5.3 Performance

Theme 2 - Organisational



Organisational - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
People and Excellence	The People and Excellence Business Unit provides a range of diverse corporate services to staff, the Council and the community. These include Human Resources, People Development, Risk Management, and Business Improvement.			
	The Human Resources service aims to provide a holistic service for the 'whole of staff life'; from recruitment to cessation with the organisation.			
	Risk management services aim to identify and control organisational risks, maximise staff and community safety, and to reduce Council's exposure to injury or loss.			
	The Business Improvement service provides support and assistance to the organisation in achieving the most efficient use of resources, improving workplace processes and influencing organisational capability in alignment with strategic objectives. The unit also facilitates the development and annual review of the Council Plan.	1,807	2,144	337
	Initiatives: <i>Review organisational corporate planning and reporting system requirements to ensure effective corporate planning and reporting.</i> <i>Complete and implement a Recruitment Strategy.</i>			

5.3 Performance

Theme 2 - Organisational



Organisational - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Finance	<p>The Finance Business Unit provides financial, rating and property valuation services to the organisation, community and external stakeholders. These services underpin the drive to be a financially sustainable Council, comply with the necessary legislative requirements and meet community needs.</p> <p>The unit also aims to provide a safe, reliable and sustainable fleet of vehicles to support the organisation in achieving its goals.</p> <p>Initiatives: <i>Prepare Annual Budget in accordance with updated legislative requirements.</i></p>	1,860	1,922	62
Municipal Services	<p>The Municipal Services Business Unit is responsible for the provision of a broad range of services including: Statutory building service, Environmental health service, including food safety support programs, Local Laws, including animal management services, Customer Service</p> <p>Initiatives: <i>Commence the development of a new Domestic Waste Water Management Plan.</i></p>	1,469	1,808	339

5.3 Performance

Theme 2 - Organisational

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



Organisational - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
FOOD SAFETY		
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints].	1 Day	All food complaints are attended within 24 hours.
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 <i>Food Act, 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100.	87%	All class 1 and class 2 food premises are assessed at least once during the financial year. However 87% were assessed during 2014 calendar year which is the reporting period for this particular indicator.
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 <i>Food Act 1984</i>].	\$491	This value is slightly understated as an Environmental Health Officer / Coordinator position was vacant at various times of the year due to maternity leave / backfill arrangements.

5.3 Performance

Theme 2 - Organisational



Organisational - Prescribed Service Performance Indicator (CONT)

Service Indicator Measure	Result	Commentary
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%	<i>Zero critical non-compliance notifications and Four major non-compliance notifications.</i>
ANIMAL MANAGEMENT		
Timeliness Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests].	1.2 Days	<i>No material variations.</i>
Service Standard Animals reclaimed [Number of animals reclaimed / Number of animals collected].	43%	<i>No material variations.</i>
Service Cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals].	\$34	<i>No material variations.</i>
Health and Safety Animal management prosecutions [Number of successful animal management prosecutions].	11	<i>Low number of successful animal prosecutions suggests an improvement in the effectiveness of Council's animal management program.</i>

5.3 Performance

Theme 3 - Natural Environment

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

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



Natural Environment - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Maintain a high community satisfaction rating for overall performance of waste management.	65	2013/14 result was 68.
Environmentally Sustainable Design principles are incorporated in the construction of new facilities and major upgrades.	Achieved	Refurbishment of Council's new administration offices and Sale Service Centre in Desailly Street include the installation of 135, 35 watt solar panels which have the potential to reduce electricity usage in that building by 30% per annum. Organic response LED lighting throughout the building is able to detect and adjust automatically to changing lighting conditions further reducing lighting costs. Replacement insulation, passive heating, LED lighting and water tanks incorporated into the Yarram Hub refurbishment reduce energy costs and conserve natural resources.

5.3 Performance

Theme 3 - Natural Environment



Natural Environment - Strategic Indicators (CONT)

Strategic Indicator/Measure	Result	Comments
Decreased percentage of Wellington's residential waste to landfill.	65%	No 2013/14 comparative data.
Decreased CO ₂ equivalent Council fleet vehicle emissions.	Achieved	In 2013/14, direct CO ₂ emissions from Council's fleet vehicles were 617.53 tonnes. In 2014/15, this was reduced to 601.77 tonnes, a reduction of 15.76 tonnes.
Decreased CO ₂ equivalent Council fleet vehicle emissions.	5,213 Tonnes	No 2013/14 comparative data.
Conditions of the Wellington Shire Council landfill license are met.	Achieved	Wellington Shire Council landfill license conditions were met as per the requirements under the Environment Protection Act, 1970 and subsequent legislation.

5.3 Performance

Theme 3 - Natural Environment

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Natural Environment - Major Initiatives

Major Initiatives	Progress
Progress rehabilitation of the Sale Transfer Station site as required by the project plan	Not fully completed. The project was held over while Gippsland Water assessed the site for a new East Sale sewerage pumping station. This would have provided an opportunity to avoid costs associated with rehabilitation of site, and to sell part of site to Gippsland Water. The site was ultimately discounted for use as a pumping station, and this assessment delayed completion of works. Completion of works will now occur in 2015/16.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Natural Environment - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Natural Environment and Parks	<p>The Natural Environment and Parks Unit covers a range of activities related to the operational management of public open space, which includes approximately 320 hectares of parkland and associated infrastructure, such as picnic shelters, BBQs, seating, boardwalks, fences and public toilets. The service also proactively manages 30,000 – 35,000 urban trees and is responsible for the management, design and development of parks and streetscapes in urban areas.</p> <p>The unit is also responsible for moving the Wellington community towards a more sustainable future. Key priority areas include biodiversity, water consumption & quality, waste management and energy use.</p> <p>Initiatives: <i>Develop three Town Street Tree Plans</i></p>	4,080	4,703	623

5.3 Performance

Theme 3 - Natural Environment

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



Natural Environment - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
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	<i>No material variations.</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.	3	<i>No material variations.</i>
Service Cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins].	\$64	<i>No material variations.</i>
Service Cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins].	\$45	<i>No material variations.</i>
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%	<i>High volume of waste diverted away from landfill suggests an improvement in the effectiveness of Council's waste collection.</i>

5.3 Performance

Theme 4 - Infrastructure

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

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



Infrastructure - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Increased community satisfaction rating for overall performance in local roads and footpaths.	56	<i>2 point increase compared to 2014 result.</i>
Asset condition of Wellington Shire Council roads, buildings, footpaths, playgrounds and toilets. <i>This is the average asset condition score where: 1 - As New, 2 - Very Good, 3 - Fair, 4 - Poor, 5 - Serious.</i>	2	<i>Roads - Sealed</i>
	2	<i>Roads - Unsealed</i>
	2	<i>Buildings</i>
	2	<i>Structures</i>
	2	<i>Footpaths</i>
	1	<i>Playgrounds</i>
	1	<i>Toilets</i>

5.3 Performance

Theme 4 - Infrastructure



Infrastructure - Strategic Indicators (CONT)

Strategic Indicator/Measure	Result	Comments
Increased annual spend on asset renewal as a percentage of total capital expenditure.	63.2%	5.2% increase from 2013/14.
Increased overall performance score - implementation of the Road Management Plan.	Achieved	While the evaluation system has changed and is no longer reporting scores, the 2015 Municipal Association Victoria (MAV) insurance audit found Council's Road and Pathway management, reflective of Road Management Plan implementation, to be generally good, with no high risk factors identified.
Increased community satisfaction rating with the appearance and cleanliness of public places.	72	2013/14 result was 72.
Increased percentage of sealed local roads below the renewal intervention level set by Council.	97%	No 2013/14 comparative data.

5.3 Performance

Theme 4 - Infrastructure

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Infrastructure - Major Initiatives

Major Initiatives

Progress

As one of the key components of the Port Albert flood protection and drainage study, assess and report on possible flood protection solutions for the northern end of Port Albert.

A Council Workshop was held in September 2014 where this action was discussed. The study proposed would not resolve the issues regarding the extension of the seawall. Action is complete.

Progress refurbishment of Sale Livestock Exchange in accordance with the project plan.

This is a multi-year project requiring five contracts to complete the refurbishment. The status of the five contracts is as follows:

- Buyers' walkway crown unit supply works commenced off-site
- Removal of existing pens completed
- Selling shed construction works commenced off-site
- Selling shed fit out awarded
- Site works commenced

It is expected that the civil works contract will be awarded in the second half of the 2015 calendar year and all works will be complete as scheduled.

5.3 Performance

Theme 4 - Infrastructure



Infrastructure - Major Initiatives (CONT)

Major Initiatives	Progress
Implement recommendations of the West Sale Airport Report on Land Tenure and Council resolution to progress development of freehold land for recreational purposes at West Sale Airport.	Outline development plans have been finalised and Council has now authorised development of freehold land in the West Sale Airport. Statutory advertising and planning processes have commenced. All actions for 2014/15 have been progressed as required. Further actions to complete civil works, subdivision and complete any sales transactions will be progressed in 2015/16 in line with original project plan.
Finalise the development of new office accommodation at Desailly Street, Sale.	Key building contract awarded in September 2014. All other key contracts completed for electrical, mechanical, furniture and floor coverings. Office relocated to Desailly Street by 24 April 2015.

5.3 Performance

Theme 4 - Infrastructure

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Infrastructure - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Assets and Projects	The Assets and Projects Business Unit manages a diverse range of services for Council including:			
	<ul style="list-style-type: none"> • Project Management - Which includes the implementation and management of capital projects from across the organisation in the order of \$23 million - \$35 million per annum 			
	<ul style="list-style-type: none"> • Asset Management and Information Systems - Which incorporates asset and financial reporting and asset plan development, and assists with ensuring that all long term infrastructure renewal requirements are properly accounted for, with a sound information basis 	2,637	2,829	192
	<ul style="list-style-type: none"> • Infrastructure Planning - Which focuses heavily on new infrastructure development opportunities that have a strong external funding emphasis 			
	Initiatives:			
	<i>Complete installation of new energy efficient street lights in accordance with the project plan.</i>			

5.3 Performance

Theme 4 - Infrastructure



Infrastructure - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Built Environment	<p>The Built Environment Business Unit manages Council's building and infrastructure assets including:</p> <ul style="list-style-type: none"> Facilities - Managing Council's building assets and infrastructure to ensure long term sustainability of effective service delivery for operational and community purposes. Planning - Effectively plan for the renewal and improvement of Council's infrastructure. Commercial Facilities Management - Manage a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers. Road Management and Operations - Manage the maintenance of Council's road infrastructure in a coordinated way to maximise benefit to the community and road users. 			
	<p>Initiatives: Implement planning and initial consultation stages of Wellington Residential Road and Street Construction Plan.</p>	3,319	5,446	2,127

5.3 Performance

Theme 4 - Infrastructure

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



Infrastructure - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
ROADS		
Satisfaction of Use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100.	12%	No material variations.
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%	No material variations.
Service Cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed].	\$81	No material variations.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed].	\$5	No material variations.
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	7 points higher than Large Rural Council average and 3 point higher than 2014 result.

5.3 Performance

Theme 5 - Land Use Planning

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

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



Land Use Planning - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Planning applications received.	419	<i>This excludes withdrawn, not required and lapsed applications and amendments.</i>
Total value of municipal development.	\$85.5m	<i>This value is significantly higher than the rural average which is \$8.23 million.</i>
Increased percentage of planning applications processed within statutory timeframes.	97%	<i>No comparative data. This is the percentage of applications processed within 60 days in 2014/15.</i>
Number and percentage of applications appealed to VCAT.	1 and 0.2%	<i>Only 1 application was referred to VCAT.</i>
Number and percentage of VCAT appeals that support Council's decision.	1 and 100%	<i>1 appeal which was referred to VCAT was upheld in favour of Council's decision.</i>
Increased number of planning application decisions made within 60 days.	486	<i>This excludes withdrawn, not required and lapsed applications and amendments.</i>

5.3 Performance

Theme 5 - Land Use Planning

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Land Use Planning - Major Initiatives

Major Initiatives

Progress

Publicly exhibit/advance a Planning Scheme Amendment to implement the Port Albert Rural Lifestyle Lot Review

In response to an identified community need, rezoning of land on the fringe of Port Albert is being advanced to provide rural lifestyle lot growth opportunities in the township.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Land Use Planning - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Land Use Planning	The Land Use Planning Business Unit is responsible for the provision of the following services:			
	<ul style="list-style-type: none"> Statutory planning service Strategic land use planning service 			
	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.			
	Initiatives:			
	<i>Prepare an updated outline development plan for North Sale and associated developer contribution regime.</i>			
		1,104	1,216	112

5.3 Performance

Theme 5 - Land Use Planning

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



Land Use Planning - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
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	5 days less than rural average as per Planning Permit Activity Reporting System report.
Service Standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100.	97%	Significantly higher than rural average which is 76% as per Planning Permit Activity Reporting System report.
Service Cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received].	\$1,944	No material variations.
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%	There was only 1 decision referred which was upheld at VCAT.

5.3 Performance

Theme 6 - Economy

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

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



Economy - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Increased local employment rates.	Achieved	<i>Reflected through unemployment rate data from Department of Employment, which is 4.8 % as at December 2014. This is lower than both Gippsland average which is 5.6% and Victorian average of 6.5%.</i>
Increased Wellington Shire visitor rates.	Achieved	<i>Domestic overnight visitors - 6% increase. Domestic visitor nights - 18.1% increase. Data is from Destination Gippsland.</i>
Increased Visitor Information Centre visitations.	1.1%	<i>This is an increase achieved across three visitor information centres.</i>
Increased population growth in municipality.	1.9%	<i>This is based on estimated population figure of 42,220 as at 30th June 2015 (Australian Bureau of Statistics) which indicates 1.9 % increase in population since 2011 Census.</i>

5.3 Performance

Theme 6 - Economy



Economy - Strategic Indicators (CONT)

Strategic Indicator/Measure	Result	Comments
Number of planned Wellington Shire Council business development activities delivered.	30	<i>Council run or supported business events.</i>
Increased local business participation in business development activities.	1,550	<i>Approximate number of people attending Council run or supported business events.</i>

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Economy - Major Initiatives

Major Initiatives	Progress
Continue to advocate for the delivery of Defence Project AIR 5428 at RAAF Base East Sale.	Federal Government advice is that the decision on location of the Basic Flying Training School will not be made until the Second Pass Phase of the Tender for Defence Project AIR5428 which is expected in the second half of 2015. Council has been a staunch advocate for East Sale as the natural choice for military aviation training and looks forward to a decision in the near future.

5.3 Performance

Theme 6 - Economy

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Economy - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Economic Development	Council's Economic Development service aims to enhance and grow the diverse economy of this shire and drive key Council Strategic projects.			
	<ul style="list-style-type: none"> • Business Development - This service is responsible for all business and industry development support within Council. The services provided vary widely, from providing advice and referral to start-up businesses to multi-million dollar developments. A key function of Business Development is to link business with Government, and vice versa, facilitating supporting infrastructure and lobbying. • Tourism Development - This service provides support, direction and guidance for the tourism industry in the Shire. Regional marketing and promotion initiatives are developed in conjunction with industry. Administration oversight is provided to the Visitor Information Centres at Sale, Maffra and Yarram. A key function of the tourism section is the facilitation of industry development, including structures, training and education. 	945	940	(5)
	<p>Initiatives:</p> <p><i>Implement a coordinated Wellington Shire Events Program with associated funding streams and processes.</i></p>			

5.3 Performance

Theme 7 - Community Wellbeing

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

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



Community Wellbeing - Strategic Indicators

Strategic Indicator/Measure	Result	Comments
Increased opportunity for people to access footpaths and bikeways, tracks and trails.	6.2km	<i>Increased length of 6.2 km of footpaths leaving total length of 253.03 km of Council managed footpaths.</i>
Increased community satisfaction rating for overall performance of recreational facilities.	73	<i>2 point increase compared to 2014 result.</i>
Enhanced overall Municipal Emergency Management Planning performance.	Achieved	<i>Municipal Emergency Management Plan was successfully endorsed following an external audit.</i>
Support provided to volunteers/ community groups via grants and development opportunities.	\$261,783	<i>Community Assistance Grants.</i>
Local creative endeavours are supported through grant allocations and other initiatives.	\$79,923	<i>Quick Response Grants.</i>

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Strategic Indicators (CONT)

Strategic Indicator/Measure	Result	Comments
Rates of access and participation in a range of arts and cultural activities.	14,902 19,721 362,228	Art Gallery visits. Entertainment Centre visits. Library visits.
Increased percentage of community members as active WSC library members.	15.4%	2013/14 result was 17.1%. In February 2015 Sale College withdrew from the shared library arrangement and student library memberships subsequently decreased.
Increased number of visits to WSC aquatic facilities per head of municipal population.	4.5	No 2013/14 comparative data.
Decreased time taken to action food complaints.	1 Day	All food complaints are dealt within 24 hours.

5.3 Performance

Theme 7 - Community Wellbeing

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.



Community Wellbeing - Major Initiatives

Major Initiatives	Progress
Advance the development of the Port of Sale Cultural Hub in accordance with agreed timelines and budget.	\$4.5 million additional funding was attracted from the Australian Government during 2015 to enable inclusion of the Visitor Information Centre and a social enterprise café in the Port of Sale Cultural Hub and significant Port of Sale precinct revitalisation works. Design works for the Port of Sale Cultural Hub have progressed to concept design stage. Demolition works contract for the former civic centre building has been tendered following relocation of Council staff to new corporate headquarters in Desailly Street, Sale and relocation of the Council Chamber and the Gippsland Art Gallery to neighbouring temporary leased premises.
Ensure the Library Service within the Yarram District Hub commences on time and on budget.	The library service within the new Yarram Hub commenced 30 October, on time and on budget. The library staff are working closely with all other staff and services at the Hub to optimise community benefit.
Complete the Sale Memorial Hall Master Plan.	The Sale Memorial Hall Masterplan is nearing completion after extensive consultation across all stakeholders including the Committee of Management, the general community, Council staff and Councillors. Expected completion is September 2015.
Review and audit the Municipal Emergency Management Plan.	The Municipal Emergency Management Plan was audited on 12 January 2015 and passed audit.

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Major Initiatives (CONT)

Major Initiatives

Progress

Ensure implementation of municipal responsibilities for 2014/15 in the Healthy Wellington Action Plan.

Healthy Wellington achievements:

- Volunteers Week celebration March 2015.
- A six month training calendar was produced for volunteers and community leaders.
- White Ribbon Day event held in November 2015 focussing on the role of a bystander in challenging sexism.
- Promoted Walk to School Month in October 2014, Maffra Primary school ranked second in the Eastern Victoria region.
- In 2014, 1.75% of the Wellington population participated in Active April. This increased in 2015 to 2.28%, which is higher than the Victorian average of 1.86% (2015).
- Sixty seven individuals and agencies are involved in implementing actions in the plan.

Ensure the early years' service at the Yarram District Hub commences on time and on budget.

Yarram Early Learning Centre opens on 13 July 2015 following six months of intense planning, the establishment of an incorporated association, receiving legislative approvals and developing a business model.

5.3 Performance

Theme 7 - Community Wellbeing

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.



Community Wellbeing - Description of Services Provided

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Community Wellbeing	<p>Community Wellbeing Business Unit provides opportunities for communities to work in partnerships with local government to achieve identified priorities. The unit works to ensure all members of the community have equal opportunity to participate in community activities. Special focus is given to those who have traditionally remained marginalised such as the young, elderly, disabled and transport disadvantaged.</p> <p>Services include:</p> <ul style="list-style-type: none"> • Community Planning • Access and Inclusion • Youth Liaison • Transport Project • Arts Development 			
	<p>Initiatives:</p> <p><i>Facilitate delivery of two key outcomes in the Community Engagement Strategy implementation plan.</i></p> <p><i>Ensure implementation of the 2014/15 actions identified in the Municipal Early Years Action Plan.</i></p> <p><i>Ensure implementation of 2014/15 actions identified in relation to the Access and Inclusion Plan.</i></p> <p><i>Support the implementation of Youth Council 2014 action plan and the development and implementation of the 2015 Youth Council action plan.</i></p>	1,628	1,747	119

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Arts and Culture	<p>The Arts and Culture Business Unit assists in the development of a vibrant, culturally active community that promotes expression and participation through visual, literary and performing arts; informs and educates the community on various aspects of the arts; enhances the lifestyle of Wellington residents; and encourages visitors to explore the heritage and culture of the region.</p> <p>Services include:</p> <ul style="list-style-type: none"> Gippsland Art Gallery Libraries Esso BHP Billiton Wellington Entertainment Centre 			
	<p>Initiatives:</p> <p><i>Ensure the 2014/15 actions in the Arts and Culture Strategy are allocated to appropriate business units for implementation</i></p> <p><i>Implement the 2014/15 actions in the Access and Inclusion Plan that are the responsibility of the Arts and Culture unit</i></p>	2,141	2,059	(82)

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Healthy Lifestyles	<p>The Healthy Lifestyles Business Unit provides services and functions directed at fostering a healthier and more active community. Healthy Lifestyles achieves this through community infrastructure planning, the support to community committees and the facilitation and provision of a range of recreation, fitness and community activities and programs.</p> <p>Services include:</p> <ul style="list-style-type: none"> • Planning for and supporting recreation facilities that encourage the community to participate in physical and general wellbeing activities. • Managing Council's pools, gymnasium and fitness facilities. • Planning for the development of community infrastructure that addresses community service needs. <p>Initiatives: <i>Complete all Level 3 Recreation Master Plans.</i></p>			
		2,658	3,037	379

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Description of Services Provided (CONT)

Business Area	Description of Services Provided	Net Cost (\$000)		Variance \$000
		Actual	Budget	
Emergency Management	<p>The Emergency Management team coordinates Council's emergency management responsibilities ensuring the organisation has the skills and capacity to respond appropriately to emergencies and facilitates a coordinated shire approach through the Municipal Emergency Management Planning Committee.</p> <p>Initiatives:</p> <p><i>Ensure implementation of all municipal responsibilities identified in the Municipal Emergency Management Plan 2014/15.</i></p>	160	477	317

5.3 Performance

Theme 7 - Community Wellbeing

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



Community Wellbeing - Prescribed Service Performance Indicator

Service Indicator Measure	Result	Commentary
AQUATIC FACILITIES		
Service Standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities].	100%	All indoor and outdoor pools are inspected at least once a year.
Service Standard Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents].	1	No material variations.
Service Cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities].	\$4	Net cost of Sale outdoor pool is also included in cost of Indoor aquatic facilities as there is no current mechanism in place to distinguish attendance between Sale indoor and outdoor aquatic facilities.
Service Cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities].	\$18	Cost of outdoor aquatic facilities is comprised of net costs of five rural pools in Maffra, Heyfield, Yarram, Rosedale and Stratford. Net cost of Sale outdoor pool is excluded.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population].	4.5	Figure shows the utilisation of Sale indoor pools and outdoor pools in Sale, Maffra, Yarram, Rosedale, Heyfield and Stratford.

5.3 Performance

Theme 7 - Community Wellbeing



Community Wellbeing - Prescribed Service Performance Indicator (CONT)

Service Indicator Measure	Result	Commentary
LIBRARIES		
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items].	2.5	<i>In February 2015 Sale College withdrew from shared library management system and it will take some time to recover student memberships lost as part of this transition. This has had an impact on our active membership and collection usage data.</i>
Resource Standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100.	35.8%	<ul style="list-style-type: none"> • A large proportion of our collection is greater than 10 years of age. • Measures to reduce this have been undertaken and will continue in 2015/16. • We will continue to secure items relating to local history and build this collection without discards and this will impact on standard of collection measure into the future. • Costs to replace physical stock increasing.
Service Cost Cost of library service [Direct cost of the library service / Number of visits].	\$3.2	<i>No material variations.</i>
Participation Active library members [Number of active library members / Municipal population] x100.	15.4%	<i>In February 2015 Sale College withdrew from shared library management system and it will take some time to recover student memberships lost as part of this transition. This has had an impact on our active membership and collection usage data.</i>

6.1 Governance

Wellington Shire Council is constituted under the *Local Government Act, 1989* to provide leadership for the good governance of the municipal district and local community.

Council has a number of roles including:

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

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet

the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as community meetings and the ability to make submissions to Special Committees of Council.

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

6.1.1 Meetings of Council

Council conducts open public meetings on the first and third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to Council, make a submission or speak to an item.

Council held the following meetings during 2014/15:

22

Ordinary Council Meetings

0

Special Council Meetings



6.1 Governance

6.1.3 Special Committees

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

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

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

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

6.1 Governance

6.1.4 Code of Conduct

The *Local Government Act, 1989* requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 17 September 2013, Council adopted a revised Councillor Code of Conduct which aims to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter.
- Attract the highest level of confidence from Council's stakeholders.
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, 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.
- Breaches of the Code of Conduct or Conduct Principles.
- Roles and relationships.
- Dispute resolution procedures.

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 2014/15, twelve conflicts of interest were declared at Council and Special Committee meetings.



6.1 Governance

6.1.6 Councillor Allowances

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

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

For the period 1 July 2014 to 23 December 2014, the Councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at

\$22,965 per annum and the allowance for the Mayor was \$71,058 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect from 24 December 2014. The annual allowances were adjusted for the period 24 December 2014 to 30 June 2015 to \$23,539 per annum for the Councillor allowance and \$72,834 per annum for the Mayoral allowance.

This table contains a summary of the allowances paid to each Councillor during the 2014/15 year.

Councillor	Allowance
Cr Carolyn Crossley (Mayor 6 November 2014 to 30 June 2015)	\$60,471
Cr John Duncan (Deputy Mayor 6 November 2014 to 30 June 2015)	\$25,512
Cr Patrick McIvor (Deputy Mayor 1 July 2014 to 5 November 2014)	\$25,512
Cr Bob Wenger	\$25,512
Cr Peter Cleary	\$25,512
Cr Emilie Davine	\$25,512
Cr Malcolm Hole	\$25,512
Cr Darren McCubbin	\$25,512
Cr Scott Rossetti (Mayor 1 July 2014 to 5 November 2014)	\$43,980

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

6.1 Governance

6.1.7 Councillor Expenses

In accordance with Section 75 of the *Local Government Act, 1989* Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. The details of Councillor expenses for the 2014/15 year are shown in the table.

Councillor	Travel	Car Mileage	Childcare	Info and Comm.	Conference and Training	Total
Cr Malcolm Hole	\$6,484	-	-	\$1,795	\$7,682	\$15,961
Cr Bob Wenger	\$3,320	\$3,638	-	\$1,961	\$6,891	\$15,810
Cr Scott Rossetti (Mayor 1 July 2014 to 5 November 2014)	\$472	\$1,055	\$973	\$1,171	\$4,074	\$7,745
Cr Carolyn Crossley (Mayor 6 November 2014 to 30 June 2015)	\$2,136	\$2,408	-	\$834	\$1,710	\$7,088
Cr Emilie Davine	\$247	-	\$1,408	\$1,581	\$841	\$4,077
Cr Peter Cleary	\$2,534	-	-	\$453	\$955	\$3,942
Cr Darren McCubbin	\$1,714	-	-	\$1,246	\$187	\$3,147
Cr John Duncan (Deputy Mayor 6 November 2014 to 30 June 2015)	\$1,025	-	-	\$1,748	\$180	\$2,953
Cr Patrick McIvor (Deputy Mayor 1 July 2014 to 5 November 2014)	-	-	-	\$972	\$911	\$1,883

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

6.2 Management

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

6.2.1 Audit Committee

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

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

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

The Committee met on four occasions during 2014/15, providing advice to Council on a wide range of issues including:

- Council's Financial Performance Reporting for 2014/15.
- The draft Financial, Standard and Performance Statements for 2013/14.
- The draft revised Council Plan 2013-17 and draft Budget 2015/16.
- The internal audit process.



6.2 Management

6.2.2 Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The function is undertaken by an independent external provider.

A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change to operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the SIAP, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk

rated. Recommendations are assigned to the responsible Manager and tracked in Council's performance management system. Managers provide quarterly status updates that are reviewed by the Audit Committee.

The SIAP for 2014/15 was completed with the following reviews conducted:

- Review of the Status of Audit Recommendations.
- Emergency Management.
- Performance Reporting.
- Budget Development and Management.
- Management of Infrastructure Assets.

6.2.3 External Audit

Council is externally audited by the Victorian Auditor-General. For the 2014/15 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and August Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.



6.2 Management

6.2.4 Risk Management

In December 2014, Council reviewed its Risk Management Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 standards. The Risk Management Policy addresses items such as:

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

Council's risk management objectives are to:

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



6.3 Governance and Management Checklist

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

Governance and Management Items	Assessment
1 Community Engagement Policy Policy outlining Council's commitment to engaging with the community on matters of public interest.	<i>Currently under development as part of the review of the Community Engagement Strategy 2011-15.</i>
2 Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community.	<i>Identified as Community Engagement Strategy 2011-15 which is currently being reviewed. A draft strategy is being trialled before being adopted by Council. Date of adoption: 21 June 2011.</i>
3 Strategic Resource Plan Section 126 of the <i>Local Government Act, 1989</i> outlining the financial and non-financial resources required for at least the next 4 financial years.	<i>Adopted in accordance with Section 126 of the Local Government Act, 1989. Date of adoption: 16 June 2015.</i>
4 Annual Budget Section 130 of the <i>Local Government Act, 1989</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required.	<i>Adopted in accordance with Section 130 of the Local Government Act 1989. Date of adoption: 16 June 2015</i>
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.	<i>Multiple Plans. Date of operation of current plans: Open Space - October 2009 Property - October 2005 Road - 6 August 2004 (Road AMP incorporates bridge, footpath and drainage assets)</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
6 Rating Strategy Strategy setting out the rating structure of Council to levy rates and charges.	<i>Strategy adopted.</i> <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.	<i>Risk Management Policy included in Council Policy Manual.</i> <i>Date of operation of current policy: 3 February 2015.</i>
8 Fraud Policy Policy outlining Council's commitment and approach to minimising the risk of fraud.	<i>Fraud Control Policy included in Council Policy Manual.</i> <i>Date of operation of current policy: 3 February 2015.</i>
9 Municipal Emergency Management Plan Plan under Section 20 of the <i>Emergency Management Act, 1986</i> for emergency prevention, response and recovery.	<i>Prepared and maintained in accordance with Section 20 of the Emergency Management Act, 1986.</i> <i>Date of operation: 1 December 2014. This was reviewed in November/December 2014 and externally audited in January 2015.</i>
10 Procurement Policy Policy under Section 186A of the <i>Local Government Act, 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works.	<i>Prepared and approved in accordance with Section 186A of the Local Government Act, 1989.</i> <i>Procurement policy included in Council Policy Manual.</i> <i>Date of operation of current policy: 3 February 2015</i>
11 Business Continuity Plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.	<i>Existing document is currently being reviewed.</i> <i>Date of operation: 4 December 2014</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
12 Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.	<i>Existing document is currently being reviewed. Date of operation: 4 December 2014</i>
13 Risk Management Framework Framework outlining the organisation's approach to managing risks to the Council's operations.	<i>Risk Management Strategy 2012-2015 is currently being reviewed. Date of operation of current strategy: 18 December 2012.</i>
14 Audit Committee Advisory committee of Council under Section 139 of the <i>Local Government Act, 1989</i> whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements.	<i>Established in accordance with Section 139 of the Local Government Act, 1989. The Audit Committee has been in operation since February 1996 (based on available evidence). Date of establishment: February 1996.</i>
15 Internal Audit Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.	<i>Initial date of engagement of current provider: 1 March 2012 with contract extended until 1 March 2016.</i>
16 Performance Reporting Framework A set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in Section 131 of the <i>Local Government Act, 1989</i> .	<i>Date of operation of current framework: 1 July 2014.</i>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
<p>17 Council Plan Reporting Report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.</p>	<p><i>Quarterly reporting against Council Plan Highlights. Date reports presented: 15 July 2014, 21 October 2014, 3 February 2015, 21 April 2015</i></p>
<p>18 Financial Reporting Quarterly statements to Council under Section 138 of the <i>Local Government Act, 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure.</p>	<p><i>Statements presented to the Council in accordance with Section 138(1) of the Local Government Act, 1989. Date statements presented: 15 July 2014, 21 October 2014, 3 February 2015, 21 April 2015</i></p>
<p>19 Risk Reporting Minimum six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.</p>	<p><i>Quarterly Reports. Date of reports: 15 July 2014, 21 October 2014, 3 February 2015, 21 April 2015</i></p>
<p>20 Performance Reporting Minimum six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the <i>Local Government Act, 1989</i>.</p>	<p><i>Quarterly Reports. Date of reports: 15 July 2014, 21 October 2014, 3 February 2015, 21 April 2015</i></p>
<p>21 Annual Report Annual report under Sections 131, 132 and 133 of the <i>Local Government Act, 1989</i> to the community containing a report of operations and audited financial and performance statements.</p>	<p><i>Considered at a meeting of Council in accordance with Section 134 of the Local Government Act, 1989. Date statements presented: 16 September 2014.</i></p>

6.3 Governance and Management Checklist

Governance and Management Items	Assessment
22 Councillor Code of Conduct Code under Section 76C of the <i>Local Government Act, 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors.	<i>Reviewed in accordance with Section 76C of the Local Government Act, 1989.</i> <i>Date reviewed: 17 September 2013.</i>
23 Delegations A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff.	<i>Reviewed in accordance with Section 98(6) of the Local Government Act, 1989.</i> <i>Date reviewed: 5 March 2015.</i>
24 Meeting Procedures A local law governing the conduct of meetings of Council and special committees.	<i>Local law No 1, Meeting procedures made in accordance with Section 91(1) of the Local Government Act, 1989.</i> <i>Date local law made: 6 November 2014.</i>

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



David Morcom
Chief Executive Officer
Dated: 29 September 2015



Cr Carolyn Crossley
Mayor
Dated: 29 September 2015

6.4 Statutory Information

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

6.4.1 Documents Available for Public Inspection

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

- Details of current allowances for the Mayor and Councillors.
- Details of Senior Officers' total salary packages for the current financial year and the previous year.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public.
- A list of all Special Committees established by Council and the purpose for which each committee was established.
- A list of all Special Committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees held in the previous twelve months except if the minutes relate to parts of meetings which have been closed to members of the public.
- A register of delegations.
- Submissions received in accordance with Section 223 of the Local Government Act, 1989 during the previous 12 months.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- A register of authorised officers.
- A list of donations and grants made by the Council during the financial year.
- A list of the names of the organisations of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- A list of contracts valued at \$150,000 or more which Council entered into during the financial year without first engaging in a competitive process.

6.4 Statutory Information

6.4.2 Best Value

In accordance with Section 208B(f) of the *Local Government Act, 1989* at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

Wellington Shire Council incorporates the Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and business excellence.

To further support our commitment to the Best Value Principles, in 2014/15 Council undertook an extensive review of all services, including the examination of key activity areas, service levels and key performance indicators.

6.4.3 Carers Recognition

Wellington Shire Council complies with the responsibilities outlined in the Carers Recognition Act, 2012 by providing flexibility for staff who are responsible for the care of others.

As part of its commitment to provide staff with opportunities to better balance work-life and external commitments, Council endorses Workplace Flexibility to support family friendly and flexible working provisions for all employees including ensuring that all employees and contractors are informed about the principles, obligations and provisions of carers recognition by:

- Addressing carers recognition through the organisation's staff induction program.
- Providing a policy for Individual Workplace Flexibility Arrangements for the purpose of maintaining work-life balance, or to cater for family/parental and/or other external responsibilities.
- Enabling staff to vary start and finish times or by taking additional planned leave in order to meet their caring commitments.
- A policy which enables staff to work from home, for a short period, to accommodate the care of an immediate family member. This is assessed on a case-by-case basis.

6.4.4 Contracts

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



6.4 Statutory Information

6.4.5 Disability Action Plan

Wellington Shire Council has an Access and Inclusion Strategy 2012-15 and accompanying action plan which incorporates a Disability Action Plan. The following actions have been implemented in 2014/15:

- Portable audio/hearing loops have been installed at the Sale and Yarram Customer Service Centres.
- Communication boards for people with limited or no speech have been developed for use in an emergency relief centre and are available at Aqua Energy, Gippsland Regional Sports Complex and Council 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 redevelopment project.
- Software has been purchased and made available to Council staff to be able to convert written documents into audio format for those with limited or no vision.
- Wellington Shire libraries have completed access and inclusion audits with a list of recommendations which are currently being implemented.

6.4.3 Domestic Animal Management Plan

In June 2014 a major revision of Wellington Shire Council's Domestic Animal Management Plan was completed, adopted by Council and submitted to the Animal Welfare Bureau of the Department of Primary Industries.

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

The Plan has been developed in accordance with the Domestic Animal Act, 1994 and outlines the services, programs and policies that are required to meet the requirements of this Act.

6.4.7 Food Act Ministerial Directions

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



6.4 Statutory Information

6.4.8 Freedom of Information

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

Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act, 1982*.

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

Access to 'documents' may be obtained through written request to the Freedom of Information Officer, as detailed in Section 17 of the Freedom of Information Act 1982. The word 'documents' covers a broad range of media including maps, films,

microfiche, photographs, computer printouts, emails, faxes, computer discs, tape recordings and videotapes.

Freedom of Information applications must:

- Be in writing;
- Provide a clear description of the documents being requested to enable relevant documents to be identified and located;
- Include the application fee or evidence that the applicant qualifies to have the application fee waived (hardship); and
- Be made to the agency that holds the documents the applicant is seeking.

If the documents are about the applicant's personal affairs, the applicant should provide evidence of their identity. For example, a photocopy or electronic copy of their current Drivers Licence.

The agency must make a decision whether to grant access to the documents within 45 days after receiving the request. The agency may determine that the document is exempt, the document does not exist or cannot be located or that further clarification from the applicant is required. Any exemptions must be in accordance with the *Freedom of Information Act, 1982*.

This Act sets out a number of situations in which an agency may refuse a person access to the documents they have requested. The main situations are requests for documents:

- Which affect the personal affairs of another person;
- Which are commercially confidential;
- Which would undermine law enforcement; or
- Which contain information supplied in confidence.

In addition to the application fee, access charges may also apply as determined by the Freedom of Information (Access Charges) Regulations 2014. Access charges relate to the costs incurred in granting access to the documents that have been requested. For example, search time and photocopying charges.

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

6.4 Statutory Information

6.4.9 Protected Disclosure Procedures

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

The *Protected Disclosure Act 2012* commenced operation on 19 February 2013, replacing the *Whistleblowers Protection Act, 2001* and established the Independent Broad-based Anti-Corruption Commission (IBAC) as part of a new integrity

system for Victoria. It aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector, including Wellington Shire Council, its employees and Councillors, and to provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2014/15 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

6.4.10 Road Management Act Ministerial Direction

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



6.4 Statutory Information

6.4.12 Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2014/15 year.

Indicator	Calculation	2013/14	2014/15
1 Average rates and charges per assessment.	<i>Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget.</i>	\$1,395.87	\$1,471.55
2 Average residential rates and charges per assessment.	<i>Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget.</i>	\$1,080.15	\$1,122.10
3 Average liabilities per assessment.	<i>Total liabilities/Number of assessments in the adopted budget.</i>	\$880.38	\$830.69
4 Operating result per assessment.	<i>Net surplus/Number of assessments in the adopted budget.</i>	\$4.31	\$362.09
5 Average operating expenditure per assessment.	<i>Operating expenditure/Number of assessments in adopted budget.</i>	\$2,199.67	\$2,256.45
6 Community satisfaction rating for overall performance generally of Council	<i>Result from the Annual Local Government Community Satisfaction Survey</i>	64	63

6.4 Statutory Information

6.4.12 Victorian Local Government Indicators

Indicator	Calculation	2013/14	2014/15
7 Average capital expenditure per assessment.	<i>Capital expenditure/ Number of assessments in the adopted budget.</i>	\$707.55	\$734.55
8 Renewal gap.	<i>Capital renewal/Average annual asset consumption.</i>	59%	64%
9 Renewal and maintenance gap.	<i>Capital renewal and maintenance/Average annual asset consumption plus planned.</i>	76%	78%
10 Community satisfaction rating for Council's advocacy and community representation on key local issues	<i>Result from the Annual Local Government Community Satisfaction Survey</i>	57	58
11 Community satisfaction rating for Council's engagement in decision making on key local issues	<i>Result from the Annual Local Government Community Satisfaction Survey</i>	60	59

Section 2

Performance Statement



1.0 Performance Statement

1.1 Description of Municipality

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

With a population of 41,440* Wellington Shire Council comprises a wide variety of industry and business contributing to the local economy including mining, offshore oil and gas extraction, primary production and agriculture, tourism and service industries, manufacturing and construction, retail, healthcare, education, arts and recreation and community services.

In addition, RAAF Base East Sale is a major air and ground training base and home to the famous Roulettes, Central Flying School, the Officers' Training School and the schools of Air Warfare and Air Traffic Control.

**2011 Census.*



1.0 Performance Statement

1.2 Sustainable Capacity Indicators

For the year ended 30 June 2015

Indicator / Measure	Results 2015	Material Variations
Own-source Revenue Own-source revenue per head of municipal population.	\$1,395	No material variations.
Recurrent Grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population].	\$503	On 30 June 2015, the Commonwealth Government remitted an advance payment of \$6.07 million for the 2015/16 Financial Assistance Grants, which has had a significant impact on this indicator.
Population Expenses per head of municipal population [Total expenses / Municipal population].	\$1,777	No material variations.
Population Infrastructure per head of municipal population [Value of infrastructure / Municipal population].	\$18,727	No material variations.
Population Population density per length of road [Municipal population / Kilometres of local roads].	13.6	No material variations.
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile].	4	No material variations.

Definitions

"adjusted underlying revenue" means total income other than:
(a) non-recurrent grants used to fund capital expenditure; and
(b) non-monetary asset contributions; and

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

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

"local road" means a sealed or unsealed road for which 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.

1.0 Performance Statement

1.3 Service Performance Indicators

For the year ended 30 June 2015

Indicator / Measure	Results 2015	Material Variations
Governance (Satisfaction) Satisfaction with council decisions 58 [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community].	58	6 points higher than Large Rural Council average and 1 point higher than 2014 result.
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%	There was only 1 decision referred which was upheld at VCAT.
Roads (Satisfaction) Satisfaction with sealed local roads 52 [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads].	52	7 points higher than Large Rural Council average and 3 points higher than 2014 result.
Libraries (Participation) Active library members [Number of active library members / Municipal population] x100	15.4%	In February 2015 Sale College withdrew from shared library management system and it will take some time to recover student memberships lost as part of this transition. This has had an impact on our active membership and collection usage data.

Definitions

"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

"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

"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

"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

"population" means the resident population estimated by council

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

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

1.3 Service Performance Indicators

For the year ended 30 June 2015

Indicator / Measure	Results 2015	Material Variations
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	34.6%	High volume of waste diverted away from landfill suggests an improvement in the effectiveness of councils waste collection.
Aquatic Facilities (Utilisation) Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.6	Figure shows the utilisation of Sale indoor pools and outdoor pools in Sale, Maffra, Yarram, Rosedale, Heyfield and Stratford.
Animal Management (Health and Safety) Animal management prosecutions [Number of successful animal management prosecutions]	11	Low number of successful animal prosecutions suggests an improvement in the effectiveness of councils animal management.
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%	Zero critical non-compliance notifications Four major non-compliance notifications

Definitions

"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

"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

"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

"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

"population" means the resident population estimated by council

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

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

1.0 Performance Statement

1.4 Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / Measure	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	

Operating Position

Adjusted Underlying Result

Adjusted underlying surplus (or deficit)	8.5%	-1.5%	6.3%	2.8%	1.2%
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100					

This measure is estimated to decrease by 10% to -1.5% in 2016, primarily due to the impact of unexpected advance payments for 2015/16 of \$6.07 million received on 30 June 2015 which generated a higher than expected adjusted underlying result for 2015. The forecast fluctuations in this measure over the 4 year period are due to a number of individual programmes, such as the rehabilitation of landfills (\$2.4 million in 2015/16 and \$2.9 million in 2018/19) and increased payments associated with the continuation of the Wellington Coast Subdivision Strategy voluntary assistance scheme (\$0.6 million in 2015/16).

Liquidity

Working Capital

Current assets compared to current liabilities [Current assets / Current liabilities] x100	321.1%	256.2%	268.5%	297.4%	229.4%
--	--------	--------	--------	--------	--------

On 30 June 2015, the Commonwealth Government remitted an advance payment of \$6.07 million for the 2015/16 Financial Assistance Grants, which has had a significant impact on cash assets.

Definitions

"adjusted underlying revenue" means total income other than-
(a) non-recurrent grants used to fund capital expenditure; and
(b) non-monetary asset contributions; and

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

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

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

"current assets" has the same meaning as in the Australian Accounting Standards (AAS)

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

1.0 Performance Statement

1.4 Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / Measure	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	
Liquidity						
Unrestricted Cash						
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	156.8%	191.6%	204.5%	230.1%	176.2%	Unrestricted cash is forecast to steadily increase between 2015/16 and 2017/18 primarily due to a reduction in Council's current loan borrowings, while in 2018/19, it is estimated that Council may partially redraw on loans due to be repaid.
Obligations						
Loans and Borrowings						
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	26.6%	25.7%	23.5%	22.9%	23.1%	The result for this measure is expected to remain steady over the 4 year period, as Council constructs a number of key residential street and drainage schemes, funded by borrowings which will be repaid over time by the ratepayers benefiting from the works.
Obligations						
Loans and Borrowings						
Loans and borrowings compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	7.3%	7.5%	4.8%	3.4%	2.7%	Existing Council loans will be progressively repaid over the four years.

Definitions

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(a) non-recurrent grants used to fund capital expenditure; and
(b) non-monetary asset contributions; and

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

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1.4 Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / Measure	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	
Obligations Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	20.4%	20.9%	19.7%	19.9%	15.3%	<i>It is forecast that during the period 2015/16 to 2017/18, Council's non-current liabilities will remain steady while revenue is forecast to increase by between 3.5% and 3.8%, thereby resulting in a minor decrease in this measure over the three years. In 2018/19 Council's non-current borrowings liabilities will decrease by approximately 20% as Council plans to repay borrowings in the following year.</i>
Obligations Asset Renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	69.4%	95.2%	105.7%	77.1%	85.9%	<i>Council continually addresses the asset renewal gap, which with the successful receipt of grant funding for major projects such as the Port of Sale Cultural Hub and the Yarram Streetscape renewal (which will be completed in the first 2 years) allows Councils to reduce this gap. The completion of these projects and other major renewal projects, will result in a minor lag in the commencement of future projects which is reflected in the decrease of this measure for years 3 and 4.</i>

Definitions

"adjusted underlying revenue" means total income other than-
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"unrestricted cash" means all cash and cash equivalents other than restricted cash.

1.4 Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / Measure	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	
Stability						
Rates Concentration						
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	60.3%	66.5%	66.5%	68.8%	69.0%	In preparation for Rate Capping, the 4 year forecast assumes an amount each year for growth in the rate base and also comprises a minimum rate in the dollar increase and CPI increases for other charges. By the end of this 4 year period the overall increase in rate income exceeds the anticipated increase in underlying revenue.
Stability						
Rates Effort						
Rates compared to property material variations values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.54%	0.56%	0.58%	0.59%	0.60%	No material variations.
Efficiency						
Expenditure Level						
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,181	\$2,355	\$2,259	\$2,350	\$2,473	This measure is forecast to increase by \$118 per assessment by 2019. This increase reflects the inclusion of a CPI increase over the period with some years (2015/16 and 2018/19) impacted by large one – off projects.

Definitions

“adjusted underlying revenue” means total income other than-

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

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

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

1.0 Performance Statement

1.4 Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / Measure	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	
Efficiency						
Revenue Level						
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,115	\$1,188	\$1,240	\$1,294	\$1,351	<i>This measure is forecast to increase by \$163 per assessment by 2019. As Council prepares for Rate Capping, the future 4 years is based on a minimum rate in the dollar increase, CPI increases for other charges and a forecast growth of 2% per annum in the residential capital improved values (CIV) over this period.</i>

Efficiency**Workforce Turnover**

Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations /	9.4%	12%	11%	10%	10%	Due to the increase in population of employees who are more than 65 years of age, the predicted turnover for 2016, 2017 years are slightly higher than the long term average which is 10%.
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Definitions

"adjusted underlying revenue" means total income other than-
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"unrestricted cash" means all cash and cash equivalents other than restricted cash.

1.0 Performance Statement

1.5 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 municipality 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 which have been provided where applicable as appropriate in this first year of reporting under the new Local Government Performance Reporting Framework. Council is yet to set materiality thresholds and have no baseline data for material variations in 14/15.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 16 June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

WELLINGTON
CITY COUNCIL
the centre of opportunity

Certification of the performance statement

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

[Signature]
Principal Accounting Officer
Local Government Act 1989
Dated: 22 September 2015

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

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

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

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

[Signature]
Councillor
Peter Healey
Dated: 22/09/15

[Signature]
Councillor
John Duncan
Dated: 21/09/15

[Signature]
Chief Executive Officer
David McKinnon
Dated: 22 September 2015

Wellington City Council
1 South View, 100 The Terrace, Wellington 6142
www.wellington.govt.nz

Financial Results Table
The financial results table is set out in the General Purpose Financial Statements.

United Oil Drive
The United Oil Drive is set out in the General Purpose Financial Statements.

1.0 Performance Statement

1.5 Basis of Preparation



Section 3

Annual Financial Report

The background of the slide is a composite image. On the right side, there is a close-up photograph of a koala clinging to a tree trunk. The left side of the slide is dominated by a solid orange color, which is intersected by several diagonal, semi-transparent bands of darker orange and brown. A large, white, stylized number '3' is positioned on the right side, partially overlapping the koala image and the orange background.

1.0 Financial Report

1.1 Annual Financial Report

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**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$'000	2014 \$'000
Income			
Rates and charges	3	49,392	46,958
Statutory fees and fines	4	566	467
User fees	5	6,113	5,688
Grants - operating	6	21,156	9,707
Grants - capital	6	5,076	6,718
Contributions - monetary	7	339	499
Contributions - non monetary	7	1,589	920
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(177)	183
Other Income	9	3,002	2,466
Total income		87,056	73,606
EXPENSES			
Employee costs	10	22,906	21,934
Materials and services	11	27,175	28,218
Bad and doubtful debts	12	107	120
Depreciation and amortisation	13	22,491	21,430
Borrowing costs	14	863	730
Other expenses	15	1,476	1,030
Total expenses		75,018	73,462
Surplus/(deficit) for the year		12,038	144
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	25(a)	8,000	53,319
Total comprehensive result		20,038	53,463

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

The 2014 figures have been reclassified in order to comply with the Local Government Model Financial Report disclosure requirements.

1.0 Financial Report

1.1 Annual Financial Report

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	44,358	36,189
Trade and other receivables	17	5,963	6,642
Other assets	18	2,327	1,669
Total Current Assets		52,648	44,500
Non-current assets			
Trade and other receivables	17	1,486	1,246
Property, infrastructure, plant and equipment	19	887,242	877,063
Intangible assets	20	901	1,126
Total non-current assets		889,629	879,435
Total assets		942,277	923,935
Liabilities			
Current liabilities			
Trade and other payables	21	6,103	5,603
Trust funds and deposits	22	769	718
Provisions	23	6,532	6,032
Interest-bearing loans and borrowings	24	2,990	2,847
Total current liabilities		16,394	15,200
Non-current liabilities			
Provisions	23	1,855	1,755
Interest-bearing loans and borrowings	24	10,137	13,127
Total non-current liabilities		11,992	14,882
Total liabilities		28,386	30,082
Net assets		913,891	893,853
Equity			
Accumulated surplus		300,879	286,409
Reserves	25	613,012	607,444
Total Equity		913,891	893,853

The above balance sheet should be read with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		893,853	286,409	600,519	6,925
Surplus/(deficit) for the year		12,038	12,038	-	-
Net asset revaluation increment/(decrement)	25(a)	8,000	-	8,000	-
Transfer from asset revaluation reserve to accumulated surplus	33	-	2,555	(2,555)	-
Transfers to other reserves	25(b)	-	(1,553)	-	1,553
Transfers from other reserves	25(b)	-	1,430	-	(1,430)
Balance at end of the financial year		913,891	300,879	605,964	7,048
2014					
Balance at beginning of the financial year		840,128	284,754	548,339	7,035
Effects of correction of errors	1(x)	262	472	(210)	-
Surplus for the year		144	144	-	-
Net asset revaluation increment/(decrement)	25(a)	53,319	-	53,319	-
Transfer from asset revaluation reserve to accumulated surplus	33	-	929	(929)	-
Transfers to other reserves	25(b)	-	(2,413)	-	2,413
Transfers from other reserves	25(b)	-	2,523	-	(2,523)
Balance at end of the financial year		893,853	286,409	600,519	6,925

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

1.0 Financial Report

1.1 Annual Financial Report

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and Charges		48,619	46,446
Statutory fees and fines		566	419
User fees		5,937	5,555
Grants - operating		21,510	10,361
Grants - capital		5,327	6,557
Contributions -monetary		463	608
Interest received		1,251	1,175
Other receipts		1,752	1,291
Goods and Services Tax Collected	1(t)	774	755
Goods and Services Tax Refunds from the Australian Taxation Office	1(t)	4,092	4,014
Employees costs		(22,390)	(26,359)
Payments to Suppliers		(26,749)	(28,366)
Other payments		(730)	(727)
Goods and Services Tax Paid to Suppliers	1(t)	(4,865)	(4,769)
Net cash provided by operating activities	26	35,557	16,960
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	19	(24,381)	(23,625)
Proceeds from sale of property, infrastructure, plant and equipment	8	613	988
Net cash used in investing activities		(23,768)	(22,637)
Cash flows from financing activities			
Finance costs		(773)	(716)
Proceeds from borrowings		-	9,000
Repayment of borrowings		(2,847)	(2,815)
Net cash provided by/(used in) financing activities		(3,620)	5,469
Net increase/(decrease) in cash and cash equivalents		8,169	(208)
Cash and cash equivalents at the beginning of the financial year		36,189	36,397
Cash and cash equivalents at the end of the financial year	27	44,358	36,189
Financing arrangements	28		
Restrictions on cash assets	16		

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

STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
Property			
Land		-	1,170
Land improvements	12	-	-
Total land		12	1,170
Buildings		8,070	7,771
Total buildings		8,070	7,771
Total property		8,082	8,941
Plant and equipment			
Plant, machinery and equipment		1,555	2,091
Furniture and Fittings		1,007	251
Computers and telecommunications		601	-
Library Books		240	251
Art Works		72	18
Total plant and equipment		3,475	2,611
Infrastructure			
Roads		7,550	7,261
Bridges		708	1,045
Footpaths and cycleways		1,587	1,279
Drainage		132	351
Recreational, leisure and community facilities		646	1,371
Waste management		68	16
Parks, open space and streetscapes		952	471
Aerodromes		86	45
Off street car parks		49	-
Other infrastructure		1,016	56
Total infrastructure		12,794	11,895
Total capital works expenditure		24,351	23,447
Represented by:			
Asset renewal expenditure		15,381	13,631
Asset expansion expenditure		1,546	7,920
Asset upgrade expenditure		7,424	1,896
Total capital works expenditure		24,351	23,447

The above Statement of Capital Works should be read with the accompanying notes.
The Statement of Capital Works includes Work In Progress and excludes Intangibles.

1.0 Financial Report

1.1 Annual Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2015
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 Desallay Street, Sale 3850.

STATEMENT OF COMPLIANCE

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

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

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

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

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

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

(b) Change in accounting policies

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

(c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(d) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

Notes to the Financial Report
For the Year Ended 30 June 2015
NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Revenue recognition (cont'd)***User fees*

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

Grants

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in notes 6 and 7. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned. Interest may also include amounts recognised as a result of changes to the Net Present Value of the Landfill Rehabilitation Provision due to interest rate movements.

Other Income

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

(e) Fair value measurement

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

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

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Other financial assets

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

(i) Non-current assets classified as held for sale

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

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

Acquisition

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 19, 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.

Drainage

As at 1 July 2014 Drainage assets were revalued. This process resulted in a credit to the Asset Revaluation Reserve of \$6.91 million. The value of these assets increased by \$9.3 million, and as a result, future depreciation will increase by \$99,270.

Buildings and Structures

As at 30 June 2015, management conducted a review of the carrying value of this class of assets and estimated that this was in excess of its value. Accordingly, a management adjustment was made, resulting in a credit to the Asset Revaluation Reserve of \$1.1 million. The value of these assets reduced by \$52.5 million, and as a result, future depreciation will reduce by \$1.37 million.

A full revaluation of this class of assets is scheduled for 1 July 2015.

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Prior Year Newly Recognised/Derecognised Adjustments

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

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

	Actual	Prior year adjustments	Reclassified	Restated
	2014	Newly recognised	Derecognised	Actual
	\$'000	\$'000	\$'000	\$'000
Roads	496,066	5	(14)	496,057
Bridges	58,134		(31)	58,103
Footpaths	23,551	6		23,557
Drainage	62,864	5	(11)	62,858
Land	78,852			78,852
Landfill Improvements*	1,519			878
Land under Roads	17,067			17,067
Buildings	71,828	595	(324)	72,099
Recreational, Leisure and Community	15,194			15,194
Waste Management	2,986			2,986
Parks Open Space and Streetscapes	16,963			16,963
Aerodromes	9,567			9,567
Off Street Car Parks	2,384			2,384
Other Infrastructure	4,992			4,992
Art Gallery	1,927			1,927
Plant, Machinery and Equipment	6,098			6,098
Fixtures, Fittings and Furniture	663			663
Computers and Telecomms	424			424
Library Books	1,549			1,549
Work in Progress	4,845			4,845
Property, Infrastructure, Plant and Equipment	877,473	611	(380)	(641)
				877,063

*Landfill Improvements in prior years included Landfill Air Space which was reclassified during the 2014/15 financial year to Intangibles. For further details on Intangibles refer to Note 20.
The total effect of the correction of prior year errors for 'newly recognised' and 'derecognised' assets above was \$231,000 - refer Note 1(x).
The associated effect on the Accumulated Surplus (\$441,000) and Asset Revaluation Reserve (-\$210,000) are disclosed in the Statement of Changes of Equity.

Land under roads

Council recognises land under roads it controls at fair value.

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

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

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Notes to the Financial Report
For the Year Ended 30 June 2015

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

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

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

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Repairs and Maintenance

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

(m) Impairment of assets

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

(n) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 22).

(o) Borrowings

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

Borrowing costs

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

Borrowing costs include interest on bank overdrafts, interest on borrowings, finance lease charges, and amounts recognised as a result of changes to the Net Present Value of the Landfill Rehabilitation Provision due to interest rate movements.

(p) Employee costs and benefits

Employee costs and benefits include all relevant on-costs and are calculated as follows at reporting date

Wages and salaries and annual leave

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

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

1.0 Financial Report

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Long service leave

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

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

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

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

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

Sick Leave Gratuity

A former entity of Wellington Shire Council had established a sick leave gratuity scheme which ceased at the end of September 1991.

(q) Provision for Doubtful Debts

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

Included in the Provision for Doubtful Debts is an amount relating to land in the 90 Mile Beach inappropriate subdivision. Council has a significant number of rateable properties in this area for which provision has been made for a total amount outstanding of \$2,465,939 (2014 \$2,482,784). A provision has been established as these properties are unable to be sold in order for Council to recover the debt.

(r) Landfill rehabilitation provision

Under Environment Protection Authority (EPA) legislation Council is obligated to restore licensed landfill sites to a particular standard. Current projections have been taken into account in determining when the 3 licensed landfills at Kilmany, Longford and Maffra will cease operation and the timing of restoration work. The forecast lives of these sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard, however has not yet been approved by the EPA. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(s) Leases

Finance leases

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

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

Leasehold improvements

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

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(u) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 31 Contingent Assets and Liabilities

(v) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(w) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(x) Effects of corrections of errors on prior year

A number of adjustments have been deemed to be prior year errors which have been retrospectively adjusted to equity against prior year opening balances (refer 1(j)).

These include :

	\$'000
Newly recognised Assets (Note 1(j))	611
Derecognised Assets (Note 1(j))	(380)
Prior Year purchase order Receipts Cancelled	31
Total effects of correction of errors	262

(y) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 2 BUDGET COMPARISON

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

The budget figures detailed below are those adopted by Council on 24 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

a) Income and Expenditure

	*Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Income				
Rates and charges	48,923	49,392	469	
Statutory fees and fines	427	566	139	1
User fees	5,604	6,113	509	
Grants - operating	14,210	21,156	6,946	2
Grants - capital	5,003	5,076	73	
Contributions - monetary	1,001	339	(662)	3
Contributions - non monetary	-	1,589	1,589	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	93	(177)	(270)	5
Other income	1,872	3,002	1,130	6
Total income	77,133	87,056	9,923	
Expenses				
Employee costs	23,453	22,906	547	
Materials and services	30,285	27,175	3,110	7
Bad and doubtful debts	112	107	5	
Depreciation and amortisation	22,854	22,491	363	
Borrowing costs	816	863	(47)	
Other expenses	721	1,476	(755)	8
Total expenses	78,241	75,018	3,223	
Surplus/(deficit) for the year	(1,108)	12,038	13,146	

The Budget 2015 figures have been reclassified in order to comply with the Local Government Model Financial Report disclosure requirements.

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Income from infringements has exceeded budget (\$67k); this income is unpredictable and based on community behaviour. Planning and land information certificate fees have exceeded budget(\$43k) with increased demand for these services in the final quarter of 2014/15. Income from registration fees and permits has also exceeded budget (\$29k); this income is unpredictable and based on the number of customer requests.
2	Grants - operating	On 30 June 2015 the Commonwealth Government remitted an advance payment of 50% of Council's 2015/16 Financial Assistance Grant allocation, resulting in an unexpected receipt of \$6.07 million. This money will be expended in 2015/16. A further \$677k funding was received/accrued in relation to a number of natural disaster events in 2013, 2014 and 2015.
3	Contributions - monetary	Contributions were not received for the Princes Highway/Cobains Road Intersection Upgrade project (\$672k) as it is now going to be undertaken directly by the developer in 2015/16 with a monetary contribution provided by Council. Unbudgeted additional grants received for the Gippsland Regional Plan (\$72k) and other smaller miscellaneous projects (net \$89k), are offset by non-receipt of Agri-Industry Transformation project funds (\$100k) due to a reduction in the scope of the project, and the Gordon St Recreation Reserve Clubrooms Redevelopment (\$50k) as the project was deferred to 2015/16.
4	Contributions - non monetary	Non monetary contributions for 2014/15 consisted mainly of infrastructure assets contributed by developers for new subdivisions (\$1.30 million). Council also recognised gifted and donated assets relating to land acquired under the Wellington Coast Subdivision Strategy Voluntary Assistance Scheme (\$110k), and capital improvement works undertaken by Committees of Management.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Net loss on disposal of assets was primarily due to the losses realised from the sale of land (\$201k), plant (\$122k) and buildings (\$32k) during the year. This was partially offset by profits generated on the sale of motor vehicles for more than their written down value (\$97k).
6	Other income	Council received an unbudgeted donation of \$0.5 million towards the Port of Sale Cultural Hub. Further unbudgeted income of \$126k was received from the sale of discontinued assets at the Sale Livestock Exchange and the Thompson River Caravan Park. Delays in the completion of capital projects led to higher than expected cash levels resulting in additional interest on investments, coupled with higher rates debtors balances incurring interest over expected levels (\$315k).
7	Materials and services	During 2014/15, an extension of time was granted for landowners to submit their titles for the Wellington Coast Subdivision Strategy voluntary assistance scheme. Originally these funds (\$3.17 million) were required to be fully allocated by 30 June 2015 but will now continue to be allocated into 2015/16 and future years. The Longford Landfill rehabilitation works (\$981k) and the Rosedale Recreation Reserve Water Bore (\$195k) were delayed to 2015/16.
		Savings were seen in utility costs across council facilities (\$230k) and insurances (\$165k). This was offset by landscaping expenditure originally budgeted as capital works, but expensed due to the nature of the works and a contribution made to the Seaspray Surf Lifesaving Club (\$270k). Energy Efficient Street Lighting \$270k was overspent in comparison to budget, funded by a carry forward from 2013/14.
8	Other expenses	During the year, Council transferred roads to the Department of Environment, Land, Water and Planning (\$571k). In addition a number of assets which were no longer maintained by Council were derecognised (\$208k).

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 2 BUDGET COMPARISON (CONT'D)

b) Capital Works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Property				
Land improvements	30	12	18	
Total Land	30	12	18	
Buildings	10,501	8,070	2,431	1
Total Buildings	10,501	8,070	2,431	
Total Property	10,531	8,082	2,449	
Plant and Equipment				
Plant, machinery and equipment	1,786	1,555	231	
Fixtures, fittings and furniture	257	1,007	(750)	
Computers and telecommunications*	707	601	106	
Library books	251	240	11	
Art Works	60	72	(12)	
Total Plant and Equipment	3,061	3,475	(414)	
Infrastructure				
Roads	10,353	7,550	2,803	2
Bridges	1,823	708	1,115	3
Footpaths and cycleways	932	1,587	(655)	4
Drainage	150	132	18	
Recreational, leisure and community facilities	504	646	(142)	
Waste management	753	68	685	5
Parks, open space and streetscapes	3,773	952	2,821	6
Aerodromes	155	86	69	
Off street car parks	50	49	1	
Other infrastructure	1,105	1,016	89	7
Total Infrastructure	19,598	12,794	6,804	
Total Capital Works Expenditure	33,190	24,351	8,839	
Represented by:				
New asset expenditure	-	-	-	
Asset renewal expenditure	19,419	15,381	4,038	
Asset expansion expenditure	3,626	1,546	2,080	
Asset upgrade expenditure	10,145	7,424	2,721	
Total Capital Works Expenditure	33,190	24,351	8,839	

* This budget comparison excludes Intangibles

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 2 BUDGET COMPARISON (CONT'D)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Gordon Street Recreation Reserve Clubrooms Redevelopment (\$1.3 million) has been deferred until 2015/16 due to design delays, with funds received for this project redirected to the Sale Livestock Exchange Project. Yarram District Hub (\$681k) also faced an initial delay due to design changes in order to meet children's services requirements. This pushed construction into winter where inclement weather prevented works from being completed on schedule therefore some minor external landscaping and road works are continuing in 2015/16. Server room, IT infrastructure and meeting room information technology upgrades (\$607k) for Council's remote sites were deferred until all Desailly Street infrastructure was completed. Some Port of Sale Cultural Hub Design works (\$243k) could not be completed until after the federal grant funding announcement on the 12 May 2015. New grant funding (\$360k) was received for the Sale Oval Royal Flying Doctors Service project.
2	Roads	The Princes Highway/Cobains Road Intersection Upgrade project (\$2.6 million) is to be undertaken directly by the developer in 2015/16 with a monetary contribution provided by Council. The Taylors Lane project (\$212k) was not progressed as no Timber Impacted Roads Funding was received.
3	Bridges	Since funding was received in October 2014 work on the McLoughlins Beach Footbridge (\$750k) has commenced including design and permits; construction is now set to be completed in 2015/16 in line with the funding agreement. Maxfields footbridge (\$200k) is currently on hold awaiting a funding application to be submitted in 2015/16.
4	Footpaths and cycleways	New grant funding was received in order to complete work on the Sale to Longford path. Pearson Street Maffra was delayed to 2015/16 and is now expected to be completed by December 2015. The Sale CBD Infrastructure Renewal Program was originally budgeted under Parks, open space and streetscapes but a portion of the work (\$408k) was capitalised as a footpath asset.
5	Waste management	Kilmory Landfill - Leachate Treatment Infrastructure (\$204) and Kilmory Resource Recovery Area Extension (\$205k) projects are to be completed in 2015/16 due to delays in obtaining EPA approval. The Sale Transfer Station works were deferred due to Council exploring land use alternatives with another authority.
6	Parks, open space and streetscapes	Commercial Road Streetscape works (\$1 million) were rescheduled in order to coordinate work on pavements and water mains undertaken by third parties. Sale CBD Infrastructure Renewal Program received additional Local Priority Funding for Raymond Street North, allowing rates funding to be redirected, as a contribution to the Seaspray Surf Lifesaving Club. Work on McArthur Street was delayed due to land ownership negotiations (this was always budgeted as a multi year project) and continues in 2015/16. Landscaping expenditure originally budgeted as capital works was expensed due to the nature of the works (\$568k). Stephenson's Park Power Supply Upgrade (\$313k) has been delayed to 2015/16.
7	Other infrastructure	Construction of the McLoughlins floating pontoons (\$301k) will commence along with McLoughlins Beach Footbridge in 2015/16. Works on the Sale Livestock Exchange Upgrade (\$1.2 million) planned for 2015/16 were brought forward into 2014/15, with capital requirements reorganised to accommodate completion schedules across other projects.

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Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 3 RATES AND CHARGES		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total land and improvements value.		
The valuation base used to calculate general rates for 2014/2015 was \$8,965 million (2013/2014 \$8,522 million). The 2014/2015 general rate in the CIV dollar was 0.005182 (2013/2014, 0.005199) and farm rate 0.004145 (2013/2014, 0.004159).		
General Rates	44,383	42,287
Waste management charge	3,137	3,060
Service rates and charges	1,245	1,238
Supplementary rates and rate adjustments	569	324
Cultural and recreational	58	49
TOTAL RATES AND CHARGES	49,392	46,958
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied in the rating year commencing 1 July 2014.		
NOTE 4 STATUTORY FEES AND FINES		
Planning fees	220	215
Infringements and costs	159	88
Land and Building information certificates	98	96
Permits	89	68
TOTAL STATUTORY FEES AND FINES	566	467
NOTE 5 USER FEES		
Waste management services	2,404	2,133
Leisure centres	2,116	2,056
Registration and other permits	602	592
Entertainment Centre	378	301
Other fees and charges	343	347
Emergency Management Works	100	119
Caravan Parks	98	87
Animal Services	72	53
TOTAL USER FEES	6,113	5,688

Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 6 GRANTS		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	20,150	9,241
State funded grants	6,082	7,185
TOTAL GRANTS	26,232	16,425
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	18,270	6,115
<i>Recurrent - State Government</i>		
School crossing supervisors	77	71
Libraries	302	298
Art Gallery and Entertainment Centre	221	209
Rural access and Transport connection	223	211
Property Valuation	30	174
Environmental health	74	102
Parks and Environmental services	84	75
State emergency services	75	74
Municipal emergency	120	73
Senior citizens	53	54
Community support programs	25	25
Planning	0	23
Economic Development	10	10
Fire services property levy	53	-
Other	12	44
Total recurrent operating grants	19,629	7,558
<i>Non Recurrent - State Government</i>		
Community and Recreation facilities upgrade	306	369
Natural disaster funding	490	473
Parks and Environmental services	11	79
Wellington coastal subdivision strategy	500	500
Infrastructure	-	390
Municipal emergency	164	111
Economic development and Tourism	15	85
Fire services property levy	-	84
Community support programs	18	58
Environmental health	23	-
Total non- recurrent operating grants	1,527	2,149
Total operating grants	21,156	9,707

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Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 6 GRANTS (CONT'D)		
Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,627	2,967
Total recurrent capital grants	1,627	2,967
<i>Non-recurrent - State Government</i>		
Buildings	2,573	1,517
Parks, open space and streetscapes	655	673
Footpaths	188	-
Waste Management	21	-
Roads	-	853
Bridges	-	699
Library Books	10	10
Computers and telecommunications	2	-
Total non-recurrent capital grants	3,449	3,751
Total capital grants	5,076	6,718
Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	2,868	3,545
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	2,854	11,228
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	14	(7,683)
NOTE 7 CONTRIBUTIONS		
Monetary	339	499
Non-monetary	1,589	920
TOTAL CONTRIBUTIONS	1,928	1,419
<i>Contributions of non monetary assets were received in relation to the following asset classes:</i>		
Land	447	403
Land under roads	12	45
Buildings	189	-
Infrastructure	937	330
Art Works	4	142
	1,589	920
Conditions on Contributions		
Monetary contributions recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	46	180
Monetary contributions which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	105	119
Net increase/(decrease) in restricted assets resulting from monetary contribution revenue for the year:	(59)	61
NOTE 8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Disposal of Plant and Equipment		
Proceeds of Sale	613	988
Written down value of assets disposed	(790)	(805)
TOTAL NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT	(177)	183

Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 9 OTHER INCOME		
Interest	1,586	1,494
Other rent	602	664
Other	814	308
TOTAL OTHER INCOME	3,002	2,466
NOTE 10(a) EMPLOYEE COSTS		
Wages and salaries	18,843	18,102
WorkCover	418	322
Casual staff	1,166	1,082
Superannuation	1,872	1,734
Fringe benefits tax	219	230
Other	388	464
TOTAL EMPLOYEE COSTS	22,906	21,934

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 10(b) SUPERANNUATION

The Wellington Shire Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

Defined Benefit

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

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

Superannuation contributions

Contributions by Wellington Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined benefits	9.50%	255	223
Vision Super	Accumulation	9.50%	1,092	1,021
Employer contributions to other funds	Accumulation	9.50%	520	489

In addition to the above contributions, Wellington Shire Council has paid no unfunded liability payments to Vision Super during the 2014/15 year (2013/14 Nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$ 257,564.

Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 11 MATERIALS AND SERVICES		
Contractors	12,438	12,936
Materials	7,075	7,767
Contributions	3,173	3,133
Utility Payments	2,176	2,187
Insurances	951	988
Consultants	392	399
Authority Fees	894	702
Legal Expenses	76	106
TOTAL MATERIALS AND SERVICES	27,175	28,218

NOTE 12 BAD AND DOUBTFUL DEBTS

Rates Debtors	87	79
Other Debtors	2	19
Infringements	18	22
TOTAL BAD AND DOUBTFUL DEBTS	107	120

NOTE 13 DEPRECIATION AND AMORTISATION

Infrastructure	12,579	12,291
Property	7,243	6,322
Plant and Equipment	2,117	2,154
Landfill Improvements	224	219
Intangible assets	328	444
TOTAL DEPRECIATION AND AMORTISATION	22,491	21,430

Refer to note 19 and 20 for a more detailed breakdown of depreciation and amortisation charges

NOTE 14 BORROWING COSTS

Interest - Borrowings	769	716
Changes to Net Present Value due to interest rate movements	94	14
TOTAL BORROWING COSTS	863	730

NOTE 15 OTHER EXPENSES

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	47	46
Auditors' remuneration - Internal	36	20
Councillors' allowances	283	273
Operating lease rentals	295	323
Impairment Expenses	-	112
Work in Progress Written Off	36	1
Compensation	-	200
Derecognition of assets	779	55
TOTAL OTHER EXPENSES	1,476	1,030

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Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 16 CASH AND CASH EQUIVALENTS		
Cash on hand	5	6
Cash at bank	6,336	305
Term deposits	38,017	35,878
TOTAL CASH AND CASH EQUIVALENTS	44,358	36,189
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 22)	769	718
Unexpended grants and contributions (note 6 & 7)	2,914	3,725
Prior years unexpended grants and contributions	3,733	2,973
Other non discretionary reserves (Note 25(b))	845	1,100
Total restricted funds	8,261	8,516
Total unrestricted cash and cash equivalents	36,097	27,673
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works/operating projects	4,319	7,735
Cash held in relation to the Victoria Grants Commission advance to fund general operations and roads works	6,073	
Discretionary reserves (Note 25(b))	6,203	5,825
Total funds subject to intended allocations	16,595	13,560
NOTE 17 TRADE AND OTHER RECEIVABLES		
Current		
Rates debtors	2,167	2,140
Government grants	1,790	2,520
Other debtors	919	625
Provision for doubtful debts - other debtors	(1)	(7)
Waste management	238	579
Special charge schemes	54	169
Net GST receivable	796	616
Total current trade and other receivables	5,963	6,642
Non-current		
Rates debtors - refer Note 1(q)	3,633	3,400
Provision for doubtful debts - rate debtors refer Note 1(q)	(2,466)	(2,482)
Special charge schemes	295	304
Provision for doubtful debts - special charge scheme	(2)	(2)
Other debtors	52	43
Provision for doubtful debts - other debtors	(26)	(17)
Total non-current trade and other receivables	1,486	1,246
TOTAL TRADE AND OTHER RECEIVABLES	7,449	7,888
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	3,080	2,301
Past due by up to 30 days	216	1,334
Past due between 31 and 180 days	4	18
Past due between 181 and 365 days	-	13
Past due by more than 1 year	10	11
Total trade & other receivables	3,310	3,677

Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 17 TRADE AND OTHER RECEIVABLES (CONT'D)		
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	7	-
New Provisions recognised during the year	1	7
Amounts already provided for and written off as uncollectible	(7)	-
Amounts provided for but recovered during the year		-
Balance at end of year	1	7
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of Nil (2014 Nil) were impaired.		
NOTE 18 OTHER ASSETS		
Prepayments	341	261
Accrued Income	1,986	1,408
TOTAL OTHER ASSETS	2,327	1,669

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 19 (a)

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Land and Buildings

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Land Under Roads \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
Fair Value 1 July 2014	2,576	76,276	1,179	17,067	97,098	160,466	10,656	171,122	3,836	272,056
Accumulated Depreciation at 1 July 2014			(301)		(301)	(93,046)	(5,978)	(99,024)	-	(99,325)
	2,576	76,276	878	17,067	96,797	67,420	4,678	72,098	3,836	172,731
Movements in Fair Value										
Acquisition of assets	113	-	12	12	137	4,376	-	4,376	3,883	8,396
Revaluation increments/decrements		-	-	-	-	(50,317)	-	(50,317)	-	(50,317)
Fair value of assets Disposed	(297)	-	(16)	-	(313)	(1,905)	-	(1,905)	(5)	(2,223)
Transfers	76,276	(76,276)	-	-	-	14,044	(10,656)	3,388	(3,442)	(54)
	76,092	(76,276)	(4)	12	(176)	(33,802)	(10,656)	(44,458)	436	(44,198)
Movement in Accumulated Depreciation										
Depreciation and amortisation	-	-	(224)	-	(224)	(4,845)	-	(4,845)	-	(5,069)
Accum Depn Revaluation increments/decrements	-	-	-	-	-	50,689	-	50,689	-	50,689
Accumulated depreciation of disposals	-	-	16	-	16	2,281	-	2,281	-	2,297
Transfers	-	-	-	-	-	(5,978)	5,978	-	-	-
	-	-	(208)	-	(208)	42,147	5,978	48,125	-	47,917
At fair value 30 June 2015	78,668	-	1,175	17,079	96,922	126,664	-	126,664	4,272	227,858
Accumulated depreciation at 30 June 2015	-	-	(509)	-	(509)	(50,899)	-	(50,899)	-	(51,408)
	78,668	-	666	17,079	96,413	75,765	-	75,765	4,272	176,450

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 19 (a)

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

Plant and Equipment

	Plant Machinery and Equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library Books \$'000	Art Works \$'000	Work in Progress \$'000	Total Plant and Equipment \$'000
Fair Value 1 July 2014	10,817	1,708	3,582	3,282	1,927	51	21,367
Accumulated Depreciation at 1 July 2014	(4,719)	(1,045)	(3,158)	(1,733)	-	-	(10,655)
	6,098	663	424	1,549	1,927	51	10,712
Movements in Fair Value							
Acquisition of assets	1,555	895	601	240	76	112	3,479
Fair value of assets Disposed	(1,627)	(4)	-	(215)	-	-	(1,846)
Transfers	-	9	-	-	-	(51)	(42)
	(72)	900	601	26	76	61	1,591
Movement in Accumulated Depreciation							
Depreciation and amortisation	(1,441)	(167)	(247)	(261)	-	-	(2,116)
Accumulated depreciation of disposals	1,073	-	-	215	-	-	1,289
Transfers	-	4	-	-	-	-	4
	(368)	(163)	(247)	(46)	-	-	(824)
At fair value 30 June 2015	10,745	2,608	4,183	3,307	2,003	112	22,958
Accumulated depreciation at 30 June 2015	(5,087)	(1,208)	(3,405)	(1,779)	-	-	(11,479)
	5,658	1,400	778	1,528	2,003	112	11,479

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 19 (a)

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

Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Waste Management \$'000	Parks open space and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
Fair Value 1 July 2014	693,751	92,679	37,103	94,126	37,257	4,727	25,772	16,354	4,617	14,874	960	1,022,220
Accumulated Depreciation at 1 July 2014	(197,695)	(34,576)	(13,546)	(31,268)	(22,063)	(1,741)	(8,809)	(6,787)	(2,233)	(9,882)	-	(328,600)
	496,056	58,103	23,557	62,858	15,194	2,986	16,963	9,567	2,384	4,992	960	693,620
Movements in Fair Value												
Acquisition of assets	6,773	707	1,469	477	646	68	952	86	49	1,016	1,835	14,078
Revaluation increments/decrements	-	-	-	9,325	-	-	-	(1,757)	(450)	-	-	7,118
Fair value of assets Disposed	(1,050)	(1,257)	(168)	(3)	(173)	-	(229)	(90)	-	(943)	-	(3,913)
Transfers	733	219	22	-	-	-	-	-	-	-	(878)	96
	6,456	(331)	1,323	9,799	473	68	723	(1,761)	(401)	73	957	17,379
Movement in Accumulated Depreciation												
Depreciation and amortisation	(9,702)	(1,017)	(954)	(906)	(466)	(158)	(810)	(355)	(114)	(495)	-	(14,977)
Accum Depn Revaluation increments/decrements	-	-	-	(2,412)	-	-	-	1,934	988	-	-	510
Accumulated depreciation of additions	(12)	-	(1)	-	-	-	-	-	-	-	-	(13)
Accumulated depreciation of disposals	447	1,257	168	3	12	-	112	-	-	795	-	2,794
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	(9,267)	240	(787)	(3,315)	(454)	(158)	(698)	1,579	874	300	-	(11,686)
At fair value 30 June 2015	700,207	92,348	38,426	103,925	37,730	4,795	26,495	14,593	4,216	14,947	1,917	1,039,599
Accumulated depreciation at 30 June 2015	(206,961)	(34,336)	(14,333)	(34,583)	(22,517)	(1,899)	(9,507)	(5,208)	(1,359)	(9,582)	-	(340,286)
	493,246	58,012	24,093	69,341	15,213	2,896	16,988	9,385	2,857	5,365	1,917	699,313

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 19(b) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Valuation of land and buildings

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

The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Specialised Land	-	-	78,668
Land Under Roads	-	-	17,079
Land Improvements	-	-	666
Buildings	-	731	75,034
Total	-	731	171,447

Valuation of infrastructure

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

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 2015 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	493,246
Bridges	-	-	58,012
Footpaths and Cycleways	-	-	24,093
Drainage	-	-	69,342
Recreational, leisure and community facilities	-	1,244	13,969
Waste Management	-	-	2,896
Parks, open space and streetscapes	-	680	16,308
Aerodromes	-	-	9,385
Off street car parking	-	-	2,857
Other Infrastructure	-	49	5,316
Total	-	1,973	695,424

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 19(b) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT'D)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.03 and \$18,147.97 per square metre and land under roads values range between \$0.15 and \$1.03 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are comprised of a square metre basis ranging from \$357 to \$4,437 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure asses 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.

	2015 \$'000	2014 \$'000
Reconciliation of specialised land		
Off Street Car Parks	4,638	4,638
Aerodromes	3,051	3,051
Parks/Open Space/Streetscapes	39,561	39,603
Recreation, Leisure & Community Facilities	28,023	28,165
Drainage	753	753
Waste Management	1,484	1,484
Other Infrastructure - Piers/Jetties/Caravan Parks/Markets/Saleyard	1,158	1,158
Total specialised land	78,668	78,852

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For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 20 INTANGIBLE ASSETS		
Water rights	14	-
Software	317	485
Landfill air space	570	641
TOTAL INTANGIBLE ASSETS	901	1,126

	Water Right \$'000	Software \$'000	Landfill \$'000	Total \$'000
Gross Carrying amount				
Balance at 1 July 2013	-	971	1,942	2,913
Additions	-	284	-	284
Balance at 1 July 2014	-	1,255	1,942	3,197
Additions	17	53	40	110
Assets written off	-	-	(503)	(503)
Balance at 30 June 2015	17	1,308	1,479	2,804
Accumulated amortisation and impairment				
Balance at 1 July 2013	-	571	1,056	1,627
Amortisation expense	-	198	246	444
Balance at 1 July 2014	-	769	1,302	2,071
Amortisation expense	3	222	103	328
Assets written off	-	-	(496)	(496)
Balance at 30 June 2015	3	991	909	1,903
Net book value at 30 June 2014	-	485	641	1,126
Net book value at 30 June 2015	14	317	570	901

NOTE 21 TRADE AND OTHER PAYABLES

Trade Payables	5,930	5,477
Accrued Employee Expenses	173	126
TOTAL TRADE AND OTHER PAYABLES	6,103	5,603

NOTE 22 TRUST FUNDS AND DEPOSITS

Trust monies are held for the following purposes:		
Refundable deposits	184	122
Fire Services Property Levy	280	239
Retention amounts	135	133
Other trust funds and deposits	170	224
TOTAL TRUST FUNDS AND DEPOSITS	769	718

Notes to the Financial Report
For the Year Ended 30 June 2015**NOTE 22 TRUST FUNDS AND DEPOSITS (CONT'D)***Purpose and nature of items*

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

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

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

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

NOTE 23 PROVISIONS

	Landfill restoration \$'000	Total \$'000
2015		
Balance at beginning of the financial year	2,027	2,027
Additional Provisions	40	40
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	94	94
Balance at the end of the financial year	2,161	2,161
2014		
Balance at beginning of the financial year	2,013	2,013
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	14	14
Balance at the end of the financial year	2,027	2,027

(a) Employee Provisions**Current provisions expected to be wholly settled within 12 months**

Annual Leave	1,369	1,256
Long Service Leave	341	268
	1,710	1,524

Current provisions expected to be settled after 12 months

Annual Leave	340	298
Long Service Leave	3,924	3,670
	4,264	3,968
Total current provisions	5,974	5,492

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Notes to the Financial Report
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NOTE 23 PROVISIONS (CONT'D)

	2015 \$'000	2014 \$'000
(a) Employee Provisions (cont'd)		
Non Current		
Long Service Leave	251	267
Sick Leave Gratuity	<u>1</u>	<u>1</u>
Total non- current provisions	<u>252</u>	<u>268</u>
Aggregate Carrying amount of Employee Benefits		
Current	5,974	5,492
Non-Current	<u>252</u>	<u>268</u>
Total aggregate carrying amounts of employee provisions	<u><u>6,226</u></u>	<u><u>5,760</u></u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.438%	4.438%
Weighted average discount rates	2.39%	2.93%
Weighted average settlement period	12 mths	12 mths
(b) Landfill Restoration		
Current	558	540
Non-current	<u>1,603</u>	<u>1,487</u>
	<u>2,161</u>	<u>2,027</u>

The following assumptions were adopted in measuring the present value of landfill restoration:

Weighted average increase in costs	3.0%	3.0%
Weighted average discount rates	2.89%	3.45%
Weighted average settlement period	12 mths	12 mths

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

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 24 INTEREST-BEARING LOANS AND BORROWINGS

	2015 \$'000	2014 \$'000
Current		
Borrowings - secured	2,990	2,847
Non -current		
Borrowings - secured	<u>10,137</u>	<u>13,127</u>
TOTAL INTEREST-BEARING LOANS AND BORROWINGS	<u>13,127</u>	<u>15,974</u>
a) The maturity profile for Council's borrowings is:		
Not later than one year	2,990	2,847
Later than one year and not later than five years	5,822	8,524
Later than five years	<u>4,315</u>	<u>4,603</u>
	<u>13,127</u>	<u>15,974</u>
b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	2,990	2,847
Non-current	<u>10,137</u>	<u>13,127</u>
	<u>13,127</u>	<u>15,974</u>

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For the Year Ended 30 June 2015

NOTE 25 RESERVES

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2015			
Property			
Land	73,414	(295)	73,119
Buildings and Structures	71,544	288	71,832
	144,958	(7)	144,951
Infrastructure			
Road, Streets, Drainage, Bridges and Culverts	454,438	5,452	459,890
Other			
Art Gallery Stock	1,123	-	1,123
TOTAL ASSET REVALUATION RESERVES	600,519	5,445	605,964
2014			
Property			
Land	67,215	6,199	73,414
Buildings and Structures	72,077	(533)	71,544
Infrastructure			
Road, Streets, Drainage, Bridges and Culverts	407,714	46,724	454,438
Other			
Art Gallery Stock	1,123	-	1,123
TOTAL ASSET REVALUATION RESERVES	548,129	52,390	600,519

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

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

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 25 RESERVES (CONT'D)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2014				
Discretionary Reserves				
Asset Improvement	1,892	177	1,381	688
Plant Replacement	1,308	998	858	1,448
Waste Management	2,949	913	173	3,689
Total Discretionary Reserves	6,149	2,088	2,412	5,825
Non Discretionary Reserves				
Recreational Land	226	109	-	335
Art Gallery Contribution	-	33	-	33
Leased Property Improvements	660	183	111	732
Total Non Discretionary Reserves	886	325	111	1,100
TOTAL OTHER RESERVES	7,035	2,413	2,523	6,925

Purpose of Reserves

Discretionary Reserves

Asset Improvement

Reserve to fund capital improvements.

Plant Replacement

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

Waste Management

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

Non-Discretionary Reserves

Recreational Land

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

Art Gallery Acquisition

Reserve is to fund future approved art gallery acquisitions.

Art Gallery Contributions

Reserve is to fund future specific major art gallery exhibitions.

Leased Property Improvements

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

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Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 26 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)		
Surplus for the period	12,038	144
Depreciation and Amortisation	22,491	21,430
(Profit)/loss on disposal of property, infrastructure, plant and equipment	177	(183)
Contributions- Non- monetary	(1,589)	(920)
Borrowing costs	772	716
Other	735	169
Change in assets and liabilities		
Decrease in trade and other receivables	439	55
Increase in Other Assets	(658)	4
Decrease in trade and other payables	500	(4,792)
Increase in other liabilities	51	(36)
Increase in Provisions	601	373
NET CASH PROVIDED BY OPERATING ACTIVITIES	35,557	16,960
NOTE 27 RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents (see note 16)	44,358	36,189
	44,358	36,189
NOTE 28 FINANCING ARRANGEMENTS		
Bank overdraft	200	200
Used facilities	-	-
Unused facilities	200	200

Notes to the Financial Report
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NOTE 29 COMMITMENTS

The Council has entered into the following commitments.

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2015					
Capital	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	1,490	-	-	-	1,490
Footpaths & Cycleways	38	-	-	-	38
Plant, Machinery & Equipment	590	-	-	-	590
Roads	561	-	-	-	561
TOTAL	2,679	-	-	-	2,679

	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
2014					
Operating	\$'000	\$'000	\$'000	\$'000	\$'000
Waste Management	4,591	4,421	13,265	-	22,277
Tourist Information Centre	171	171	-	-	342
Software Maintenance	61	61	81	-	203
Animal Pound and Shelter Service	161	-	-	-	161
Major Facilities Maintenance	145	-	-	-	145
Municipal Building Services	106	-	-	-	106
Major Facilities Cleaning	70	-	-	-	70
TOTAL	5,305	4,653	13,346	-	23,304

	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
2014					
Capital	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	1,961	-	-	-	1,961
Footpaths & Cycleways	187	-	-	-	187
Plant, Machinery & Equipment	130	-	-	-	130
Bridges	79	-	-	-	79
Roads	68	-	-	-	68
TOTAL	2,425	-	-	-	2,425

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Notes to the Financial Report
For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
NOTE 30 OPERATING LEASES		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	253	367
Later than one year and not later than five years	1,356	1,215
Later than five years	31	49
	<u>1,640</u>	<u>1,631</u>
(b) Operating lease receivables		
The Council has entered into a commercial property sublease for a portion of it unused office space in the Port of Sale Business Centre. This property was sublet as an operating lease and has a remaining non-cancellable lease terms of under 1 year remaining.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	6	26
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>6</u>	<u>26</u>

NOTE 31 CONTINGENT ASSETS AND LIABILITIES**CONTINGENT ASSETS**

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

Developer Contributions	2,455	1,581
TOTAL CONTINGENT ASSETS	<u>2,455</u>	<u>1,581</u>

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

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

Notes to the Financial Report
For the Year Ended 30 June 2015**NOTE 31 CONTINGENT ASSETS AND LIABILITIES (CONT'D)****Defined Benefit Superannuation Fund**

Wellington Shire Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Wellington Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa
Salary information 4.25% pa
Price inflation (CPI) 2.75% pa.

Vision Super has advised that the estimated VBI at 30 June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions**Regular contributions**

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Wellington Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, Wellington Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Wellington Shire Council) are required to make an employer contribution to cover the shortfall.

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NOTE 31 CONTINGENT ASSETS AND LIABILITIES (CONT'D)

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Wellington Shire Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Wellington Shire Council was notified of the results of the actuarial investigation during January 2015.

Landfill Restoration

Council operates 3 licensed landfills at Kilmany, Longford and Maffra and will be required to carry out site rehabilitation works in the future. Council currently has a provision for landfill restoration (refer Note 23 (b)) which is a best estimate at this time. Depending on the exact requirements of the Environment Protection Authority (EPA) Council may have a further liability but at this point the exact amount is unknown, as the risk levels for each site are yet to be agreed with the EPA and potential costs depend on this assessment.

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:

	2015 \$'000	2014 \$'000
Bank Guarantees	934	934
Loan Guarantees	36	101
TOTAL BANK GUARANTEES	970	1,035

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 32 FINANCIAL INSTRUMENTS

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

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

(c) Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
 - we may require collateral where appropriate; and
 - we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.
- Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with 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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 31.

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.

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Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 32 FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 31, 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 24.

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

(e) Fair value

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

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of 0% and -0.5% in market interest rates (AUD) from year-end cash rate of 2%

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

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 33	ADJUSTMENTS DIRECTLY TO EQUITY	2015 \$'000	2014 \$'000
	Reversal of revalued components of assets disposed or written off (transfer from asset revaluation reserve to accumulated surplus).		
	Land	71	102
	Landfill Air space	224	-
	Buildings & Structures	1,627	533
	Roads, Streets, Drainage, Bridges & Culverts	633	294
		<u>2,555</u>	<u>929</u>

NOTE 34 RELATED PARTY TRANSACTIONS

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

COUNCILLORS	
	Councillor Carolyn Crossley - Mayor (5/11/14-30/6/15)
	Councillor John Duncan
	Councillor Patrick McIvor
	Councillor Bob Wenger
	Councillor Peter Cleary
	Councillor Emilie Davine
	Councillor Malcolm Hole
	Councillor Darren McCubbin
	Councillor Scott Rossetti Mayor (1/07/14-4/11/14)

CHIEF EXECUTIVE OFFICER David Morcom

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
Income Range:		
\$ 1 - \$ 9,999	-	-
\$ 10,000 - \$ 19,999	-	-
\$ 20,000 - \$ 29,999	7	8
\$ 30,000 - \$ 39,999	-	-
\$ 40,000 - \$ 49,999	1	-
\$ 50,000 - \$ 59,999	-	-
\$ 60,000 - \$ 69,999	1	-
\$ 70,000 - \$ 79,999	-	1
\$ 260,000 - \$ 269,999	-	1
\$ 280,000 - \$ 289,999	1	-
	<u>10</u>	<u>10</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	566	535

1.0 Financial Report

1.1 Annual Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2015

NOTE 34 RELATED PARTIES (CONT'D)

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
(b) whose total annual remuneration exceeds \$136,000

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

	2015	2014
Income Range:	No.	No.
<\$135,999	1	2
\$136,000 - \$139,999	-	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	-	-
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	2	1
	<u>6</u>	<u>7</u>
	\$'000	\$'000
Compensation for the reporting year for Senior Officers included above, amounted to:	945	998

(iv) Responsible persons retirement benefits

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

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person are as follows:

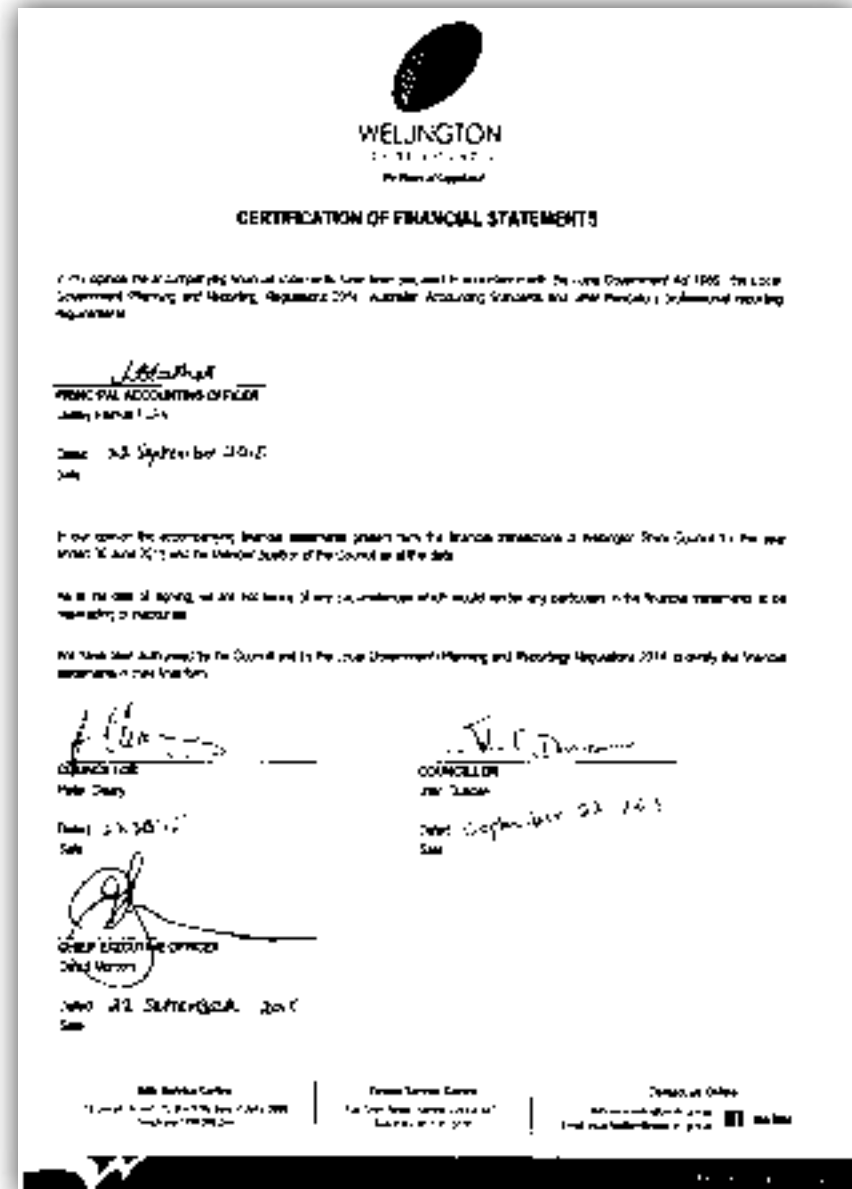
No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year. (2013/14, Nil)

(vi) Transactions with responsible persons

During the period Council entered into transactions with responsible persons or related parties of responsible persons, which occurred within a normal employee, customer or supplier relationship and at arm's length, including provision of transport services, production of shows at the Esso BHP Billiton Wellington Entertainment Centre, and contribution towards a community bus.

NOTE 35 **EVENTS OCCURRING AFTER BALANCE DATE**

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



1.0 Financial Report

1.1 Annual Financial Report





Sale Service Centre - Council Headquarters

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

Operating Hours: Monday to Friday 8.30am - 5.00pm

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

Email: enquiries@wellington.vic.gov.au

Yarram Service Centre

156 Grant Street, Yarram VIC 3971

Operating Hours: Monday, Tuesday, Thursday, Friday 10.00am - 2.00pm (Closed Wednesday)

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

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